**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company (U 39 E) for Approval of its Demand Response Programs, Pilots and Budgets for Program Years 2023-2027.	Application No. 22-05-___

APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) FOR APPROVAL OF ITS DEMAND RESPONSE PROGRAMS, PILOTS, AND BUDGETS FOR PROGRAMS YEARS 2023-2027

REQUEST FOR EXPEDITED SCHEDULE UNDER RULE 2.9

STEVEN W. FRANK
SHIRLEY A. WOO
DARREN P. ROACH

Law Department
Pacific Gas and Electric Company
77 Beale Street, (B30A
San Francisco, CA 94105
Telephone: (415) 416-8353
Facsimile: (415) 973-5520
Email: Darren.Roach@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) respectfully files this Application for approval of its Demand Response (DR) Programs Portfolio and Budgets for the 2023 through 2027 program years (Application), in compliance with Decision (D.) 17-12-003, Ordering Paragraph 61, as modified by the California Public Utilities Commission's (Commission) approval of an extension of time to file this Application from November 1, 2021 to May 2, 2022.[1/] This Application is timely filed.

In granting this extension of time, the Commission noted that utility DR applications will include a request for "interim funding for 2023, also referred to as 'Bridge Funding,' on an accelerated schedule in the Applications."[2/] Accordingly, PG&E requests approval of its DR programs with a total revenue requirement of $870.5 million for 2023 through 2027 program years, bifurcated into two program periods: (1) $70.9 million for the 2023 Bridge Funding program year, based primarily, but not solely, upon operating DR programs on the same terms and budgets authorized for 2022; (2) and $799.6 million for the 2024-2027 program years.

1/ California Public Utilities Commission approval of "*Request of the Investor-Owned Utilities to Extend the Deadline for Submission of 2023-2027 Demand Response Portfolio Applications from November 1, 2021 to May 2, 2022,"* (Application (A.) 17-01-012) (September 30, 2021).

2/ *Id.,* p. 2.

PG&E requests the Commission authorize an increase in its electric rates and charges effective January 1, 2023 and January 1, 2024, respectively, to collect the revenue requirement needed to serve our customers.

PG&E requests expedited consideration and resolution of the 2023 Bridge Funding program year (proposed Phase 1 of this proceeding) in order to receive an approved final decision by the Commission's November 3, 2022 voting meeting, at the latest, to permit uninterrupted and orderly administration of DR programs beginning January 1, 2023. The basis for PG&E's request is presented in Attachment A to this Application, pursuant to Rule of Practice and Procedure 2.9. The 2024-2027 program years (proposed Phase 2) is proposed to commence after completion of the 2023 Phase 1 portion of the proceeding.

II. BACKGROUND

A central theme of this Application are proposals that will enhance PG&E's ability to utilize DR to meet the evolving complexities of electric grid needs. Over the last several years, the State of California has experienced the devastating effects of wildfires, severe drought, prolonged heat storms and a global pandemic, all of which have had ramifications on grid reliability. These climate-related conditions are expected to persist, and effective utilization of DR can play a role in mitigating their effect on grid reliability.

With this theme in mind, PG&E proposes to enhance its DR portfolio and DR policy matters in ways that are responsive to both the needs of the grid and participating customers for today and in the future. PG&E proposes to double the size of its demand-side resource portfolio from 495 megawatts in 2022 to more than 1,000 megawatts in 2027, all while improving the availability and reliability of its DR capacity. PG&E views the 2023-2027 program cycle as an opportunity to not only significantly grow the size and capabilities of our portfolio, but also to test out new concepts and invest in our DR infrastructure.

Accordingly, this Application proposes enhancements to its core DR programs -- Base Interruptible Program (BIP), Capacity Bidding Program (CBP), SmartAC Program and the Automated DR incentive mechanism --to bolster PG&E's ability to meet the existing and anticipated grid challenges over the 2023-2027 program cycle. It proposes a new Automated Response Technology program to support the enablement of residential smart technologies, such as batteries and electric vehicles for use in DR and time-of-use and/or load shifting. Two new pilots are proposed -- a residential Smart Panel Pilot, and an Agricultural DR Pilot -- to develop and test new DR program design focusing on customer capabilities, technology response, and operational experience around providing multiple grid service opportunities. Lastly, as ordered in the Reliability Rulemaking, Phase 1 (D. 21-03-056), PG&E has included a request to continue administering the Emergency Load Reduction Program (ELRP) pilot through 2025, and is proposing continuation of ELRP through 2027.

The Commission's goal for DR programs is well-served by this Application, as our proposals will continue to assist the State in meeting its environmental objectives, helping to serve the needs of the grid, and enabling customers to meet their energy needs at a reduced cost.[3/] At the same time, PG&E's commitment to the people and communities we serve is also well served. The proposals in this Application set DR on a more effective path to addressing the grid's greatest needs while supporting customers in a manner guided by PG&E's triple bottom line of People, Planet and Prosperity:

- **People** – The privilege PG&E has to serve its customers is not taken for granted, and follow through of this commitment to its customers to provide affordable, reliable, safe and clean service remains paramount. The proposals in this Application enhance our DR portfolio's ability to support and serve customers by mitigating the effects of capacity shortfalls, minimizing the impacts of Public Safety Power Shutoff (PSPS) events, and giving customers who are willing the ability to participate in supporting the grid.

3/ D.16-09-056, p. 46. In recognition of the Commission's goals for cost effective programs, PG&E's testimony presents alternative program design and budget proposals for cost effective DR programs for 2024-2027, at PG&E-Exhibit-02, Chapters 3, 8, and 10.

- **Planet** – The correlation between the grid challenges the State is encountering and the effects of climate change is apparent. While the grid challenges today are front-of-mind, the longer term decarbonization strategy is what will address the climate component of environmental disasters that are plaguing California. DR plays a role in that strategy as a cleaner resource, and its effective utilization will support the State's ability to meet its various energy and environmental goals.
- **Prosperity** – Energy is a key input to the livelihoods of residents and businesses in our community. By meeting the commitment to provide affordable, reliable, safe, and clean service, PG&E supports the continued prosperity of California's communities. Additionally, PG&E shares the Commission's continued commitment to a competitive third-party landscape for DR that enables a diversity of DR suppliers and supports the transformation of the marketplace for DR services and technology in California.

Importantly, the proposed DR portfolio offers opportunities for customers to proactively manage a portion of their energy use – and, in turn, their bills – while assisting in reliability of electric operations. PG&E also realizes that any proposed rate increase will impact our customers, and we support programs that provide bill assistance to customers who struggle the most. We are committed to keeping customers costs as low as reasonably possible, while at the same time fulfilling mandates to offer effective DR solutions and to provide more broadly "such adequate, efficient, just and reasonable service instrumentalities, equipment and facilities, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees and the public."4/

The remaining sections of this Application addresses:

- Section III: Principles Underpinning PG&E's 2024 - 2027 Application
- Section IV: Overview of PG&E's Testimony

4/ California Public Utilities Code §451.

- Section V: Statement of Relief and Authority
- Section VI: Compliance with the Rules of Practice and Procedure
- Section VII: Conclusion and Request for Relief

III. PRINCIPLES UNDERPINNING PG&E'S 2024-2027 APPLICATION

PG&E's Application is guided by six principles summarized below and detailed in PG&E-Exhibit-02, Chapter 1 of its 2024-2027 written testimony.

A. Integrating PG&E's Vision and California DR Policy.

PG&E continues to support the Commission's principles for DR programs.[5/] In the immediate near term, the focus of DR should be to address California's capacity shortfall and grid reliability issues. In particular, a focus on the critical months, locations, and hours most susceptible to higher demand and/or higher prices on the grid is warranted. For example, on January 11, 2022, the California Energy Commission (CEC) provided updated shortfall forecast needs for September 2022 ranging from 200 megawatts (MW) to 2,400 MW.[6/] The forecasted wide range of MWs that may be needed to support September 2022 is a significant reason why flexibility and a mechanism to enhance and modify DR programs is essential to meet the anticipated shortfall. The implications of failing to do so are beyond theoretical given the events of August 14 and 15, 2020, when the California Independent System Operator (CAISO) issued a Stage 3 Emergency and ordered firm load curtailment,[7/] which had not been seen since the Energy Crisis in 2001.

5/ In D.16-09-056, at p. 46, the Commission established six principles that DR programs, including that DR "shall be flexible and reliable to support renewable integration and emission reductions;" "shall evolve to complement the continuous changing needs of the grid;" and "shall be market-driven leading to a competitive, technology-neutral, open-market…with a preference for services provided by third-parties through performance-based contracts at competitively determined prices, and dispatched pursuant to wholesale or distribution market instructions, superseded only for emergency grid conditions."

6/ CEC – 21-ESR-01: Staff Paper – Updated 2022 Summer Supply Stack Analysis (January 11, 2022).

7/ CAISO Operating Procedure 4420 – www.caiso.com/Documents/4420.pdf

In its review of this Application, the Commission is urged to consider the most immediate needs of the grid and the timeframes for those needs. Stakeholders must remain focused on prioritizing and advancing proposals which are directly aligned with addressing the greatest grid needs. Additionally, the Commission should consider relaxing requirements which hinder the ability to grow DR capacity in this time of need.

Beyond the most urgent issue of capacity and energy shortfalls, the future needs of the grid will require thoughtful design and the ability to realize multiple-use and value stacking to capture additional grid services including support for localized transmission and distribution needs and emission reduction. Enabling customers to provide multiple-use grid services may offer (1) additional value back to participating and non-participating customers and third-party providers, (2) additional resources to be used to address grid challenges beyond generation capacity and energy, and (3) an improved cost-effective program and portfolio solution.

B. A Comprehensive Load Management Strategy Is Necessary.

Energy market dynamics over the next 10 years will require stronger coordination between supply and demand, and require a comprehensive load management approach that is based on customer and demand flexibility to ensure reliability and affordability. Comprehensive programs designed to provide energy efficiency and DR benefits, combined with the right rate, could have the potential to produce greater value to customers, through greater load impacts at lower cost, than the value of a DR program alone. This type of value stacking is also expected to improve the cost effectiveness of PG&E's demand-side management portfolio, but only if it avoids double counting of load impacts and double compensation for the same load reduction.[8/] PG&E proposes to enhance dual participation rules governing customer participation in multiple programs.

Further, because a positive customer experience is at the core of PG&E's load management strategy, focus is on providing greater opportunities to enhance the customer

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8/ PG&E notes that there may also be interactive effects between certain programs that require coordination (i.e., EE programs can reduce DR potential).

experience with more targeted programs, enabling technology, and enhanced signals that are leveraged to participate in load management programs. This requires a better understanding of our customers' end-use load elasticity in response to a signal. This Application provides a nuanced approach to align end use load elasticity to program designs that maximize load management potential at least cost, which will help PG&E prioritize which pilots and programs to pursue to best optimize for grid needs. For residential DR programs, PG&E proposes a new Automated Response Technology program to allow customers to leverage their smart home technologies for load management such as demand response, time of use and load shifting. Similarly, a proposed Smart Panel Pilot would allow customers to connect smart devices and distributed energy resources to provide comprehensive load management solutions.

C. Reassessment of Cost Effectiveness Is Necessary to Meet Evolving Grid Needs.

To meet evolving grid needs, PG&E needs the flexibility to initiate new programs. A key component of this flexibility will be enabled by a reform of DR's cost effectiveness protocols. Currently, DR programs are required to undergo a cost-effectiveness assessment under protocols last updated in 2016,[9/] despite continual updates to the Avoided Cost Calculator (ACC), which has created a divergence in the proxy generation resource used for measuring cost effectiveness.[10/] In the years since DR programs were market integrated, PG&E has observed that many of the assumptions and methodology buttressing the 2016 Protocols do not fully account for the value and impact DR resources can and do have on the grid. PG&E recommends that the Commission evaluate the efficacy of the 2016 Protocols to determine their continued relevance and effectiveness to measure DR programs.

9/ 2016 DR Cost Effectiveness Protocols dated July 2016 at p. 7. Link: https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/demand-response-dr/demand-response-cost-effectiveness).

10/ D.16-06-007 adopted annual updates to the ACC, and D.19-05-019 adopted a schedule for both major and minor changes to the ACC. The avoided cost has seen a downward trajectory while capacity (Resource Adequacy) market prices has seen an increase as observed in the Commission annual Resource Adequacy reports (2020 versus 2019).

D. Programmatic and Budget Flexibility Is Needed to Implement PG&E's DR Portfolio.

Because of the tremendous changes in market and grid conditions that California continues to experience, flexibility in the programmatic and budgetary frameworks are needed for PG&E to effectively meet evolving grid needs—particularly immediate, short-term needs. Regulatory channels are requested that allow for the expeditious review and approval of program enhancements and new pilots for the purposes of addressing reliability. This flexibility can be achieved by leveraging current advice letter processes that allow for expeditious review and approval of future programs enhancements, while still providing appropriate avenues for stakeholder participation.

The current limitations on shifting funds both within and across funding categories is also a barrier for PG&E to expeditiously enhance its DR offerings. Flexibility is requested by revising fund shifting rules approved in D.12-04-045 to raise the percentage of funding it may reallocate within each budget category to 75 percent without prior Commission authorization, and to permit funds to be shifted between budget categories through a Tier 2 advice letter.[11/]

E. Continued Support of Provider Diversity.

PG&E is committed to supporting the Commission's goal of increasing the role of third party DR providers (DRPs) to give customers choice and flexibility to participate in DR and the use of data platforms to facilitate customer data sharing authorizations and participation in the CAISO market. PG&E enables retail customer participation with third party DRPs through ShareMyData and other IT systems supporting PG&E's Electric Rule 24 tariff (Rule 24). Significant growth in in Rule 24 customer authorizations and registrations in the CAISO has occurred since approval of the 2018-2022 DR Application, and further growth is anticipated as the third party DR marketplace continues to develop and mature. Therefore, this Application is proposing appropriate funding to support scaling growth in retail customers' participation with

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11/ D.20-05-009 enabled the Utilities to request for fund-shifting between DR budget categories through a Tier 3 Advice Letter (AL).

third party DR providers. Moreover, PG&E shares its experience with the Demand Response Auction Mechanism (DRAM) and thoughts around leveraging third-party demand response.

F. DR Support for Environmental and Social Justice.

The Commission explains that "Environmental and social justice (ESJ) seeks to come to terms with, and remedy, a history of unfair treatment of communities, predominantly communities of people of color and/or low-income residents."[12/] The Commission announced nine overarching goals to integrate ESJ principles throughout its work.[13/] PG&E identified four ESJ goals supported by this Application.[14/] For example, because DR programs and pilots are a source of clean capacity and energy resources that support grid needs across all communities, PG&E supports an ESJ goal to, "Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health." Specifically, DR programs and pilots offer both financial benefits through participation as well as the ability to improve local air quality through the potential reduction of the use of peaker generation facilities that often rely on fossil fuels. These facilities are frequently located in ESJ communities. As a second example, DR programs and pilots can help address an ESJ goal to "increase climate resiliency in ESJ communities" by 1) reducing air pollution through minimizing reliance on peaker facilities, and 2) reducing the possibility of service curtailment (e.g., rolling black-outs and/or distribution overload).

12/ D.21-06-015, pp. 405-406.

13/ D.21-06-015, pp. 405-406. *See also,* California Public Utilities Commission, "*Environmental and Social Justice Action Plan, Version 2.0*, (Draft version issued for public comment), October 26, 2021 (DRAFT CPUC ESJ 2.0_10.26.2021 (ca.gov)).

14/ The four ESJ goals, discussed in PG&E's testimony in support of its 2024-2027 proposals, at Chapter 2, are: (1) "Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health;" (2) "Increase climate resiliency in ESJ communities;" (3) "Enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC's decision-making process and benefit from CPUC programs;" and (4) "Enhance enforcement to ensure safety and consumer protection for all, especially for ESJ communities."

IV. OVERVIEW OF PG&E'S DR APPLICATION WRITTEN TESTIMONY

This overview of PG&E's written testimony outlines major proposals, with detail and support for all proposals contained in two exhibits of written testimony and supporting materials. PG&E-Exhibit-01 presents written testimony supporting 2023 program year, and PG&E-Exhibit-02 presents written testimony supporting 2024-2027 program years. Prior to serving its testimony May 2, 2022, PG&E engaged with several stakeholders, including the Commission's Energy Division, California Public Advocates Office, The Utility Reform Network, California Large Energy Consumers Association, several DR aggregators and direct DR participants, and the California Efficiency + Demand Management Council.

A. 2023 Program Year Bridge Funding Written Testimony (PG&E-Exhibit-01).

The 2023 Bridge Funding proposals seek to continue DR programs operation primarily, but not exclusively, on the same terms, conditions and budget levels as authorized for the 2022 program year approved in D. 17-12-003. In a few budget categories, reduced funding is requested for 2023 over the 2022 year. Two exceptions where increased budgets are proposed are for CBP program incentives, and for Rule 24 program IT systems enhancements that are essential to begin as soon as practicable, but during the 2023 program year at the latest to address anticipated significant increases in CAISO customer registrations in support of third-party DRP programs. PG&E's 2023 Bridge Funding proposals do not include funding already approved by the Commission in Rulemaking 20-11-003,[15/] such as the ELRP and the smart controllable thermostat pilot portion of the SmartAC Program.

Chapter	Title
1	2023 Bridge Funding Request
2	Third-Party Demand Response
3	2023 Budget and Cost Recovery

15/ Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Even in 2021.

1. Chapter 1: 2023 Bridge Funding Request.

Chapter 1 requests authorization and funding for the 2023 program year DR portfolio. Three sets of enhancements are proposed for CBP. First, PG&E proposes to change program hours to one 4 p.m.-9 p.m. window, to align CBP availability with the hours of greatest potential for supply shortfalls. Second, to improve the customer experience, reduce barriers to participation, and incent aggregators to bring more megawatts into the program, PG&E proposes to increase capacity incentive rates, enhance the settlement process for CAISO wholesale energy payments, and make permanent the option for electronic enrollment. Third, revisions to the nomination window and elect bid price options are proposed in anticipation of a Commission order to add DR resources to year-ahead or month-ahead Resource Adequacy Supply Plans for compliance year 2023.

For the SmartAC program, PG&E requests to market integrate its smart controllable thermostat pilot. No other changes are recommended in SmartAC program operation or funding over the 2022 year.

For the Permanent Load Shift Thermal Energy Storage Program (PLS-TES), PG&E proposes to end a requirement to submit thermal energy storage post-installation monitoring data.

No program updates or funding increases beyond that approved for 2022 are requested for other components of the 2023 DR portfolio: BIP, the Optional Binding Mandatory Curtailment (OMBC) program, Scheduled Load Reduction Program (SLRP), ELRP, and Emerging and Enabling Technology programs (Auto DR and DR Emerging Technology). Slightly less funding is requested for marketing, education and outreach (MEO) activities, and load impact evaluations. Finally, ELRP pilot funding for 2023 was authorized in D.21-12-015, and no incremental funding is requested.

2. Chapter2: Third-Party Demand Response.

Chapter 2 presents PG&E's forecast for Electric Rule 24 data sharing authorizations and CAISO location registrations, and a budget request to support Rule 24 Program operations at the mass market (residential and small commercial) participation level during 2023. PG&E's projected growth indicates the number of CAISO registrations could exceed mass market levels of 200,000 registrations starting in 2022 and grow to approximately 650,000 to 800,000 registrations by the end of 2027.[16/] Approval of the funding to address this anticipated growth will enable the Rule 24 program to meet the needs of third-party Demand Response Providers at mass market levels. Approving this proposal will fund labor, IT operations and maintenance, and IT enhancements for Rule 24. This budget request is not duplicative of funding approved by the Commission in D.21-12-015, and will not be duplicative of requests pending in a current Click-Through application proceeding.[17/]

3. Chapter 3: 2023 Budget Cost Recovery.

Chapter 3 details cost recovery proposals and revenue requirements requested to continue operating DR programs and activities for 2023. This Application's request is incremental to funding already approved by the Commission for 2023 in the Summer Reliability Rulemaking D.21 03 056 and D.21 12 015. PG&E proposes to include the annual revenue requirement in the Annual Electric True-Up (AET) Advice Letters through distribution rates through the Distribution Revenue Adjustment Mechanism. It also requests to continue using Demand Response Expenditure Balancing Account (DREBA) and its existing subaccounts to track the program expenses and authorized budget; to carry over funds unused in 2023 to the 2024-2027 program years, and to use the unspent and uncommitted funds from the 2018-2022 program years to offset the revenue requirement for the 2023-2027 program cycle.

16/ In PG&E Advice Letter 6165-E, at page 8, PG&E indicated that it regards the beginning of mass market levels after the number of CAISO DRRS registration/locations for third party DRPs exceeds 200,000.

17/ *PG&E Improvements to Click Through Customer Data Access Application,* A.18-11-015. Because this Application is pending, DRPs will be reliant on PG&E's SMD on-premise infrastructure to support their customer enrollment and data access needs until a cloud-based infrastructure is approved.

PG&E requests a $70,107,293 proposed budget for the 2023 program year, as shown in Table 1, *Summary of Demand Response Programs and Pilots Budget for 2024-2027*, *Infra,* on pages 20-21 of this Application.

Certain forecast expenditure related to Rule 24 meets PG&E's capitalization policy; however, the forecast capital amounts are minimal. PG&E is proposing to recover all expenditure as expense in this Application to simplify the revenue requirement request and forgoes the return on capital. The accounting treatment should not be considered precedential.

B. 2024-2027 Program Years Written Testimony (PG&E-Exhibit-02).

PG&E-Exhibit-02 written testimony presents program proposals and budget requests for the 2024 through 2027 program years.

Chapter	Title
1	The Landscape of Demand Response and Summary of Proposals
2	Program Policy Enhancements
3	2024-2027 Demand Response Program Proposals
4	2024-2027 Demand Response Technology Programs, Pilots and Load Management Proposal
5	Third-Party Demand Response
6	Demand Response Operations
7	Load Impacts, Measurement, and Evaluation
8	Proposed and Alternative Demand Response Budget Request
9	Cost Effectiveness Evaluation
10	Cost Recovery and Revenue Requirements

1. Chapter 1: The Landscape of Demand Response and Summary of Proposals.

Chapter 1 provides PG&E's vision and principles for the Application. *See, Supra,* Section III of this Application.

2. Chapter 2: Program Policy Enhancements.

For the 2024-2027 program cycle, customer elasticity should be the primary driver for understanding DR potential for flexible loads, value streams, in program and customer journey designs, and for designing effective DR programs. This chapter lays out policy issues to be addressed in order to leverage customer's willingness and ability to respond to DR event calls, rates, or other signals, towards achieving the envisioned growth in DR.

Policy Gaps Lead to Divergence Between Technical Potential and Programmatic Potential: This section identifies challenges related to customer participation in DR that limits current programmatic potential, and provides recommendations to narrow the gap between the technical and programmatic potential. PG&E supports undertaking two studies – a Load Flexibility Study, and a Market Integration Efficacy Study – to address and complement issues encompassed in the current Lawrence Berkeley National Lab DR Potential Study. These studies would assist in better understanding end-use loads and help evaluate the efficacy of CAISO market integration for DR programs. Also, a Market Potential Study is proposed to focus on increased DR enrollment in distribution and transmission constrained areas, with a goal of targeting high impact areas to achieve better cost effectiveness.

Auto-Enrollment of Participants Receiving Technology Program Incentives: DR program participation should be required of customers receiving technology incentives from other programs such as Energy Efficiency, Clean Electric Transportation, and Distributed Generation – Self Generation Incentive Program. A DR program mandate is critical to unlocking flexible behind-the-meter distributed energy resources and smart appliances. This approach may improve overall cost effectiveness, grow overall MWs, lower customer acquisition and might provide additional tools to grid operators.

Dual participation: Dual participation rules are ripe for discussion and revision. Core principles of dual participation should remain to protect ratepayers, including prohibiting double payment for a single instance of load reduction, avoiding conflicting signals, and ensuring accurate load impact measurement and attribution issues. However, Commission dual participation rules categorizing programs as event-based and non-event-based are not intuitive and do not resonate with the complexity of a broader range of load management efforts. Similarly, the dual participation rules only permit dual participation between a capacity program and an energy program, and between a day-ahead triggered program and a day-of triggered program, even though dual participation in two of the same types of programs may represent incremental capacity. PG&E proposes to eliminate these two rules and replace them with alternative recommendations discussed in this chapter, a recommends workshops early on in a second phase of this proceeding. Improvements to dual participation rules may help to increase DR participation, provide for equitable compensation, and help to better measure overall DR performance.

Prohibited Resources Allowance for BIP: PG&E proposes to temporarily suspend the Prohibited Resources restrictions for customers participating in BIP for 2024-2027. Removing these restrictions could increase the availability of emergency resources needed to help stabilize the grid and minimize the likelihood of rotating outages during extreme weather events. PG&E proposes addressing the Prohibited Resources reporting and monitoring requirements during the suspension.

Next, greater clarity around the Prohibited Resources compliance framework and flexibility for fuel switching would help investor-owned utilities and participants plan for the future. As it relates to exempting BIP, this clarity would potentially increase enrollment and/or availability to support heightened grid needs for the next few years. For these reasons, PG&E recommends the Commission coordinate with other state agencies to assess fuel switching and consider expanding the fuel types that could be used to exempt backup generators from being classified as prohibited resources.

Emergency Cap: PG&E proposes maintaining a temporary increase in the emergency DR reliability cap to three percent, should the ELRP pilot be extended beyond 2025. This would enable additional resources to participate in BIP if the ELRP is extended.

Program Enhancement Flexibility: PG&E requests flexibility to re-evaluate design elements of its programs and pilots through a Tier 1 or Tier 2 advice letter process. A voluntary letter would be filed by December 1 of each year, with program adjustments intended to become effective by May 1st of the following year.

3. Chapter 3: 2024-2027 Demand Response Program Proposals.

Chapter 3 discusses proposals for its DR programs, BIP, CBP, SmartAC, and load modifying resources, and proposes MEO to support these programs.

BIP recommendations include continuing year-round enrollment for new or increased participation regardless of the duration of the ELRP pilot, permanently ending the lottery system, and imposing a minimum customer enrollment term of six months before unenrolling or raising a Firm Service Level. PG&E also proposes increasing capacity incentive rates for the months of May through October of each year, revising the event limits to 10 events during a 30 day window and a three-day limit on consecutive event days, and adding a 15-minute program option.

The proposed revisions to the CBP program fall into two categories designed to (1) increase program usefulness, increase program participation, improve resource performance when dispatched, and remove hurdles to participation (e.g., lowering the penalty threshold for CBP aggregators and increasing the performance cap, requiring aggregator participation on Saturdays, and removing underused program options [the Prescribed and Elect-plus options]); and (2) deliver firm and targeted DR for times of greatest grid need while ensuring continued customer participation (e.g., revision to nomination window, cost recovery of resource adequacy-related market penalties). PG&E also proposes to continue modifications proposed in the 2023 Bridge Funding request (e.g., increase monthly capacity incentives).

For the SmartAC program, PG&E proposes to continue the program with no further customer recruitment or enrollment of new customers, to continue dispatch of installed two-way devices, and remain market integrated as a Proxy Demand Resource product. PG&E also proposes to close the Commercial Smart AC tariff.

PG&E presents alternative program and budget proposals to operate cost effective programs for BIP, CBP, and SmartAC (PG&E-Exhibit-02, Chapter 3), and provides budget (PG&E-Exhibit-02, Chapter 3), cost-effectiveness analyses (PG&E-Exhibit-02, Chapter 9) and revenue requirements (PG&E-Exhibit-02, Chapter 10) based on these alternative proposals.

PG&E proposes an Automated Response Technology program, a market integrated program to enable customers to leverage their smart home technologies for load management such as Demand Response and TOU/Load Shifting. Home device technologies eligible for the program would include smart thermostats, smart appliances, heat pump water heaters, EV chargers and batteries.

No updates are proposed for load modifying programs, OMBC and SLRP. For the PLS program, PG&E proposes to end the requirement to submit five years of monitoring data for performance evaluation.

PG&E recommends several MEO strategies, including customer and technology segmentation, coordinating DR outreach, and leveraging existing relationships and partnerships.

4. Chapter 4: Demand Response Technology Programs, Pilots and Load Management Proposal.

Chapter 4 details proposals for DR technology assessment programs, pilot programs, and load managements activities. Proposals for the ADR program include continuing a $200/kW incentive after the installation of the technology is confirmed as dispatchable and eligible DR program participation is verified. Also, PG&E proposes to continue a condition that customers receiving 100 percent of an ADR incentive up front will be required to participate in a DR program for a minimum of five years. PG&E is also proposing to eliminate the residential Deemed Incentive Application process and incentive starting in 2024.

PG&E recommends allowing Reliability Demand Response Resources to be eligible for ADR incentives, reversing a Commission order, particularly in light of the increased frequency BIP has been called for system-wide emergencies.

PG&E proposes to continuing the DR Emerging Technology (DRET) Program to explore several important topics including evaluating technologies and processes that could provide benefit to customers on dynamic rates, developing a new process to leverage flexible appliances as grid resources, and partnering with other emerging technology programs.

Three pilots are proposed. A Smart Panel Pilot is proposed to evaluate whether and how a smart electrical panel can offer residential customers the control, convenience, and choice they need to achieve their energy goals while also participating in a utility DR program. Next, PG&E has requested funding for ELRP for 2024-2025 as authorized, and proposes the continuation of the ELRP for 2026-2027. Finally, an Agricultural DR Pilot is proposed to entice increased participation and load reduction of this segment.

Regarding Load Management Activities, PG&E generally supports the CEC's Load Management endeavors. Enablement and access to digitized information such as electricity prices and GHG signals are the opportunities that may lead to unlocking value to customers, creating a cleaner supply portfolio, and providing the state with load curves that would support a reliable and balanced California grid. PG&E also recognizes this work is critical, and recommends budget and activities to support the CEC's Load Management efforts.

5. Chapter 5: Third-Party Demand Response.

In Chapter 5, PG&E recommends against adopting a permanent DRAM, and details substantial modifications should a permanent DRAM be considered. Instead, DR resources should be encouraged to participate in need-based procurement. This is a better path for participation by third-party DR providers in that: (1) it is need based, and (2) allows for DR to compete on a level playing field with other supply resources.

6. Chapter 6: Demand Response Operations.

In Chapter 6, PG&E proposes funding for continued utility DR Operations and Electric Rule 24 Operations. The DR Operations proposed budget will continue to operate and enhance a DR Market Integration Information Technology platform, and cover labor and vendor costs necessary to operate DR programs. DR Operations will support retail activities, including customer enrollment and event dispatch, and market activities, such as dispatch of PG&E's DR programs as supply resources. Funding is critical to meeting PG&E's goal of doubling the size of its DR portfolio by 2027.

PG&E anticipates Rule 24 funding will be needed to support mass market levels beginning in 2022 and continuing throughout the 2023-2027 funding cycle. The funding request for Rule 24 will support labor, vendor costs for Customer Information Service Request for DR Provider form processing, IT operations and maintenance, and IT system enhancements particularly necessary for supporting expected growth in CAISO customer registrations.

Of note, Chapter 6 discusses PG&E's pending Click Through proposal to transition the IT Share My Data system on-premise infrastructure to an Infrastructure-as-a-Service or cloud-based service.[18/] PG&E's cloud-based SMD will be designed to be flexible in terms of its ability to scale up to meet increasing volumes of data sharing authorizations.[19/] A Commission decision as soon as practicable is desired because of concerns that its current on-premise SMD platform might not be able to sustain adequate performance possibly in 2025 as the number of registrations continues to increase.

7. Chapter 7: Load Impacts, Measurement, and Evaluation.

Chapter 7 describes the Load Impact estimates and the Measurement and Evaluation (M&E) planned for PG&E's DR portfolio. Recommendations include: (1) continuing the annual load impact evaluation of each of PG&E's DR programs; (2) conducting research studies to improve cost effectiveness and to shape future program designs; (3) refining DR bid forecasting and permanent valuation methodology for resource adequacy; (4) updating the list of dockets for the DR annual load impact reports; and (5) retiring an irrelevant reporting requirement.

18/ This proposal is pending in PG&E's Click-Through application (A.18-11-015).

19/ PG&E previously noted that "Nevertheless, PG&E notes that at some point, the growth of customer data access will outstrip the existing capability of the SMD system, and this will stress currently achieved performance with the potential to degrade customer experience and third-party utilization of the SMD system. To prevent such outcomes, it is also important for PG&E to enhance its systems to be more flexible and resilient to changes in incoming data access request volumes." PG&E's Click Through Application (A.18-11-015), PG&E-0001, Chapter 2, p. 2-24.

8. Chapter 8: Proposed and Alternative Demand Response Budget Request.

Chapter 8 presents a budget request of $791 million for the 2024-2027 funding cycle, which is approximately $197.8 million per year. Budget increases are primarily attributable to the continued implementation of the ELRP already authorized by the Commission through 2025, and proposed extension through 2027. Secondary cost drivers are costs for BIP changes already authorized and new proposals in this Application, such a new Automated Response Technology program and other proposals detailed in PG&E-Exhibit-02, Chapter 3 of written testimony. Other cost drivers include proposed increases to fund continued DR programs, new DR Pilots and DRET, DR operations, and Rule 24 operations and maintenance.

The proposed budget for 2023-2027 program years, including a breakdown of the 2023 program year, is below:

TABLE 1
PROPOSED DEMAND RESPONSE PROGRAMS AND PILOTS BUDGET FOR 2023-2027

Line No.	Funding Categories	2018-22 Auth.	2023 Total	2024-27 Total
1	Category 1: Supply-Side DR Programs			
2				
	AC Cycling: SmartAC™	$31,980	$6,396	$5,697
3	BIP	$161,770	$32,354	$175,359
4	Capacity Bidding Program	$20,515	$5,295	$28,479
	Automated Response Technology (ART)	N/A	N/A	$23,796
5	Category 1 Total	$214,265	$44,045	$233,331
6	Category 2: Load Modifying DR Programs			
7	OBMC/SLRP	$63	$8	$35
8	Category 2 Total	$63	$8	$35
9	Category 3: Rule 24[20/]			
10	Rule 24 O&M	$12,931	$4,210	$13,916

20/ As described in PG&E-Exhibit-02, Chapter 5, PG&E is not seeking incremental funding for the DRAM pilot at this time.

Line No.	Funding Categories	2018-22 Auth.	2023 Total	2024-27 Total
11	Category 3 Total	$12,931	$4,210	$13,916
12	Category 4: Tech Programs			
13	AutoDR	$20,446	$ $5,411	$9,523
14	DR Emerging Technology	7,230	1,510	20,031
16	Category 4 Total	$27,677	$6,921	$29,554
17	Category 5: Pilots			
18	Supply Side Pilot	$6,337	–	–
19	Pilot A (Smart Panel)	–	–	$11,214
20	Pilot C (Agricultural)	–	–	4,786
21	Excess Supply	1,813	–	–
22	ELRP	65,000	–	425,617
			–	–
24	Category 5 Total	$74,150	–	$441,617
25	Category 6: ME&O			
26	DR Core Marketing & Outreach	$12,221	$2,032	$1,938
27	SmartAC™ Market	–	–	$10,726
28	Education and Training	$1,350	$469	$2,047
29	Category 6 Total	$13,571	$2,501	$14,711
30	Category 7: Portfolio Support			
31	DR M&E	$11,777	$ $2,074	$9,188
32	DR Integration Policy and Planning	$8,386	$1,645	$7,181
33	DR Operations	$33,452	$8,703	$33,534
34	Load Management Support	–	–	$8,000
35	DR Study	$2,000	–	–
36	Category 7 Total	$55,615	$12,423	$57,904
37	Total DR Portfolio	$398,271	$70,107	$791,069

PG&E prefers approval of its DR programs and budgets be approved as detailed in Table 1 and supported in this Application. While not its preferred approach, PG&E developed alternative program designs and budgets for cost effective programs. The trade-offs resulting from adoption of alternative program designs is described in PG&E-Exhibit-02, Chapter 3.

9. Chapter 9: Cost Effectiveness Evaluation.

Chapter 9 presents PG&E's cost effectiveness analyses for each individual DR program and for the entire DR portfolio for 2024-2027. In addition, PG&E recommends a reassessment of the DR cost effective protocols.

10. Chapter 10: Cost Recovery and Revenue Requirements.

Chapter 10 contains PG&E's proposal for cost recovery and revenue requirements needed to continue operating DR programs and activities for the 2024-2027 program cycle, and alternative revenue requirements that assume a higher level of cost-effective CBP, BIP and SmartAC programs. It proposes to continue to include the annual revenue requirement in the AET Advice Letters, which utilizes distribution rates through the Distribution Revenue Adjustment Mechanism (Preliminary Statement CZ), and to continue using DREBA (Preliminary Statement EC) and its five existing subaccounts to track the program expenses and authorized budget. PG&E proposes to return any unspent and uncommitted funds for 2024-2027 after the program cycle ends through the AET.

V. PG&E'S STATEMENT OF RELIEF AND AUTHORITY SOUGHT

As stated, PG&E requests recovery of its authorized DR revenue requirements from all customers through its distribution rates included in the Distribution Revenue Adjustment Mechanism. The requested revenue requirement for 2023 is $70.9 million, as contained in PG&E-Exhibit-01, Chapter 3 of PG&E's testimony. The primary requested revenue requirement for 2024-2027 is $799.6 million based on a base case scenario, as contained in PG&E-Exhibit-02, Chapter 10 of PG&E's testimony. PG&E will use the then-current Commission-adopted methodology for revenue allocation and rate design for these costs.[21/]

In its 2023 GRC Phase I proceeding (A. 21-06-021), PG&E proposes to discontinue the re-allocation of certain employee benefit costs from Distribution to the Customer Programs balancing accounts. If the GRC Phase I proposal is approved, PG&E will exclude the benefits

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21/ The current revenue allocation and rate design methods were approved in PG&E's 2020 GRC Phase 2 proceeding (A.19-11-019) by D. 21-11-016.

burden allocated to DR in accordance with final decision of 2023 GRC. For illustration purposes, the budget with benefit burden calculated in accordance with the currently adopted methodology and the budget without benefit burden in accordance with PG&E's 2023 GRC Phase I application are shown at Tables 2 through 4:

TABLE 2
2023 REVENUE REQUIREMENT WITH AND WITHOUT BENEFIT BURDEN

Line No.		2023 Revenue Requirement With Benefit Burden	2023 Revenue Requirement Without Benefit Burden	Estimated Benefit Burden
1	Budget	$70,107,293	$66,319,174	$3,788,119
2	RF&U at 0.010811	$757,930	$716,977	$40,953
3	Revenue Requirement	$70,865,223	$67,036,151	$3,829,072

Notes: Budget agreed to Table 3-1.

The benefit burden represents the estimated labor for 2023 budget multiplied with benefit burden ratio based on 2021 expenditures.

The RF&U factor represents the approved 2022 factor per AL 4512-G/6373-E.

TABLE 3
2024 – 2027 DEMAND RESPONSE PROGRAM REVENUE REQUIREMENT, INCLUDING BENEFIT BURDENS – BASE CASE SCENARIO
(THOUSANDS OF DOLLARS)

Line No		2024	2025	2026	2027	Total
1	Budget include benefit burden[(a)]	$197,767	$197,767	$197,767	$197,767	$791,069
2	Benefit burden included[(b)]	$4,594	$4,594	$4,594	$4,594	$18,377
3	Budget including benefit burden	$197,767	$197,767	$197,767	$197,767	$791,069
4	RF&U at 0.010811[(c)]	$2,138	$2,138	$2,138	$2,138	$8,552
5	Revenue Requirement	$199,905	$199,905	$199,905	$199,904	$799,621

(a) Budget agreed to Exhibit (PG&E-2) Chapter 8, Table 8-1.

(b) The benefit burden represents the estimated labor for 2024-2027 budget multiped with benefit burden ratio based on 2021 actual expenditure.

(c) The RF&U factor represents the approved 2022 factor per AL 4512-G/6373-E.

TABLE 4
2024 – 2027 DEMAND RESPONSE PROGRAM REVENUE REQUIREMENT, EXCLUDING BENEFIT BURDEN – BASE CASE SCENARIO
(THOUSANDS OF DOLLARS)

Line No		2024	2025	2026	2027	Total
1	Budget include benefit burden[(a)]	$197,767	$197,767	$197,767	$197,767	$791,069
2	Benefit burden included[(b)]	$4,594	$4,594	$4,594	$4,594	$18,377
3	Budget excluding benefit burden	$193,173	$193,173	$193,173	$193,173	$772,692
4	RF&U at 0.010811[(c)]	$2,088	$2,088	$2,088	$2,088	$8,354
5	Revenue Requirement	$195,261	$195,261	$195,261	$195,261	$781,046

(a) Budget agreed to Exhibit (PG&E-2) Chapter 8, Table 8-1.

(b) The benefit burden represents the estimated labor for 2024-2027 budget multiped with benefit burden ratio based on 2021 actual expenditure.

(c) The RF&U factor represents the approved 2022 factor per AL 4512-G/6373-E.

PG&E also provides alternative revenue requirement tables based on budget that assumes cost effective programs for 2024-2027.[22/]

VI. COMPLIANCE WITH THE COMMISSION'S RULES OF PRACTICE AND PROCEDURE

A. Statutory and Other Authority (Rule 2.1).

PG&E's Application is filed pursuant to D. 17-12-003, extended to May 2, 2022 by letter of the Commission approving "*Joint Request of the Investor-Owned Utilities to Extend the Deadline for Submission of 2023-2027 Demand Response Portfolio Applications from November 1, 2021 to May 2, 2022,"* dated September 30, 2021. PG&E also files this Application pursuant to Public Utilities Code Sections 451, 454, 728, 729, 740, 740.4, and 795, the Commission's Rules of Practice and Procedure, and prior decisions, orders, and resolutions of the Commission.

22/ *See* PG&E written testimony at Exhibit 02, Chapter 10.

B. Legal Name and Principal Place of Business (Rule 2.1(a)).

The legal name of the Applicant is Pacific Gas and Electric Company. PG&E's principal place of business is San Francisco, California. Its post office address is Post Office Box 7442, San Francisco, California 94120.

C. Correspondence and Communication Regarding this Application (Rule 2.1(b)).

All correspondence and communication regarding this Application should be sent electronically to Shirley A. Woo, Bobby Silicani, and Darren P. Roach, at their email addresses below. Hard copy mail may be sent to the addresses listed below, but because of PG&E's transition of its primary business location out of San Francisco, responses to hard copies sent to the Post Office Box may be delayed:

Shirley A. Woo
Chief Counsel, Law Department
Pacific Gas and Electric Company
Post Office Box 7442 (B30A)
San Francisco, CA 94120
Telephone: (415)830-7742
E-mail: Shirley.Woo@pge.com

Bobby Silicani
Case Manager, Expert, Regulatory Affairs
Pacific Gas and Electric Company
Post Office Box 7442
San Francisco, CA 94120
Telephone: (415) 973-2990
E-mail: Robert.Silicani@pge.com

Darren P. Roach
Senior Counsel, Law Department
Pacific Gas and Electric Company
Post Office Box 7442 (B30A)
San Francisco, CA 94120
Telephone: (415) 416-8353
E-mail: Darren.Roach@pge.com

D. Categorization - Rule 2.1(c).

PG&E proposes that this Application be categorized as a "ratesetting" proceeding within the meaning of Rule 1.3(g) of the Commission's Rules of Practice and Procedure.

E. Need for Evidentiary Hearings (Rule 2.1(c)).

For the 2023 Bridge Funding program year of this Application, which primarily, but not solely, requests to continue DR portfolio funding and program operation at a 2022 program-year level authorized by D.17-12-003, PG&E does not anticipate a need for hearings. For the 2024-2027 program years, PG&E anticipates evidentiary hearings may be required. Proposed schedules for this proceeding is set forth subsection H, below.

F. Issues to be Considered (Rule 2.1(c)).

The principal issues to be considered:

1. The proposed revenue requirement for the DR programs portfolio for 2023 is just and reasonable, and the Commission should authorize PG&E to reflect the adopted electric distribution revenue requirement in rates.

2. The proposed programs and budgets for the DR portfolio for 2023 are just and reasonable and should be approved.

3. The proposed revenue requirement for DR programs portfolio for 2024-2027 is just and reasonable, and the Commission should authorize PG&E to reflect the adopted electric distribution revenue requirement in rates.

4. The proposed programs and budgets for the DR portfolio for 2024-2027 are just and reasonable and should be approved.

5. With respect to the 2023 program year Bridge Funding (PG&E-Exhibit-01)
   a. Chapter 1:
      1) BIP program operation and budget for 2023, maintaining the program at 2022 budget authorization, is just and reasonable, and should be adopted.
      2) CBP program operation and budget for 2023 is just and reasonable, and should be adopted, including but not limited to proposed program revisions to:
         a. Revise program hours to a 4 p.m.-9 p.m. window;
         b. Increase program incentives;
         c. Replace the current pass-through energy payment framework with energy payments and penalties based on CAISO energy prices;
         d. Make permanent the customer option for electronic enrollment; and
         e. implement nomination window and elect bid price option recommendations.

3) SmartAC program and budget for 2023 is just and reasonable, and should be adopted, including but not limited to a request to integrated the smart controllable thermostat pilot into the CAISO market.

4) The PLS-TES proposal to terminate a requirement to submit thermal energy storage post-installation monitoring data is just and reasonable, and should be adopted.

5) OMBC, SLRP, Energy and Enabling Technology Programs (ADR and DRET), MEO, DR Operations, and Load Impact and M&E proposals for 2023, all of which maintain operation at 2022 budget authorization or lower, is just and reasonable and should be adopted.

b. Chapter 2:

6) DR Operations proposals and budget to support DR participation through third-parties is just and reasonable and should be adopted, including but not limited to budget increases for Rule 24 operations for labor, IT operations and maintenance personnel, and IT enhancements.

c. Chapter 3:

7) DR programs portfolio proposed budget is just and reasonable and should be adopted.

8) Cost recovery proposals to recover operating expenses and the associated revenue requirements needed to continue operating DR programs and activities is just and reasonable, and should be adopted, including but not limited to proposals to:

   a. Continue to include the annual revenue requirement in the AET Advice Letter through distribution rates through the Distribution Revenue Adjustment Mechanism;

   b. Continue using DREBA and its subaccounts to track the program expenses and authorized budget;

   c. Carry over unused funds for 2023 to 2024-2027 program cycles; and

   d. Use the unspent and uncommitted funds from the 2018-2022 to offset the revenue requirement for the 2023-2027 program cycle.

6. With respect to the 2024-2027 program years (PG&E-Exhibit-02):

a. Chapter 1:

9) Vision and principles supporting this Application are just and reasonable, and should be incorporated into final decision.

b. Chapter 2:

10) DR policy enhancements are just and reasonable, and should be adopted.

c. Chapter 3:

11) BIP program operation and budget is just and reasonable, and should be adopted, including but not limited to proposals to:

a. Continue year-round enrollment;

b. Permanently end a lottery enrollment system;

c. Impose minimum enrollment period before unenrolling or raising the firm service level;

d. Adopt an additional seasonal incentive increase for the months of May-October;

e. Revise event limits not to exceed 10 during a 30-day window, and a three-day limit on consecutive event days; and

f. Adopt a 15-minute option.

12) CBP program operation and budget is just and reasonable, and should be adopted, including but not limited to proposals to

a. Lower the penalty threshold for aggregators and increase the performance cap, while imposing more severe penalties for non-performance;

b. Remove the Prescribed option from CBP;

c. Remove all event duration options except for a 1-4 event duration;

d. Adopt an initial four-hour test event for all new resources;

e. Remove the weekend option and enable aggregators to extend their capacity nomination through Saturday only;

f. Require capacity nominations be submitted at least 70 days in advance of the operating month, with changes to resources allowed until the 15th of the month prior to the operating month;

g. Refine the Elect option; and

h. Continue CBP proposals proposed in the 2023 Bridge Funding year, including increases to monthly capacity incentives, a single program period of 4 p.m.-9 p.m., a revised method for calculating energy payments, and continuing electronic enrollment.

i. Permit recovery of resource adequacy-related market penalties in DREBA.

13) SmartAC program operation and budget is just and reasonable, and should be adopted, included but not limited to ceasing further customer recruitment or enrollment of new customers, continuing dispatch of installed two-way devices, and continuing market integration as a Proxy Demand Resource product, and transition an existing bring-your-own-thermostat pilot into the proposed Automated Response Technology program.

14) Automated Response Technology program is just and reasonable, and should be adopted, including but not limited to a program that is available year-round from 4-9 pm., available to bundled customers and customers of Community Choice Aggregators, and market integrated as a Proxy Demand Resource.

15) Load modifying programs (PLS-TES, OMBC, and SLRP) operation and budgets, if any are proposed, are just and reasonable, and should be adopted,

16) MEO to support DR programs and budget is just and reasonable, and should be adopted.

d. Chapter 4:

17) ADR program operation and budget is just and reasonable, and should be adopted, including but not limited to proposals to continue a $200/kW incentive after device installation is confirmed as dispatchable and eligible DR program participation is confirmed; expand the DR program participation requirement to five years in order to receive 100 percent of incentive up front, approve of participants in CAISO Reliability Demand Response Resource programs (particularly BIP) being eligible for an ADR incentive, and ending the residential Deemed Incentive Application and process starting 2024.

18) DRET program operation, budgets and planned activities is just and reasonable and should be adopted.

19) DR pilots and budgets are just and reasonable and should be adopted or continued, including a Smart Energy Panel Pilot, an Agricultural DR pilot, and continuing the authorized ELRP pilot through 2025 and then extending ELRP pilot through 2027.

20) The Load Management Activities operation and budget is just and reasonable and should be adopted, including but not limited to developing platforms for delivering customer rate identification number, supporting develop a machine-readable digital code for customers, and developing bill presentment information.

e. Chapter 5:

21) The DRAM Pilot should not become a permanent program unless it undergoes significant modification to address weaknesses.

f. Chapter 6:

22) DR Operations proposals and budget, including but not limited to labor, DR IT systems and services, IT operations and maintenance, and support operations, is just and reasonable and should be adopted.

23) PG&E Electric Rule 24 Program operations and budget, including but not limited to labor, IT Operations and Maintenance, and IT system enhancements, and support to adequately address an anticipated increase in customer authorizations and CAISO registrations is just and reasonable and should be adopted.

g. Chapter 7:

24) Load impact estimates and M&E activities, including studies to support DR, impact analysis and evaluations, and budget is just and reasonable, and should be adopted.

h. Chapter 8:

25) DR programs proposed budget is just and reasonable and should be adopted.

26) Fund shifting rules revisions, including flexibility and reliance on advice letter process to recommend modifications to DR programs and operations during this program cycle, is just and reasonable, and should be adopted.

i. Chapter 9:

27) The cost effective analysis proposed for the 2024-2027 DR portfolio, including analysis for its individual DR programs and the entire DR portfolio, is just and reasonable, and should be adopted, and additionally:

a. Reassessment of the 2016 DR Cost Effectiveness Protocols is just and reasonable.

j. Chapter 10:

28) Cost recovery proposals to recover operating expenses and the associated revenue requirements needed to continue DR programs, is just and reasonable, and should be adopted, including but not limited to proposals to:

a. Continue to include the annual revenue requirement in the AET Advice Letters through distribution rates through the Distribution Revenue Adjustment Mechanism; and

b. Continue using DREBA and its existing subaccounts to track the program expenses and authorized budget.

G. Relevant Safety Considerations – Rule 2.1 (c)

Rule 2.1(c) requires utilities to clearly state the relevant safety considerations in their applications. Nothing is more important to PG&E than the safety of our customers, employees, contractors, and the communities we serve. It is our top priority. The Commission has previously explained that the "safe and reliable provision of utilities at predictable rates promotes public safety."[23/] This Application's proposals will generally support the safe and reliable provision of electric distribution service including DR proposals related to that service, as reflected throughout PG&E-Exhibit-01, Chapters 1-2, and PG&E-Exhibit-02, Chapters 1-5 of written testimony. Effective DR proposed in this Application can mitigate effects that climate-related conditions such as severe drought and prolonged heat storms can have on grid reliability, which can result in increase safety for the grid and State residents (PG&E-Exhibit-02, Chapter 1). PG&E's DR portfolio can also mitigate the effects of capacity and energy shortfalls, which can enhance safety by minimizing the impacts of PSPS events and load management in terms of

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23/ D. 14-12-053, at pages 12-13.

grid emergency. As an example, in PG&E-Exhibit-02, Chapter 2, PG&E recommends temporarily suspending prohibited resources restrictions for the BIP program, as BIP is emergency program called only during extreme grid conditions, in part, for safety considerations, such as those experience in 2020 and 2021.

H. Proposed Schedule - Rule 2.1(c) 1

PG&E recommends bifurcating this proceeding into two phases: (1) 2023 Bridge Funding program year, and (2) 2024-2027 program years. PG&E recommends an expedited schedule for the 2023 program year, pursuant to Rule 2.9 (Attachment A). A final decision approving programs and budget for 2023 is requested by the Commission's November 3, 2022 voting meeting:

Phase I (2023 Bridge Year) and Phase 2 (2024-2027)

1. Initial Steps – Phases 1 And 2 Combined

Activity	**Proposed Expedited Schedule**
Application filed	May 2, 2022
Protests to Application	June 1, 2022
Reply to Protests	June 13, 2022
Prehearing / Status Conference	June 17, 2022
Scoping Memo	June 22, 2022

2. Phase I – 2023 Program Year Remaining Schedule

Activity	**Proposed Expedited Schedule**
Intervenor Testimony	July 1, 2022
Rebuttal Testimony	July 20, 2022

Meet and Confer deadline (Rule 13.9) Parties inform the ALJ whether hearings are necessary and identify the specific disputed issues of material fact, witness lists and cross-examination estimates.	July 27, 2022
Evidentiary Hearing and Discovery Cutoff	Date to be determined if hearing deemed necessary.
Concurrent Opening Briefs	August 12, 2022
Concurrent Reply Briefs	August 24, 2022
Proposed Decision	September 23, 2022
Opening Comments	October 13, 2022
Reply Comments	October 18, 2022
Final Decision – order effective on date of Commission vote	November 3, 2022

3. Phase II – 2024-2027 Program Years Remaining Schedule

ACTION	DATE
Status Conference Following Completion of Phase 1	January 10, 2023
Workshop period	January 16 – March 25, 2023
Intervenor Testimony	February 10, 2023
Rebuttal Testimony	March 31, 2023
Meet and Confer deadline (Rule 13.9) Report on Rule 13.9 meet and confer due. Parties inform the ALJ whether hearings are necessary and identify the specific disputed issues of material fact, witness lists and cross-examination estimates.	April 14, 2023
Discovery Cutoff	April 21, 2023
Evidentiary hearings (if necessary)	TBD
Concurrent Opening Briefs	May 26, 2023
Concurrent Reply Briefs	June 23, 2023

Proposed Decision	August 28, 2023
Opening Comments on Proposed Decision	September 18, 2023
Reply Comments on Proposed Decision	September 25, 2023
Final Decision	October 2023

I. Articles of Incorporation (Rule 2.2).

PG&E is, and since October 10, 1905, has been, an operating public utility corporation organized under California law. It is engaged principally in the business of furnishing electric and gas services in California. A certified copy of PG&E's Amended and Restated Articles of Incorporation, effective June 22, 2020, was filed with the Commission on July 1, 2020 with PG&E's Application 20-07-002. These articles are incorporated herein by reference pursuant to Rule 2.2 of the Commission's Rules of Practice and Procedure.

J. Balance Sheet and Income Statement (Rule 3.2(a)(1)).

PG&E's balance sheet and income statement for the period ending March 31, 2022, are set forth in Attachment B.

K. Statement of Presently Effective Rates (Rule 3.2(a)(2)).

PG&E's presently effective gas rates as of April 1, 2022, were filed on April 20, 2022, as Attachment A to Application 22-04-008 and PG&E's presently effective electric rates as of March 1, 2022, were filed with the Commission on March 11, 2022, as Attachment E to Application 22-03-010. The rates are incorporated herein by reference.

L. Statement of Proposed Changes - Rule 3.2(a)(3).

A statement of proposed changes in revenue and at Proposed Rates for proposals in this Application are set forth in Attachment C.

M. Summary of Earnings - Rule 3.2(a)(5) and 3.2(a)(6).

The summary of revenues, expenses, rate base, and rate of return for the recorded year 2020 was filed March 10, 2022, as attachment H to amended Application 21-06-021 and is incorporated herein by reference.

N. Revenues at Present Rates and Estimated for 2023 By Department – Rule 3.2(a)(6).

PG&E's rates and charges for electric and gas service are set forth in PG&E's electric and gas tariffs on file with the Commission. The Commission has approved these tariffs in decisions, orders, and resolutions. PG&E also presents in Table 5 below an estimate of returns.

Table 5[(a)]
Estimated Returns at Present Rates

2023				
	Electric Distribution AB 1054	**Electric Distribution Non-AB 1054**	**Gas Operations**	**Power Generation**
Return on Rate Base	3.55%	0.04%	4.89%	8.24%
Return on Common Equity	N/A	-3.80%	5.54%	11.98%

(a) *See*, 2023 GRC Phase 1 Amended Application of PG&E, A. 21-06-021, p. 27, Table 5 (Feb. 22, 2022).

PG&E used the authorized cost of capital rates adopted in D.19-12-056 in its earnings calculations, consistent with Commission requirements "to use the most recently authorized rate of return in its calculations supporting its results of operations presentation."[24/] Note, PG&E's DR application does not include a capital request.

O. Most Recent Proxy Statement - Rule 3.2(a)(8).

PG&E's most recent proxy statement dated April 7, 2022, was filed with the Commission on April 20, 2022, as Exhibit D to Application 22-04-008. The proxy statement is incorporated herein by reference.

P. Type of Rate Change Requested - Rule 3.2(a) (10).

This proposed rate change reflects changes in PG&E's base revenues to reflect the costs PG&E incurs to own, operate, and maintain its gas and electric plant and to enable PG&E to provide service to its customers.

Q. Notice and Service of Application - Rule 3.2(b)-(d).

PG&E will, within 20 days of filing this Application, mail a notice stating in general terms the proposed revenues, rate changes, and ratemaking mechanisms required in this

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24/ D.07-07-004, Appendix A, p. A-30, ¶2.

Application to the parties listed in Attachment D, including the State of California and cities and counties served by PG&E. PG&E will serve a copy of this Application via email to the service lists in the following dockets: *Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements* (R. 13-09-011), *Application of Pacific Gas and Electric Company for Approval of Demand Response Programs, Pilots and Budgets for Program Years 2018-2022* (A. 17-01-012, et al.), the *Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021* (R.20-11-003), *Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy Procurement Obligations* (R.21-10-002), and *Application of Pacific Gas and Electric Company for Approval of 2024-2031 Energy Efficiency Business Plan and 2024-2027 Portfolio Plan* (A. 22-02-005, et al.)

PG&E will publish in newspapers of general circulation in each county in its service area a notice of filing this Application. PG&E will also include notices with the regular bills mailed or emailed to all customers affected by the proposed changes.

R. Attachment List and Statement of Readiness.

PG&E is ready to proceed based on the testimony of witnesses regarding the facts and data contained in the accompanying attachments in support of the revenue requirement requests in this Application.

VII. CONCLUSION AND REQUEST FOR RELIEF

PG&E requests that the Commission issue appropriate orders:

1. Finding that PG&E's proposals summarized in this Application, including as identified in Section VI.F. of this Application, and as supported by written testimony, evidence, and other materials submitted in this proceeding, are just and reasonable for approval;

2. Finding that the proposed revenue requirement for the DR programs portfolio for the 2023 program year is just and reasonable, and authorizing PG&E to reflect the adopted revenue requirement in rates effective January 1, 2023;

3. Finding that the proposed revenue requirement for the DR programs portfolio for the 2024-2027 program years is just and reasonable, and authorizing PG&E to reflect the adopted revenue requirement for 2024-2027 in rates effective beginning January 1, 2024;

4. Rendering Findings of Fact and Conclusions of Law, and issuing Orders consistent with this Application, written testimony, and other materials submitted in support of this Application;

5. Establishing a schedule for the remainder of this proceeding that will authorize the requested relief for the 2023 program year to become effective no later than January 1, 2023;

6. Establishing a schedule for the remainder of this proceeding that will authorize the requested relief for 2024-20247 program years to become effective no later than beginning January 1, 2024; and

7. Granting such additional relief as the Commission may deem just and proper.

Respectfully Submitted,

DARREN P. ROACH

By: *\/s/ Darren P. Roach*
DARREN P. ROACH

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 9415
Telephone: (415) 416-8353
Facsimile: (415) 973-5520
E-Mail: Darren.Roach@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: May 2, 2022

VERIFICATION

I, the undersigned, say:

I am an officer of PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, and am authorized to make this verification for and on behalf of said corporation, and I make this verification for that reason. I have read the foregoing pleading and I am informed and believe the matters therein are true and, on that ground, I allege that the matters stated therein are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Francisco, California, on April 29, 2022.

____
Aaron August
Vice President
Business Development and Customer Engagement
Pacific Gas and Electric Company

ATTACHMENT A

ATTACHMENT A

REQUEST FOR EXPEDITED SCHEDULE

PG&E respectfully requests that the *Application of Pacific Gas and Electric Company (U39-E) for Approval of its Demand Response Programs, Pilots, and Budgets for Program Years 2023-2027* be considered on an expedited basis under Rule 2.9 of the Commission's Rules of Practice and Procedure. PG&E proposes bifurcation of the Application: (1) a 2023 program year "Bridge Funding" period, followed by (2) 2024-2027 program period. Expedited treatment is requested for consideration of proposals supporting the 2023 program year, while the proposals supporting the 2024-2027 period should commence after Commission resolution of proposals for the 2023 program year. A proposed expedited schedule is included in Section VI.H of the Application.

As described in the Application, PG&E's proposals arrives at a time when demand response is essential to addresses an evolving complexity of the electric grid, including complications to the grid caused by recent devastating climate change-related conditions. These conditions are expected to persist, and effective utilization of DR can play a role in mitigating their effect on grid reliability. To be responsive to the needs of the grid and participating customers for today and into the future, PG&E proposes to double the size of its demand-side resource portfolio between 2022 and 2027, from 495 megawatts in 2022 to more than 1,000 megawatts in 2027, all while improving the availability and reliability of its DR capacity.

For the 2023 program year, PG&E requests a schedule that allows for a final decision approved by the Commission's voting meeting on November 3, 2022. A decision by this date will enable PG&E to orderly continue uninterrupted administration of demand response programs beginning on January 1, 2023, and this result would avoid ratepayer harm. This request was foreseen in the Commission's grant of an extension of time to file this instant Application. On September 30, 2021, the Commission approved a "*Request of the Investor-Owned* Utilities *to Extend the Deadline for Submission of 2023-2027 Demand Response Portfolio Applications from November 1, 2021 to May 2, 2022* (Application (A.) 17-01-012, et al.). That approval, at pages 1-2, acknowledged unforeseen regulatory activities with regard to demand response that not only justified extending the time for filing the investor-owned utilities' applications, but now also serves as justification for consideration of the 2023 program year on a timely yet expedited basis:

> Utilities request the Commission to allow a six-month delay in the filing of the Applications due to timing misalignment with three related activities: 1) Phase 2 of the Reliability Rulemaking outcomes (Rulemaking (R.) 20-11-003) should be incorporated into the Applications but the proposed decision in that proceeding is not anticipated until November 18, 2021; 2) lessons learned from Phase 1 of the Reliability Rulemaking (R.20-11-003) should also be incorporated into the Applications but are not anticipated until the first quarter of 2022; and 3) information from the evaluation of the Demand Response Auction Mechanism should inform the Applications but will not be available until at least late 2021.
>
> Utilities contend that denying the requested extension will result in Utilities filing their Applications "without the benefit of the outcomes and lessons learned" from these activities. Utilities caution this could create the need for extensive updates or supplements to the Applications to incorporate the related information, leading to delays in adopted demand response program portfolios. The Utilities also assert that granting the extension will conserve limited resources for Commission Staff, Utilities, and interested parties, who can instead devote resources to the three activities listed above.
>
> Utilities note that the proposed extension of six months will leave ample time for the Commission to consider the Applications because the Utilities will request interim demand response program funding for 2023, also referred to as "Bridge Funding," on an accelerated schedule in the Applications.

An expedited review of the proposals and budgets for 2023 will provide customer benefits by ensuring regulatory certainty within a specific, shorter time frame as opposed to a more drawn out review process.

ATTACHMENT B

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions)

	(Unaudited)	
	Three Months Ended March 31,	
	2022	2021
Operating Revenues		
Electric	$ 4,158	$ 3,395
Natural gas	1,640	1,321
Total operating revenues	**5,798**	**4,716**
Operating Expenses		
Cost of electricity	502	590
Cost of natural gas	561	307
Operating and maintenance	3,107	2,331
Wildfire-related claims, net of recoveries	(1)	172
Wildfire Fund expense	118	119
Depreciation, amortization, and decommissioning	972	888
Total operating expenses	**5,259**	**4,407**
Operating Income	539	309
Interest income	9	2
Interest expense	(364)	(348)
Other income, net	156	133
Reorganization items, net	—	(2)
Income Before Income Taxes	**340**	**94**
Income tax benefit	(190)	(83)
Net Income	**530**	**177**
Preferred stock dividend requirement	3	3
Income Available for Common Stock	**$ 527**	**$ 174**

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	(Unaudited)	
	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Net Income	**$ 530**	**$ 177**
Other Comprehensive Income		
Pension and other postretirement benefit plans obligations (net of taxes of $0 and $0, at respectively)	1	—
Total other comprehensive income	**1**	**—**
Comprehensive Income	**$ 531**	**$ 177**

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

	(Unaudited)	
	Balance At	
	March 31, 2022	**December 31, 2021**
ASSETS		
Current Assets		
Cash and cash equivalents	$ 199	$ 165
Restricted cash	29	16
Accounts receivable		
Customers (net of allowance for doubtful accounts of $180 million and $171 million at respective dates) (includes $1.84 billion and $2.06 billion related to VIEs, net of allowance for doubtful accounts of $180 million and $171 million at respective dates)	2,080	2,345
Accrued unbilled revenue (includes $976 million and $1.09 billion related to VIEs at respective dates)	1,070	1,207
Regulatory balancing accounts	3,165	2,999
Other	1,850	1,932
Regulatory assets	384	496
Inventories		
Gas stored underground and fuel oil	29	44
Materials and supplies	589	552
Wildfire Fund asset	461	461
Other	614	869
Total current assets	**10,470**	**11,086**
Property, Plant, and Equipment		
Electric	71,001	69,482
Gas	26,474	25,979
Construction work in progress	3,666	3,480
Financing lease	18	18
Total property, plant, and equipment	**101,159**	**98,959**
Accumulated depreciation	(29,654)	(29,131)
Net property, plant, and equipment	**71,505**	**69,828**
Other Noncurrent Assets		
Regulatory assets	9,167	9,207
Nuclear decommissioning trusts	3,635	3,798
Operating lease right of use asset	1,138	1,232
Wildfire Fund asset	5,198	5,313
Income taxes receivable	7	7
Other (includes net noncurrent accounts receivable of $115 million and $187 million related to VIEs, net of noncurrent allowance for doubtful accounts of $11 million and $15 million at respective dates)	2,755	2,706
Total other noncurrent assets	**21,900**	**22,263**
TOTAL ASSETS	**$ 103,875**	**$ 103,177**

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share amounts)

	(Unaudited) Balance At	
	March 31, 2022	**December 31, 2021**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 1,854	$ 2,184
Long-term debt, classified as current (includes $32 million and $18 million related to VIEs at respective dates)	4,526	4,455
Accounts payable		
Trade creditors	2,388	2,853
Regulatory balancing accounts	1,676	1,121
Other	780	648
Operating lease liabilities	465	467
Interest payable	305	430
Wildfire-related claims	2,091	2,722
Other	2,385	2,430
Total current liabilities	**16,470**	**17,310**
Noncurrent Liabilities		
Long-term debt (includes $1.83 billion and $1.82 billion related to VIEs at respective dates)	34,532	33,632
Regulatory liabilities	11,563	11,999
Pension and other postretirement benefits	705	764
Asset retirement obligations	5,919	5,298
Deferred income taxes	3,408	3,409
Operating lease liabilities	739	810
Other	4,459	4,345
Total noncurrent liabilities	**61,325**	**60,257**
Shareholders' Equity		
Preferred stock	258	258
Common stock, $5 par value, authorized 800,000,000 shares; 264,374,809 shares outstanding at respective dates	1,322	1,322
Additional paid-in capital	28,286	28,286
Reinvested earnings	(3,778)	(4,247)
Accumulated other comprehensive loss	(8)	(9)
Total shareholders' equity	**26,080**	**25,610**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 103,875**	**$ 103,177**

See accompanying Notes to the Condensed Consolidated Financial Statements.

ATTACHMENT C

Table 1
Pacific Gas and Electric Company
Illustrative Electric Revenue Increase and Class Average Rates
Monday, January 1, 2024

Line No.	Customer Class	Proposed Revenue Increase (000's)	Present Rates ($/kWh)	Proposed Rates ($/kWh)	Percentage Change	Line No.
	Bundled Service*					
1	Residential	$ 38,841	$ 0.29155	$ 0.29489	1.1%	1
2	Small Commercial	$ 8,633	$ 0.31931	$ 0.32305	1.2%	2
3	Medium Commercial	$ 5,418	$ 0.29747	$ 0.29991	0.8%	3
4	Large Commercial	$ 5,836	$ 0.25734	$ 0.25926	0.7%	4
5	Streetlights	$ 212	$ 0.35567	$ 0.35865	0.8%	5
6	Standby	$ 291	$ 0.19253	$ 0.19362	0.6%	6
7	Agriculture	$ 15,112	$ 0.29186	$ 0.29520	1.1%	7
8	Industrial	$ 3,083	$ 0.20079	$ 0.20160	0.4%	8
9	Total	$ 77,427	$ 0.27756	$ 0.28034	1.0%	9
	Direct Access and Community Choice Aggregation Service**					
10	Residential	$ 58,936	$ 0.18419	$ 0.18783	2.0%	10
11	Small Commercial	$ 19,416	$ 0.19056	$ 0.19432	2.0%	11
12	Medium Commercial	$ 12,508	$ 0.15297	$ 0.15534	1.5%	12
13	Large Commercial	$ 18,192	$ 0.11832	$ 0.12012	1.5%	13
14	Streetlights	$ 241	$ 0.18566	$ 0.18719	0.8%	14
15	Standby	$ 122	$ 0.16674	$ 0.16947	1.6%	15
16	Agriculture	$ 4,201	$ 0.15792	$ 0.16084	1.8%	16
17	Industrial	$ 8,659	$ 0.07587	$ 0.07672	1.1%	17
18	Total	$ 122,275	$ 0.14415	$ 0.14667	1.7%	18
	Departing Load***					
19	Residential	$ 0			0.0%	19
20	Small Commercial	$ 1			0.4%	20
21	Medium Commercial	$ 8			0.5%	21
22	Large Commercial	$ 13			0.7%	22
23	Streetlights	$ -			0.0%	23
24	Standby	$ -			0.0%	24
25	Agriculture	$ 3			0.7%	25
26	Industrial	$ 178			0.6%	26

* Customers who receive electric generation as well as transmission and distribution service from PG&E.

** Customers who purchase energy from non-PG&E suppliers.

*** Customers who purchase their electricity from a non-utility supplier and receive transmission and distribution service from a publicly owned utility or municipality. A rate comparison cannot be provided for Departed Load as the applicable rates vary by specific departed load customer categories and any average rate that could be derived, would not be representative of any particular departed load category.

ATTACHMENT D

SERVICE OF NOTICE OF APPLICATION

In accordance with Rule 3.2(b), Applicant will mail a notice to the following, stating in general terms its proposed change in rates.

State of California

To the Attorney General and the Department of General Services.

State of California
Office of Attorney General
1300 I St Ste 1101
Sacramento, CA 95814

and

Department of General Services
Office of Buildings & Grounds
505 Van Ness Avenue, Room 2012
San Francisco, CA 94102

Counties

To the County Counsel or District Attorney and the County Clerk in the following counties:

Alameda
Alpine
Amador
Butte
Calaveras
Colusa
Contra Costa
El Dorado
Fresno
Glenn
Humboldt
Kern
Kings
Lake
Lassen
Madera
Marin
Mariposa
Mendocino
Merced
Modoc
Monterey
Napa
Nevada
Placer
Plumas
Sacramento
San Benito
San Bernardino
San Francisco
San Joaquin
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Shasta
Sierra
Siskiyou
Solano
Sonoma
Stanislaus
Sutter
Tehama
Trinity
Tulare
Tuolumne
Yolo
Yuba

<u>Municipal Corporations</u>

To the City Attorney and the City Clerk of the following municipal corporations:

Alameda
Albany
Amador City
American Canyon
Anderson
Angels Camp
Antioch
Arcata
Arroyo Grande
Arvin
Atascadero
Atherton
Atwater
Auburn
Avenal
Bakersfield
Barstow
Belmont
Belvedere
Benicia
Berkeley
Biggs
Blue Lake
Brentwood
Brisbane
Buellton
Burlingame
Calistoga
Campbell
Capitola
Carmel
Ceres
Chico
Chowchilla
Citrus Heights
Clayton
Clearlake
Cloverdale
Clovis
Coalinga
Colfax
Colma
Colusa
Concord
Corcoran
Corning
Corte Madera
Cotati
Cupertino
Daly City
Danville
Davis
Del Rey Oakes
Dinuba
Dixon
Dos Palos
Dublin
East Palo Alto
El Cerrito
Elk Grove
Emeryville
Escalon
Eureka
Fairfax
Fairfield
Ferndale
Firebaugh
Folsom
Fort Bragg
Fortuna
Foster City
Fowler
Fremont
Fresno
Galt
Gilroy
Gonzales
Grass Valley
Greenfield
Gridley
Grover Beach
Guadalupe
Gustine
Half Moon Bay
Hanford
Hayward
Healdsburg
Hercules
Hillsborough
Hollister
Hughson
Huron
Ione
Isleton
Jackson
Kerman
King City
Kingsburg
Lafayette
Lakeport
Larkspur
Lathrop
Lemoore
Lincoln
Live Oak
Livermore
Livingston
Lodi
Lompoc
Loomis
Los Altos
Los Altos Hills
Los Banos
Los Gatos
Madera
Manteca
Maricopa
Marina
Mariposa
Martinez
Marysville
McFarland
Mendota
Menlo Park
Merced
Mill Valley

Millbrae
Milpitas
Modesto
Monte Sereno
Monterey
Moraga
Morgan Hill
Morro Bay
Mountain View
Napa
Newark
Nevada City
Newman
Novato
Oakdale
Oakland
Oakley
Orange Cove
Orinda
Orland
Oroville
Pacific Grove
Pacifica
Palo Alto
Paradise
Parlier
Paso Robles
Patterson
Petaluma
Piedmont
Pinole
Pismo Beach
Pittsburg
Placerville
Pleasant Hill
Pleasanton
Plymouth
Point Arena
Portola
Portola Valley
Rancho Cordova
Red Bluff
Redding
Redwood City
Reedley
Richmond
Ridgecrest
Rio Dell
Rio Vista
Ripon
Riverbank
Rocklin
Rohnert Park
Roseville
Ross
Sacramento
Saint Helena
Salinas
San Anselmo
San Bruno
San Carlos
San Francisco
San Joaquin
San Jose
San Juan Bautista
San Leandro
San Luis Obispo
San Mateo
San Pablo
San Rafael
San Ramon
Sand City
Sanger
Santa Clara
Santa Cruz
Santa Maria
Santa Rosa
Saratoga
Sausalito
Scotts Valley
Seaside
Sebastopol
Selma
Shafter
Shasta Lake
Soledad
Solvang
Sonoma
Sonora
South San Francisco
Stockton
Suisun City
Sunnyvale
Sutter Creek
Taft
Tehama
Tiburon
Tracy
Trinidad
Turlock
Ukiah
Union City
Vacaville
Vallejo
Victorville
Walnut Creek
Wasco
Waterford
Watsonville
West Sacramento
Wheatland
Williams
Willits
Willows
Windsor
Winters
Woodland
Woodside
Yountville
Yuba City