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### JOINT OPENING BRIEF OF THE UTILITY REFORM NETWORK AND THE NATURAL RESOURCES DEFENSE COUNCIL ON PHASE 1 TRACK A ISSUES RELATING TO THE FIRST VERSION INCOME-GRADUATED FIXED CHARGES

Matthew Freedman Sylvie Ashford The Utility Reform Network 360 Grand Avenue, #150 Oakland, CA 94610 Phone: 415-929-8876 x304 matthew@turn.org

Mohit Chhabra Natural Resources Defense Council 111 Sutter Street, 21<sup>st</sup> floor San Francisco, CA 94104 Phone: 720-317-1297 <u>mchhabra@nrdc.org</u>

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#### JOINT OPENING BRIEF OF THE UTILITY REFORM NETWORK AND THE NATURAL RESOURCES DEFENSE COUNCIL ON PHASE 1 TRACK A ISSUES RELATING TO THE FIRST VERSION INCOME-GRADUATED FIXED CHARGES

Pursuant to Rule 13.12 of the Commission Rules of Practice and Procedure, and consistent with the direction provided in the August 22 and August 24 Rulings of Administrative Law Judge Wang, The Utility Reform Network (TURN) and Natural Resources Defense Council (NRDC) hereby submit this joint opening brief on Phase 1 Track A issues relating to the first version income-graduated fixed charges. Consistent with the August 22<sup>nd</sup> ruling, this brief is organized based on the Track A list of issues identified in the November 2, 2022 Scoping Memo and Ruling and includes an additional section addressing the questions posed in the August 22<sup>nd</sup> ruling.<sup>1</sup>

Consistent with the direction provided in the August 22 Ruling, this brief presents the TURN/NRDC recommendations for a "first version" of Income Graduated Fixed Charges (IGFCs).<sup>2</sup> As defined in the Ruling, the first version IGFC may only rely on "existing income verification processes used by the Commission for the California Alternative Rates for Energy (CARE) and Family Energy Rate Assistance (FERA) programs."<sup>3</sup> Moreover, the Ruling requests that parties respond to specific questions pertaining to "the procedural pathway and resources needed for developing and authorizing second version IGFCs".<sup>4</sup>

TURN/NRDC did not provide a first version IGFC proposal in prior testimony or comments. This brief includes a new first version IGFC proposal and includes full results from the E3 Tool as required in the August 24<sup>th</sup> Ruling of ALJ Wang.<sup>5</sup> For purposes of evaluation, most of the tables in this brief provide a comparison of the

<sup>&</sup>lt;sup>1</sup> Assigned Commissioner's Phase 1 Scoping Memo and Ruling, November 2, 2022, pages 3-4; August 22 Ruling, pages 4-7.

<sup>&</sup>lt;sup>2</sup> August 22 Ruling, page 4.

<sup>&</sup>lt;sup>3</sup> August 22 Ruling, page 4.

<sup>&</sup>lt;sup>4</sup> August 22 Ruling, page 4.

<sup>&</sup>lt;sup>5</sup> August 24<sup>th</sup> Ruling ("Parties may include new proposals for a first version of incomegraduated fixed charges that rely on existing CARE and FERA income verification processes in opening briefs.")

impacts of the TURN/NRDC first version IGFC with the second version IGFC proposal that was extensively described in prior testimony and comments.<sup>6</sup> Although the first version IGFC represents an important step forward, TURN/NRDC strongly urge the Commission to move expeditiously to develop the income verification processes needed to enable one or more high-income thresholds for inclusion in a second version IGFC.

### I. SUMMARY OF RECOMMENDATIONS

This brief includes a series of specific recommendations for adoption in Phase 1 Track A. TURN/NRDC urge the Commission to do all of the following:

- Find that volumetric rates should be benchmarked against short-run and longrun social marginal cost values for purposes of assessing their efficiency.
- Support reductions in volumetric rates based on consistency with the adopted Rate Design Principles.
- Find that the first version IGFC should be easily implementable, provide bill savings for low-income customers, and reduce volumetric rates to promote building and transportation electrification.
- Conclude that any fixed charge included in a residential tariff must be income graduated consistent with state law.
- Adopt the TURN/NRDC proposals for the cost categories that may be included in a fixed charge.
- Direct the utilities to provide more accurate, consistent and granular data on the breakdown of costs within each of the identified categories, particularly non-marginal distribution, in their next Phase 2 General Rate Cases.
- Adopt a first-version IGFC with a base level of \$23.50/month for default rates and \$33.50/month for electrification tariffs.

<sup>&</sup>lt;sup>6</sup> TURN/NRDC understand that the Commission does not intend to reach any findings with respect to the reasonableness of second version IGFC proposals in this Phase of the proceeding.

- Establish three income thresholds for purposes of the first version IGFC customers enrolled in the California Alternative Rates for Energy (CARE) program, customer enrolled in Family Energy Rate Assistance (FERA) tariffs, and all other residential customers.
- Allow Small and Multijurisdictional Utilities (SMJUs) to divide existing CARE customers into two tiers and direct each SMJU to collect income information from CARE enrollees that will allow for this assignment.
- Make a formal request to the California Housing Partnership for access to the affordable housing database and direct the utilities to rely on this data to assign all residents of deed-restricted affordable housing into the CARE IGFC tier.
- Set the first version IGFC levels as follows for default rate schedules: \$5 for CARE customers, \$5 for FERA customers and approximately \$30 for all other residential customers.
- Set the first version IGFC levels as follows for electrification rate schedules: \$10 for CARE customers, \$10 for FERA customers and approximately \$40 for all other residential customers.
- Find that the first version IGFC starting point of \$23.50 per month is consistent with the current fixed charge for customers in the territory of the Sacramento Municipal Utility District (SMUD), even though this approach results in a smaller percentage of the IOU residential revenue requirements being recovered through a fixed charge (compared with SMUD).
- For annual rate changes that result from the true-up of balancing accounts, recorded/authorized revenues and revised sales forecasts, the Commission should strive to adjust IGFC levels in a manner that limits volumetric rate increases to no more than the Consumer Price Index.
- More substantial revisions to the IGFC levels that incorporate changes to fixed cost definitions or resetting the base charge level should occur either in Phase 2 General Rate Cases or a multi-utility rulemaking.

- For purposes of enforcing the statutory requirement that an IGFC result in a "lower average monthly bill" for a "low income ratepayer in each baseline territory", the Commission should find that all CARE and FERA customers are included in the definition of "low income ratepayer" and that any fixed charge tier comprised exclusively of either CARE or FERA customers must meet this requirement.
- Direct each utility to consider assigning a greater share of fixed charge revenues for electrification tariffs to reduce off-peak rates and prepare analysis that evaluates different allocation methods for both default and electrification tariffs.
- Require outreach efforts about new IGFC tariffs to begin at least six months before they appear on customer bills with priority given to increasing CARE and FERA enrollment.
- Direct each utility to prioritize the implementation of a first version IGFC during 2025. For any utility that cannot implement the first version IGFC by January 1, 2026, the Commission may wish to move directly to the implementation of the second version IGFC to avoid duplicative billing system work and minimize customer confusion.
- Find that the bill impacts of the TURN/NRDC proposal are reasonable, comply with the statutory requirements, and would promote they objectives of promoting affordability, aligning volumetric rates with marginal costs, and supporting beneficial electrification investments.
- Modify the CARE discount calculation methodology to preserve the level of the overall program budget (relative to current practice) and ensure that any individual rate exemptions or discounts provided to CARE customers are fully incremental to the value of the existing CARE discount. The Utilities should make immediate rate adjustments consistent with this approach after the issuance of a decision in this phase of the proceeding.
- Marketing, Education and Outreach (ME&O) topics should include better awareness of the differences between fixed and variable rates, the impacts of

incremental consumption on total bills, the availability of alternative rate options, and options for enrolling in the CARE and FERA programs.

- An ME&O working group should be established to develop proposals for the plan to accompany the rollout of IGFCs.
- Find that the extreme delays proposed by the utilities for making any changes to rates are unacceptable and direct accelerated efforts to modify billing systems to allow for timely implementation of changes to the rate structure.
- Require that IGFC implementation costs recorded by utilities be reviewed for reasonableness in this rulemaking, a successor docket, or a General Rate Case.
- Direct that the first version IGFCs be implemented through Tier 3 Advice Letter filings made within 60 days of the adoption of a final decision in this Phase.
- Authorize the creation of a working group (subject to specific guidance relating to the scope of work) to develop proposals for income verification and tiers for the second version IGFCs and clarify that eligible parties may seek intervenor compensation for participation in the working group.
- Commence consideration of the design of the second version IGFC as soon possible with the understanding that significant time may be needed to develop and implement a structure for income verification.

A more comprehensive description of each recommendation, and support for the requested relief, is provided in the following sections.

# II. PROPOSAL FOR FIRST VERSION INCOME-GRADUATED FIXED CHARGE

#### A. Theory and Justification

TURN/NRDC have historically opposed the adoption of any fixed charges for residential electricity customers. Our combined opposition includes decades of advocacy in front of the Commission and the Legislature. TURN's past advocacy on this topic is reflected in a number of historic Commission decisions and was based on both the applicable statutory limits and concerns over the impacts of a residential fixed charge on conservation, energy efficiency and low-income customers.<sup>7</sup> Current support for an IGFC by TURN and NRDC reflects an important evolution in perspective driven by changed circumstances. These changed circumstances include significantly higher average rates, the recognition that a growing portion of costs in retail rates are unaffected by changes in customer consumption, a shift in state policy to support aggressive transportation and building electrification, a binding state commitment to achieve a 100% zero carbon electric sector target by 2045, and the opportunity to promote equity and affordability (in the form of reduced bills for low-income customers) by distributing some grid and policy costs based on income.<sup>8</sup>

Despite our support for an IGFC, TURN/NRDC recognize that the development of a progressive fixed charge does not represent a silver bullet and will not, on its own, make customer bills affordable. As explained in rebuttal testimony, "true affordability will only be achieved when the Commission keeps utility revenue requirements in check and works with the Legislature to fund social policy costs and other shared cost obligations via sources outside electric rates."<sup>9</sup> The larger problems of ballooning revenue requirements, endless utility requests for new spending initiatives, and the absence of sufficient funding from external sources are outside the scope of this proceeding. However, these fundamental drivers of unaffordability must be addressed in tandem with reforms to rate design to achieve the objectives of affordability, equity and sustainability.

In prepared testimony and comments, TURN/NRDC devoted significant discussion to the importance of better aligning volumetric retail rates with short-run and long-run social marginal costs.<sup>10</sup> As explained in testimony, the current practice of using average costs to set volumetric rates is inefficient, inequitable and yields environmentally

<sup>&</sup>lt;sup>7</sup> For example, *see* D.11-05-047, pages 18-35; D.14-01-002, pages 38-41; D.15-07-001, pages 189-217.

<sup>&</sup>lt;sup>8</sup> Ex. NRDC-TURN-1, page 3.

<sup>&</sup>lt;sup>9</sup> Ex. NRDC-TURN-2, page 1.

<sup>&</sup>lt;sup>10</sup> Ex. NRDC-TURN-1, pages 6-14; Ex. NRDC/TURN-2, pages 36-37.

deleterious outcomes.<sup>11</sup> An alternative approach could use modified Avoided Cost Calculator (ACC) values (adjusted to reflect social marginal costs) to serve as a proxy for long run social marginal costs and benchmark the efficiency of volumetric rates.<sup>12</sup> For the three utilities, current average volumetric retail rates are between 93-142% higher than a modified ACC and 340-510% higher than short-run social marginal costs.<sup>13</sup> Pricing electricity well above social marginal cost causes regressive impacts on lower income customers who pay more (as a percentage of income) on electricity than higher-income customers.<sup>14</sup> Additionally, rates that exceed social marginal cost effectively disincentivize the pursuit of beneficial electrification investments because the costs of operating electric appliances and vehicles are excessive relative to the incremental costs to the grid and society.<sup>15</sup>

In D.23-04-040, the Commission adopted a series of revised electric rate design principles intended to guide the development of both an income-graduated fixed charge and demand flexibility rates. The following rate design principles support the need for reducing volumetric rates to reflect social marginal cost:<sup>16</sup>

- *ii.* Rates should be based on marginal cost.
- *iii.* Rates should be based on cost causation
- *iv.* Rates should encourage economically efficient (i) use of energy, (ii) reduction of greenhouse gas emissions, and (iii) electrification.

In explaining these principles, the Decision notes the importance of aligning rates with marginal cost, of encouraging "economically efficient decisionmaking by customers for consumption and investments in electrification technologies and DERs" and promoting

<sup>&</sup>lt;sup>11</sup> Ex. NRDC-TURN-1, pages 9-13.

<sup>&</sup>lt;sup>12</sup> Ex. NRDC-TURN-1, pages 7-8.

<sup>&</sup>lt;sup>13</sup> Ex. NRDC-TURN-1, page 9, Figure 1.

<sup>&</sup>lt;sup>14</sup> Ex. NRDC-TURN-1, page 11.

<sup>&</sup>lt;sup>15</sup> Ex. NRDC-TURN-1, pages 10-11.

<sup>&</sup>lt;sup>16</sup> D.23-04-040, Ordering Paragraph 1.

"electrification of transportation and buildings to reduce GHG emissions."<sup>17</sup> Setting volumetric rates to reflect ACC values would accomplish all three of these Rate Design Principles.

Reducing the gap between existing volumetric rates and rates that reflect ACC requires the collection of some residual costs through a fixed charge. The fixed charge is designed to enable the recovery of costs that are unaffected by changes in customer consumption. Many of these fixed costs are tied to the achievement of societal, public safety and policy objectives that would be best funded via the state budget or another external funding source (rather than electricity rates).<sup>18</sup> Reliance on income taxes to pay for these costs would result in an extremely progressive distribution of responsibility across various household income bands.<sup>19</sup> However, there are insufficient commitments of external funds at this time to remove any significant portion of these costs from rates.

With the enactment of AB 205, the Commission is now directed to ensure that any residential fixed charge is differentiated on the basis of household income. Meaningful differentiation should reduce bills for low-income customers, hold middle-income customers relatively indifferent, and collect adequate funds from high-income households to support these outcomes. The use of income-differentiation for fixed charges is also consistent with Electric Rate Design principle (i) which emphasizes the importance of affordability, a concept that expressly accounts for household income and the ability of a customer to pay their bills without extreme hardship.<sup>20</sup>

With these guiding principles and objectives in mind, TURN/NRDC recognize that a first version IGFC can only accomplish modest steps towards achieving the ultimate goals of rate reform. For purposes of the first version, TURN/NRDC propose an IGFC that meets the applicable statutory requirements, is easily implementable at minimal

<sup>&</sup>lt;sup>17</sup> D.23-04-040, Attachment A, pages 1-2.

<sup>&</sup>lt;sup>18</sup> Ex. NRDC-TURN-1, page 17.

<sup>&</sup>lt;sup>19</sup> Ex. NRDC-TURN-1, page 12, Figures 4 and 5.

<sup>&</sup>lt;sup>20</sup> D.23-04-040, Attachment A, page 1.

cost, provides modest bill reductions to low-income customers, and takes meaningful steps to promote building and transportation electrification. In proposing this first version, TURN/NRDC emphasize the importance of expeditiously developing and implementing a second version IGFC that includes one or more high-income tiers, can allow for greater volumetric rate reductions to promote electrification and efficient usage, and provides larger bill reductions for low-income customers. The Commission should not allow the development of a first version IGFC to derail or slow progress towards this second version.

#### **B.** TURN-NRDC proposed first version IGFC

In testimony and comments, TURN/NRDC provided extensive factual, legal and policy support for an IGFC proposal with three income thresholds including a high-income tier.<sup>21</sup> The benefits of this proposal include material reductions in volumetric rates, meaningful bill reductions for low-income customers in all baseline territories, and savings for the cost of operating building and transportation electrification assets. In response to the August 22nd and 24<sup>th</sup> ALJ Rulings directing briefing on a first version IGFC that does not include any new income eligibility requirements, TURN/NRDC developed a new proposal intended to represent a first step towards a more comprehensive IGFC structure.<sup>22</sup>

The key elements of the TURN/NRDC first version IGFC are as follows:

- Three income tiers -- CARE, FERA and all other residential customers
- For default/Time of Use (TOU) rates average residential monthly fixed charge of \$23.50
  - Monthly fixed charge of \$5 for CARE and FERA tiers

 <sup>&</sup>lt;sup>21</sup> Ex. NRDC-TURN-01; Ex. NRDC-TURN-02; Ex. NRDC-TURN-03; Ex. NRDC-TURN-04.
<sup>22</sup> The August 24<sup>th</sup> ALJ Ruling clarified that parties may submit a new "first version" proposal that complies with the new requirements laid out in the August 22<sup>nd</sup> Ruling.

- Monthly fixed charge for remaining residential customers of \$29.63 (SDG&E), \$29.98 (SCE) and \$30.56 (PG&E)
- For electrification tariffs average residential monthly fixed charge of \$33.50
  - Monthly fixed charge of \$10 for CARE and FERA tiers
  - Monthly fixed charge for remaining residential customers of \$40.03 (SDG&E), \$40.01 (SCE) and \$40.17 (PG&E)

Full model results from the E3 Tool for this first version IGFC are included as appendices to this brief.<sup>23</sup> Selected results are presented in the following sections to highlight key outcomes and provide a comparison with the TURN/NRDC second version IGFC presented in prepared testimony and comments.<sup>24</sup> As can be seen in the model results, the key benefits of the TURN/NRDC first version IGFC are more modest than those of the second version IGFC. However, the benefits remain sufficiently compelling to move forward with this approach as an interim measure until the development of income eligibility protocols permits the implementation of the second version IGFC.

The Commission should require implementation of the first version IGFC beginning on January 1, 2025. For any utility unable to implement the first version by January 1, 2026, the Commission should suspend the first version for that utility and direct them to instead implement a second version IGFC at the earliest practical date. This approach will limit customer confusion caused by the implementation of two different IGFC structures for the same utility within a short time span. As discussed in Section

<sup>&</sup>lt;sup>23</sup> Appendix A (E3 model results for default rates); Appendix B (E3 model results for electrification rates)

<sup>&</sup>lt;sup>24</sup> TURN/NRDC are not asking the Commission to find that the second version IGFC proposal is reasonable but provides the comparison for purposes of assessing the relative impacts of the first version IGFC proposal.

II(B)(10), this approach will also minimize duplicative or redundant work related to the reprogramming of the utility billing systems.

## 1. Any residential fixed charge must be income-graduated

While AB 205 does not require that all (or any) residential tariffs include a fixed charge, any fixed charge applied to any residential rate schedule must be income-differentiated. It would be flatly inconsistent with the text of the statute to exempt any residential rate schedules from this requirement. The applicable statutory language states:

For the purposes of this section and Section 739.1, the commission may authorize fixed charges for <u>any rate schedule</u> applicable to a residential customer account. <u>The fixed charge shall be established on an income-graduated basis</u> with no fewer than three income thresholds so that a low-income ratepayer in each baseline territory would realize a lower average monthly bill without making any changes in usage. The commission shall, no later than July 1, 2024, authorize a fixed charge for default residential rates.<sup>25</sup>

A plain reading of the revised statute confirms that any fixed charge applied to a residential customer account must be "established on an income-graduated basis". The provision applies the income-graduated requirement to <u>any</u> fixed charge on <u>any</u> residential rate schedule (default or optional). The Commission cannot exempt any residential rate schedule with a fixed charge from the income-graduated requirement. Consistent with this requirement, TURN/NRDC propose that a fixed charge be incorporated into each residential rate tariff.

As a matter of policy, allowing some tariffs to contain solely volumetric charges would result in cost shifting and inefficient outcomes as customers self-sort into the most favorable tariff for their particular usage profile and income level. The benefits of a fixed charge will not be realized unless the charge is incorporated into all available rates. Once the second version IGFC is implemented, the availability of any tariff that lacks an income-differentiated fixed charge would become an opportunity for uneconomic bypass for higher-income customers. Additionally, the basic fixed charge

<sup>&</sup>lt;sup>25</sup> Cal. Pub. Util. Code §739.9(e)(1)(emphasis added)

level should be the same for all default and TOU schedules except for electrification rates which would have a higher base level. For each rate tariff, the charge would be income graduated using the thresholds described in this section. This approach fully complies with the requirements of AB 205.

### 2. <u>Costs to be recovered through first version IGFC</u>

The TURN/NRDC testimony provides a summary of the cost categories for each utility, and portions of each category, that are proposed for inclusion in a fixed charge. In reaching a determination as to the appropriate list of categories, TURN/NRDC excluded categories that are considered Short-Run Social Marginal Costs (SRSMC) or are included in a modified version of the Avoided Cost Calculator.<sup>26</sup> Costs that are statutorily ineligible for recovery via a fixed charge were also excluded from consideration.<sup>27</sup>

The remaining fixed cost categories that could be recovered through the fixed charge include the following:

- Power Cost Indifference Adjustment (sunk costs of legacy generation resources that are unaffected by changes in retail customer consumption).<sup>28</sup>
- Marginal Customer Access Costs (costs of connecting new residential customers to the system).<sup>29</sup>
- Marginal Distribution Capacity Cost New Business (PG&E)(cost of acquiring new customers, not marginal to consumption).<sup>30</sup>
- Non-Marginal Distribution (fixed distribution costs that are unaffected by customer usage).<sup>31</sup>

<sup>&</sup>lt;sup>26</sup> Ex. NRDC-TURN-1, page 19.

<sup>&</sup>lt;sup>27</sup> These costs include the PUC Reimbursement Fee, the Competition Transition Charge, and the Wildfire Fund Charge.

<sup>&</sup>lt;sup>28</sup> Ex. NRDC-TURN-1, page 21.

<sup>&</sup>lt;sup>29</sup> Ex. NRDC-TURN-1, page 20.

<sup>&</sup>lt;sup>30</sup> Ex. NRDC-TURN-1, page 21.

<sup>&</sup>lt;sup>31</sup> Ex. NRDC-TURN-1, page 20.

- Public Purpose Programs (including Self-Generation Incentive Program and others that are not CARE Exempt).<sup>32</sup>
- Wildfire Hardening Charge (bond charges to support wildfire hardening expenditures).<sup>33</sup>
- Nuclear Decommissioning (fixed costs for decommissioning of Diablo Canyon, San Onofre, Humboldt Bay and Palo Verde).<sup>34</sup>
- New System Generation Charge (sunk costs of local generation capacity procured to meet reliability needs).<sup>35</sup>
- Residential CARE discount contribution (costs of providing bill reductions to CARE customers).<sup>36</sup>

TURN/NRDC also suggested that the Commission consider including in fixed costs both non-marginal generation costs (which cannot be modeled using the E3 Tool)<sup>37</sup> and the Diablo Canyon volumetric payment (which amounts to \$13/MWh of generation during the period of extended operations) in a future version of a fixed charge since they need not be collected via volumetric retail rates. However, these costs were not calculated or incorporated into the TURN/NRDC fixed charge proposal. Additionally, TURN/NRDC noted that since transmission costs are primarily fixed and do not vary with usage (especially in the short-run), there is a strong justification for recovering most or all of these costs via a fixed charge.<sup>38</sup> However, the fact that any such change would require approval by the Federal Energy Regulatory Commission (FERC) means that these costs are assumed to remain in volumetric rates at this time. The Commission should explore options for including this category in the fixed charge at a later date.

<sup>&</sup>lt;sup>32</sup> Ex. NRDC-TURN-1, page 20.

<sup>&</sup>lt;sup>33</sup> Ex. NRDC-TURN-1, page 20.

<sup>&</sup>lt;sup>34</sup> Ex. NRDC-TURN-1, page 20.

<sup>&</sup>lt;sup>35</sup> Ex. NRDC-TURN-1, pages 21-22.

<sup>&</sup>lt;sup>36</sup> Ex. NRDC-TURN-1, pages 21-22.

<sup>&</sup>lt;sup>37</sup> Ex. NRDC-TURN-1, page 21; TURN/NRDC reply brief on the requirements of AB 205, February 13, 2023, page 10 (referencing Cal. Pub. Util. Code §712.8(f)(5)).

<sup>&</sup>lt;sup>38</sup> Ex. NRDC-TURN-1, page 21.

With respect to the costs included in the E3 model, TURN/NRDC believe that the Commission should direct each utility to provide more accurate and consistent data on the breakdown of costs within each larger category and specifically for those classified as "Non-marginal distribution." As explained in testimony,

Consistently and accurately determining what cost categories to include in a fixed charge, to what extent, and why, requires more granular categorization of costs and uniformity on how costs are reported by all IOUs. For example, utility spending on societally oriented wildfire mitigation is a fixed cost and a candidate for non-ratepayer funding from sources like the tax base. However, the E3 model does not separately identify transmission and distribution spending based on wildfire mitigation. This limitation frustrates our ability to determine what percentage of the named cost categories should be separated out for collection via fixed charges and/ or from non-ratepayer funds. Because utilities use different cost categorization schema, it is near impossible to have a consistent determination of all the costs appropriately characterized as fixed across all three IOUs.<sup>39</sup>

In tandem with this additional detail on specific categories, TURN/NRDC note the statutory requirement that any fixed charge should "reasonably reflect an appropriate portion of the different costs of serving small and large customers."<sup>40</sup> To satisfy this requirement, the fixed charge should account for any difference in marginal customer access costs between single family and multi-family dwellings.<sup>41</sup> The Commission should direct the utilities to both differentiate these costs by customer size (single family/multi-family) and connection capacity (service drop or panel size) in their next Phase 2 General Rate Cases and to improve their collection of customer data to allow for these differences to be reflected in a future fixed charge.

Assigning full collection of all fixed costs to a fixed charge would result in unacceptably high fixed charge levels, especially for a first version IGFC. Assuming the CARE/FERA charge is set to \$5, the remaining residential customers on default rates would pay

<sup>&</sup>lt;sup>39</sup> Ex. NRDC-TURN-1, page 22.

<sup>&</sup>lt;sup>40</sup> Cal. Pub. Util. Code §739.9(d).

<sup>&</sup>lt;sup>41</sup> Ex. NRDC-TURN-1, page 16.

monthly fixed charges of \$71 (SCE), \$81 (PG&E) and \$84 (SDG&E).<sup>42</sup> Due to concerns about the distribution of bill impacts from such a charge, and the desirability of a glidepath for any new IGFC, TURN/NRDC are not recommending this approach. Instead, the following tables provide the proposed collection percentages for each cost category in fixed/volumetric rates under the second version IGFC and new first version IGFC proposal described in this brief.

<sup>&</sup>lt;sup>42</sup> Results of E3 Model assuming all fixed cost categories (as proposed by TURN/NRDC) are set to recover 100% via fixed charge and CARE/FERA customer charge is set at \$5. Transmission costs are assumed to remain in volumetric rates.

Cost		Percent to Include in Customer Charge			
Category	Cost Component	PG&E	SCE	SDG&E	
Generation	PCIA	100%	100%	100%	
Generation	Marginal Energy Cost	0%	0%	0%	
Generation	Marginal Generation Capacity Cost	0%	0%	0%	
Generation	Non-Marginal Generation	0%	0%	0%	
Distribution	Marginal Customer/ Customer Access	100%	100%	100%	
Distribution	Marginal Distribution Capacity Cost - Primary	0%			
Distribution	Marginal Distribution Capacity Cost - New Business	100%			
Distribution	Marginal Distribution Capacity Cost - Secondary	0%			
Distribution	Marginal - Grid		0%		
Distribution	Marginal - Peak		0%		
Distribution	Marginal Demand - Non-Coincident Peak			0%	
Distribution	Marginal Demand - Coincident Peak			0%	
Distribution	Non-Marginal Distribution	20%	45%	7%	
Transmission	All Transmission Categories	0%	0%	0%	
Line Items	Public Purpose Programs - SGIP	100%	100%	100%	
Line Items	Wildfire Fund Charge	0%	0%	0%	
Line Items	Wildfire Hardening Charge	100%	100%		
Line Items	Recovery Bond Charge	0%	0%		
Line Items	Recovery Bond Credit	0%	0%		
Line Items	Public Purpose Programs - Not CARE Exempt	100%	100%	100%	
Line Items	Nuclear Decommissioning	100%	100%	100%	
Line Items	New System Generation Charge	100%	100%	100%	
Line Items	Competition Transition Charge	0%		0%	
Line Items	Energy Cost Recovery Account	0%			
	Total Rate Adjustment Component - Baseline				
Line Items	adjustment component			0%	
Line Items	Residential CARE Contribution	100%	100%	100%	
Average	e Default Fixed Charge Per Customer Per Month	\$36	\$36	\$36	
	Modifications for Electrification Rates				
Distribution	Non-Marginal Distribution	55%	76%	43%	
Average El	ectrification Fixed Charge Per Customer Per Month	\$47	\$47	\$47	

TURN/NRDC second version IGFC proposed allocation of cost categories to fixed charge<sup>43</sup>

<sup>&</sup>lt;sup>43</sup> Ex. NRDC-TURN-1, page 20, Table 3.

Cost		Percent to Include in Customer Charge			
Category	Cost Component	PG&E	SCE	SDG&E	
Generation	PCIA	100%	100%	100%	
Generation	Marginal Energy Cost	0%	0%	0%	
Generation	Marginal Generation Capacity Cost	0%	0%	0%	
Generation	Non-Marginal Generation	0%	0%	0%	
Distribution	Marginal Customer/ Customer Access	100%	100%	78%	
Distribution	Marginal Distribution Capacity Cost - Primary	0%			
Distribution	Marginal Distribution Capacity Cost - New Business	0%			
Distribution	Marginal Distribution Capacity Cost - Secondary	0%			
Distribution	Marginal - Grid		0%		
Distribution	Marginal - Peak		0%		
Distribution	Marginal Demand - Non-Coincident Peak			0%	
Distribution	Marginal Demand - Coincident Peak			0%	
Distribution	Non-Marginal Distribution	17%	10%	0%	
Transmission	All Transmission Categories	0%	0%	0%	
Line Items	Public Purpose Programs - SGIP	0%	100%	0%	
Line Items	Wildfire Fund Charge	0%	0%	0%	
Line Items	Wildfire Hardening Charge	0%	100%		
Line Items	Recovery Bond Charge	0%	0%		
Line Items	Recovery Bond Credit	0%	0%		
Line Items	Public Purpose Programs - Not CARE Exempt	38%	91%	0%	
Line Items	Nuclear Decommissioning	100%	100%	0%	
Line Items	New System Generation Charge	100%	100%	0%	
Line Items	Competition Transition Charge	0%		0%	
Line Items	Energy Cost Recovery Account	0%			
	Total Rate Adjustment Component - Baseline				
Line Items	adjustment component			0%	
Line Items	Residential CARE Contribution	100%	100%	100%	
Average	e Default Fixed Charge Per Customer Per Month	\$23	\$24	\$23	
	Modifications for Electrification Rates				
Distribution	Non-Marginal Distribution	46%	36%	23%	
Average El	ectrification Fixed Charge Per Customer Per Month	\$32	\$32	\$32	

TURN/NRDC first version IGFC proposed allocation of cost categories to fixed charge

The primary differences between the second and first version IGFCs with respect to cost categories are driven by the overall reduction (approximately 36%) in the proposed average fixed charge amounts. While TURN/NRDC support the inclusion of a broad array of categories into a fixed charge, the lower total level of the first version IGFC required downward adjustments to the proposed percentages for many individual categories or their elimination from the calculation. Due to the fungibility of money between categories, TURN/NRDC does not assert that the specific percentages for each of the identified cost categories are critical to the adoption of the first version IGFC (with respect to the level and structure of the charge) without replicating the exact allocation of costs from each defined category or agreeing that specific categories are appropriately included in the definition of fixed costs. The rationale for the TURN/NRDC average fixed charge level (~\$23.50 for default rates and ~\$33.50 for electrification rates) is provided in Sections I(B)(4) and (7).

TURN/NRDC recommend that the Commission adopt a total fixed charge level for the first version IGFC, affirm the categories of costs that may be included in a fixed charge, and then assign the percentages for each category in a manner that solves for the total fixed charge revenue requirement. In doing this exercise, the Commission may assign (to the extent practical) a range of percentages from each identified category including zero percent even though the costs are deemed to be fixed. This approach would allow for continuing consideration of the reasonable percentage of each fixed cost category to be recovered in a fixed charge over time. As part of any such process, the Commission should direct each utility to provide more granular information on the composition of several cost categories (specifically non-marginal distribution) in upcoming Phase 2 General Rate Cases. This information will inform future iterations of the IGFC and allow for parties to offer more refined proposals that target individual categories of distribution spending that are not sensitive to changes in customer consumption.

#### 3. Proposed Income Thresholds

The August 22 Ruling establishes significant limitations on the design of a first version IGFC by limiting the income thresholds to those that "rely on existing income verification processes used by the Commission for the California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs."<sup>44</sup> This limitation appears to constrain the income thresholds to those applicable to CARE, FERA and the remaining body of residential customers. The August 24<sup>th</sup> Ruling providing some clarifications requested by TURN/NRDC did not address whether parties may propose tiers that are more granular than these broad categories.<sup>45</sup>

Consistent with these restrictions, TURN/NRDC propose that the first version IGFC include three income thresholds – CARE, FERA, and all other residential customers. Because these thresholds rely on existing programs and eligibility processes, there should be no incremental work required to assign customers to the correct fixed charge tier. Recognizing that the Small and Multijurisdictional Utilities (SMJUs) do not offer the FERA rate, TURN/NRDC support dividing the existing CARE population for these utilities into two income tiers as proposed by the SMJUs.<sup>46</sup> Although the absence of a higher-income tier limits the opportunity to use the first version IGFC to make substantial progress on equity and electrification outcomes, there are meaningful results that can be achieved on an interim basis until the second version IGFC is implemented.

The second version IGFC proposed by TURN/NRDC includes three income thresholds designed to fulfill the statutory requirements of AB 205 and realize significant progressive impacts on customer bills. The three tiers are customers enrolled in

<sup>&</sup>lt;sup>44</sup> August 22<sup>nd</sup> Ruling, page 4.

<sup>&</sup>lt;sup>45</sup> August 24<sup>th</sup> Ruling (no response provided to the following question raised by TURN – "Can parties propose to rely on existing CARE or FERA income verification processes to support IGFC income tiers for the "first version" that are more granular than CARE, FERA and the remaining body of residential customers?")

<sup>&</sup>lt;sup>46</sup> SMJU reply comments, page 6; Ex. PAC-1, page 22; The proposal to collect income data on existing CARE customers is reasonable and would not prevent the Commission from adopting the TURN/NRDC proposal since the first two tiers would receive the same fixed charge under the first version IGFC.

CARE/FERA programs, other residential customers with household incomes up to \$150,000/year and higher-income residential customers with household incomes over \$150,000/year.<sup>47</sup> TURN/NRDC further clarified that customers living in deed-restricted affordable housing should be placed in the CARE/FERA tier.<sup>48</sup>

As part of the first version IGFC implementation, the Commission should direct each utility to identify customers living in deed-restricted affordable housing and assign them to the CARE/FERA tier. In testimony, TURN/NRDC noted the availability of an existing database of California's affordable housing units by address maintained by the California Housing Partnership.<sup>49</sup> This database is available to government and nonprofit partners on request, draws on the public inventories of federal and state subsidized housing programs, and could be used to categorically default accounts at the listed addresses into the CARE/FERA tier.<sup>50</sup> The Commission can facilitate access by making a formal request to access this data for the purpose of the IGFC.

TURN/NRDC recognize that the number of customers enrolled in FERA is 2-3 percent of those enrolled in CARE. However, the Commission should also recognize that participation rates in FERA are extremely low compared to CARE. The following tables show recent data that emphasizes both the size of the enrolled FERA population (compared to CARE) and the gap in participation rates between the two programs:

<sup>&</sup>lt;sup>47</sup> Ex. NRDC-TURN-1, pages 22-23.

<sup>&</sup>lt;sup>48</sup> Ex. NRDC-TURN-2, pages 21-23.

<sup>&</sup>lt;sup>49</sup> Ex. NRDC-TURN-2, page 22.

<sup>&</sup>lt;sup>50</sup> Ex. NRDC-TURN-2, pages 22-23.

CARE Participation (May 2023)								
	Enrolled	Eligible	Participation					
	Enroneu	Lingible	Rate					
PG&E	1,438,238	1,402,162	103%					
SCE	1,180,937	1,315,495	90%					
SDG&E 351,628 301,966 116%								

#### CARE and FERA Program Participation<sup>51</sup>

FERA Participation (May 2023)								
	Participation Rate							
PG&E	37,994	163,489	23%					
SCE	27,154	223,980	12%					
SDG&E	11,503	42,980	27%					

Allowing FERA to serve as a stand-alone tier may help to boost participation rates from currently low levels given the additional bill savings available to these customers. This outcome would be useful for purposes of improving the effectiveness of the FERA rate. However, the Commission should recognize that the FERA tier can only comprise a small fraction of residential customers due the limitations on income eligibility and family size.

Some parties propose dividing CARE customers into two tiers for purposes of the first version IGFC. While TURN/NRDC do not oppose dividing low-income customers into multiple tiers, there are several concerns relating to implementation and fairness that must be addressed. First, the utilities currently have partial data relating to the income levels of CARE customers. As of July 2023, the three major utilities had collected income data for 92% of PG&E CARE customers, 54% of SDG&E CARE customers and 36% of SCE CARE customers.<sup>52</sup> The data gaps, especially for SDG&E and SCE, would result in some very low-income customers being incorrectly placed in the higher low-income tier and would require more implementation work (data collection) over the coming years. Second, the proposal to default CARE customers that have not provided income data

<sup>&</sup>lt;sup>51</sup> Ex. NRDC-TURN-3, page 4.

<sup>&</sup>lt;sup>52</sup> Ex. NRDC-TURN-4, Attachment 5.

into the second tier means that some very low-income customers will be overcharged. The question of whether to adopt this proposal depends upon the added bill savings benefits from a very-low income tier, the additional implementation cost and time required, and whether this differentiation is likely to carry forward into a second version IGFC that would include both a very low income tier and a higher income tier. Furthermore, the Commission should reject any first version IGFC that does not provide average bill reductions to participants in the second low-income fixed charge tier in each baseline territory.

For purposes of the first version IGFC, TURN/NRDC propose that the income tiers be as simple as possible to limit implementation delays and costs. Because TURN/NRDC propose a low fixed charge amount (\$5) for both CARE and FERA customers, there is little added benefit to further differentiating these customers into additional tiers. If the Commission wishes to adopt a higher average fixed charge for low-income customers, there may be a more persuasive rationale for creating a very low-income tier. Rather than including this work within the scope of the first version IGFC, it would be a better candidate for consideration as part of the second version that will be developed in a subsequent phase of this proceeding.

#### 4. Proposed Charge for each Income Threshold

Given the limits on new income eligibility and verification practices imposed by the Commission, the average fixed charge level for the first version IGFC should be lower than the second version. While TURN/NRDC proposed a second version IGFC that averages approximately \$36 per month, the addition of a higher income tier (at \$61-62 per month) would provide sufficient revenue to hold middle-income customers relatively indifferent (on average). Retaining the same average fixed charge level without the inclusion of a high-income tier produces noticeable average bill impacts on middle-income customers that should be avoided to the extent possible.

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As an alternative, TURN/NRDC propose to set the average first version IGFC equivalent to the monthly fixed charge included in residential rates charged by the publicly-owned Sacramento Municipal Utility District (SMUD). As shown in the appendix to direct testimony, this charge is \$23.50 per month.<sup>53</sup> This level represents an appropriate starting point for the implementation of residential fixed charges and represents a smaller share of the overall residential revenue requirements for the three IOUs than for SMUD (which has substantially lower average retail rates). The following chart provides a comparison of average fixed charge levels (and percentage of overall residential revenue requirement collected through a fixed charge) between the TURN/NRDC first and second version IGFCs, SMUD, and seven other out-of-state utilities that include material fixed charges in residential rates.<sup>54</sup>



#### **Residential fixed charges**

TURN/NRDC first and second version proposals compared to other Utilities

<sup>&</sup>lt;sup>53</sup> Ex. NRDC-TURN-1, Appendix C, page 4.

<sup>&</sup>lt;sup>54</sup> Ex. NRDC-TURN-1, Appendix C, page 4; Values for TURN/NRDC first and second version IGFCs calculated using E3 model.

As shown in this chart, setting the first version IGFC at a level comparable to SMUD would collect approximately 14-16% of total residential revenue requirements while the SMUD collects more than 20% of its residential revenues using a similar charge. A second version IGFC set at \$35-37 would collect only a marginally larger portion of residential revenues (22-25%) than are collected through SMUD's lower fixed charge. A comparison of fixed charges by various utilities that fails to consider overall residential revenue requirements (and average rates) would provide a false impression as to whether proposals considered in this proceeding are excessive compared to charges imposed by other utilities both within, and outside, the state.

With respect to income differentiation, the following table shows the proposal for a first version IGFC (v1) along with the proposal for a second-version IGFC (v2) outlined in the TURN/NRDC testimony and comments:<sup>55</sup>

Fixed Charge Proposals / Tiered Rate - TURN/NRDC v1 and v2								
	PG	&E	SCE D		SDG&E DR			
	E	-1						
	v1	v2	v1	v2	v1	v2		
CARE	\$5	\$5	\$5	\$5	\$5	\$5		
FERA	\$5	\$5	\$5	\$5	\$5	\$5		
< \$150,000	\$30.64	\$41.47	\$29.97	\$41.20	\$29.70	\$41.37		
\$150,000 +	\$30.64	\$62.20	\$29.97	\$61.80	\$29.70	\$62.05		
Average	\$23.29	\$36.22	\$23.52	\$36.00	\$23.23	\$36.14		

<sup>&</sup>lt;sup>55</sup> First version IGFC values are included in the Appendix showing full results from the E3 model. Non-CARE fixed charge values for default TOU rates differ from the tiered rate schedules by a *de minimus* amount (\$0.05-\$0.10 depending upon the utility). The second version IGFC values are shown in Ex. NRDC-TURN-1, page 24, Table 4.

As explained previously, TURN/NRDC propose to apply the CARE fixed charge level (both for v1 and v2) to any customer occupying deed-restricted affordable housing.

There is no proposed difference between the fixed charge levels for CARE and FERA due to the modest level of the charge and the goal of consistent treatment of these two groups of low-income customers. Slightly differentiating the CARE and FERA charges does not appear to be useful given the minor impacts on bills and the inability to obtain significant revenues from the small class of FERA customers under any fixed charge level. Keeping the FERA charge at the same level as CARE (for now) would also incentivize participation and increase the percentage of eligible customers who enroll in the FERA tariff. In addition, harmonizing the CARE and FERA charges assists with the required showing that the average low-income customer should realize lower bills in each baseline territory.

The non-CARE/FERA charge should be calculated on a residual basis to collect sufficient revenue, in combination with the CARE and FERA charges, to approximate the \$23.50 fixed charge target level. The level of differentiation between CARE/FERA and the remaining customers is set to provide meaningful bill reductions for these customers. These bill reductions are shown in Section II(B)(6).

Volumetric Revenue Requirement (Tiered Rates)									
	\$/kWh (Existing)	TURN/NRDC Proposal	\$/kWh (New)	\$ Change	% Change				
DC 2-E	¢0.21	v1	\$0.26	(\$0.048)	-15%				
FG&L	\$0.51	v2	\$0.24	(\$0.074)	-24%				
SCE	\$0.22	v1	\$0.27	(\$0.046)	-15%				
SCE	\$0.32	v2	\$0.25	(\$0.070)	-22%				
SDC &F	\$0.46	v1	\$0.40	(\$0.062)	-13%				
SDG&E	J.40	v2	\$0.37	(\$0.098)	-21%				

The resulting impacts on default TOU and tiered volumetric rates under both the first and second version proposals are shown in the following table:<sup>56</sup>

<sup>&</sup>lt;sup>56</sup> Results produced with E3 model. Full results shown in Appendix.

The larger volumetric rate reductions under the second version proposal reflect the proportional increase in the fixed charge relative to the first version. Although TURN/NRDC encourage the Commission to expeditiously move towards the larger volumetric rate reductions that can be achieved under the second version IGFC, the benefits of the first version IGFC should be sufficient to demonstrate meaningful progress towards longer-term equity, efficiency and policy objectives.

#### 5. Escalation process

Once any IGFC is implemented, the Commission should oversee a process for making ongoing adjustments to reflect changes in underlying fixed costs, average rate escalation, inflation, and other relevant factors. These adjustments should occur on both an annual basis (to reflect average rate changes) and as part of the Phase 2 General Rate Case process (to update cost categories). As part of both processes, significant weight should be given to the long-term goal of reducing volumetric rates to better align with social marginal costs.

For annual rate changes that result from the true-up of balancing accounts, recorded revenues (including forecasted/recorded fixed charge revenues) and revised sales forecasts, TURN/NRDC recommend adopting the goal of limiting volumetric rate increases to no higher than the Consumer Price Index (CPI).<sup>57</sup> The annual process could be incorporated into the Energy Resource Recovery Account applications (to the extent any modifications to existing practice are proposed) and via Annual/Consolidated True-up Advice Letter filings (to the extent that the adjustments are mechanical). This approach is designed to promote less volatility in monthly bills, support continued progress towards aligning volumetric rates with social marginal costs and send consistent price signals to customers.<sup>58</sup> A key assumption underlying this proposal is

<sup>&</sup>lt;sup>57</sup> Ex. NRDC-TURN-1, page 41 (Over/undercollections of authorized fixed charge revenues should be trued up annually and applied to the subsequent year fixed charge revenue requirement).

<sup>&</sup>lt;sup>58</sup> As noted elsewhere, the floor for volumetric rates should be the modified ACC values which reflect social marginal costs.

that the adopted IGFC will be set at a level well below the amounts needed to fully recover defined fixed costs. This means that annual adjustments to the fixed charge needed to prevent volumetric rates from increasing at rates above CPI can be sourced from cost categories that are determined to be fixed in this proceeding. In making these annual changes, the adopted ratio between the charges for different income tiers should be preserved.

The second venue for escalation of IGFCs should be either the Phase 2 General Rate Case (GRC) for each utility or a multi-utility rulemaking. The Phase 2 GRC is an appropriate process for evaluating ongoing changes to fixed costs, refining fixed cost categories, resetting the amount of costs from individual categories to be recovered in a fixed charge, and revising ratios between the income tiers. A multi-utility rulemaking is an appropriate forum for setting overall policy governing IGFCs and potentially establishing a glidepath governing the range of future adjustments.

#### 6. <u>Demonstration of average low-income customer savings by baseline territory</u>

Pursuant to Public Utilities Code §739.9(e), the Commission is obligated to ensure that the establishment of an IGFC results in "a lower average monthly bill" for a "lowincome ratepayer in each baseline territory." TURN/NRDC recommend that the definition of "low-income ratepayer" include all CARE and FERA customers for purposes of the analysis required under statute. Moreover, any fixed charge tier that includes only CARE or FERA customers should be required to satisfy this requirement. Both the first and second version IGFCs proposed by TURN/NRDC fully satisfy this requirement.

Full results from the E3 model, included in Appendices A and B, show that CARE customers in every baseline territory are expected (on average) to realize bill reductions. The following table provides summary results for each utility that include the average bill impacts across the entire service territory and results for baseline territories with the

highest and lowest levels of average usage. The table shows results for both the first and second version IGFCs proposed by TURN/NRDC:<sup>59</sup>

Average Monthly Bill Impacts - TOU Rates									
	PG&E			SCE			SDG&E		
	Average	Coastal (T)	Inland (W)	Average	Coastal (6)	Inland (15)	Average	Coastal	Desert
CARE (v1)	(\$10.05)	(\$4.53)	(\$13.20)	(\$10.43)	(\$4.88)	(\$16.48)	(\$8.46)	(\$6.59)	(\$24.24)
CARE (v2)	(\$18.47)	(\$10.18)	(\$22.96)	(\$17.70)	(\$10.52)	(\$27.18)	(\$16.84)	(\$13.85)	(\$40.82)

Although limitations in the E3 model prevent accurate analysis of the impacts on FERA customers (because there is no method of setting a separate fixed charge for FERA), the Commission should expect results to be similar for both FERA and CARE customers given that the proposed fixed charge level is identical (\$5) and both customer groups would benefit from volumetric rate reductions. As shown in the table, the bill reductions under the second version IGFC are much more significant.

In considering different IGFC proposals, the Commission should give preference to outcomes that provide meaningful bill reductions for low-income customers rather than satisfying the bare minimum standard laid out in statute. Party proposals that barely provide net bill reductions to average CARE customers in lower-usage baseline territories, or do not provide FERA customers with average bill reductions in every baseline territory, should be categorically rejected as insufficient to satisfy both the express statutory requirements and the underlying intent.

# 7. <u>Application to optional and electrification rates</u>

To provide greater incentives for beneficial transportation and building electrification, TURN/NRDC propose a higher IGFC for the electrification rate schedules. The higher

<sup>&</sup>lt;sup>59</sup> V2 impacts are weighted averages from the heat map results in Ex.NRDC-TURN-1, Appendix D; V1 impacts weighted averages from the heat map results in Appendix A – latest E3 printout.

average fixed charge is used to lower volumetric rates within the same tariff. These lower volumetric rates should lower operating costs and improve payback periods for heat pumps and electric vehicles, thereby incentivizing fuel switching and accelerating the electrification transition.

In direct testimony, TURN/NRDC proposed a second version IGFC for electrification rate schedules that averages approximately \$47 (all customer average) with a \$15 charge for CARE/FERA.<sup>60</sup> For purposes of a first version IGFC, TURN/NRDC propose smaller overall fixed charges of approximately \$32 (all customer average) with a \$10 charge for CARE and FERA customers. The following table provides a summary of the first and second version proposals for electrification tariffs:

Fixed Charge Proposals / Electrification Rate - TURN/NRDC v1 and v2											
	PG&E E-ELEC		SCE TOU-D-PRIME		SDG&E TOU-ELEC						
	v1	v2	v1	v2	v1	v2					
CARE	\$10	\$15	\$10	\$15	\$10	\$15					
FERA	\$10	\$15	\$10	\$15	\$10	\$15					
< \$150,000	\$40.17	\$50.33	\$40.01	\$50.56	\$40.03	\$50.56					
\$150,000 +	\$40.17	\$75.49	\$40.01	\$75.84	\$40.03	\$75.85					
Average	\$31.52	\$46.94	\$32.26	\$47.13	\$32.16	\$47.14					

The larger fixed charges for electrification schedules yield more significant volumetric rate reductions than would occur for default rates. In direct testimony, TURN/NRDC explain that because "investment decisions are made on the margins", providing additional volumetric rate reductions on electrification tariffs will make electricity more competitive with natural gas and gasoline and accelerate the adoption of key

<sup>60</sup> Ex. NRDC-TURN-1, page 24.

technologies.<sup>61</sup> The following table shows the expected changes in volumetric rates (relative to existing levels) under the first and second version IGFC proposals:<sup>62</sup>

TURN/N	RDC First Ve	ersion IGFC	- Volumetric	Charges, Elec	trification <b>R</b>	lates					
	PG&E (E-ELEC)										
		CARE/FERA	4	Non-CARE/FERA							
	Existing Rate	v1	v2	Existing Rate	v1	v2					
Summer - Peak	\$0.34	\$0.30	\$0.29	\$0.53	\$0.47	\$0.44					
Summer - Part-Peak	\$0.24	\$0.20	\$0.18	\$0.37	\$0.32	\$0.28					
Summer - Off-Peak	\$0.20	\$0.16	\$0.15	\$0.31	\$0.26	\$0.23					
Winter - Peak	\$0.19	\$0.16	\$0.14	\$0.30	\$0.25	\$0.21					
Winter - Part-Peak	\$0.18	\$0.14	\$0.12	\$0.28	\$0.23	\$0.19					
Winter - Off-Peak	\$0.17	\$0.13	\$0.11	\$0.26	\$0.21	\$0.18					
	SCE (TOU-D-PRIME)										
		CARE/FERA	4	Non-CARE/FERA							
	Existing Rate	v1	v2	Existing Rate	v1	v2					
Summer - Peak	\$0.42	\$0.38	\$0.37	\$0.62	\$0.57	\$0.55					
Summer - Part-Peak	\$0.25	\$0.21	\$0.19	\$0.37	\$0.31	\$0.29					
Summer - Off-Peak	\$0.16	\$0.13	\$0.11	\$0.24	\$0.20	\$0.17					
Winter - Peak	\$0.38	\$0.34	\$0.33	\$0.57	\$0.51	\$0.49					
Winter - Part-Peak	\$0.15	\$0.12	\$0.10	\$0.22	\$0.18	\$0.15					
Winter - Off-Peak	\$0.15	\$0.12	\$0.10	\$0.22	\$0.18	\$0.15					
	SDG&E (TOU-ELEC)										
	CARE/FERA			Non-CARE/FERA							
	Existing Rate	v1	v2	Existing Rate	v1	v2					
Summer - Peak	\$0.49	\$0.47	\$0.45	\$0.74	\$0.72	\$0.68					
Summer - Part-Peak	\$0.25	\$0.23	\$0.20	\$0.37	\$0.35	\$0.31					
Summer - Off-Peak	\$0.21	\$0.20	\$0.17	\$0.33	\$0.30	\$0.26					
Winter - Peak	\$0.33	\$0.31	\$0.29	\$0.50	\$0.48	\$0.44					

The table highlights the fact that the first version IGFC would only achieve slightly more than half the volumetric rate reductions that are possible under the second version IGFC. These results assume the use of the "constant ratio" option in the E3 Model for the application of the fixed charge revenues to rates in all TOU periods. To maximize the benefits for off-peak charging and incremental usage, the Commission

\$0.19

\$0.16

\$0.36

\$0.32

\$0.34

\$0.29

\$0.30

\$0.25

\$0.24

\$0.21

\$0.22

\$0.19

Winter - Part-Peak

Winter - Off-Peak

<sup>&</sup>lt;sup>61</sup> Ex. NRDC-TURN-1, pages 28-31.

<sup>&</sup>lt;sup>62</sup> Ex. NRDC-TURN-1, page 26, Table 6; Results for the first version proposal are generated from the E3 model. Full model results are included in Appendix B.

may wish to direct each utility to assign a greater share of the fixed charge revenues to reduce off-peak period rates (especially for PG&E where there is a smaller peak to off-peak rate differential than the other utilities). TURN/NRDC do not make this assumption in the E3 model but believe that there could be value to incorporating this approach into implementation.

The impacts on electrification outcomes (operating costs) are shown in Section II(C) and highlight the importance of adopting a separate (and larger) IGFC for electrification rate tariffs.

# 8. <u>Income verification</u>

TURN/NRDC propose to rely on the existing CARE and FERA eligibility, enrollment and recertification processes to verify customer incomes for the first two fixed charge tiers in the first version IGFC. These customers have already taken steps to enroll in these tariffs and provided attestations along with any other required documentation.<sup>63</sup> There would be no additional opt-in required and no need for the Commission to modify CARE or FERA income verification requirements as part of this proceeding. Since the third fixed charge tier would not include any income eligibility requirements, there would be no required verification process.<sup>64</sup>

Additionally, TURN/NRDC recommend expanding the CARE tier to include households living in deed-restricted affordable housing units.<sup>65</sup> Because the income limits for these units are based on Area Median Income, they do not fully align with the eligibility requirements for CARE and FERA and some occupants are not enrolled in those programs. To identify customers who fall into this gap, the Commission should

<sup>&</sup>lt;sup>63</sup> Ex. NRDC-TURN-03, page 13.

<sup>&</sup>lt;sup>64</sup> TURN/NRDC recognize that the SMJUs do not have a FERA rate and are proposing a process that would divide the CARE population into two tiers. As previously noted, TURN/NRDC do not oppose this approach for SMJUs so long as the charge applicable to both tiers is similar and average customers in each tier realize bill reductions within each baseline territory. <sup>65</sup> Ex. NRDC-TURN-02, page 21.

formally request access to the California Housing Partnership database of affordable housing units. In rebuttal testimony, TURN/NRDC explained that this information could be used to map addresses to utility meters and ensure that every occupant of deed-restricted affordable housing is defaulted into the CARE fixed charge tier.<sup>66</sup> No additional income verification would be required by the customer. This streamlined approach would ensure that affordable housing residents receive the full benefits of the lowest fixed charge tier and the resulting bill savings.

#### 9. Outreach to customers about fixed charge levels and impacts

Outreach and education of customers about the transition to an IGFC will require coordinated efforts by the Commission, utilities and a variety of third parties. Planning should commence shortly after the approval of the first version IGFC given the lead time necessary to conduct sufficient marketing, education and outreach. In comments, the IOUs state that a first version IGFC could be implemented "between 12 and 36 months (varying by utility) after the Commission issues its Final Decision in this proceeding."<sup>67</sup> TURN/NRDC recommend that outreach occur at least six months in advance of the charge being included in customer rates.

The forms of outreach to inform customers should include bill inserts, email communications, social media postings, a webpage on each utility website and on the Commission website, and free media coverage. One function of outreach is to ensure that customers eligible for CARE or FERA are enrolled in these tariffs. While the CARE program is assumed to capture a very high percentage of eligible customers, participation rates in FERA range from 12-27% of eligible customers.<sup>68</sup> Encouraging greater enrollment in FERA should be a priority for outreach efforts given the additional bill reductions (beyond the 18% discount provided by the existing program) that would result from the IGFC.

<sup>&</sup>lt;sup>66</sup> Ex. NRDC-TURN-02, pages 22-23.

<sup>&</sup>lt;sup>67</sup> Ex. Joint IOUs-4, page 45, ¶109.

<sup>&</sup>lt;sup>68</sup> Ex. NRDC-TURN-3, page 4.
## 10. Implementation timelines

The Commission should direct each utility to prioritize the implementation of a first version IGFC with the goal of incorporating the new fixed charge into rates during 2025. Given the lack of any new income verification protocols or processes under the TURN/NRDC proposal, this timeline is consistent with the claim that the utilities need "between 12 and 36 months (varying by utility)" to modify their billing systems and incorporate the new charge into rates.<sup>69</sup> The quick implementation of the first version IGFC is essential to begin the process of reducing volumetric rates in order to realize some near-term benefits for customers and to spur new electrification investments.

For any utility that cannot implement the first version IGFC by January 1, 2026, the Commission may wish to move directly to the second version IGFC to avoid duplicative billing system work. In rebuttal testimony, the Joint IOUs argue that they

should only be required to modify their billing systems in such a way that would work for both the end-state solution as well as any interim solution adopted. This would be achieved by the CPUC adopting, up front, the specific number of income brackets for the end-state solution, so this structure could be programmed into IOU billing systems from the start, avoiding reprogramming later.<sup>70</sup>

Assuming that work on the development of the second version IGFC continues over the course of 2023 and 2024, the Commission should be able to adopt a second version tariff by the end of 2024 or sometime in 2025. If the goal is to implement such a charge in 2026, it would be counterproductive to have a utility reprogramming its billing system in 2026 to accommodate a first version IGFC that is about to be replaced by the second version. The Commission should require the utilities to place a high priority on this effort, not engage in duplicative or wasteful work, and focus on removing obstacles to the implementation of a second version IGFC.

<sup>69</sup> Ex. Joint IOUs-4, page 45, ¶109.

<sup>&</sup>lt;sup>70</sup> Ex. Joint IOUs-03, page 91.

# C. Analysis of bill and electrification impacts

The bill impacts from the TURN/NRDC first version IGFC proposal are provided in summary form in the following tables. The full set of model results are included in Appendices A (default rates) and B (electrification rates). The first version IGFC yields meaningful bill reductions for CARE and FERA customers across all portions of the utility service territories under both default TOU rates and electrification rates. For the remaining customers, the impacts are more mixed – customers located in hot inland areas are more likely to realize savings than those located in cool coastal climates.

The following tables show the estimated monthly bill impacts under the first version IGFC for customers of PG&E, SCE and SDG&E living in inland/coastal baseline territories along with an average value calculated by the E3 model:

Average Monthly Bill Impacts - TOU Rates									
		PG&E		SCE			SDG&E		
	Average	Coastal (T)	Inland (W)	Average	Coastal (6)	Inland (15)	Average	Coastal	Desert
CARE	(\$10.05)	(\$4.53)	(\$13.20)	(\$10.43)	(\$4.88)	(\$16.48)	(\$8.46)	(\$6.59)	(\$24.24)
Non-CARE/FERA	\$5.54	\$12.71	(\$0.12)	(\$0.23)	\$6.07	(\$12.58)	\$4.71	\$5.34	\$4.09
	A	verage Mo	onthly Bill	Impacts -	- Electrifi	cation Rat	es		
				SCE			SDG&E		
		PG&E			SCE			SDG&E	
	Average	PG&E Coastal (T)	Inland (W)	Average	SCE Coastal (6)	Inland (15)	Average	SDG&E Coastal	Desert
CARE	<b>Average</b> (\$9.89)	PG&E Coastal (T) (\$6.15)	Inland (W) (\$12.04)	Average (\$10.20)	SCE           Coastal           (6)           (\$6.81)	Inland (15) (\$15.22)	<b>Average</b> (\$9.86)	SDG&E Coastal (\$8.65)	<b>Desert</b> (\$19.32)

In assessing the impacts shown in these tables, it is critical to note that customers living in hot inland areas already pay significantly higher bills than customers living in coastal areas. For example, the E3 tool shows the typical non-CARE (and non-NEM) PG&E customer in coastal Zone T with a household income of between \$100-150k pays a current annual electricity bill of \$1,395. The same customer living in inland Zone W has a current annual electricity bill of \$2,837.<sup>71</sup> Similar differentials occur for coastal vs. inland customers of SCE and SDG&E. The fact that the inland customer pays more than twice as much as the coastal customer in electricity bills is relevant to assessing the distribution of savings that should result from the IGFC.

The following table shows the combined annual operating cost savings under the first version IGFC for customers taking service under an electrification rate with electric space heating, electric water heating and an electric vehicle:<sup>72</sup>

			Electric space and	e heating, water electric vehicle	r heating,
			Electric operating costs (existing rate)	Electric operating costs (IGFC v1)	Savings
	Constal	CARE	\$1,056	\$944	(\$112)
	Coastai	Non-CARE/FERA	\$1,764	\$1,513	(\$251)
I G&E (E-ELEC)	Inland	CARE	\$886	\$788	(\$98)
		Non-CARE/FERA	\$1,488	\$1,267	(\$222)
	Constal	CARE	\$993	\$877	(\$116)
SCE	Cuastai	Non-CARE/FERA	\$1,563	\$1,318	(\$245)
(TOU-D-PRIME)	Inland	CARE	\$885	\$777	(\$109)
	IIIIailu	Non-CARE/FERA	\$1,399	\$1,169	(\$230)
	Coastal	CARE	\$1,483	\$1,338	(\$144)
SDG&E	Coastai	Non-CARE/FERA	\$2,359	\$2,069	(\$291)
(TOU-ELEC)	Inland	CARE	\$1,204	\$1,080	(\$124)
	manu	Non-CARE/FERA	\$1,921	\$1,673	(\$248)

<sup>&</sup>lt;sup>71</sup> Data from E3 model, individual customer bill comparison tab.

<sup>&</sup>lt;sup>72</sup> Results taken from E3 Model, "Electrification Dashboard" tab. Electric operating costs can be found by isolating the change in customer electric bills after switching to electric appliances and an electric vehicle on the existing and proposed rates.

The operating cost savings shown for these electrification customers relative to existing rates are modest but provide an additional incentive for electrification and meaningfully reduce the payback periods for electric appliances and vehicles. It is interesting to note that the benefits are more equally distributed between coastal and inland customers although coastal customers are projected to receive somewhat larger savings across all three utilities.

The Commission should find that the modeled bill impacts of the TURN/NRDC first version IGFC proposal are reasonable, comply with the statutory requirements, and would promote they objectives of promoting affordability, aligning volumetric rates with marginal costs, and supporting beneficial electrification investments.

# III. ADJUSTMENT OF RESIDENTAL RATE COMPONENTS TO REFLECT FIXED CHARGES

TURN/NRDC did not specifically address, in testimony, the question of how to allocate fixed charge revenues to different components of utility rates. The model results presented in support of the TURN/NRDC IGFC proposal assume the "constant ratio" approach to adjusting volumetric charges.<sup>73</sup> The limited ability in the model to adjust the allocation of fixed charge revenues to volumetric rates, and the inability to modify the TOU rate differentials, frustrates any comparison of alternative approaches that would reveal expected bill impacts to different customer subgroups. For this reason, TURN/NRDC do not propose any specific allocation method for fixed charge revenues at this time.

In reply comments, TURN/NRDC expressed concerns about proposals to apply all fixed charge revenues to off-peak volumetric rates. TURN/NRDC included an analysis of the impact of allocating revenues from a very modest fixed charge (such as the one proposed by SEIA) exclusively to volumetric rates outside of the on-peak summer

<sup>&</sup>lt;sup>73</sup> The E3 model describes this method as adjusting "all rate periods by a uniform factor (e.g. 0.8) so that volumetric charges collect the appropriate amount." (Rate Design Dashboard tab)

period. This analysis calculated on-peak summer rates for the three utilities ranging from \$0.86/kWh (PG&E) to \$1.29/kWh (SDG&E), noting that these rates are "12 to 20 times higher than short run marginal costs, and 1.5 times higher than ACC values weighted by usage."<sup>74</sup> Given the potential impacts on summer bills for customers living in hot climates, TURN/NRDC urges extensive analysis before applying this type of allocation of fixed charge revenues.

There may be some value to weighting the allocation of fixed charge revenues towards reductions in off-peak rates. This approach could mitigate the average bill impacts of a fixed charge on customers in coastal areas with a greater proportion of off-peak usage (especially in the winter) than customers living in hot climates. Once the first version IGFC is approved, and the amount of revenue associated with the fixed charge can be forecasted with some degree of confidence, the Commission should direct each utility to prepare analysis that evaluates different methods of applying these revenues to volumetric rates. These methods should include disproportionate weighting to off-peak rates with separate analyses for default and electrification tariffs. Attention should be paid to expected bill impacts across baseline territories for customers with different load profiles and potential effects on the operating costs of heat pumps and electric vehicles. The analysis can be considered in this proceeding, a successor proceeding, or as part of a Phase 2 General Rate Case.

# IV. IMPLEMENTATION OF AB 205 REQUIREMENTS RELATING TO THE AVERAGE EFFECTIVE DISCOUNT UNDER THE CALIFORNIA ALTERNATIVE RATES FOR ENERGY PROGRAM

As part of a decision in this phase of the proceeding, the Commission should adopt changes to the CARE discount methodology consistent with the requirements of AB 205 found in Public Utilities Code §739.1(c). Parties briefed these issues earlier in this proceeding and the Commission has not yet issued any decision based on those submissions. This brief offers an updated approach to the methodology that the

<sup>&</sup>lt;sup>74</sup> Ex. NRDC-TURN-04, page 21.

Commission should apply to preserve the overall CARE discount budget and ensure that specific exemptions or discounts to other rate components (including the IGFC) provide fully incremental savings to existing CARE discounts. To accomplish this result, there are several steps the Commission should take with respect to the calculation of the overall CARE discount revenue requirement and the application of the discount to individual customer bills.

First, each utility should be directed to modify their existing method of deducting from the line-item CARE discount the value of any exemptions to individual charges or rate components. The calculation methods used by all three IOUs violate state law by impermissibly reducing the line-item discounts that should be provided to CARE customers. Relying on the law prior to the enactment of AB 205, utilities considered any any portion of an individual retail rate or charge not paid by CARE customers to be part of the CARE discount and reduced the separate line-item discount accordingly.<sup>75</sup> The relevant portion of state law was modified by AB 205 to prevent this practice and require that the entire CARE discount is <u>incremental</u> to any exemptions or discounts to individual rate components.<sup>76</sup>

The CARE discount methodologies <u>currently used</u> by the three major electric utilities do not comply with this revised approach because they consider the CARE customer bill savings from any discounted (or exempted) rate components to be part of the "effective

<sup>&</sup>lt;sup>75</sup> Cal. Pub. Util. Code §739.1(c)(1)(prior to enactment of AB 205)("The average effective discount determined by the commission shall reflect any charges not paid by CARE customers, including payments for the California Solar Initiative, payments for the self-generation incentive program made pursuant to Section 379.6, payment of the separate rate component to fund the CARE program made pursuant to subdivision (a) of Section 381, payments made to the Department of Water Resources pursuant to Division 27 (commencing with Section 80000) of the Water Code, and any discount in a fixed charge.")
<sup>76</sup> New Cal. Pub. Util. Code §739.1(c)(1)("The average effective CARE discount shall not be less than 30 percent or more than 35 percent of the revenues that would have been produced for the same billed usage by non-CARE customers. The average effective discount determined by the commission shall not reflect any charges for which CARE customers are exempted, discounts to fixed charges or other rates paid by non-CARE customers, or bill savings resulting from participation in other programs, including the medical baseline allowance pursuant to subdivision (c) of Section 739")

discount" (which is set at 30-35% of the entire undiscounted bill).<sup>77</sup> This approach means that any exemption or discount to an individual rate component simply reduces the separate CARE discount line item credit applied to customer bills. As of late 2022, this approach led to an effective CARE discount, after removing exempted rate components, of between 29-33% rather than the authorized discount range of 30-35%.<sup>78</sup> That gap increased in 2023 due to the implementation of PG&E's Wildfire Hardening Charge (from which CARE customers are statutorily exempted).<sup>79</sup> The Commission should not allow nonconforming CARE discount methodologies to remain in place until the first version IGFC can be included on customer bills.

Second, the Commission should clarify the interaction between the discount included in the first version IGFC, the overall CARE discount methodology and the CARE program surcharge that is allocated to all non-exempt customer sales pursuant to Public Utilities Code §327(a)(7). In direct testimony, the Joint IOUs propose a method to ensure that, as a result of the implementation of the IGFC, "the overall CARE surcharge amount remains unchanged".<sup>80</sup> Under this method, the applicable CARE discount would first be applied to the non-exempted volumetric charges and then to cover a portion of the overall IGFC discount.<sup>81</sup> TURN/NRDC appreciate the preservation of the total amount of the overall CARE surcharge subject to the equal cents/kWh interclass allocation requirement. However, the Joint IOU approach would assign a portion of the CARE discount to the IGFC which is not permissible. The Commission should adopt a different approach to honor the letter and intent of the statute.

The first step is to calculate a total CARE discount budget set at between 30-35% "of the revenues that would have been produced for the same billed usage by non-CARE customers."<sup>82</sup> This calculation is straightforward and only requires applying a

<sup>&</sup>lt;sup>77</sup> Opening comments on TURN on the Scoping Ruling, December 2, 2022, pages 1-3.

<sup>&</sup>lt;sup>78</sup> Opening comments on TURN on the Scoping Ruling, December 2, 2022, page 2.

<sup>&</sup>lt;sup>79</sup> The new charge was approved in D.22-08-004.

<sup>&</sup>lt;sup>80</sup> Ex. Joint IOUs-01-E2, page 47.

<sup>&</sup>lt;sup>81</sup> Ex. Joint IOUs-01-E2, page 47.

<sup>&</sup>lt;sup>82</sup> Cal. Pub. Util. Code §739.1(c)(1).

percentage within the statutory range (30-35%) to the total bills that all CARE customers would have received if they were not on the CARE program. The second step is to apply this discount budget "in the form of a reduction in the overall bill for the eligible CARE customer."<sup>83</sup> In applying this reduction, the utility may not consider any other credits or reductions associated with rate exemptions or discounted rate components, including those associated with the IGFC.<sup>84</sup> This approach recognizes that any bill savings associated with the IGFC or other exempted rate components are <u>incremental</u> to the entire CARE discount the customers would have otherwise received. The third step is to allocate the CARE discount budget for collection on an equal cents per kWh basis pursuant to Public Utilities Code §327(a)(7).

TURN/NRDC recognize that this approach differs from the description contained in briefs submitted earlier in this proceeding.<sup>85</sup> The revised approach in this brief reflects additional consideration of the statutory language which distinguishes between the calculation of the discount (30-35% of "revenues that would have been produced for the same billed usage by non-CARE customers") and the application of that discount to customer bills ("shall not reflect any charges for which CARE customers are exempted"). This approach further ensures that the amount of the overall CARE discount budget is unaffected by the portion of total costs collected via fixed or volumetric rates.

While the CARE discount budget is recovered from all non-exempt customers through an equal cents/kWh method, the financial obligation to fund a discounted fixed charge for CARE customers through the IGFC is assigned entirely to the residential class. This method preserves the status quo with respect to financial support for the CARE program and prevents erosion of the overall surcharge amount that is subject to interclass allocation. Failure to take these steps could reduce the total amounts collected

<sup>&</sup>lt;sup>83</sup> Cal. Pub. Util. Code §739.1(c)(3).

<sup>&</sup>lt;sup>84</sup> Cal. Pub. Util. Code §739.1(c)(1).

<sup>&</sup>lt;sup>85</sup> See TURN/NRDC reply brief on statutory interpretation of the requirements of AB 205, page 11.

through the CARE surcharge (relative to the status quo) and put upward pressure on average residential rates.

After adopting both the specific mechanics of the CARE discount methodology and its applicability to both CARE customer bills and cost allocation, the Commission should direct the utilities to submit proposed changes to rates that can be implemented shortly after the adoption of a final decision in this phase of the proceeding. Those changes should make immediate rate adjustments to reflect existing rate components from which CARE customers are exempt. The adopted treatment should then also apply to the calculation of rates once the first version IGFC is in place.

# V. ADDITIONAL QUESTIONS FROM AUGUST 22 RULING

The August 22<sup>nd</sup> Ruling directs parties to answer a series of additional questions as part of opening and reply briefs. TURN/NRDC offer responses to selected questions in the following sections (some questions are omitted) and may respond, in the reply brief, to responses provided by other parties.

# A. Question 1 – What Directions Should the Commission Provide for the Development of an ME&O Plan for the first IGFCs?

1. Question 1(a)

*What topics should residential customers receive ME&O about before IGFCs are implemented?* 

In rebuttal testimony, TURN/NRDC discuss the importance of ensuring that customers understand the difference between the fixed and variable portions of their monthly bill.<sup>86</sup> The successful implementation of the IGFC requires customers to realize that the bill impacts of any new fixed charge are mitigated (at least in part) by the reductions in volumetric rates. Further, customers need to be educated about the difference between

<sup>&</sup>lt;sup>86</sup> Ex. NRDC-TURN-2, pages 44-45.

their average rate (average bill divided by kWh consumed) and the marginal rate they are charged for additional usage.

Confusion about the difference between marginal and average rates may lead some consumers to reach the wrong conclusions about the bill impacts of additional consumption. Developing awareness as to how customers can differentiate the fixed and variable charges will be critical to enabling rational consumption and investment decisions.

Additionally, Marketing, Education & Outreach (ME&O) should make customers aware of the existence of different rate options and the availability of rate comparison tools maintained by each utility to assist customers in determining which tariff is optimal for their individual consumption and load patterns. This information is particularly important for customers considering investments in building or transportation electrification who may be unaware of alternative tariffs that would lower total operating costs.

Finally, ME&O activities relating to the first version IGFCs should be tightly coordinated with similar efforts for the CARE and FERA programs. Since CARE and FERA customers are expected to realize bill savings from the IGFC, customers should be made aware of the options for enrolling in these tariffs, the eligibility criteria and the application process. Coordinated outreach should help to boost participation rates for both programs.

# 2. Question 1(b)

Should the Commission direct investor-owned utilities (IOUs) to develop a single, statewide ME&O plan or individual ME&O plans for each utility?

TURN/NRDC support a statewide coordinated ME&O plan that can identify common themes, topics and messaging. If the Commission chooses to select a Third Party Administrator (TPA) for purposes of income verification (as proposed for the second version IGFC), this entity could also be charged with assisting with statewide ME&O

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activities. The use of a TPA could minimize duplication of effort and centralize activities such as the development of a single statewide website, a contact center, social media presence and marketing strategy. TURN/NRDC address this issue in the July 31 opening comments.<sup>87</sup>

# 3. Question 1(d)

If the Commission authorizes an ME&O working group, what should be the scope of work for this working group (e.g., should it include ME&O for small and multijurisdictional utilities (SMJUs), development of messages about IGFCs, and/or propose ME&O budgets)? When should the working group proposal be due?

The Commission should establish a working group to develop an ME&O proposal. This group should consider previous ME&O plans, such as those developed by the IOUs for the rollout of default time-of-use rates, make suggestions for centralizing/streamlining of statewide efforts, evaluate and recommend the selection of a Third Party Administrator, and recommend metrics for evaluating the success of ME&O efforts. The exact timing of working group deliverables should be determined based on the expected rollout dates for first version IFGCs in customer bills. Any working group ME&O proposal should be prepared twelve months prior to IGFC implementation to ensure adequate time for revisions and comments before a six-month period of ME&O during customer tier assignment.

# B. Question 2 – What reporting requirements and directions for developing an evaluation plan should the Commission approve for the first IGFCs?

# 1. Question 2(a)

# What reporting metrics should we establish for the first IGFCs?

Key metrics that should be measured to evaluate the first IGFCS include the following:

- Timeliness of IGFC rollout including billing system upgrades

<sup>&</sup>lt;sup>87</sup> Comments of NRDC and TURN on ALJ Ruling on the Implementation Pathway for Income-Graduated Fixed Charges, July 31, 2023, page 44 (Question 15B).

- Cost efficiency of utility work on rollout activities (including billing system reprogramming)
- Evaluation of the ME&O material through customer and market surveys
- Analysis of customer response to changes in volumetric rates and TOU differentials
- Customer awareness/understanding of the IGFC and the volumetric rate structure
- Assessment of observed pre/post implementation bill impacts for different customer subgroups including effects on payment arrearages
- Changes in usage (both in peak and off-peak periods) for different customer subgroups (CARE/FERA/Coastal/Inland/Electrification rate).
- Changes in CARE/FERA enrollment.
- Changes in purchases of building and transportation electrification assets.

These metrics represent a starting point and should be augmented based on recommendations from the ME&O working group.

# 2. Question 2(d)

# Which questions should the evaluation of the first IGFCs address?

The data collected on the metrics identified in response to Q2(a) should be used to answer the following questions:

- Which utilities demonstrated the best/worst performance in effective and timely IGFC rollout?
- What strategies were most successful in improving customer awareness of changes to the rate structure?
- What strategies were most successful in improving customer awareness of the difference between their average rate and marginal consumption rate?
- How did customer behaviors adjust after the incorporation of IGFCs into rates?

- What were the impacts of the IGFC on aggregate residential class consumption and peak demand?
- How did the IGFC affect customer electrification activities?
- Were there changes to enrollments in CARE and FERA that were attributable to the IGFC rollout?

These questions represent a starting point and should be augmented based on recommendations from the ME&O working group.

# C. Question 3 – What are the estimated implementation costs of the first version IGFCs, and how should these costs be tracked and recovered?

1. Question 3(a)

What are the estimated costs of modifying each IOU's billing systems for the first IGFCs if the Commission authorizes three tiers for IGFCs?

TURN/NRDC cannot offer estimated costs for these tasks and are concerned by the extreme delays associated with making any changes to utility billing systems. The extended timeline (12-36 months) for implementation of any rate change, no matter how simple, represents unacceptable performance. The maintenance of a robust billing system that can rapidly incorporate new rate design elements is a core utility function. California's ability to meet climate, affordability and other key objectives will be severely hampered if every new rate change cannot be implemented until years after the Commission approves the final tariff.

Enforcing accountability for effective performance and timely modifications to the billing system should be one of the top priorities as the Commission directs the establishment of new innovative rate designs. If the utilities continue to be structurally incapable of making timely changes to their billing system, the Commission should evaluate whether to direct that function to be outsourced or operated by an independent entity that is more capable of meeting reasonable performance expectations.

## 2. Question 3(c)

# How should the implementation costs of the first IGFCs be recovered?

The IOUs propose that implementation costs be recovered "from all customers through PPP rates using the annual year-end rate change advice letter process adopted in Resolution E-5127".<sup>88</sup> While TURN/NRDC do not oppose the use of PPP rates to recover these costs, the Commission should apply greater scrutiny to the reasonableness of these costs rather than simply allowing automatic recovery through a balancing account and true-up mechanism. All costs for each utility should be reviewed in a subsequent proceeding that could include this rulemaking, a successor docket, or the next scheduled General Rate Case. That review should include an assessment of utility performance (and timeliness) as part of any findings regarding the reasonableness of costs to be recovered in rates.

# D. Question 4 – What timeline and procedural pathway should the Commission adopt for implementing the first version of IGFCs and developing and adopting the second version of IGFCs?

1. Question 4(a)

Should the Commission provide enough direction for the first IGFCs in the upcoming Track A decision for utilities to file advice letters to implement the first IGFCs rather than file rate design window applications?

The Commission should provide enough direction in a final Phase 1 Track A decision to allow implementation of new IGFCs through Advice Letter filings. A requirement for utilities to file separate Rate Design Window applications would serve no purpose other than to significantly delay implementation. This proceeding has fully vetted the key issues that are relevant to the approval of first version IGFCs. Moreover, the availability of a public tool (the E3 model) has made it significantly easier for all parties to participate and develop their own rate design proposals. It is not clear what factual, policy or legal issues would remain to be litigated in a Rate Design Window

<sup>&</sup>lt;sup>88</sup> Joint IOU opening comments on ALJ Ruling, July 31, 2023, page 58.

application, making that process little more than a *pro forma* exercise that consumes valuable stakeholder and Commission time and resources.

If the Commission decides that a separate application process is necessary, the IOU proposals should be submitted as consolidated rate design window applications that can be processed under an expedited timeline. Given the work expected to be completed in this proceeding, the IOUs should file any required applications within 90 days after the issuance of a final Commission decision with the goal of a final decision no later than the end of 2024.

The Commission has historically authorized the utilities to make major rate changes through the Advice Letter process. In D.15-07-001 (R.12-06-013), the Commission approved a series of residential rate reforms and directed utilities to file advice letters that set forth new residential rates adopted for 2015, the glidepath for consolidating rate tiers and to implement the Super User Electric Surcharge.<sup>89</sup> In D.22-12-056, the Commission adopted the Net Billing Tariff and directed the utilities to submit Tier 1 advice letters with implementing details for the new tariff and Tier 2 Advice letters to modify Virtual Net Metering tariffs.<sup>90</sup> The implementation of an IGFC should be treated in a similar fashion.

# 2. Question 4(b)

*If the Commission authorizes utilities to file advice letters to implement the first IGFCs after the upcoming Track A decision, when should the advice letters be filed? When should the first IGFCs be applied to customer bills?* 

TURN/NRDC recommend that Tier 3 Advice Letters to implement the first version IGFCs should be filed within 60 days of the adoption of a final decision in Phase 1 Track A. Assuming a Commission decision in Q1 2024 in this proceeding, Advice Letters should be approved via Resolution sometime in Q3 2024. Implementation of first

<sup>&</sup>lt;sup>89</sup> D.15-07-001, Ordering Paragraphs 5, 8.

<sup>&</sup>lt;sup>90</sup> D.22-12-056, Ordering Paragraphs 10, 12.

version IGFCs into customer bills should begin by January 1, 2025 and no later than January 1, 2026.

If any utility cannot implement the first version by January 1, 2026, the Commission should require prioritization of the second version IGFC that would be adopted in a later phase of this proceeding with a goal of implementation in 2026 or 2027. As explained in Section II(B)(10) of this brief, it would be counterproductive to have a utility reprogramming its billing system in 2026 for a first version IGFC that is about to be replaced by the second version. The Commission should emphasize the importance of utilities placing a high priority on this effort, not engaging in duplicative or wasteful work, and focusing on removing obstacles to the implementation of a second version IGFC.

# 3. Question 4(c)

Should the Commission authorize a working group to develop a proposal for income verification and tiers for the second version of IGFCs? If so, (i) what should be the scope of work for the working group, (ii) how much time should the working group be given to develop a proposal?

TURN/NRDC support the creation of a working group to make recommendations for income verification and the design of higher-income fixed charge tiers. These recommendations should be used to inform the development of a second version IGFC. In order for these working groups to be effective and productive, the Commission should define the scope of work in advance and resolve threshold issues prior to the commencement of meetings.

Specifically, the Commission should adopt a presumption, in this proceeding, that a second version IGFC will include one or more high-income fixed charge tiers. A working group should be directed to explore options, structures and processes for income verification that would enable middle and high-income customer differentiation. Absent clear Commission direction on these points, the working groups

could devolve into debates over whether the establishment of a high-income tier is reasonable at all.

Any working group process should begin as soon as possible after the issuance of a decision in this proceeding. Alternatively, the Commission could establish a working group more quickly via a ruling that contains the necessary guidance and presumptions to inform the scope of work. Once the working group has completed its assigned tasks, it should submit a report and recommendations for possible adoption by the Commission. As was the case with the working groups in R.17-06-026 (Power Cost Indifference Adjustment), participants who disagree with the majority view should have the right to submit comments on any proposed recommendations and to urge the Commission to adopt alternative outcomes.

Participation in the working groups should be eligible for intervenor compensation by parties that satisfy other program requirements. The Commission should issue this clarification in any decision establishing the working groups. Given the likely time commitments required for active participation, parties representing residential customer interests should be encouraged to participate and, if eligible under the intervenor compensation program, allowed to recover the costs of their time devoted to this process.<sup>91</sup>

<sup>&</sup>lt;sup>91</sup> Parties eligible for intervenor compensation that participated in the Power Cost Indifference Adjustment (PCIA) working groups received awards of compensation for time devoted to that task. For example, *see* D.22-10-017 (awarding compensation to UCAN).

# 4. Question 4(d)

Should the Commission authorize hiring a consultant to advise Energy Division staff or a working group on income verification for the second version of IGFCs? If so, what should be the scope of work and budget for the consultant? What should be the criteria for selecting a consultant (e.g., experience as a third-party administrator of income verification processes)? What should be the proportional cost share of each IOU for the consultant?

TURN/NRDC do not have a strong view with respect to the potential hiring of a consultant to provide advice on income verification issues. While there may be some merit in having a consultant moderate the working group, the delegation of substantive issue development to a consultant may not prove to be a useful exercise. If the Commission does opt for this approach, parties should have a chance to engage with the consultant during the course of their work and have an opportunity to provide informal comments on any draft recommendations before they are finalized. The working group and consultant should be instructed to reference, and not duplicate, the research into income verification pathways already on the record in this proceeding. Any final recommendations from the consultant should be subject to formal comments prior to being adopted, rejected or modified by the Commission.

# 5. Question 4(e)

When should the Commission consider the design of the second version of IGFCs? Should the timing depend on reviewing a certain number of months of implementation data for the first IGFCs, and/or consideration of a working group proposal for income verification and tiers for the second version of IGFCs?

The Commission should begin to consider the design of the second version IGFC once reply briefs have been submitted in Phase 1 Track A on the first version IGFC. Since it appears that the Commission is contemplating initiating an informal process to explore the income verification structure necessary to enable a second version IGFC, the informal work should begin as soon as possible. Waiting until the adoption of a final decision in Phase 1 Track A would only delay these informal activities and prevent the timely adoption of any second version IGFC. A new process for income verification may involve the selection of a Third Party Administrator and/or modifications to state law to direct participation by the Franchise Tax Board. These approaches will take time to develop and operationalize. In particular, the establishment of a Third Party Administrator requires substantial lead time. Waiting too long to begin the process of determining the appropriate structure may cause cascading delays that push the implementation of a second version IGFC back until the late 2020s. Such delays would limit the ability of the IGFC to promote equity, affordability and electrification objectives in the coming years.

# 6. Question 4(f)

Should the timeline or procedural pathway for SMJUs' IGFCs differ from the implementation pathway for large IOUs? If so, please explain why it should differ and specify how it should differ.

The Commission should adopt the same minimum requirements and basic principles for both the SMJUs and the large IOUs, with flexibility to improve implementation details. The relevant statutory language does not provide any exemptions or differential treatment for smaller utilities. There is also no clear basis for delaying the timeline or procedural pathway for the IGFCs implemented by the SMJUs. In fact, there may be an opportunity to accelerate implementation if an SMJU does not face the same billing system reprogramming delays that apply to the large IOUs. Given that most SMJUs already include fixed charges in residential rate design, the incremental effort associated with a first version IGFC may prove to be minimal.

TURN/NRDC recognize that SMJUs do not offer FERA rates and have proposed to divide existing CARE customers into two tiers for purposes of satisfying the statutory requirements.<sup>92</sup> This approach is acceptable for the first version IGFC so long as the average customers in each CARE tier are projected to realize bill savings in each baseline territory. The use of the same fixed charge level for both CARE tiers under the first version IGFC would avoid any implementation delays despite the lack of adequate

<sup>&</sup>lt;sup>92</sup> SMJU reply comments, August 21, 2023, page 6.

information on the incomes of different CARE customers. The collection of this information by SMJUs in the coming years will allow for some variation in these two tiers if the Commission ultimately finds that this outcome is reasonable.

# VI. CONCLUSION

For the reasons presented in this brief, TURN and NRDC respectfully ask the Commission to adopt our joint recommendations in Phase 1 Track A of this proceeding.

Respectfully submitted,

# MATTHEW FREEDMAN \_\_\_\_/S/\_\_\_\_\_

Attorney for The Utility Reform Network 785 Market Street, 14<sup>th</sup> floor San Francisco, CA 94103 Phone: 415-929-8876 x304 matthew@turn.org

# MOHIT CHHABRA

# \_\_\_\_/S/\_\_\_\_\_

Technical Lead and Advisor California Team Natural Resources Defense Council 111 Sutter Street, 21<sup>st</sup> floor San Francisco, CA 94104 Phone: 720-317-1297 mchhabra@nrdc.org

Dated: October 6, 2023

# APPENDIX A E3 MODEL RESULTS FOR TURN/NRDC FIRST VERSION INCOME GRADUATED FIXED CHARGE DEFAULT RATES

# **Fixed Charge Tool Outputs - Cover Sheet**

#### Purpose:

This section of the tool is formatted to be easily printed or saved as a PDF and filed as a part of testimony.

#### Instructions:

This worksheet automatically draws values from the rest of the tool.

This worksheet displays both rate design details and bill impacts for all three IOUs.

Please run the macro (button above) to re-generate model results using current inputs to ensure that the rate design details and bill impacts are aligned. This macro can also be run from the Rate Design Dashboard worksheet. Please see the Rate Design Dashboard worksheet for further details.

#### How to Save as PDF:

Click "File", then "Print", then select "Microsoft Print to PDF". Click the large "Print" button to choose a file location and name.

#### How to Print:

Click "File", then "Print", then select your choice of printer.

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## Energy+Environmental Economics

Energy and Environmental Economics, Inc. 44 Montgomery Street, Suite 1500 San Francisco, CA 94104 Phone: 415-391-5100 Model Release Date: April 13, 2023

# Revenue Requirement Allocations

## PG&E

Cost Category	Cost Component (See "Glossary" tab for descriptions)		Residential Revenue Requirement	CARE-Exempt	Bundled Generation	Percent to Include in Customer	Percent to Include in Demand	Percent to Include in Volumetric
			\$	T/F	T/E	Charge %	%	Charge %
Generation	PCIA	\$	183,408,243	FALSE	FALSE	100.00%	0.00%	0.00%
Generation	Marginal Energy Cost	\$	538,263,216	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Marginal Generation Capacity Cost	\$	218,481,550	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Non-Marginal Generation	\$	865,996,766	FALSE	TRUE	0.00%	0.00%	100.00%
Distribution	Marginal Customer Access	\$	454,792,861	FALSE	FALSE	100.00%	0.00%	0.00%
Distribution	Marginal Distribution Capacity Cost - Primary	\$	439,382,040	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Marginal Distribution Capacity Cost - New Business	\$	476,043,853	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Marginal Distribution Capacity Cost - Secondary	\$	29,945,145	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Non-Marginal Distribution	\$	1,833,578,625	FALSE	FALSE	17.20%	0.00%	82.80%
Transmission	Transmission	\$	1,447,654,612	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Public Purpose Programs - SGIP	\$	58,854,252	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Wildfire Fund Charge	\$	63,120,120	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Wildfire Hardening Charge	\$	68,921,008	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Recovery Bond Charge	\$	215,256,658	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Recovery Bond Credit	\$	(215,256,658)	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Public Purpose Programs - Not CARE Exempt	\$	230,732,710	FALSE	FALSE	38.00%	0.00%	62.00%
Line Items	Nuclear Decommissioning	\$	37,938,712	FALSE	FALSE	100.00%	0.00%	0.00%
Line Items	New System Generation Charge	\$	96,956,158	FALSE	FALSE	100.00%	0.00%	0.00%
Line Items	Competition Transition Charge	\$	8,518,646	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Energy Cost Recovery Account	\$	(19,846,861)	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Residential CARE Contribution			TRUE	FALSE	100.00%	0.00%	0.00%
	See "New Rates" Section (pg. 7 - 9)							
Line Items	2023 Iotal Estimated CARE Discount	\$	(891,914,356)					
	Note: Included for comparison to model-calculated	valu	ies					
	Delivery DD Defers CADE Bill Discount	¢	7 022 744 650					
	Delivery RR - Before CARE Bill Discount	- \$	7,032,741,656					

#### SCE

Cost Category	Cost Component (See "Glossary" tab for descriptions)		Residential Revenue Requirement	CARE-Exempt	Bundled Generation	Percent to Include in Customer Charge	Percent to Include in Demand Charge	Percent to Include in Volumetric Charge
			\$	T/F	T/F	%	%	%
Generation	PCIA	\$	18,066,203	FALSE	FALSE	100.00%	0.00%	0.00%
Generation	Marginal Energy Cost	\$	606,708,166	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Marginal Generation Capacity Cost	\$	584,831,167	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Non-Marginal Generation	\$	1,378,829,544	FALSE	TRUE	0.00%	0.00%	100.00%
Distribution	Marginal - Customer	\$	427,567,610	FALSE	FALSE	100.00%	0.00%	0.00%
Distribution	Marginal - Grid	\$	888,543,196	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Marginal - Peak	\$	503,372,326	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Non-Marginal Distribution	\$	1,845,967,040	FALSE	FALSE	10.00%	0.00%	90.00%
Transmission	Base Transmission	\$	599,320,433	FALSE	FALSE	0.00%	0.00%	100.00%
Transmission	Transmission Balancing Accounts	\$	(1,839,212)	FALSE	FALSE	0.00%	0.00%	100.00%
Line Itema	Dublic Durness Bregrame SCID	•	22 640 200			100.00%	0.00%	0.00%
Line Items	Wildfire Fund Charge	¢ ¢	23,019,309		FALSE	100.00%	0.00%	0.00%
		φ ¢	17 556 861	TDUE	FALSE	100.00%	0.00%	0.00%
Line Items	Recovery Bond Charge	¢ ¢	-	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Recovery Bond Credit	ŝ	(40 575 857)	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Public Purpose Programs - Not CARE Exempt	ŝ	313 291 510	FALSE	FALSE	91.00%	0.00%	9.00%
Line Items	Nuclear Decommissioning	\$	2,364,701	FALSE	FALSE	100.00%	0.00%	0.00%
Line Items	New System Generation Charge	\$	148,976,188	FALSE	FALSE	100.00%	0.00%	0.00%
Line Items	Residential CARE Contribution			TRUE	FAL SE	100.00%	0.00%	0.00%
	See "New Rates" Section (pg. 7 - 9)					100.0070	0.0070	0.0070
Line Items	2023 Total Estimated CARE Discount Note: included for comparison to model-calculated	\$ valu	(660,034,291) les					
	Delivery RR - Before CARE Bill Discount	\$	6,995,933,045					

# SDG&E

Cost Category	Cost Component (See "Glossary" tab for descriptions)		Residential Revenue Requirement	CARE-Exempt	Bundled Generation	Percent to Include in Customer Charge	Percent to Include in Demand Charge	Percent to Include in Volumetric Charge
			\$	T/F	T/F	%	%	%
Generation	PCIA	\$	180.005.950	FALSE	FALSE	100.00%	0.00%	0.00%
Generation	Marginal Energy Cost	\$	100,915,850	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Marginal Generation Capacity Cost	\$	57,547,258	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Non-Marginal Generation	\$	163,094,812	FALSE	TRUE	0.00%	0.00%	100.00%
Distribution	Marginal - Customer	\$	183,005,936	FALSE	FALSE	78.00%	0.00%	22.00%
Distribution	Marginal Demand - Non-Coincident Peak	\$	198,205,378	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Marginal Demand - Coincident Peak	\$	26,974,391	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Non-Marginal Distribution	\$	490,650,411	FALSE	FALSE	0.00%	0.00%	100.00%
Transmission	Base Transmission	\$	537,401,722	FALSE	FALSE	0.00%	0.00%	100.00%
Transmission	Transmission Balancing Accounts	\$	(111,012,377)	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Public Purpose Programs - SGIP	\$	8,781,000	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Wildfire Fund Charge	\$	29,143,070	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Public Purpose Programs - Not CARE Exempt	\$	61,433,000	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Nuclear Decommissioning	\$	526,530	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Local Generation Charge/New System Generation Ch	\$	81,949,029	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Competition Transition Charge	\$	11,052,908	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Total Rate Adjustment Component - Baseline adjustn	\$	1,000,000	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Reliability Services	\$	177,809	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Residential CARE Contribution			TRUE	FALSE	100.00%	0.00%	0.00%
	See "New Rates" Section (pg. 7 - 9)							
Line Items	2023 Total Estimated CARE Discount	\$	(178,549,476)					
	Note: included for comparison to model-calculated	valu	les					I
	Delivery RR - Before CARE Bill Discount	\$	2,020,852,676					

# Rate Design Inputs

	l l l l l l l l l l l l l l l l l l l	PG&E	SCE	SDG&E
Customer charge option		User-Defined CARE Charge	User-Defined CARE Charge	User-Defined CARE Charges
Customer Charge Weighting is used when (	Customer Charge Option is set to	"Uniform Weights"		
Customer Charge Weighting	[0,25]	1.0000	1.0000	1.0000
	[25,50]	1.0000	1.0000	1.0000
	[50,75]	2.0000	2.0000	2.0000
	[75,100]	2.0000	2.0000	2.0000
	[100,150]	3.0000	3.0000	3.0000
	[150,200]	3.0000	3.0000	3.0000
	200+	3.0000	3.0000	3.0000
Customer Charge Weighting is used when (	Customer Charge Option is set to	"User-Defined CARE Charges	5"	
CARE Customer Charge (\$/mo)	[0,25]	5.0000	5.0000	5.0000
	[25,50]	5.0000	5.0000	5.0000
	[50,75]	5.0000	5.0000	5.0000
	[75,100]	5.0000	5.0000	5.0000
	[100,150]	5.0000	5.0000	5.0000
	[150,200]	5.0000	5.0000	5.0000
	200+	5.0000	5.0000	5.0000
Non-CARE Customer Charge Weighting is u	ised when Customer Charge Optic	on is set to "User-Defined CA	RE Charges"	
Non-CARE Customer Charge Weighting	[0,25]	1.0000	1.0000	1.0000
	[25,50]	1.0000	1.0000	1.0000
	[50,75]	1.0000	1.0000	1.0000
	[75,100]	1.0000	1.0000	1.0000
	[100,150]	1.0000	1.0000	1.0000
	[150,200]	1.0000	1.0000	1.0000
	200+	1.0000	1.0000	1.0000
Average CARE Program Discount is used v	vhen Customer Charge Option is s	set to "User-Defined Care Cr	harges"	•
Average CARE Program Discount	(\$/month)	\$-	\$-	\$-
Demand Charge Options	Billing determinant to use	X Highest Demand Months	X Highest Demand Months	X Highest Demand Months
	No. of highest demand	\$ 3.0000	\$ 3.0000	\$ 3.0000
	months to include			
Adjustments to distribution rate		Constant Ratio	Constant Ratio	Constant Ratio
nclude baseline credit from existing rate	(if applicable)	TRUE	TRUE	TRUE

# **Revenue Requirement Components**

PG&E	
3	

Delivery - excluding CARE-exempt									
Rev Req -	Rev Reg - Demand			Rev Req -					
Customer		q Bolliana	Vo	lumetric					
\$ 1,176,149,928	\$	-	\$	4,042,954,817					

Delivery - excluding CARE-exempt							
Volumetric Rev Req Breakdown							
Distribution	\$ 2	2,463,574,140					
NBCs	\$	151,572,926					
Non-Dist	\$	1,427,807,751					

#### SDG&E

Delivery - excluding CARE-exempt								
Rev Req - Customer		Rev Reg -		Demand	Rev Req -			
		Nev Ney - Demana			Vol	umetric		
\$	322,750,580	\$		-	\$	1,338,620,106		

Delivery - excluding CARE-exempt							
Volumetric Rev Req Breakdown							
Distribution	\$	756,091,485					
NBCs	\$	73,012,438					
Non-Dist	\$	509,516,183					

#### Based on CARE program size from E-TOU-C

Deli	very - CARE-ex	kempt			
Rev	Req -	Pov	Pag - Domand	Rev	Req -
Cust	tomer	IVEA	Neq - Demanu	Volu	umetric
\$	232,915,227	\$	-	\$	190,895,380

Delivery - CARE-exempt	
Volumetric Rev Req Breakdown	
Distribution	\$ -
NBCs	\$ 121,974,372
Non-Dist	\$ 68,921,008

#### Based on CARE program size from TOU-DR1

Deliv	ery - CARE-e>	cempt			
Rev I	Req -	Pov F	Pog - Domand	Rev	Req -
Custo	omer	Nev r	eq - Demanu	Volu	metric
\$	59,080,550	\$	-	\$	37,924,070

Delivery - CARE-exempt	
Volumetric Rev Req Breakdown	
Distribution	\$ -
NBCs	\$ 37,924,070
Non-Dist	\$ -

#### SCE

Del	ivery - excludir	ng CARE-e	xempt		
Rev	/ Req -	Pov Pog	Domand	Re	v Req -
Cus	stomer	Rev Rey	- Demanu	Vo	lumetric
\$	1,066,666,681	\$	-	\$	3,678,963,314

Delivery - excluding CARE-exempt	
Volumetric Rev Req Breakdown	
Distribution	\$ 3,053,285,857
NBCs	\$ 28,196,236
Non-Dist	\$ 597,481,220

Based on CAR	E program	size from	του	-D-4-9
Delivery - CARE-e	xempt			
Rev Req -	Rev Reg	- Demand	Rev	Req -
Customer	Nev Ney	- Demanu	Volu	metric
\$ 209,668,121	\$	-	\$	62,814,547

Delivery - CARE-exempt	
Volumetric Rev Req Breakdown	
Distribution	\$ -
NBCs	\$ 103,390,404
Non-Dist	\$ (40,575,857)

# **New Rates**

	PG&E	PG&E	PG&E	PG&E	PG&E	PG&E
	E-1	E-1	E-TOU-C	E-TOU-C	EV2-A	EV2-A
	Non-CARE	CARE	Non-CARE	CARE	Non-CARE	CARE
Income Bracket (1000\$):						
[0,25]	\$ 30.6354	\$ 5.0000	\$ 30.5832	\$ 5.0000		
[25,50]	\$ 30.6354	\$ 5.0000	\$ 30.5832	\$ 5.0000		
[50,75]	\$ 30.6354	\$ 5.0000	\$ 30.5832	\$ 5.0000		
[75,100]	\$ 30.6354	\$ 5.0000	\$ 30.5832	\$ 5.0000		
[100,150]	\$ 30.6354	\$ 5.0000	\$ 30.5832	\$ 5.0000		
[150,200]	\$ 30.6354	\$ 5.0000	\$ 30.5832	\$ 5.0000		
200+	\$ 30.6354	\$ 5.0000	\$ 30.5832	\$ 5.0000		
Tier Credits/Charges (\$/kWh)						
Baseline Credit	\$ 0.0639	\$ 0.0416	\$ 0.0639	\$ 0.0415		
High Usage Charge	\$-	\$-	\$-	\$-		
Demand Charges (\$/kW)						
Billing Determinant	X Highest Demand	X Highest Demand	X Highest Demand	X Highest Demand		
No. of Highest Demand Months	\$ 3.0000	\$ 3.0000	\$ 3.0000	\$ 3.0000		
Demand Charge (\$/kW-mo)	\$-	\$-	\$ -	\$-		
Energy Charges (\$/kWh)						
Summer - Peak	\$ 0.3324	\$ 0.2100	\$ 0.4194	\$ 0.2665		
Summer - Part-Peak	\$ 0.3324	\$ 0.2100	\$ -	\$-		
Summer - Off-Peak	\$ 0.3324	\$ 0.2100	\$ 0.3573	\$ 0.2261		
Winter - Peak	\$ 0.3324	\$ 0.2100	\$ 0.3286	\$ 0.2075		
Winter - Part-Peak	\$ 0.3324	\$ 0.2100	\$ -	\$-		
Winter - Off-Peak	\$ 0.3324	\$ 0.2100	\$ 0.3116	\$ 0.1964		
Total CARE Program Funding -	Modeled		_			
Customer		\$-		\$-		
Demand		\$-		\$-		
Volumetric - Delivery		\$ (435,532,878	)	\$ (435,532,878)		
Volumetric - Generation		\$ (431,894,113	)	\$ (423,536,307)		
Total CARE Credits		\$ (867,426,991		\$ (859,069,185)		
Residential CARE Funding		\$ 235,181,238		\$ 232,915,227		
Non-Res CARE Funding		\$ 632,245,752		\$ 626,153,958		
Total IOU forecast CARE progra	am size		_			
2023 Forecast (Existing Rates)		\$ (891,914,356	)	\$ (891,914,356)		
Modeled Credits as % of Foreca	st	-3%		-4%		

PG&E	PG&E	SCE	SCE	SCE	SCE	SCE	SCE
E-ELEC	E-ELEC	D	D	TOU-D-4-9	TOU-D-4-9	TOU-D-PRIME	TOU-D-PRIME
Non-CARE	CARE	Non-CARE	CARE	Non-CARE	CARE	Non-CARE	CARE
			•	•			
		\$ 29.9701	\$ 5.0000	\$ 30.0221	\$ 5.0000		
		\$ 29.9701	\$ 5.0000	\$ 30.0221	\$ 5.0000		
		\$ 29.9701	\$ 5.0000	\$ 30.0221	\$ 5.0000		
		\$ 29.9701	\$ 5.0000	\$ 30.0221	\$ 5.0000		
		\$ 29.9701	\$ 5.0000	\$ 30.0221	\$ 5.0000		
		\$ 29.9701	\$ 5.0000	\$ 30.0221	\$ 5.0000		
		\$ 29.9701	\$ 5.0000	\$ 30.0221	\$ 5.0000		
			• ·				
		\$ 0.0548	\$ 0.0370	\$ 0.0600	\$ 0.0405		
		\$ 0.0617	\$ 0.0417	\$-	\$-		
		X Highest Demand	X Highest Demand	X Highest Demand	X Highest Demand		
		\$ 3.0000	\$ 3.0000	\$ 3.0000	\$ 3.0000		
		\$-	\$-	\$-	\$-		
		\$ 0.3301	\$ 0.2207	\$ 0.4823	\$ 0.3234		
		\$ 0.2139	\$ 0.1422	\$ 0.3739	\$ 0.2502		
		\$ 0.2139	\$ 0.1422	\$ 0.2755	\$ 0.1838		
		\$ 0.3301	\$ 0.2207	\$ 0.4144	\$ 0.2775		
		\$ 0.2139	\$ 0.1422	\$ 0.3002	\$ 0.2005		
		\$ 0.2139	\$ 0.1422	\$ 0.2680	\$ 0.1787		
			\$-		\$-		
			\$ -	]	\$-		
			\$ (307,936,172)		\$ (307,936,172)		
			\$ (339,559,859)		\$ (347,681,851)		
			\$ (647,496,032)		\$ (655,618,023)		
				-			
			\$ 166,404,623		\$ 168,491,951		
			\$ 481,091,409		\$ 487,126,072		
				-			
			\$ (660,034,291)		\$ (660,034,291)		
			-2%		-1%		

SDG&E	SDG&E	SDG&E	SDG&E	SDG&E	SDG&E	SDG&E	SDG&E
DR	DR	TOU-DR1	TOU-DR1	EV-TOU-5	EV-TOU-5	TOU-ELEC	TOU-ELEC
Non-CARE	CARE	Non-CARE	CARE	Non-CARE	CARE	Non-CARE	CARE

\$	29.7035	\$	5.0000	\$	29.6100	\$	5.0000
\$	29.7035	\$	5.0000	\$	29.6100	\$	5.0000
\$	29.7035	\$	5.0000	\$	29.6100	\$	5.0000
\$	29.7035	\$	5.0000	\$	29.6100	\$	5.0000
\$	29.7035	\$	5.0000	\$	29.6100	\$	5.0000
\$	29.7035	\$	5.0000	\$	29.6100	\$	5.0000
\$	29.7035	\$	5.0000	\$	29.6100	\$	5.0000
\$	0.0833	\$	0.0550	\$	0.0833	\$	0.0550
\$	-	\$	-	\$	-	\$	-
Х	Highest Demand	X Hi	ghest Demand	XI	Highest Demand	XI	lighest Demand
\$	3.0000	\$	3.0000	\$	3.0000	\$	3.0000
\$	-	\$	-	\$	-	\$	-
\$	0.4727	\$	0.3076	\$	0.7758	\$	0.5077
\$	0.4727	\$	0.3076	\$	0.4624	\$	0.3008
\$	0.5172	\$	0.3369	\$	0.2977	\$	0.1921
\$	0.2921	\$	0.1884	\$	0.5443	\$	0.3548
\$	0.2921	\$	0.1884	\$	0.4598	\$	0.2991
\$	0.4839	\$	0.3150	\$	0.4353	\$	0.2829
		\$	-			\$	-
		\$	-			\$	-
		\$	(109,555,619)			\$	(109,555,619)
		\$	(100, 157, 376)			\$	(96,179,165)
		\$	(209,712,995)			\$	(205,734,784)
	-						
		\$	60,222,967			\$	59,080,550
		\$	149,490,028			\$	146,654,234

\$ (178,549,476)
17%

(178,549,476) 15%

\$

# **Bill Impacts**

#### PG&E

			Custo	mer /	4ve	rage Bil	ll Ir	npact (\$	/m	o)							
Income Bracket	Bill		PG	&E		Р		Q		R	S	Т	V	W	Х	Y	Ζ
\$0 - \$25,000	None	1	\$ 7	7.69	\$	(3.72)	\$	(1.18)	\$	(3.53)	\$ (1.17)	\$ 12.76	\$ 3.74	\$ (1.64)	\$ 5.82	\$ 5.36	\$ 15.94
\$25,000 - \$50,000	None	2	\$ 4	4.83	\$	(3.49)	\$	(1.16)	\$	(3.61)	\$ (1.02)	\$ 12.82	\$ 3.64	\$ (1.86)	\$ 5.81	\$ 5.36	\$ 15.95
\$50,000 - \$75,000	None	3	\$ 4	4.54	\$	(3.27)	\$	(1.06)	\$	(2.87)	\$ (0.50)	\$ 12.89	\$ 3.64	\$ (0.93)	\$ 5.92	\$ 5.37	\$ 15.93
\$75,000 - \$100,000	None	4	\$ 5	5.13	\$	(2.88)	\$	(1.08)	\$	(1.91)	\$ 0.27	\$ 12.94	\$ 3.74	\$ 0.41	\$ 6.01	\$ 5.38	\$ 15.94
\$100,00 - \$150,000	None	5	\$ 5	5.88	\$	(2.42)	\$	(0.82)	\$	(0.78)	\$ 1.11	\$ 12.99	\$ 3.83	\$ 2.00	\$ 6.16	\$ 5.39	\$ 15.95
\$150,000 - \$200,000	None	6	\$ 6	5.81	\$	(1.53)	\$	(0.63)	\$	0.50	\$ 2.19	\$ 13.04	\$ 3.95	\$ 3.79	\$ 6.37	\$ 5.42	\$ 15.91
\$200,000+	None	7	\$ 8	8.09	\$	(0.41)	\$	0.01	\$	2.46	\$ 3.74	\$ 13.13	\$ 3.98	\$ 5.87	\$ 6.97	\$ 5.47	\$ 15.91
\$0 - \$25,000	CARE	1	\$ (9	9.54)	\$	(15.80)	\$	(12.62)	\$	(13.23)	\$ (11.74)	\$ (4.42)	\$ (7.34)	\$ (12.73)	\$ (7.35)	\$ (13.59)	\$ (9.11)
\$25,000 - \$50,000	CARE	2	\$ (9	9.83)	\$	(15.73)	\$	(12.61)	\$	(12.92)	\$ (11.53)	\$ (4.39)	\$ (7.35)	\$ (12.27)	\$ (7.28)	\$ (13.58)	\$ (9.22)
\$50,000 - \$75,000	CARE	3	\$ (9	9.37)	\$	(15.60)	\$	(12.33)	\$	(12.60)	\$ (11.37)	\$ (4.37)	\$ (7.26)	\$ (11.75)	\$ (7.25)	\$ (13.57)	\$ (9.27)
\$75,000 - \$100,000	CARE	4	\$ (9	9.20)	\$	(15.58)	\$	(11.78)	\$	(12.47)	\$ (11.14)	\$ (4.34)	\$ (7.17)	\$ (11.27)	\$ (7.25)	\$ (13.57)	\$ (9.31)
\$100,00 - \$150,000	CARE	5	\$ (8	3.93)	\$	(15.49)	\$	(12.51)	\$	(12.09)	\$ (10.92)	\$ (4.33)	\$ (7.31)	\$ (10.98)	\$ (7.16)	\$ (13.56)	\$ (9.35)
\$150,000 - \$200,000	CARE	6	\$ (8	3.48)	\$	(15.33)	\$	(12.74)	\$	(11.85)	\$ (10.73)	\$ (4.34)	\$ (7.33)	\$ (10.27)	\$ (7.14)	\$ (13.56)	\$ (9.17)
\$200,000+	CARE	7	\$ (7	7.80)	\$	(14.82)	\$	(12.74)	\$	(11.39)	\$ (10.40)	\$ (4.33)	\$ (7.17)	\$ (9.98)	\$ (7.06)	\$ (13.55)	\$ (12.23)
\$0 - \$25,000	FERA	1	<b>\$</b> 1	1.91	\$	(9.08)	\$	(3.79)	\$	(4.25)	\$ (2.12)	\$ 9.61	\$ 4.85	\$ (3.37)	\$ 4.90	\$ (5.62)	\$ 1.98
\$25,000 - \$50,000	FERA	2	<b>\$</b> 1	1.65	\$	(8.97)	\$	(3.77)	\$	(3.43)	\$ (1.64)	\$ 9.68	\$ 4.84	\$ (2.26)	\$ 5.04	\$ (5.61)	\$ 1.42
\$50,000 - \$75,000	FERA	3	\$ 2	2.32	\$	(8.77)	\$	(3.17)	\$	(2.65)	\$ (1.28)	\$ 9.71	\$ 4.98	\$ (1.10)	\$ 5.10	\$ (5.59)	\$ 1.20
\$75,000 - \$100,000	FERA	4	\$ 2	2.57	\$	(8.73)	\$	(2.06)	\$	(2.37)	\$ (0.80)	\$ 9.77	\$ 5.12	\$ (0.13)	\$ 5.10	\$ (5.60)	\$ 1.09
\$100,00 - \$150,000	FERA	5	\$ 2	2.92	\$	(8.60)	\$	(3.57)	\$	(1.54)	\$ (0.36)	\$ 9.80	\$ 4.90	\$ 0.41	\$ 5.26	\$ (5.58)	\$ 0.93
\$150,000 - \$200,000	FERA	6	\$ 3	3.52	\$	(8.36)	\$	(4.06)	\$	(1.08)	\$ 0.00	\$ 9.78	\$ 4.87	\$ 1.62	\$ 5.29	\$ (5.58)	\$ 1.69
\$200,000+	FERA	7	\$ 4	4.40	\$	(7.62)	\$	(4.06)	\$	(0.23)	\$ 0.62	\$ 9.79	\$ 5.13	\$ 2.08	\$ 5.44	\$ (5.57)	\$ (1.38)

New rate option Counterfactual rate option Use model-calculated counterfactual rates

User-selected rate across all subclasses	
User-selected rate across all subclasses	
TRUE	

E-1
E-1

#### SDG&E

		Customer Average Bill Impact (\$/mo)										
Income Bracket	Bill		S	DG&E		nland	С	oastal	Γ	Desert	Μ	ountain
\$0 - \$25,000	None	1	\$	5.75	\$	4.95	\$	6.34	\$	5.10	\$	(6.60)
\$25,000 - \$50,000	None	2	\$	5.66	\$	4.47	\$	6.34	\$	4.62	\$	(5.28)
\$50,000 - \$75,000	None	3	\$	5.47	\$	4.42	\$	6.39	\$	5.99	\$	(4.88)
\$75,000 - \$100,000	None	4	\$	5.56	\$	4.65	\$	6.48	\$	7.82	\$	(4.30)
\$100,00 - \$150,000	None	5	\$	6.05	\$	5.43	\$	6.76	\$	6.64	\$	(2.80)
\$150,000 - \$200,000	None	6	\$	6.78	\$	6.55	\$	7.10	\$	16.07	\$	(0.75)
\$200,000+	None	7	\$	8.03	\$	8.13	\$	8.03	\$	6.17	\$	1.84
\$0 - \$25,000	CARE	1	\$	(7.35)	\$	(8.76)	\$	(5.63)	\$	(21.91)	\$	(26.77)
\$25,000 - \$50,000	CARE	2	\$	(7.39)	\$	(8.72)	\$	(5.63)	\$	(22.71)	\$	(25.69)
\$50,000 - \$75,000	CARE	3	\$	(7.28)	\$	(8.67)	\$	(5.61)	N/	A	\$	(25.86)
\$75,000 - \$100,000	CARE	4	\$	(6.99)	\$	(8.63)	\$	(5.53)	N/	A	\$	(27.17)
\$100,00 - \$150,000	CARE	5	\$	(6.79)	\$	(8.69)	\$	(5.56)	N/	A	N	'A
\$150,000 - \$200,000	CARE	6	\$	(5.20)	N//	4	\$	(5.20)	N/	A	N/	'A
\$200,000+	CARE	7	N/A	4	N//	4	N//	4	N/	A	N	'A
\$0 - \$25,000	FERA	1	\$	5.09	\$	3.19	\$	7.84	\$	(14.27)	\$	(24.61)
\$25,000 - \$50,000	FERA	2	\$	5.06	\$	3.28	\$	7.84	\$	(16.06)	\$	(22.44)
\$50,000 - \$75,000	FERA	3	\$	5.25	\$	3.39	\$	7.87	N/	A	\$	(22.81)
\$75,000 - \$100,000	FERA	4	\$	5.69	\$	3.45	\$	8.01	N/	A	\$	(25.35)
\$100,00 - \$150,000	FERA	5	\$	6.00	\$	3.35	\$	7.95	N/	A	N	Ά
\$150,000 - \$200,000	FERA	6	\$	8.53	N/	4	\$	8.53	N/	A	N	'A
\$200,000+	FERA	7	N/A	4	N//	۹.	N//	4	N/	A	N	'A

New rate option Counterfactual rate option Use model-calculated counterfactual rates

Select single new rate (if applicable) Select single counterfactual rate (if applicable)

User-selected rate across all subclasses
TRUE

DR
DR

CC	
30	

			Cu	stomer	Avera	age Bi	ll Ir	npact (\$	/mc	<b>)</b> )						
Income Bracket	Bill			SCE		5		6		8	9	10	13	14	15	16
\$0 - \$25,000	None	1	\$	4.61	\$	5.34	\$	9.41	\$	7.61	\$ 2.02	\$ 1.19	\$ (4.37)	\$ (3.17)	\$ (5.88)	\$ 7.48
\$25,000 - \$50,000	None	2	\$	3.49	\$	5.34	\$	9.44	\$	7.52	\$ 1.66	\$ 0.28	\$ (3.90)	\$ (2.89)	\$ (6.63)	\$ 7.52
\$50,000 - \$75,000	None	3	\$	3.63	\$	5.34	\$	9.47	\$	7.52	\$ 1.64	\$ 0.40	\$ (3.05)	\$ (2.54)	\$ (6.12)	\$ 7.56
\$75,000 - \$100,000	None	4	\$	3.90	\$	5.34	\$	9.50	\$	7.58	\$ 1.76	\$ 0.78	\$ (2.39)	\$ (2.00)	\$ (5.66)	\$ 7.70
\$100,00 - \$150,000	None	5	\$	4.39	\$	5.34	\$	9.56	\$	7.69	\$ 1.94	\$ 1.47	\$ (1.57)	\$ (1.46)	\$ (5.23)	\$ 7.83
\$150,000 - \$200,000	None	6	\$	4.95	\$	5.34	\$	9.64	\$	7.86	\$ 2.27	\$ 2.13	\$ (0.98)	\$ (0.84)	\$ (4.74)	\$ 7.98
\$200,000+	None	7	\$	5.96	\$	5.34	\$	9.79	\$	8.22	\$ 2.75	\$ 2.95	\$ 0.26	\$ (0.07)	\$ (3.88)	\$ 8.08
\$0 - \$25,000	CARE	1	\$	(7.64)	N/A		\$	(2.96)	\$	(4.48)	\$ (6.36)	\$ (10.22)	\$ (11.63)	\$ (12.34)	\$ (12.34)	\$ (8.42)
\$25,000 - \$50,000	CARE	2	\$	(7.48)	N/A		\$	(2.95)	\$	(4.47)	\$ (6.36)	\$ (10.14)	\$ (11.42)	\$ (12.14)	\$ (12.05)	\$ (8.35)
\$50,000 - \$75,000	CARE	3	\$	(7.39)	N/A		\$	(2.95)	\$	(4.47)	\$ (6.35)	\$ (10.01)	\$ (11.27)	\$ (12.02)	\$ (11.91)	\$ (8.36)
\$75,000 - \$100,000	CARE	4	\$	(7.38)	N/A		\$	(2.94)	\$	(4.46)	\$ (6.34)	\$ (9.93)	\$ (11.10)	\$ (12.00)	\$ (11.77)	\$ (8.36)
\$100,00 - \$150,000	CARE	5	\$	(7.23)	N/A		\$	(2.93)	\$	(4.45)	\$ (6.34)	\$ (9.79)	\$ (11.08)	\$ (11.78)	\$ (11.68)	\$ (8.25)
\$150,000 - \$200,000	CARE	6	\$	(6.95)	N/A		\$	(2.93)	\$	(4.43)	\$ (6.32)	\$ (9.55)	\$ (10.89)	\$ (11.55)	\$ (11.45)	\$ (8.12)
\$200,000+	CARE	7	\$	(6.55)	N/A		\$	(2.92)	\$	(4.41)	\$ (6.29)	\$ (9.36)	\$ (10.61)	\$ (11.38)	\$ (11.03)	\$ (7.96)
\$0 - \$25,000	FERA	1	\$	4.15	N/A		\$	11.18	\$	8.90	\$ 5.83	\$ 0.17	\$ (1.99)	\$ (3.15)	\$ (3.78)	\$ 2.07
\$25,000 - \$50,000	FERA	2	\$	4.31	N/A		\$	11.20	\$	8.91	\$ 5.84	\$ 0.36	\$ (1.47)	\$ (2.72)	\$ (3.11)	\$ 2.21
\$50,000 - \$75,000	FERA	3	\$	4.42	N/A		\$	11.20	\$	8.93	\$ 5.85	\$ 0.63	\$ (1.11)	\$ (2.49)	\$ (2.77)	\$ 2.19
\$75,000 - \$100,000	FERA	4	\$	4.43	N/A		\$	11.21	\$	8.94	\$ 5.86	\$ 0.78	\$ (0.73)	\$ (2.44)	\$ (2.46)	\$ 2.19
\$100,00 - \$150,000	FERA	5	\$	4.65	N/A		\$	11.22	\$	8.96	\$ 5.86	\$ 1.07	\$ (0.69)	\$ (2.01)	\$ (2.26)	\$ 2.38
\$150,000 - \$200,000	FERA	6	\$	5.05	N/A		\$	11.24	\$	8.99	\$ 5.89	\$ 1.53	\$ (0.30)	\$ (1.58)	\$ (1.78)	\$ 2.62
\$200,000+	FERA	7	\$	5.64	N/A		\$	11.24	\$	9.04	\$ 5.91	\$ 1.87	\$ 0.26	\$ (1.28)	\$ (0.94)	\$ 2.89

New rate option Counterfactual rate option Use model-calculated counterfactual rates

User-selected rate across all subclasses	
User-selected rate across all subclasses	
TRUE	

D
D

# **Bill Impacts**

#### PG&E

			Customer	Ave	erage Bil	ll Ir	mpact (\$	/m	o)							
Income Bracket	Bill		PG&E		Р		Q		R	S	Т	V	W	Х	Y	Z
\$0 - \$25,000	None	1	\$ 7.22	\$	(4.44)	\$	(1.52)	\$	(4.66)	\$ (2.12)	\$ 12.48	\$ 3.38	\$ (2.92)	\$ 5.31	\$ 4.91	\$ 15.65
\$25,000 - \$50,000	None	2	\$ 4.22	\$	(4.20)	\$	(1.50)	\$	(4.74)	\$ (1.96)	\$ 12.55	\$ 3.27	\$ (3.14)	\$ 5.30	\$ 4.92	\$ 15.66
\$50,000 - \$75,000	None	3	\$ 3.89	\$	(3.97)	\$	(1.40)	\$	(3.99)	\$ (1.42)	\$ 12.62	\$ 3.27	\$ (2.20)	\$ 5.42	\$ 4.93	\$ 15.64
\$75,000 - \$100,000	None	4	\$ 4.51	\$	(3.56)	\$	(1.42)	\$	(3.00)	\$ (0.63)	\$ 12.67	\$ 3.38	\$ (0.84)	\$ 5.50	\$ 4.95	\$ 15.65
\$100,00 - \$150,000	None	5	\$ 5.30	\$	(3.09)	\$	(1.15)	\$	(1.84)	\$ 0.25	\$ 12.73	\$ 3.47	\$ 0.77	\$ 5.67	\$ 4.96	\$ 15.66
\$150,000 - \$200,000	None	6	\$ 6.28	\$	(2.15)	\$	(0.95)	\$	(0.53)	\$ 1.36	\$ 12.78	\$ 3.61	\$ 2.59	\$ 5.89	\$ 5.00	\$ 15.62
\$200,000+	None	7	\$ 7.64	\$	(0.98)	\$	(0.27)	\$	1.47	\$ 2.96	\$ 12.88	\$ 3.63	\$ 4.71	\$ 6.52	\$ 5.07	\$ 15.62
\$0 - \$25,000	CARE	1	\$ (10.07)	\$	(16.32)	\$	(12.84)	\$	(14.08)	\$ (12.44)	\$ (4.61)	\$ (7.55)	\$ (13.68)	\$ (7.67)	\$ (13.94)	\$ (9.34)
\$25,000 - \$50,000	CARE	2	\$ (10.40)	\$	(16.24)	\$	(12.83)	\$	(13.76)	\$ (12.22)	\$ (4.57)	\$ (7.57)	\$ (13.21)	\$ (7.60)	\$ (13.94)	\$ (9.44)
\$50,000 - \$75,000	CARE	3	\$ (9.92)	\$	(16.10)	\$	(12.54)	\$	(13.43)	\$ (12.06)	\$ (4.55)	\$ (7.47)	\$ (12.68)	\$ (7.56)	\$ (13.92)	\$ (9.49)
\$75,000 - \$100,000	CARE	4	\$ (9.73)	\$	(16.08)	\$	(11.97)	\$	(13.30)	\$ (11.82)	\$ (4.52)	\$ (7.38)	\$ (12.19)	\$ (7.57)	\$ (13.92)	\$ (9.52)
\$100,00 - \$150,000	CARE	5	\$ (9.45)	\$	(15.98)	\$	(12.73)	\$	(12.91)	\$ (11.59)	\$ (4.51)	\$ (7.52)	\$ (11.89)	\$ (7.48)	\$ (13.91)	\$ (9.56)
\$150,000 - \$200,000	CARE	6	\$ (8.96)	\$	(15.82)	\$	(12.97)	\$	(12.66)	\$ (11.40)	\$ (4.52)	\$ (7.54)	\$ (11.17)	\$ (7.46)	\$ (13.91)	\$ (9.39)
\$200,000+	CARE	7	\$ (8.22)	\$	(15.28)	\$	(12.97)	\$	(12.19)	\$ (11.05)	\$ (4.51)	\$ (7.37)	\$ (10.87)	\$ (7.37)	\$ (13.90)	\$ (12.17)
\$0 - \$25,000	FERA	1	\$ 1.31	\$	(9.70)	\$	(4.06)	\$	(5.29)	\$ (2.97)	\$ 9.36	\$ 4.58	\$ (4.53)	\$ 4.49	\$ (6.04)	\$ 1.72
\$25,000 - \$50,000	FERA	2	\$ 1.00	\$	(9.58)	\$	(4.03)	\$	(4.45)	\$ (2.48)	\$ 9.43	\$ 4.56	\$ (3.41)	\$ 4.64	\$ (6.03)	\$ 1.22
\$50,000 - \$75,000	FERA	3	\$ 1.70	\$	(9.37)	\$	(3.42)	\$	(3.65)	\$ (2.11)	\$ 9.47	\$ 4.71	\$ (2.23)	\$ 4.70	\$ (5.99)	\$ 1.03
\$75,000 - \$100,000	FERA	4	\$ 1.95	\$	(9.34)	\$	(2.27)	\$	(3.36)	\$ (1.62)	\$ 9.53	\$ 4.86	\$ (1.24)	\$ 4.70	\$ (6.00)	\$ 0.93
\$100,00 - \$150,000	FERA	5	\$ 2.32	\$	(9.19)	\$	(3.83)	\$	(2.52)	\$ (1.16)	\$ 9.56	\$ 4.62	\$ (0.69)	\$ 4.86	\$ (5.97)	\$ 0.79
\$150,000 - \$200,000	FERA	6	\$ 2.97	\$	(8.94)	\$	(4.34)	\$	(2.04)	\$ (0.79)	\$ 9.54	\$ 4.59	\$ 0.54	\$ 4.90	\$ (5.97)	\$ 1.46
\$200,000+	FERA	7	\$ 3.90	\$	(8.16)	\$	(4.34)	\$	(1.18)	\$ (0.15)	\$ 9.55	\$ 4.87	\$ 1.01	\$ 5.06	\$ (5.95)	\$ (1.25)

New rate option Counterfactual rate option Use model-calculated counterfactual rates

User-selected rate across all subclasses	
User-selected rate across all subclasses	
TRUE	

E-TOU-C
E-TOU-C

#### SDG&E

			Customer Average Bill Impact (\$/mo)										
Income Bracket	Bill		SDG&E	Inland	Coastal	Desert	Mountain						
\$0 - \$25,000	None	1	\$ 4.08	\$ 3.28	\$ 4.72	\$ 3.40	\$ (9.14)						
\$25,000 - \$50,000	None	2	\$ 4.00	\$ 2.75	\$ 4.71	\$ 2.87	\$ (7.68)						
\$50,000 - \$75,000	None	3	\$ 3.79	\$ 2.70	\$ 4.77	\$ 4.39	\$ (7.24)						
\$75,000 - \$100,000	None	4	\$ 3.90	\$ 2.95	\$ 4.87	\$ 6.42	\$ (6.60)						
\$100,00 - \$150,000	None	5	\$ 4.44	\$ 3.80	\$ 5.18	\$ 5.11	\$ (4.95)						
\$150,000 - \$200,000	None	6	\$ 5.25	\$ 5.04	\$ 5.56	\$ 15.59	\$ (2.68)						
\$200,000+	None	7	\$ 6.61	\$ 6.78	\$ 6.59	\$ 4.59	\$ 0.18						
\$0 - \$25,000	CARE	1	\$ (8.46)	\$ (9.99)	\$ (6.59)	\$ (24.10)	\$ (29.28)						
\$25,000 - \$50,000	CARE	2	\$ (8.50)	\$ (9.95)	\$ (6.59)	\$ (24.98)	\$ (28.17)						
\$50,000 - \$75,000	CARE	3	\$ (8.38)	\$ (9.88)	\$ (6.57)	N/A	\$ (28.35)						
\$75,000 - \$100,000	CARE	4	\$ (8.06)	\$ (9.84)	\$ (6.48)	N/A	\$ (29.69)						
\$100,00 - \$150,000	CARE	5	\$ (7.85)	\$ (9.91)	\$ (6.52)	N/A	N/A						
\$150,000 - \$200,000	CARE	6	\$ (6.12)	N/A	\$ (6.12)	N/A	N/A						
\$200,000+	CARE	7	N/A	N/A	N/A	N/A	N/A						
\$0 - \$25,000	FERA	1	\$ 3.72	\$ 1.70	\$ 6.63	\$ (16.83)	\$ (27.72)						
\$25,000 - \$50,000	FERA	2	\$ 3.69	\$ 1.79	\$ 6.63	\$ (18.81)	\$ (25.49)						
\$50,000 - \$75,000	FERA	3	\$ 3.89	\$ 1.92	\$ 6.67	N/A	\$ (25.86)						
\$75,000 - \$100,000	FERA	4	\$ 4.36	\$ 1.99	\$ 6.83	N/A	\$ (28.47)						
\$100,00 - \$150,000	FERA	5	\$ 4.68	\$ 1.87	\$ 6.76	N/A	N/A						
\$150,000 - \$200,000	FERA	6	\$ 7.42	N/A	\$ 7.42	N/A	N/A						
\$200,000+	FERA	7	N/A	N/A	N/A	N/A	N/A						

New rate option Counterfactual rate option Use model-calculated counterfactual rates

User-selected rate across all subclasses	
User-selected rate across all subclasses	
TRUE	

TOU-DR1	
TOU-DR1	

SC	F
00	

			Customer	Average Bi	ll Ir	npact (\$	6/mc	<b>)</b>						
Income Bracket	Bill		SCE	5		6		8	9	10	13	14	15	16
\$0 - \$25,000	None	1	\$ 0.13	\$ 1.07	\$	5.92	\$	3.73	\$ (2.89)	\$ (4.11)	\$ (10.49)	\$ (9.11)	\$ (12.79)	\$ 3.60
\$25,000 - \$50,000	None	2	\$ (1.18)	\$ 1.07	\$	5.94	\$	3.64	\$ (3.24)	\$ (5.07)	\$ (10.00)	\$ (8.83)	\$ (13.43)	\$ 3.63
\$50,000 - \$75,000	None	3	\$ (1.02)	\$ 1.07	\$	5.98	\$	3.64	\$ (3.27)	\$ (4.95)	\$ (9.12)	\$ (8.50)	\$ (13.00)	\$ 3.66
\$75,000 - \$100,000	None	4	\$ (0.74)	\$ 1.07	\$	6.00	\$	3.71	\$ (3.14)	\$ (4.54)	\$ (8.45)	\$ (7.99)	\$ (12.60)	\$ 3.74
\$100,00 - \$150,000	None	5	\$ (0.20)	\$ 1.07	\$	6.06	\$	3.82	\$ (2.96)	\$ (3.80)	\$ (7.59)	\$ (7.46)	\$ (12.24)	\$ 3.83
\$150,000 - \$200,000	None	6	\$ 0.44	\$ 1.07	\$	6.14	\$	3.98	\$ (2.63)	\$ (3.11)	\$ (6.98)	\$ (6.88)	\$ (11.81)	\$ 3.92
\$200,000+	None	7	\$ 1.58	\$ 1.07	\$	6.29	\$	4.34	\$ (2.14)	\$ (2.24)	\$ (5.70)	\$ (6.14)	\$ (11.08)	\$ 3.99
\$0 - \$25,000	CARE	1	\$ (10.61)	N/A	\$	(4.89)	\$	(6.71)	\$ (9.08)	\$ (13.78)	\$ (15.56)	\$ (16.26)	\$ (16.64)	\$ (11.46)
\$25,000 - \$50,000	CARE	2	\$ (10.43)	N/A	\$	(4.88)	\$	(6.71)	\$ (9.08)	\$ (13.69)	\$ (15.34)	\$ (16.07)	\$ (16.36)	\$ (11.39)
\$50,000 - \$75,000	CARE	3	\$ (10.34)	N/A	\$	(4.88)	\$	(6.70)	\$ (9.07)	\$ (13.56)	\$ (15.18)	\$ (15.96)	\$ (16.22)	\$ (11.40)
\$75,000 - \$100,000	CARE	4	\$ (10.33)	N/A	\$	(4.88)	\$	(6.70)	\$ (9.07)	\$ (13.48)	\$ (15.01)	\$ (15.93)	\$ (16.08)	\$ (11.40)
\$100,00 - \$150,000	CARE	5	\$ (10.16)	N/A	\$	(4.87)	\$	(6.69)	\$ (9.07)	\$ (13.33)	\$ (14.99)	\$ (15.72)	\$ (15.99)	\$ (11.31)
\$150,000 - \$200,000	CARE	6	\$ (9.85)	N/A	\$	(4.87)	\$	(6.68)	\$ (9.07)	\$ (13.08)	\$ (14.79)	\$ (15.50)	\$ (15.77)	\$ (11.19)
\$200,000+	CARE	7	\$ (9.38)	N/A	\$	(4.87)	\$	(6.66)	\$ (9.06)	\$ (12.89)	\$ (14.50)	\$ (15.34)	\$ (15.36)	\$ (11.05)
\$0 - \$25,000	FERA	1	\$ 0.55	N/A	\$	8.84	\$	6.17	\$ 2.51	\$ (4.17)	\$ (6.80)	\$ (7.98)	\$ (9.08)	\$ (1.70)
\$25,000 - \$50,000	FERA	2	\$ 0.71	N/A	\$	8.85	\$	6.18	\$ 2.51	\$ (3.97)	\$ (6.25)	\$ (7.57)	\$ (8.41)	\$ (1.58)
\$50,000 - \$75,000	FERA	3	\$ 0.82	N/A	\$	8.85	\$	6.19	\$ 2.50	\$ (3.70)	\$ (5.89)	\$ (7.34)	\$ (8.08)	\$ (1.59)
\$75,000 - \$100,000	FERA	4	\$ 0.81	N/A	\$	8.86	\$	6.20	\$ 2.50	\$ (3.53)	\$ (5.50)	\$ (7.30)	\$ (7.76)	\$ (1.60)
\$100,00 - \$150,000	FERA	5	\$ 1.05	N/A	\$	8.87	\$	6.21	\$ 2.50	\$ (3.24)	\$ (5.45)	\$ (6.88)	\$ (7.56)	\$ (1.42)
\$150,000 - \$200,000	FERA	6	\$ 1.48	N/A	\$	8.87	\$	6.24	\$ 2.49	\$ (2.76)	\$ (5.05)	\$ (6.46)	\$ (7.09)	\$ (1.20)
\$200,000+	FERA	7	\$ 2.14	N/A	\$	8.88	\$	6.27	\$ 2.48	\$ (2.42)	\$ (4.47)	\$ (6.18)	\$ (6.25)	\$ (0.96)

New rate option Counterfactual rate option Use model-calculated counterfactual rates

User-selected rate across all subclasses	
User-selected rate across all subclasses	
TRUE	

-	
	IOU-D-4-9
-	TOU-D-4-9
# APPENDIX B E3 MODEL RESULTS FOR TURN/NRDC FIRST VERSION INCOME GRADUATED FIXED CHARGE ELECTRIFICATION RATES

## **Fixed Charge Tool Outputs - Cover Sheet**

#### Purpose:

This section of the tool is formatted to be easily printed or saved as a PDF and filed as a part of testimony.

#### Instructions:

This worksheet automatically draws values from the rest of the tool.

This worksheet displays both rate design details and bill impacts for all three IOUs.

Please run the macro (button above) to re-generate model results using current inputs to ensure that the rate design details and bill impacts are aligned. This macro can also be run from the Rate Design Dashboard worksheet. Please see the Rate Design Dashboard worksheet for further details.

#### How to Save as PDF:

Click "File", then "Print", then select "Microsoft Print to PDF". Click the large "Print" button to choose a file location and name.

#### How to Print:

Click "File", then "Print", then select your choice of printer.

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## Energy+Environmental Economics

Energy and Environmental Economics, Inc. 44 Montgomery Street, Suite 1500 San Francisco, CA 94104 Phone: 415-391-5100 Model Release Date: April 13, 2023

# Revenue Requirement Allocations

## PG&E

Cost Category	Cost Component (See "Glossary" tab for descriptions)		Residential Revenue Requirement	CARE-Exempt	Bundled Generation	Percent to Include in Customer	Percent to Include in Demand Charge	Percent to Include in Volumetric
			\$	T/F	T/F	%	%	%
Generation	PCIA	\$	183,408,243	FALSE	FALSE	100.00%	0.00%	0.00%
Generation	Marginal Energy Cost	\$	538,263,216	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Marginal Generation Capacity Cost	\$	218,481,550	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Non-Marginal Generation	\$	865,996,766	FALSE	TRUE	0.00%	0.00%	100.00%
			,,	-				
Distribution	Marginal Customer Access	\$	454,792,861	FALSE	FALSE	100.00%	0.00%	0.00%
Distribution	Marginal Distribution Capacity Cost - Primary	\$	439,382,040	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Marginal Distribution Capacity Cost - New Business	\$	476,043,853	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Marginal Distribution Capacity Cost - Secondary	\$	29,945,145	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Non-Marginal Distribution	\$	1,833,578,625	FALSE	FALSE	45.50%	0.00%	54.50%
		1						
Transmission	Transmission	\$	1,447,654,612	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Public Purpose Programs - SGIP	\$	58,854,252	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Wildfire Fund Charge	\$	63,120,120	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Wildfire Hardening Charge	\$	68,921,008	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Recovery Bond Charge	\$	215,256,658	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Recovery Bond Credit	\$	(215,256,658)	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Public Purpose Programs - Not CARE Exempt	\$	230,732,710	FALSE	FALSE	38.00%	0.00%	62.00%
Line Items	Nuclear Decommissioning	\$	37,938,712	FALSE	FALSE	100.00%	0.00%	0.00%
Line Items	New System Generation Charge	\$	96,956,158	FALSE	FALSE	100.00%	0.00%	0.00%
Line Items	Competition Transition Charge	\$	8,518,646	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Energy Cost Recovery Account	\$	(19,846,861)	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Residential CARE Contribution			TRUE	FALSE	100.00%	0.00%	0.00%
	See "New Rates" Section (pg. 7 - 9)							
Line Items	2023 Total Estimated CARE Discount	\$	(891,914,356)					
	Note: included for comparison to model-calculated	valu	es					
	Delivery RR - Before CARE Bill Discount	\$	7,032,741,656					

## SCE

Cost Category	Cost Component (See "Glossary" tab for descriptions)		Residential Revenue Requirement	CARE-Exempt	Bundled Generation	Percent to Include in Customer Charge	Percent to Include in Demand Charge	Percent to Include in Volumetric Charge
			\$	T/F	T/F	%	%	%
Generation	PCIA	\$	18,066,203	FALSE	FALSE	100.00%	0.00%	0.00%
Generation	Marginal Energy Cost	\$	606,708,166	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Marginal Generation Capacity Cost	\$	584,831,167	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Non-Marginal Generation	\$	1,378,829,544	FALSE	TRUE	0.00%	0.00%	100.00%
Distribution	Marginal - Customer	\$	427,567,610	FALSE	FALSE	100.00%	0.00%	0.00%
Distribution	Marginal - Grid	\$	888,543,196	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Marginal - Peak	\$	503,372,326	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Non-Marginal Distribution	\$	1,845,967,040	FALSE	FALSE	36.00%	0.00%	64.00%
Transmissior	Base Transmission	\$	599,320,433	FALSE	FALSE	0.00%	0.00%	100.00%
Transmission	Transmission Balancing Accounts	\$	(1,839,212)	FALSE	FALSE	0.00%	0.00%	100.00%
Line Itoma	Dublic Durness Dregrame SCID	•	22 640 200			100.00%	0.00%	0.00%
	Wildfire Fund Charge	¢ ¢	23,019,309		FALSE	100.00%	0.00%	0.00%
		φ ¢	17 556 861	TDUE	FALSE	100.00%	0.00%	0.00%
Line Items	Recovery Bond Charge	¢ ¢	-	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Recovery Bond Credit	ŝ	(40 575 857)	TRUE	FALSE	0.00%	0.00%	100.00%
Line Items	Public Purpose Programs - Not CARE Exempt	ŝ	313 291 510	FALSE	FALSE	91.00%	0.00%	9.00%
Line Items	Nuclear Decommissioning	\$	2,364,701	FALSE	FALSE	100.00%	0.00%	0.00%
Line Items	New System Generation Charge	\$	148,976,188	FALSE	FALSE	100.00%	0.00%	0.00%
Line Items	Residential CARE Contribution			TRUE	FAL SE	100.00%	0.00%	0.00%
	See "New Rates" Section (pg. 7 - 9)					100.0070	0.0070	0.0070
Line Items	2023 Total Estimated CARE Discount Note: included for comparison to model-calculated	\$ valu	(660,034,291) les					
	Delivery RR - Before CARE Bill Discount	\$	6,995,933,045					

## SDG&E

Cost Category	Cost Component (See "Glossary" tab for descriptions)		Residential Revenue Requirement	CARE-Exempt	Bundled Generation	Percent to Include in Customer Charge	Percent to Include in Demand Charge	Percent to Include in Volumetric Charge
			\$	T/F	T/F	%	%	%
Generation	PCIA	\$	180,005,950	FALSE	FALSE	100.00%	0.00%	0.00%
Generation	Marginal Energy Cost	\$	100,915,850	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Marginal Generation Capacity Cost	\$	57,547,258	FALSE	TRUE	0.00%	0.00%	100.00%
Generation	Non-Marginal Generation	\$	163,094,812	FALSE	TRUE	0.00%	0.00%	100.00%
Distribution	Marginal - Customer	\$	183,005,936	FALSE	FALSE	100.00%	0.00%	0.00%
Distribution	Marginal Demand - Non-Coincident Peak	\$	198,205,378	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Marginal Demand - Coincident Peak	\$	26,974,391	FALSE	FALSE	0.00%	0.00%	100.00%
Distribution	Non-Marginal Distribution	\$	490,650,411	FALSE	FALSE	22.75%	0.00%	77.25%
Transmission	Base Iransmission	\$	537,401,722	FALSE	FALSE	0.00%	0.00%	100.00%
Transmission	Transmission Balancing Accounts	\$	(111,012,377)	FALSE	FALSE	0.00%	0.00%	100.00%
Line Itema	Dublic Durness Dregrame SCID	¢	9 791 000			0.009/	0.009/	100.00%
	Nildfire Fund Charge	¢ D	0,701,000		FALSE	0.00%	0.00%	100.00%
	Public Durpese Programs Not CAPE Example	φ ¢	29,143,070		FALSE	0.00%	0.00%	100.00%
Line Items	Nuclear Decommissioning	φ ¢	526 530		FALSE	0.00%	0.00%	100.00%
	Local Congration Charge/New System Congration Ch	φ ¢	91 040 020		FALSE	0.00%	0.00%	100.00%
	Competition Transition Charge	φ ¢	01,949,029		FALSE	0.00%	0.00%	100.00%
	Total Rate Adjustment Component - Baseline adjustn	\$	1 000 000	FALSE	FALSE	0.00%	0.00%	100.00%
Line Items	Reliability Services	¢	177 809	FALSE	FALSE	0.00%	0.00%	100.00%
Line rtenis		Ψ	177,003	TALOL	TALOL	0.0070	0.0070	100.0070
Line Items	Residential CARE Contribution			TRUE	FALSE	100.00%	0.00%	0.00%
	See "New Rates" Section (pg. 7 - 9)							
Line Items	2023 Total Estimated CARE Discount	\$	(178,549,476)					
	Note: included for comparison to model-calculated	valu	es					l
	Delivery RR - Before CARE Bill Discount	\$	2,020,852,676					

# Rate Design Inputs

		PG&E	SCE	SDG&E	
Customer charge option		User-Defined CARE Charge	User-Defined CARE Charge	User-Defined CARE Charges	
Customer Charge Weighting is used when	Customer Charge Option is set to	"Uniform Weights"			
Customer Charge Weighting	[0,25]	1.0000	1.0000	1.0000	
	[25,50]	1.0000	1.0000	1.0000	
	[50,75]	2.0000	2.0000	2.0000	
	[75,100]	2.0000	2.0000	2.0000	
	[100,150]	3.0000	3.0000	3.0000	
	[150,200]	3.0000	3.0000	3.0000	
	200+	3.0000	3.0000	3.0000	
Customer Charge Weighting is used when	Customer Charge Option is set to	"User-Defined CARE Charges	s"		
CARE Customer Charge (\$/mo)	[0,25]	10.0000	10.0000	10.0000	
	[25,50]	10.0000	10.0000	10.0000	
	[50,75]	10.0000	10.0000	10.0000	
	[75,100]	10.0000	10.0000	10.0000	
	[100,150]	10.0000	10.0000	10.0000	
	[150,200]	10.0000	10.0000	10.0000	
	200+	10.0000	10.0000	10.0000	
Non-CARE Customer Charge Weighting is u	used when Customer Charge Optic	on is set to "User-Defined CA	RE Charges"		
Non-CARE Customer Charge Weighting	[0,25]	1.0000	1.0000	1.0000	
	[25,50]	1.0000	1.0000	1.0000	
	[50,75]	1.0000	1.0000	1.0000	
	[75,100]	1.0000	1.0000	1.0000	
	[100,150]	1.0000	1.0000	1.0000	
	[150,200]	1.0000	1.0000	1.0000	
	200+	1.0000	1.0000	1.0000	
Average CARE Program Discount is used v	when Customer Charge Option is s	set to "User-Defined Care Cr	harges"	•	
Average CARE Program Discount	(\$/month)	\$-	\$ -	\$-	
Demand Charge Options	Billing determinant to use	X Highest Demand Months	X Highest Demand Months	X Highest Demand Months	
	No. of highest demand	\$ 3.0000	\$ 3.0000	\$ 3.0000	
	months to include				
Adjustments to distribution rate		Constant Ratio	Constant Ratio	Constant Ratio	
nclude baseline credit from existing rate	(if applicable)	TRUE	TRUE	TRUE	

# **Revenue Requirement Components**

PG&E	
3	

Delivery - excluding CARE-exempt							
Rev Req -	Rev Reg - Demand		Rev Req -				
Customer		Vo	lumetric				
\$ 1,695,052,678	\$-	\$	3,524,052,066				

Delivery - excluding CARE-exempt						
Volumetric Rev Req Breakdown						
Distribution	\$	1,944,671,389				
NBCs	\$	151,572,926				
Non-Dist	\$	1,427,807,751				

## SDG&E

Delivery - excluding CARE-exempt								
Rev	Req -	Pov Pog -		Domand	Rev Req -			
Customer		Nev Ney - Demana		Vol	lumetric			
\$	474,634,855	\$		-	\$	1,186,735,832		

Delivery - excluding CARE-exempt						
Volumetric Rev Req Breakdown						
Distribution	\$	604,207,211				
NBCs	\$	73,012,438				
Non-Dist	\$	509,516,183				

### Based on CARE program size from E-TOU-C

Delivery - CARE-exempt							
Rev Req -		Pov	Pag - Domand	Rev Req -			
Customer		Rev Rey - Demanu		Volu	metric		
\$	217,737,649	\$	-	\$	190,895,380		

Delivery - CARE-exempt	
Volumetric Rev Req Breakdown	
Distribution	\$ -
NBCs	\$ 121,974,372
Non-Dist	\$ 68,921,008

### Based on CARE program size from TOU-DR1

Deli	Delivery - CARE-exempt											
Rev	Req -	Pov I	Pag Domand	Rev Req -								
Cus	tomer	Revi	teq - Demanu	Volu	metric							
\$	55,485,105	\$	-	\$	37,924,070							

Delivery - CARE-exempt									
Volumetric Rev Req Breakdown									
Distribution	\$	-							
NBCs	\$	37,924,070							
Non-Dist	\$	-							

## SCE

Delivery - excluding CARE-exempt												
Rev	Req -	Pov Pog	- Domand	Rev Req -								
Cus	tomer	Nev Ney	- Demanu	Vo	umetric							
\$	1,546,618,111	\$	-	\$	3,199,011,883							

Delivery - excluding CARE-exempt	
Volumetric Rev Req Breakdown	
Distribution	\$ 2,573,334,427
NBCs	\$ 28,196,236
Non-Dist	\$ 597,481,220

Based on CAR	E program size from	TOU-D-4-9									
Delivery - CARE-exempt											
Rev Req -	Poy Pog - Domand	Rev	Req -								
Customer	Nev Ney - Demanu	Volu	umetric								
\$ 199,343,816	\$ -	\$	62,814,547								

Delivery - CARE-exempt									
Volumetric Rev Req Breakdown									
Distribution	\$	-							
NBCs	\$	103,390,404							
Non-Dist	\$	(40,575,857)							

## **New Rates**

	PG&E	PG&E	PG&E	PG&E	PG&E	PG&E
	E-1	E-1	E-TOU-C	E-TOU-C	EV2-A	EV2-A
	Non-CARE	CARE	Non-CARE	CARE	Non-CARE	CARE
Income Bracket (1000\$):						
[0,25]					\$ 40.2602	\$ 10.0000
[25,50]					\$ 40.2602	\$ 10.0000
[50,75]					\$ 40.2602	\$ 10.0000
[75,100]					\$ 40.2602	\$ 10.0000
[100,150]					\$ 40.2602	\$ 10.0000
[150,200]					\$ 40.2602	\$ 10.0000
200+					\$ 40.2602	\$ 10.0000
Tier Credits/Charges (\$/kWh)						
Baseline Credit					\$-	\$-
High Usage Charge					\$-	\$-
Demand Charges (\$/kW)						
Billing Determinant					X Highest Demand	X Highest Demand
No. of Highest Demand Months					\$ 3.0000	\$ 3.0000
Demand Charge (\$/kW-mo)					\$-	\$-
Energy Charges (\$/kWh)						
Summer - Peak					\$ 0.4311	\$ 0.2742
Summer - Part-Peak					\$ 0.3439	\$ 0.2174
Summer - Off-Peak					\$ 0.1987	\$ 0.1231
Winter - Peak					\$ 0.3288	\$ 0.2077
Winter - Part-Peak					\$ 0.3136	\$ 0.1978
Winter - Off-Peak					\$ 0.1962	\$ 0.1214
Total CARE Program Funding -						
Customer						\$-
Demand						\$ -
Volumetric - Delivery						\$ (379,552,897)
Volumetric - Generation						\$ (418,748,960)
Total CARE Credits						\$ (798,301,856)
Residential CARE Funding						\$ 216,439,678
Non-Res CARE Funding						\$ 581,862,178
Total IOU forecast CARE progra						
2023 Forecast (Existing Rates)						\$ (891,914,356)
Modeled Credits as % of Foreca						-10%

PG&E	PG&E	SCE	SCE	SCE	SCE	SCE	SCE
E-ELEC	E-ELEC	D	D	TOU-D-4-9	TOU-D-4-9	TOU-D-PRIME	TOU-D-PRIME
Non-CARE	CARE	Non-CARE	CARE	Non-CARE	CARE	Non-CARE	CARE

6 40.1744	\$ 10.0000	\$ 40.0090	\$	10.0000
6 40.1744	\$ 10.0000	\$ 40.0090	\$	10.0000
6 40.1744	\$ 10.0000	\$ 40.0090	\$	10.0000
6 40.1744	\$ 10.0000	\$ 40.0090	\$	10.0000
6 40.1744	\$ 10.0000	\$ 40.0090	\$	10.0000
6 40.1744	\$ 10.0000	\$ 40.0090	\$	10.0000
6 40.1744	\$ 10.0000	\$ 40.0090	\$	10.0000
; -	\$-	\$ -	\$	-
; -	\$-	\$ -	\$	-
(Highest Demand	X Highest Demand	X Highest Demand	X	Highest Demand
3.0000	\$ 3.0000	\$ 3.0000	\$	3.0000
; -	\$-	\$ -	\$	-
0.4682	\$ 0.2983	\$ 0.5705	\$	0.3829
0.3172	\$ 0.2001	\$ 0.3128	\$	0.2089
0.2626	\$ 0.1646	\$ 0.2019	\$	0.1341
0.2488	\$ 0.1556	\$ 0.5122	\$	0.3436
0.2270	\$ 0.1415	\$ 0.1821	\$	0.1208
0.2133	\$ 0.1326	\$ 0.1821	\$	0.1208
			_	
	\$-		\$	-
	\$-		\$	-
	\$ (379,552,897)		\$	(267,763,332)
	\$ (405,034,979)		\$	(354,957,511)
	\$ (784,587,876)		\$	(622,720,843)
	\$ 212,721,474		\$	160,037,470
	\$ 571,866,402		\$	462,683,373
	\$ (891,914,356)		\$	(660,034,291)
	-12%			-6%

SDG&E	SDG&E	SDG&E	SDG&E	SDG&E	.		SDG&E		SDG&E		SDG&E
DR	DR	TOU-DR1	TOU-DR1	EV-TOU-	·5		EV-TOU-5		TOU-ELEC		TOU-ELEC
Non-CARE	CARE	Non-CARE	CARE	Non-CAF	RE	CARE			Non-CARE		CARE
				\$ 40	.1119	\$	10.0000	\$	40.0322	\$	10.0000
				\$ 40	.1119	\$	10.0000	\$	40.0322	\$	10.0000
				\$ 40	.1119	\$	10.0000	\$	40.0322	\$	10.0000
				\$ 40	.1119	\$	10.0000	\$	40.0322	\$	10.0000
				\$ 40	.1119	\$	10.0000	\$	40.0322	\$	10.0000
				\$ 40	.1119	\$	10.0000	\$	40.0322	\$	10.0000
				\$ 40	.1119	\$	10.0000	\$	40.0322	\$	10.0000
				\$	-	\$	-	\$	-	\$	-
				\$	-	\$	-	\$	-	\$	-
				X Highest D	emand	X Hi	ghest Demand	XI	Highest Demand	Χŀ	lighest Demand
				\$ 3	.0000	\$	3.0000	\$	3.0000	\$	3.0000
				\$	-	\$	-	\$	-	\$	-
				\$ 0	.7794	\$	0.5100	\$	0.7204	\$	0.4711
				\$0	.4444	\$	0.2889	\$	0.3512	\$	0.2274
				\$0	.2083	\$	0.1330	\$	0.3026	\$	0.1953
				\$0	.4746	\$	0.3088	\$	0.4793	\$	0.3119
				\$0	.4109	\$	0.2668	\$	0.3379	\$	0.2186
				\$0	.1999	\$	0.1276	\$	0.2938	\$	0.1895
					,						
					ļ	\$	-			\$	-
						\$	-			\$	-
						\$	(97,035,286)			\$	(97,035,286)
						\$	(96,851,978)			\$	(93,461,884)
						\$	(193,887,264)			\$	(190,497,170)
					г	•			1		
						\$	55,678,315			\$	54,704,787
						\$	138,208,949			\$	135,792,383
					r	•				-	
						\$	(178,549,476)			\$	(178,549,476)
							9%				7%

## **Bill Impacts**

### PG&E

	Customer Average Bill Impact (\$/mo)																			
Income Bracket	Bill		PG&E		Р		Q		R		S		Т		V	W	Х	Y		Z
\$0 - \$25,000	None	1	\$ 7.81	\$	(1.30)	\$	1.25	\$	(1.26)	\$	0.64	\$	11.80	\$	5.52	\$ (0.05)	\$ 6.42	\$ 5.54	\$	13.84
\$25,000 - \$50,000	None	2	\$ 5.51	\$	(1.15)	\$	1.26	\$	(1.31)	\$	0.74	\$	11.84	\$	5.45	\$ (0.19)	\$ 6.42	\$ 5.54	\$	13.85
\$50,000 - \$75,000	None	3	\$ 5.22	\$	(1.00)	\$	1.32	\$	(0.86)	\$	1.08	\$	11.89	\$	5.46	\$ 0.39	\$ 6.49	\$ 5.54	\$	13.83
\$75,000 - \$100,000	None	4	\$ 5.64	\$	(0.75)	\$	1.31	\$	(0.26)	\$	1.57	\$	11.92	\$	5.52	\$ 1.23	\$ 6.54	\$ 5.54	\$	13.84
\$100,00 - \$150,000	None	5	\$ 6.19	\$	(0.45)	\$	1.48	\$	0.44	\$	2.11	\$	11.95	\$	5.57	\$ 2.23	\$ 6.64	\$ 5.55	\$	13.85
\$150,000 - \$200,000	None	6	\$ 6.91	\$	0.14	\$	1.60	\$	1.24	\$	2.81	\$	11.98	\$	5.65	\$ 3.36	\$ 6.77	\$ 5.56	\$	13.82
\$200,000+	None	7	\$ 7.90	\$	0.87	\$	2.01	\$	2.45	\$	3.81	\$	12.04	\$	5.67	\$ 4.67	\$ 7.15	\$ 5.57	\$	13.82
\$0 - \$25,000	CARE	1	\$ (9.89)	\$	(14.15)	\$	(11.68)	\$	(12.61)	\$	(11.55)	\$	(6.16)	\$	(8.01)	\$ (12.32)	\$ (8.25)	\$ (12.52)	\$	(9.27)
\$25,000 - \$50,000	CARE	2	\$ (10.13)	\$	(14.10)	\$	(11.68)	\$	(12.43)	\$	(11.42)	\$	(6.14)	\$	(8.02)	\$ (12.05)	\$ (8.21)	\$ (12.51)	\$	(9.32)
\$50,000 - \$75,000	CARE	3	\$ (9.82)	\$	(14.03)	\$	(11.51)	\$	(12.24)	\$	(11.32)	\$	(6.13)	\$	(7.96)	\$ (11.75)	\$ (8.19)	\$ (12.50)	\$	(9.35)
\$75,000 - \$100,000	CARE	4	\$ (9.71)	\$	(14.01)	\$	(11.17)	\$	(12.16)	\$	(11.19)	\$	(6.11)	\$	(7.91)	\$ (11.46)	\$ (8.19)	\$ (12.51)	\$	(9.37)
\$100,00 - \$150,000	CARE	5	\$ (9.54)	\$	(13.96)	\$	(11.62)	\$	(11.94)	\$	(11.06)	\$	(6.10)	\$	(8.00)	\$ (11.29)	\$ (8.14)	\$ (12.50)	\$	(9.39)
\$150,000 - \$200,000	CARE	6	\$ (9.20)	\$	(13.87)	\$	(11.76)	\$	(11.80)	\$	(10.94)	\$	(6.11)	\$	(8.01)	\$ (10.88)	\$ (8.13)	\$ (12.50)	\$	(9.29)
\$200,000+	CARE	7	\$ (8.71)	\$	(13.57)	\$	(11.76)	\$	(11.53)	\$	(10.74)	\$	(6.10)	\$	(7.90)	\$ (10.70)	\$ (8.08)	\$ (12.50)	\$	(10.88)
\$0 - \$25,000	FERA	1	\$ 3.07	\$	(4.99)	\$	(0.53)	\$	(1.99)	\$	(0.22)	\$	9.15	\$	5.81	\$ (1.48)	\$ 5.51	\$ (2.27)	\$	2.94
\$25,000 - \$50,000	FERA	2	\$ 2.77	\$	(4.93)	\$	(0.52)	\$	(1.48)	\$	0.08	\$	9.19	\$	5.80	\$ (0.78)	\$ 5.60	\$ (2.27)	\$	2.47
\$50,000 - \$75,000	FERA	3	\$ 3.25	\$	(4.81)	\$	(0.16)	\$	(1.00)	\$	0.30	\$	9.22	\$	5.91	\$ (0.05)	\$ 5.64	\$ (2.27)	\$	2.29
\$75,000 - \$100,000	FERA	4	\$ 3.41	\$	(4.79)	\$	0.50	\$	(0.82)	\$	0.60	\$	9.25	\$	6.01	\$ 0.56	\$ 5.64	\$ (2.27)	\$	2.19
\$100,00 - \$150,000	FERA	5	\$ 3.64	\$	(4.71)	\$	(0.40)	\$	(0.31)	\$	0.88	\$	9.27	\$	5.84	\$ 0.90	\$ 5.74	\$ (2.27)	\$	2.06
\$150,000 - \$200,000	FERA	6	\$ 4.13	\$	(4.58)	\$	(0.70)	\$	(0.02)	\$	1.11	\$	9.26	\$	5.82	\$ 1.66	\$ 5.77	\$ (2.27)	\$	2.69
\$200,000+	FERA	7	\$ 4.84	\$	(4.14)	\$	(0.70)	\$	0.51	\$	1.49	\$	9.27	\$	6.02	\$ 1.95	\$ 5.86	\$ (2.27)	\$	0.13

New rate option Counterfactual rate option Use model-calculated counterfactual rates

Select single new rate (if applicable) Select single counterfactual rate (if applicable)

User-selected rate across all subclasses	
User-selected rate across all subclasses	
TRUE	

E-ELEC
E-ELEC

### SDG&E

Customer Average Bill Impact (\$/mo)									
Income Bracket	Bill		SDG&E	Inland	Coas	tal	Desert	Mountain	
\$0 - \$25,000	None	1	\$ 5.04	\$ 4.14	\$5	.58	\$ 3.38	\$ (4.67)	
\$25,000 - \$50,000	None	2	\$ 4.95	\$ 3.79	\$5	.58	\$ 3.08	\$ (3.64)	
\$50,000 - \$75,000	None	3	\$ 4.75	\$ 3.76	\$5	.62	\$ 3.95	\$ (3.32)	
\$75,000 - \$100,000	None	4	\$ 4.82	\$ 3.92	\$5	.68	\$ 5.10	\$ (2.87)	
\$100,00 - \$150,000	None	5	\$ 5.17	\$ 4.49	\$5	.87	\$ 4.36	\$ (1.69)	
\$150,000 - \$200,000	None	6	\$ 5.71	\$ 5.32	\$6	.12	\$ 10.30	\$ (0.08)	
\$200,000+	None	7	\$ 6.64	\$ 6.47	\$ 6	.77	\$ 4.06	\$ 1.95	
\$0 - \$25,000	CARE	1	\$ (9.85)	\$ (10.89)	\$ (8	.66)	\$ (19.21)	\$ (20.90)	
\$25,000 - \$50,000	CARE	2	\$ (9.89)	\$ (10.86)	\$ (8	.66)	\$ (19.86)	\$ (20.82)	
\$50,000 - \$75,000	CARE	3	\$ (9.82)	\$ (10.81)	\$ (8	.64)	N/A	\$ (20.84)	
\$75,000 - \$100,000	CARE	4	\$ (9.60)	\$ (10.78)	\$ (8	.57)	N/A	\$ (20.93)	
\$100,00 - \$150,000	CARE	5	\$ (9.48)	\$ (10.83)	\$ (8	.60)	N/A	N/A	
\$150,000 - \$200,000	CARE	6	\$ (8.28)	N/A	\$ (8.28)		N/A	N/A	
\$200,000+	CARE	7	N/A	N/A	N/A		N/A	N/A	
\$0 - \$25,000	FERA	1	\$ 4.41	\$ 2.90	\$6	.43	\$ (9.54)	\$ (13.08)	
\$25,000 - \$50,000	FERA	2	\$ 4.35	\$ 2.96	\$6	.43	\$ (10.96)	\$ (12.87)	
\$50,000 - \$75,000	FERA	3	\$ 4.47	\$ 3.05	\$ 6	.46	N/A	\$ (12.91)	
\$75,000 - \$100,000	FERA	4	\$ 4.82	\$ 3.10	\$ 6	.57	N/A	\$ (13.15)	
\$100,00 - \$150,000	FERA	5	\$ 5.03	\$ 3.01	\$ 6	.52	N/A	N/A	
\$150,000 - \$200,000	FERA	6	\$ 7.01	N/A	\$ 7	.01	N/A	N/A	
\$200,000+	FERA	7	N/A	N/A	N/A		N/A	N/A	

New rate option Counterfactual rate option Use model-calculated counterfactual rates

Select single new rate (if applicable) Select single counterfactual rate (if applicable)

User-selected	rate across	all subclasses
User-selected	rate across	all subclasses
	TRUE	

TOU-ELEC	
TOU-ELEC	

SC	F
00	

			Customer	Average Bi	ll Ir	npact (\$	i/mo	D)						
Income Bracket	Bill		SCE	5		6		8	9	10	13	14	15	16
\$0 - \$25,000	None	1	\$ 3.53	\$ 1.61	\$	7.84	\$	6.51	\$ 1.63	\$ 0.41	\$ (3.86)	\$ (2.16)	\$ (7.36)	\$ 5.13
\$25,000 - \$50,000	None	2	\$ 2.76	\$ 1.61	\$	7.85	\$	6.47	\$ 1.44	\$ (0.15)	\$ (3.58)	\$ (2.00)	\$ (7.70)	\$ 5.14
\$50,000 - \$75,000	None	3	\$ 2.89	\$ 1.61	\$	7.87	\$	6.47	\$ 1.43	\$ (0.08)	\$ (3.07)	\$ (1.80)	\$ (7.47)	\$ 5.15
\$75,000 - \$100,000	None	4	\$ 3.09	\$ 1.61	\$	7.88	\$	6.50	\$ 1.49	\$ 0.16	\$ (2.68)	\$ (1.50)	\$ (7.26)	\$ 5.19
\$100,00 - \$150,000	None	5	\$ 3.43	\$ 1.61	\$	7.92	\$	6.56	\$ 1.59	\$ 0.58	\$ (2.18)	\$ (1.19)	\$ (7.06)	\$ 5.24
\$150,000 - \$200,000	None	6	\$ 3.84	\$ 1.61	\$	7.95	\$	6.64	\$ 1.76	\$ 0.99	\$ (1.83)	\$ (0.84)	\$ (6.84)	\$ 5.28
\$200,000+	None	7	\$ 4.59	\$ 1.61	\$	8.03	\$	6.82	\$ 2.02	\$ 1.49	\$ (1.08)	\$ (0.40)	\$ (6.44)	\$ 5.31
\$0 - \$25,000	CARE	1	\$ (10.31)	N/A	\$	(6.81)	\$	(7.77)	\$ (9.56)	\$ (12.23)	\$ (13.42)	\$ (13.31)	\$ (15.32)	\$ (10.89)
\$25,000 - \$50,000	CARE	2	\$ (10.19)	N/A	\$	(6.81)	\$	(7.76)	\$ (9.56)	\$ (12.18)	\$ (13.31)	\$ (13.22)	\$ (15.16)	\$ (10.86)
\$50,000 - \$75,000	CARE	3	\$ (10.13)	N/A	\$	(6.81)	\$	(7.76)	\$ (9.56)	\$ (12.12)	\$ (13.23)	\$ (13.16)	\$ (15.08)	\$ (10.86)
\$75,000 - \$100,000	CARE	4	\$ (10.13)	N/A	\$	(6.81)	\$	(7.76)	\$ (9.56)	\$ (12.08)	\$ (13.14)	\$ (13.15)	\$ (15.00)	\$ (10.86)
\$100,00 - \$150,000	CARE	5	\$ (10.04)	N/A	\$	(6.80)	\$	(7.76)	\$ (9.56)	\$ (12.00)	\$ (13.13)	\$ (13.04)	\$ (14.94)	\$ (10.82)
\$150,000 - \$200,000	CARE	6	\$ (9.86)	N/A	\$	(6.80)	\$	(7.75)	\$ (9.56)	\$ (11.88)	\$ (13.03)	\$ (12.93)	\$ (14.81)	\$ (10.76)
\$200,000+	CARE	7	\$ (9.60)	N/A	\$	(6.80)	\$	(7.74)	\$ (9.56)	\$ (11.78)	\$ (12.88)	\$ (12.85)	\$ (14.57)	\$ (10.69)
\$0 - \$25,000	FERA	1	\$ 3.04	N/A	\$	8.67	\$	7.07	\$ 4.04	\$ (0.24)	\$ (2.00)	\$ (2.07)	\$ (5.23)	\$ 1.78
\$25,000 - \$50,000	FERA	2	\$ 3.14	N/A	\$	8.68	\$	7.08	\$ 4.04	\$ (0.13)	\$ (1.68)	\$ (1.82)	\$ (4.80)	\$ 1.85
\$50,000 - \$75,000	FERA	3	\$ 3.20	N/A	\$	8.68	\$	7.08	\$ 4.04	\$ 0.03	\$ (1.47)	\$ (1.69)	\$ (4.60)	\$ 1.84
\$75,000 - \$100,000	FERA	4	\$ 3.19	N/A	\$	8.68	\$	7.09	\$ 4.04	\$ 0.12	\$ (1.24)	\$ (1.66)	\$ (4.40)	\$ 1.84
\$100,00 - \$150,000	FERA	5	\$ 3.32	N/A	\$	8.69	\$	7.09	\$ 4.04	\$ 0.29	\$ (1.22)	\$ (1.42)	\$ (4.27)	\$ 1.94
\$150,000 - \$200,000	FERA	6	\$ 3.59	N/A	\$	8.70	\$	7.11	\$ 4.03	\$ 0.56	\$ (0.98)	\$ (1.17)	\$ (3.97)	\$ 2.05
\$200,000+	FERA	7	\$ 4.02	N/A	\$	8.70	\$	7.13	\$ 4.02	\$ 0.76	\$ (0.64)	\$ (1.00)	\$ (3.44)	\$ 2.18

New rate option Counterfactual rate option Use model-calculated counterfactual rates

Select single new rate (if applicable) Select single counterfactual rate (if applicable)

User-selected rate across all subclasses	
User-selected rate across all subclasses	
TRUE	

TOU-D-PRIME	
TOU-D-PRIME	