

Decision 20-11-029 November 19, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism. (U39E.)

Application 20-07-022

**DECISION ADDRESSING PACIFIC GAS AND ELECTRIC COMPANY'S
ENERGY RESOURCE RECOVERY ACCOUNT EXPEDITED
TRIGGER APPLICATION**

Summary

This decision addresses the expedited application of Pacific Gas and Electric Company (PG&E) under the Energy Resource Recovery Account (ERRA) trigger mechanism. This decision concludes that PG&E properly filed this application to address its ERRA overcollection in accordance with the law and California Public Utilities Commission (Commission) decisions. This decision directs PG&E to (i) address the Power Charge Indifference Adjustment (PCIA) Cap Revenue Deferral associated with the ERRA balance through a 2020 PCIA Undercollection Balancing Account (PUBA) Trigger Application, if applicable, and (ii) address any remaining ERRA overcollection in the 2021 ERRA Forecast proceeding. This proceeding is closed.

1. Background

On May 19, 2020, Pacific Gas and Electric Company (PG&E) informed the California Public Utilities Commission (Commission) by letter that the balances in its Energy Resource Recovery Account (ERRA) account exceeded the four percent trigger as of April 30, 2020 and the balance was not anticipated to self-correct within 120 days. In this letter, PG&E requested an extension to file its expedited ERRA trigger application by July 31, 2020. On June 4, 2020, the Commission's Executive Director granted this request.

PG&E filed this application on July 31, 2020. PG&E seeks a decision in this proceeding to acknowledge that PG&E properly filed this application in accordance with the law and Commission decisions, and that it is reasonable for PG&E to (i) address the Power Charge Indifference Adjustment (PCIA) Cap Revenue Deferral associated with the ERRA balance through a 2020 PCIA Undercollection Balancing Account (PUBA) Trigger Application, if applicable, and (ii) address any remaining ERRA overcollection in the 2021 ERRA Forecast proceeding.

East Bay Community Energy, Marin Clean Energy, Monterey Bay Community Power Authority, Peninsula Clean Energy Authority, Pioneer Community Energy, San José Clean Energy, Silicon Valley Clean Energy Authority, Sonoma Clean Power Authority, and Valley Clean Energy Alliance (collectively the Joint CCAs)¹ filed a response to the application on August 12, 2020, and PG&E filed a reply on August 19, 2020.

¹ East Bay Community Energy, Marin Clean Energy, Monterey Bay Community Power Authority, Peninsula Clean Energy Authority, Pioneer Community Energy, San José Clean Energy, Silicon Valley Clean Energy Authority, Sonoma Clean Power Authority, and Valley Clean Energy Alliance are collectively the Joint CCAs.

The Commission held a prehearing conference (PHC) on September 10, 2020 to discuss the issues of law and fact and determine the need for hearing and schedule for resolving the matter. The assigned Commissioner issued the scoping memo on September 30, 2020. The proceeding was submitted upon the filing of the scoping memo.

PG&E filed PUBA Trigger Application 20-09-014 on September 28, 2020. The assigned Commissioner consolidated A.20-09-014 with the 2021 ERRA Forecast proceeding (A.20-07-002) on November 5, 2020.

2. Issues Before the Commission

As defined by the scoping memo, the issues to be determined in this decision are as follows:

- Whether PG&E satisfied the requirements of the law and Commission decisions in filing this application.
- Whether PG&E's proposal to address the PCIA Cap Revenue Deferral associated with the ERRA balance through a 2020 PUBA Trigger Application, if applicable, rather than through this application, is reasonable.
- Whether PG&E's proposal to address any remaining ERRA overcollection in the 2021 ERRA Forecast proceeding, rather than through this Application, is reasonable.

3. Compliance with the Law and Commission Decisions

In Decision (D.) 20-03-012, the Commission affirmed that the ERRA trigger mechanism requirements of D.02-10-062, as affirmed by D.15-05-008, continue to apply to PG&E. In D.20-03-012, we explained that D.02-10-062 ordered the creation of PG&E's ERRA account and created a "trigger mechanism" to alert the Commission to overcollections or undercollections in the ERRA account. The trigger mechanism applies if PG&E's estimated ERRA overcollections or undercollections reach four percent of PG&E's authorized fuel and power

purchase revenue requirement approved in the previous year. If the trigger mechanism's threshold is met, PG&E must file an expedited application to consider the appropriate way to adjust customer rates over a 90-day period to account for the overcollection or undercollection.

The Joint CCAs were the only party to comment on PG&E's application. The Joint CCAs assert in their response that PG&E filed this application in compliance with D.02-10-062.

We have reviewed this application and conclude that PG&E satisfied the requirements of D.02-10-062 to file an expedited application to address its ERRA overcollection.

4. Proposal to Address Overcollection in Other Proceedings

In its application, PG&E states that its ERRA was more than 5 percent overcollected on April 30, 2020, and forecasts an ERRA overcollection of 15.7 percent (\$793 million) by December 31, 2020.

PG&E proposes the following: (a) address the PCIA Cap Revenue Deferral associated with the ERRA balance through a 2020 PUBA Trigger Application, if applicable, and (b) address any remaining overcollection in the open proceeding A.20-07-002 regarding the PG&E's 2021 ERRA Forecast.

The Joint CCAs support PG&E's proposal. They assert that it is logical and efficient for the Commission to address the return of the PCIA Cap Revenue Deferral to bundled customers at the same time as it addresses adjustments to the PCIA rate for unbundled customers via any PUBA Trigger Application. The Joint CCAs also note that they continue to actively litigate issues regarding PG&E's proposed methodology for returning the 2019 overcollection in the 2021 ERRA Forecast proceeding, and that the Commission should address the 2019

overcollection in the 2021 ERRA Forecast proceeding. No other party commented on PG&E's proposal.

PG&E's proposed approach is consistent with D.20-03-012, where the Commission concluded that it was reasonable for PG&E to address the refund of the ERRA overcollection in its 2020 ERRA Forecast Application proceeding. Accordingly, we conclude that PG&E's proposed process to address the ERRA overcollection is reasonable.

5. Waiver of Comment Period

Under Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the Commission may reduce or waive the period for public review and comment of decisions granting uncontested relief. We waive the period for public review and comment pursuant to this rule.

6. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Stephanie S. Wang is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. D.02-10-062 created a "trigger mechanism" which requires PG&E to alert the Commission to overcollections or undercollections in the ERRA account that exceed four percent of PG&E's authorized fuel and power purchase revenue requirement approved in the previous year.
2. The balances in PG&E's ERRA account exceeded the four percent trigger on April 30, 2020.
3. PG&E projects a 2020 ERRA overcollection of 15.7 percent, or \$793 million, by December 31, 2020.

Conclusions of Law

1. PG&E satisfied the requirements of D.02-10-062 to file an expedited application to address its ERRA overcollection.

2. It is reasonable for PG&E to (i) address the PCIA Cap Revenue Deferral associated with the ERRA balance through a 2020 PUBA Trigger Application, if applicable, and (ii) address any remaining ERRA overcollection in the 2021 ERRA Forecast proceeding.

O R D E R

IT IS ORDERED that

1. Pacific Gas and Electric Company shall (i) address the Power Charge Indifference Adjustment (PCIA) Cap Revenue Deferral associated with the Energy Resource Recovery Account (ERRA) balance through a 2020 PCIA Undercollection Balancing Account (PUBA) Trigger Application, if applicable, and (ii) address any remaining ERRA overcollection in the 2021 ERRA Forecast proceeding.

2. Application 20-07-022 is closed.

This order is effective today.

Dated November 19, 2020, at San Francisco, California.

MARYBEL BATJER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners