



ALJ/DBB/smt 6/23/2023

**FILED**

06/23/23

12:27 PM

A2205022

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

Application of PACIFIC GAS AND  
ELECTRIC COMPANY (U39E) for  
Review of the Disadvantaged  
Communities – Green Tariff,  
Community Solar Green Tariff and  
Green Tariff Shared Renewables  
Programs.

Application 22-05-022

And Related Matters.

Application 22-05-023

Application 22-05-024

**ADMINISTRATIVE LAW JUDGE’S RULING SETTING ASIDE  
SUBMISSION OF THE RECORD TO SEEK COMMENTS  
ON COST-EFFECTIVENESS CONSIDERATIONS**

**Summary**

This ruling seeks party cost-effectiveness analyses and potential cost shift estimates for existing, modified, and new community renewable energy program proposals, as well as party comment on specific timelines for implementation, the appropriateness of Avoided Cost Calculator based compensation for front-of-the-meter resources, and enumeration of the quantifiable and measurable benefits to both participating and non-participating ratepayers of a Green Access Program proposal. Comments responding to the questions contained in this ruling are due no later than July 31, 2023, and reply comments may be filed no later than August 10, 2023.

## **1. Background**

The Avoided Cost Calculator is used to determine the benefits of resources across many Commission proceedings. In Decision (D.) 16-06-007, the Commission directed that cost-effectiveness evaluations for distributed energy resources shall use the most recent version of the Avoided Cost Calculator.<sup>1</sup> Further, D.19-05-019 requires that the Total Resource Cost test shall be the primary test for all Commission activities requiring cost-effectiveness analysis of distributed energy resources but that the Commission shall also consider the results of both the Program Administrator Cost test and the Ratepayer Impact Measure test.<sup>2</sup> The California Standard Practice Manual (SPM) contains the Commission's method of evaluating energy investments using various cost-effectiveness tests. The SPM generally defines tax credits and incentives as either benefits or reductions in costs depending on the test used to determine cost effectiveness.<sup>3</sup> The SPM further outlines how other cost-effectiveness components or inputs, including but not limited to program administration, startup costs, and capacity upgrades, should be considered for each test.

In addition, Assembly Bill (AB) 2316 provides that in evaluating customer renewable energy subscription programs, the Commission must consider the cost-effectiveness of a program. For example, the preamble to AB 2316 provides that:

It is the intent of the Legislature to create a community renewable energy program so that all Californians, especially those unable to host a rooftop solar system, realize the

---

<sup>1</sup> D.16-06-007 at Ordering Paragraph 1.

<sup>2</sup> D.19-05-019 at Ordering Paragraph 1 and Ordering Paragraph 2.

<sup>3</sup> California Standard Practice Manual Economic Analysis of Demand-Side Programs and Projects, October 2001, available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm>.

benefits of distributed generation through a cost-effective program that provides benefits to all ratepayers.<sup>4</sup>

Public Utilities Code Section 769.3(c) also provides that “[t]he community renewable energy program, if established, shall do the following,” including “minimiz[ing] impacts to nonparticipating customers by prohibiting the program’s costs from being paid by nonparticipating customers in excess of the avoided costs.”

## **2. Questions for Comments**

In reviewing parties’ testimony and briefings in this proceeding, the Commission seeks comments from parties as to the following:

- (1) The record in this proceeding is deficient in regards to the cost-effectiveness of existing, modified, and new community renewable energy program proposals. Parties should submit Total Resource Cost, Ratepayer Impact Measure, and Program Administrator Cost test results for their proposals based on the Standard Practice Manual and adhere to previous Commission guidance on the application of cost-effectiveness evaluation and tests.
- (2) AB 2316 requires that any new community renewable energy program must be deemed beneficial to all ratepayers:
  - a. How should any cost shift of or cost impact on non-participating ratepayers of existing, modified, or new community renewable energy proposals be quantified?
  - b. What would be the resulting cost shift for new community renewable energy program proposals? How would this compare to any cost shifts *associated* with existing or modified programs? How do the costs of new community renewable energy program

---

<sup>4</sup> AB 2316, Section 1(a).

proposals compare to the costs of wholesale clean energy resources? Provide all assumptions (size of program, compensation rate, outside funding or incentives, administrative costs, etc.).

- c. For new community renewable energy proposals, what would be the potential monthly bill impacts for *non-participating* ratepayers should the proposals be adopted? For new community renewable energy proposals, what would be the potential monthly bill impacts for *participating* ratepayers should the proposals be adopted?
  - d. Beyond bill impacts, what would the **quantifiable** and **measurable** benefits be to *non-participating* ratepayers of a new community renewable energy program? Similarly, beyond bill impacts, what would the **quantifiable** and **measurable** benefits be to *participating* ratepayers of a new community renewable energy program?
- (3) If a community solar project has no on-site load and is installed “in front of the meter,” is it appropriate for it to be considered a demand-side resource and compensated using values based on the Avoided Cost Calculator rather than least-cost best-fit evaluation through the integrated resource planning process? Identify which avoided cost values would be appropriate to apply and why they are appropriate.
- (4) For new community renewable energy program proposals not based on existing or modified programs, describe the specific timelines for the contracting, construction, interconnection, subscription and billing for such new programs.

Parties may file opening comments responding to these questions no later than July 31, 2023. Reply comments may be filed no later than August 10, 2023.

In seeking additional comments, this ruling sets aside the previous submission date of May 30, 2023.

**IT IS RULED** that:

1. Parties may file opening comments responding to the above-stated questions no later than July 31, 2023. Reply comments may be filed no later than August 10, 2023.
2. In seeking additional comments, the previous submission date of the record of May 30, 2023 is set aside.

Dated June 23, 2023, at San Francisco, California.

/s/ DEBBIE CHIV  
\_\_\_\_\_  
Debbie Chiv  
Administrative Law Judge