

Decision 20-12-038 December 17, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2021 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation. (U39E).

Application 20-07-002

And Related Matter.

Application 20-09-014

**DECISION ADOPTING PACIFIC GAS AND ELECTRIC COMPANY'S
2021 ENERGY RESOURCE RECOVERY ACCOUNT FORECAST,
GENERATION NON-BYPASSABLE CHARGES FORECAST, GREENHOUSE
GAS FORECAST REVENUE RETURN AND RECONCILIATION, AND
RELATED CALCULATIONS AND RATE PROPOSALS**

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GAS FORECAST REVENUE RETURN AND RECONCILIATION, AND
RELATED CALCULATIONS AND RATE PROPOSALS**

Summary

This decision adopts the following Pacific Gas and Electric Company (PG&E) forecasts and proposals, as modified herein: (1) 2021 forecast of electric sales; (2) 2021 forecasted energy procurement revenue requirements to be effective in rates on or after January 1, 2021; (3) Greenhouse Gas (GHG) allowance revenue return forecast and costs; (4) 2021 Green Tariff Shared Renewables and Enhanced Community Renewables rate design proposals; (5) proposals to credit customers for the 2019 and 2020 Energy Resource Recovery Account overcollections; and (6) proposal to refund the 2020 balance of the Power Charge Indifference Adjustment (PCIA) Undercollection Balancing Account to bundled customers. This decision directs PG&E to file a Tier 1 Advice Letter within 15 days of the date of this decision, including revenue requirement adjustments authorized by Decision 20-12-005 regarding PG&E's General Rate Case for Test Year 2020. This proceeding is closed.

2021 Revenue Requirement	Millions
Energy Resource Recovery Account (ERRA)	\$2,666
Ongoing Competition Transition Charge (CTC)	\$3
Power Charge Indifference Adjustment (PCIA)	\$2,233
Cost Allocation Mechanism (CAM)	\$262
Tree Mortality Non-Bypassable Charge (TMNBC)	\$66
ERRA PCIA Financing Subaccount Credit	(\$14)
Revenue Requirement for Rate Setting	\$5,107
Less: Utility Owned Generation (UOG) Related Costs	(\$2,250)
Total	\$2,965

2021 GHG Revenue Return, Costs and Set-Asides	Millions
GHG Administrative and Outreach Expenses	\$0.85
2020 Solar on Multifamily Affordable Housing (SOMAH) Set-Aside	\$20.86
2016-2019 SOMAH True-Up Set-Aside	\$4.45
2021 Clean Energy and Energy Efficiency Programs Set-Aside	\$42.45
Net GHG Revenue Return	\$202.40
Semi-annual Residential California Climate Credit	\$17.20

1. Procedural Background

On July 1, 2020, Pacific Gas & Electric Company (PG&E) filed its 2021 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas (GHG) Forecast Revenue Return and Reconciliation Application (Application). PG&E filed an Amended Application on August 14, 2020, to correct an error in the electric load forecast.

On July 16, 2019, Resolution ALJ 176-3465 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary.

The following parties filed protests or responses to the Application on August 5, 2020: Modesto Irrigation District and the Merced Irrigation District; Direct Access Customer Coalition (DACC); Agricultural Energy Consumers Association (AECA); Public Advocates Office (Cal Advocates); and Joint CCAs (consisting of East Bay Community Energy, Marin Clean Energy, Monterey Bay Community Power Authority, Peninsula Clean Energy, Pioneer Community Energy, San Jose Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy Alliance). PG&E filed a reply on August 17, 2020.

On August 13, 2020, the Commission held a prehearing conference to discuss the issues of law and fact and determine the need for hearing and schedule for resolving the matter.

PG&E served prepared testimony on July 1, 2020, supplemental testimony on July 17, 2020, supplemental testimony on August 14, 2020, rebuttal testimony on October 8, 2020, and supplemental testimony on October 26, 2020. Joint CCAs, AECA and Sunrun served testimony on September 24, 2020.

The assigned Commissioner issued a scoping memo on September 10, 2020, which directed PG&E to file a joint case management statement to advise on the need for evidentiary hearings. On October 2, 2020, PG&E filed a joint case management statement that indicated that six parties had explicitly waived evidentiary hearings and that Joint CCAs were the only party to continue to assert a need for evidentiary hearings. On October 12, 2020, Joint CCAs waived evidentiary hearings. Assigned Administrative Law Judge (ALJ) Wang cancelled evidentiary hearings on October 13, 2020.

On July 31, 2020, PG&E filed expedited Application (A.) 20-07-022 (ERRA Trigger Application). On November 19, 2020, the Commission directed PG&E in Decision (D.)20-11-029 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, and (ii) address any remaining ERRA overcollection in the 2021 ERRA Forecast proceeding.

On September 28, 2020, PG&E filed expedited A.20-09-014 (PUBA Trigger Application), seeking authorization to increase the rates of unbundled customers subject to the Power Charge Indifference Adjustment (PCIA) in 2021, and refund

the same amount to bundled customers, due to a projected \$252.8 million undercollected balance in the PCIA Undercollection Balancing Account (PUBA) as of December 31, 2020. The Alliance for Retail Energy Markets (AReM) and DACC, Cal Advocates, Joint CCAs and California Community Choice Association (Cal CCA), and The Utility Reform Network (TURN) filed protests by October 19, 2020. PG&E filed a reply on October 23, 2020.

The Commission held a prehearing conference for A.20-09-014 on October 30, 2020. The assigned Commissioner issued a scoping memo on November 5, 2020, which consolidated A.20-09-014 with A.20-07-002 and added issues to the scope of the consolidated proceeding.

For issues identified in the September 10, 2020 scoping memo, parties filed opening briefs on October 30, 2020, and reply briefs on November 9, 2020.¹ For issues identified in the November 5, 2020 scoping memo, PG&E and the Joint CCAs filed opening briefs on November 17, 2020, (PUBA briefs) and reply briefs on November 20, 2020 (PUBA reply briefs).

PG&E served updated testimony on November 9, 2020 (November Update). The November Update provides updated forecasts of ERRR revenue requirements, GHG data, unbundled load data and is intended to update information already presented with more current information. On November 18, 2020, PG&E served amendments to the November Update (November Update Amendments) to correct errors in its November Update. On November 20, 2020, AECA and Joint CCAs filed comments on the November Update and November Update Amendments (November Update Comments).

¹ AECA, Joint CCAs, PG&E and Sunrun filed opening briefs.

On November 20, 2020, PG&E filed a joint motion for approval of settlement agreement (Settlement Motion) on behalf of PG&E, Cal CCA, Joint CCAs and TURN regarding disputed PUBA Trigger Application issues and certain other issues related to this proceeding. No party filed comments on the Settlement Motion.

2. Issues Before the Commission

As set forth in the scoping memos for this proceeding, the issues before the Commission are as follows.

- a. Whether PG&E's requested 2021 ERRR Forecast revenue requirement, Ongoing Competition Transmission Charge, Power Charge Indifference Adjustment (PCIA), Cost Allocation Mechanism, and Tree Mortality Non-Bypassable Charge are reasonable and should be adopted;
- b. Whether the Commission should adopt PG&E's 2021 electric sales forecast;
- c. Whether the Commission should adopt PG&E's GHG related forecast for 2021 of GHG allowance revenues and returns, including Administrative and Outreach Expenses, GHG administrative and outreach set-aside true-up, Customer Generation Program Expenses, Net GHG revenue return, and per household Semi-Annual Residential California Climate Credit;
- d. Whether all calculations and entries, including but not limited to ERRR, Ongoing Competition Transmission Charge, PCIA, Cost Allocation Mechanism, procurement costs, and GHG related items, including the funding of GHG clean energy programs such as the Solar on Multifamily Affordable Housing program, are in compliance with all applicable rules, regulations, resolutions and decisions for all customer classes;
- e. Whether the Commission should approve PG&E's 2021 Green Tariff Shared Renewables rate proposal;

- f. Whether the Commission should approve PG&E's proposal to credit the ERRA overcollection to vintage 2019 and vintage 2020 customers, including PG&E's PCIA Cap Revenue Deferral proposal;
- g. Whether the Commission should approve PG&E's proposal to transfer certain year-end ERRA balances, excluding deferred revenue resulting from capped vintage PCIA rates, through a balancing account transfer to the latest vintage in Portfolio Allocation Balancing Account on a going-forward basis;
- h. Whether there are any safety considerations raised by this application;
- i. Whether PG&E has satisfied the requirements of Decision (D.) 18-10-019 to file an expedited application regarding the PCIA Undercollection Balancing Account;
- j. Whether the Commission should adopt PG&E's projected undercollection of the PCIA Undercollection Balancing Account;
- k. Whether the Commission should authorize PG&E to refund PG&E's projected undercollection of the PCIA Undercollection Balancing Account to bundled service customers;
- l. Whether the Commission should adopt PG&E's cost recovery proposal to amortize the PCIA Undercollection Balancing Account balance over a 12-month amortization period beginning on January 1, 2021 and ending December 31, 2021, or some other period;
- m. Whether the Commission should approve PG&E's proposed revenue requirement and rate calculation methodology for determining the vintage specific PCIA Undercollection Balancing Account rate adder to be applied in addition to the authorized PCIA rates for eligible departing load customers, or some other rate proposal; and

- n. Impacts on environmental and social justice communities, including the extent to which the proposed rate increase and corresponding refund impacts achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan.

3. PG&E's 2021 ERRA Forecast and Revenue Requirement

PG&E's application requests Commission approval of several procurement related revenue requirement forecasts. PG&E proposes to recover these revenue requirements through rates to be implemented on January 1, 2021. With its November Update, PG&E requests approval of its proposed ERRA revenue requirement of \$2,665,543,000, Ongoing Competition Transmission Charge of \$2,608,000, Cost Allocation Mechanism revenue requirement of \$261,914,000, PCIA of \$2,233,318,000, and Tree Mortality Non-Bypassable Charge of \$65,988,000. Net of \$2,249,739,000 in Utility-Owned Generation Related Costs and a credit of \$14,215,000 for the PCIA Financing Subaccount of ERRA, PG&E requests a total of \$2,965,416,000 for its 2021 procurement-related revenue forecasts.²

PG&E forecasts that the total average rates for bundled customers will decrease by 3 percent or 0.69 cents per kWh in 2021, and total average rates for unbundled customers will increase by 5.9 percent or 0.82 cents per kWh in 2021 when taking into consideration both the proposed PUBA Trigger Application revenue requirement and the proposed ERRA forecast revenue requirement.

² November Update at 5-6.

3.1. Uncontested ERRA Forecast and Revenue Requirement Requests

The ERRA records market-based energy procurement costs of serving bundled customers. These include California Independent System Operator market energy purchase and related costs, costs of Resource Adequacy and renewable energy credits (REC) from certain contracted and PG&E-owned resources, and other electric procurement costs such as natural gas hedging and collateral costs.³ PG&E proposes that the ERRA revenue requirement also recover bundled customer costs associated with system Resource Adequacy procurement required by D.19-11-016.⁴ No party opposed this proposal.

Utility-Owned Generation Related Costs are determined in general rate case proceedings. In its November Update, PG&E noted that the Utility-Owned Generation Related Costs were subject to a pending proposed decision in A.18-12-009 (Test Year 2020 General Rate Case of PG&E). The Commission adopted D. 20-12-005 on December 3, 2020 in that proceeding.

Ongoing Competition Transmission Charges are established by statute for the “above market costs associated with eligible contract arrangements entered into before December 20, 1995, and Qualifying Facility (QF) contract restructuring costs.”⁵

The Cost Allocation Mechanism revenue requirement is intended to recover procurement costs under the QF and Combined Heat and Power Settlement approved by D.10-12-035 and of resources providing system-wide

³ PG&E’s opening brief at 8-9.

⁴ Exhibit PGE-1 at 14.

⁵ D.20-02-047 at 7, D.12-12-008 at 5.

benefits for all customers.⁶ This year, PG&E requests recovery of administrative costs incurred as the central procurement entity for multi-year local Resource Adequacy under the Cost Allocation Mechanism pursuant to D.20-06-002.⁷

The Tree Mortality Non-Bypassable Charge was established for recovery of net costs of tree mortality-related biomass energy procurement mandated by Public Utilities (Pub. Util.) Code § 399.20.3(f).⁸ The Commission determined recovery of the Tree Mortality Non-Bypassable Charge should occur through the Public Purpose Programs Charge, with each utility establishing a balancing account to collect the net costs associated with this non-bypassable charge.⁹

No party disputes PG&E's proposed revenue requirements for ERRA, Ongoing Competition Transmission Charges, Cost Allocation Mechanism or Tree Mortality Non-Bypassable Charge. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

3.2. Power Charge Indifference Adjustment

The Commission adopted the Power Charge Indifference Adjustment (PCIA) to ensure that bundled customers are indifferent to customer departures. SB 350 made explicit the dual requirements that (1) bundled service investor-owned utilities (IOU) customers do not experience any cost increases when other retail customers elect to receive service from other providers, or due to the

⁶ D.20-02-047 at 7.

⁷ Exhibit PGE-1 at 15 refers to Ordering Paragraph 16 of D.20-06-002, which authorizes recovery of administrative costs incurred in serving as central procurement entity for the multi-year local RA program beginning with the 2023 RA compliance year.

⁸ D.18-12-003 at 2.

⁹ D.18-12-003 at Ordering Paragraph 9.

implementation of a CCA program, and (2) customers who depart for another provider or due to formation of a CCA do not experience any cost increases due to an allocation of costs that were not incurred on behalf of the departing load.¹⁰

In D.18-10-019, the Commission adopted a cap to limit the PCIA's upward movement to 0.5 cents/kWh from the prior year's PCIA starting with the ERRRA forecast for 2020. PG&E proposes a PCIA revenue requirement that results in capped PCIA rates for all vintages and classes except for the 2009, 2020 and 2021 vintages of departing load.¹¹

The Joint CCAs initially challenged several components of PG&E's PCIA forecast. In their November Update comments, the Joint CCAs affirmed that they no longer contest PG&E's PCIA forecast revenue requirement and resulting PCIA rates in the November Update.

We have reviewed PG&E's calculation of the forecasted PCIA revenue requirement and resulting PCIA rates and find that the calculations are reasonable and comply with all applicable rules, regulations, resolutions and decisions for all customer classes.

4. PCIA Undercollection Balancing Account Trigger

The PCIA Undercollection Balancing Account (PUBA) records the revenues that cannot be collected from unbundled customers (and are collected from bundled customers) when the PCIA rate cap is reached.¹²

¹⁰ See D.18-10-019 at 3-8.

¹¹ November Update at 23. If the proposed decision before the Commission in A.18-12-009 is approved, the 2009 vintage will also be capped.

¹² Exhibit PGE-1 at 1-7.

As of the November Update, PG&E forecasts a year-end PUBA balance of \$255 million.¹³ No party challenged this calculation in briefs or comments on the November Update. We have reviewed PG&E's calculation of the forecasted 2020 year-end PUBA balance and find that it is reasonable and complies with all applicable rules, regulations, resolutions and decisions for all customer classes.

In D.18-10-019, the Commission adopted a "trigger" mechanism for the PCIA Undercollection Balancing Account based on the ERRR trigger mechanism. That decision requires PG&E to file an expedited application when the account balance reaches 7 percent of forecast PCIA revenues if PG&E forecasts that the balance will reach the trigger threshold of 10 percent of forecast PCIA revenues.¹⁴ The PUBA trigger point of 7 percent of the forecasted 2020 PCIA revenues is \$112.5 million and the threshold of 10 percent of forecasted 2020 PCIA revenues is \$160.7 million.¹⁵

4.1. Settlement Motion

On November 20, 2020, PG&E filed a joint motion for approval of the settlement agreement (Settlement Motion) of PG&E, Cal CCA, Joint CCAs and TURN. The Settlement Motion requests Commission approval for a settlement agreement consisting of the following main terms: (1) amortizing the year-end 2020 PUBA balance over three-years, (2) the parties' agreement to jointly file a petition for modification of D.18-10-019 (Joint PFM) to support the termination of the PCIA cap-and trigger framework, (3) waiver of the application of the PCIA rate cap for 2021, pending resolution of the Joint PFM, and (4) PG&E's agreement

¹³ November Update at 23.

¹⁴ D.18-10-019 at 76-77.

¹⁵ Exhibit PGE-7 at 2.

to provide certain aggregated information as a part of a master data request to settling parties' reviewing representatives within a reasonable period after each of PG&E's monthly ERRA/Portfolio Allocation Balancing Account (PABA)/PUBA activity reports are submitted to the Commission during the pendency of an ERRA forecast proceeding.¹⁶ No party filed comments on the Settlement Motion.

We deny the Settlement Motion because it requires Commission approval of two elements that are not appropriate for disposition in this decision. First, the Commission cannot approve or deny the parties' agreement to jointly file a petition for modification; the parties simply file the petition. Second, the issue of whether to alter the PCIA cap for 2021 is outside the scope of this proceeding.

Nor will we treat the Settlement Motion as a set of joint stipulations. The Settlement Motion explicitly states that the agreement is not severable.¹⁷ The Settlement Motion also provides that "if the Commission rejects the Settlement Agreement because of substantive concerns with its terms or is unable to issue its decision on the Settlement Agreement for rate implementation on January 1, 2021, the Settlement Agreement reflects the parties support for collecting the entire forecasted year-end 2020 PUBA balance in 2021, as proposed by PG&E in A.20-09-014."¹⁸

4.2. Expedited Application Requirements

PG&E requests a Commission finding that it has satisfied the requirements of D.18-10-019 to file an expedited application when the PCIA Undercollection

¹⁶ Settlement Motion at 6-8.

¹⁷ Settlement Motion Attachment A at 8.

¹⁸ Settlement Motion at 8.

Balancing Account (PUBA) reaches the trigger threshold. The application must propose a revised PCIA rate that will bring the projected account balance below 7% and maintain the balance below that level until January 1 of the following year, when the PCIA rate adopted in that utility's ERRA forecast proceeding will take effect.¹⁹

PG&E filed the PUBA Trigger Application on September 28, 2020, to propose an approach to reduce the year-end 2020 PUBA account balance to \$0 by the end of 2021. No party contested in protests or briefs whether PG&E met the expedited application requirements.

We have reviewed the PUBA Trigger Application and conclude that PG&E satisfied the requirements of D.18-10-019 to file an expedited application to address its PUBA balance.

4.3. Rate Adder Proposal

PG&E proposes to refund the entire 2020 PUBA overcollection to bundled service customers through vintage-specific PUBA rate adders on top of PCIA rates. PG&E proposes to refund the undercollection amount through bundled generation rates.²⁰

PG&E proposes to apply vintage-specific PUBA adders determined by dividing the forecasted year-end PUBA balance by the PCIA-eligible departing load billing determinants specific to each vintage to calculate a rate adder by vintage. PG&E would apply the existing rate allocation for the generation revenue allocation factors, as set forth in the PCIA common template, to calculate

¹⁹ D.18-10-019 at 76-77.

²⁰ PG&E's PUBA brief at 13.

the final rate adder for each customer class by vintage.²¹ PG&E asserts that the customer class allocation generally aligns with class contribution to the forecasted year-end balance.²²

In the 2020 PUBA Trigger Application, PG&E proposed to refund PG&E bundled customers over 12 months, approximately the same length of time that PG&E's bundled customers incurred higher rates due to the unbundled customers' capped rates.²³ PG&E estimates that on average the PUBA rate adder amortized over 12 months will increase rates for affected unbundled customers by 0.55 cents per kWh or 4 percent.²⁴ PG&E notes that it is authorized under D.18-10-019 to reduce the PUBA balance below 7 percent in December 2020 but declined to propose such an approach since it would result in an unreasonable increase for departing load customers during a one-month period.²⁵

Before the Settlement Motion, TURN supported the 12-month amortization period.²⁶ On the other hand, the Joint CCAs argue in their brief that amortizing PG&E's entire 2020 PUBA balance over a 12-month period would result in the rate volatility that the Commission sought to avoid when establishing the PCIA cap.²⁷ The Joint CCAs point out that while PG&E forecasts an overall average

²¹ In its protest to PG&E's 2020 PUBA Trigger Application, TURN recommended adjusting the assignment of the shortfall to a particular customer class based on actual retail sales and contributions by each class. However, TURN did not file a PUBA brief to explain how this approach would comply with D.18-10-019 or how this would approach would be implemented.

²² PG&E's PUBA brief at 13.

²³ PG&E's PUBA brief at 12.

²⁴ PUBA Trigger Application at 5-6.

²⁵ Exhibit PGE-7 at 4.

²⁶ TURN's protest of the PUBA Trigger Application at 1.

²⁷ Joint CCAs' PUBA brief at 3-4.

increase of 0.55 cents per kWh for unbundled customers, PG&E's proposal to impose vintage-specific PUBA rate adders would result in rate increases between 0.49 cents per kWh to 0.96 cents per kWh. When combined with PG&E's proposal to increase the 2021 PCIA up to the cap of 0.5 cents per kWh, PG&E's proposal would result in an increase in PCIA rates between 35 percent and 49 percent for each vintage except 2019 and 2020 vintages.

The Joint CCAs urge the Commission to approve a 3-year amortization period to avoid rate shock to unbundled customers. AReM and DACC similarly suggest in its protest to PG&E's PUBA trigger application that the Commission should consider a longer amortization period to avoid rate impacts on direct access customers.

In its opening brief filed before the Settlement Motion, PG&E asserted that amortization periods longer than 12 months would unreasonably burden PG&E's bundled service customers. By the end of 2020, bundled service customers will have incurred higher generation rates to finance approximately \$252.8 million in reduced PCIA rates. Because departing load is approximately 60 percent of the total load in PG&E's service territory, financing the PCIA cap is more burdensome for bundled service customers than it is beneficial for unbundled customers. PG&E estimates that for every dollar avoided by a departing load customer on an electric bill through application of the PCIA rate cap, a bundled customer must pay an additional \$1.50.²⁸

Further, PG&E pointed out that the impacts of the bundled customers' financing of capped PCIA rates falls disproportionately on bundled customers in the Central Valley, who tend to have relatively higher electric bills and where a

²⁸ PG&E PUBA brief at 14-15.

greater number of disadvantaged communities are located.²⁹ PG&E asserted that its PUBA adder proposal advances equity by seeking to alleviate the adverse effects that the PCIA rate cap has on these customers.

We must consider any amortization period for repayment of the PUBA in light of the cumulative impacts on rates for bundled customers. As the Joint CCAs highlighted in briefs, PG&E's 2021 forecast includes a projection that the PUBA will accumulate an addition \$200.6 million in 2021, indicating that PG&E will likely need to file another PCIA trigger application in 2021. The Joint CCAs found that the difference between capped and uncapped rates in PG&E's November Update shows that another PUBA trigger is almost certain to occur in 2021.³⁰ In other words, bundled customers will again be responsible for shouldering the costs of keeping down PCIA costs for unbundled customers in 2021.

The Joint CCAs propose that we lift the PCIA cap for 2021 revenue requirements to avoid another PUBA trigger and large repayment next year. The cap was ordered in a still open rulemaking. While lifting the PCIA cap is worth considering, it is not within the scope of this highly expedited proceeding. However, we clarify that the projected 2020 year-end PUBA balance addressed through a rate adder in this decision shall not be counted towards the requirement for PG&E to file a new expedited trigger application when the PUBA balance exceeds the trigger point.

AReM and DACC recommend that the Commission consider adjusting the PUBA rate adder to lower the PUBA balance to an amount between the 7 percent

²⁹ PG&E PUBA brief at 14-15.

³⁰ Joint CCAs' PUBA brief at 10-12.

limit required by D.18-10-019 and the zero balance by 2021 year-end proposed by PG&E.³¹ However, AReM and DACC did not explain how this approach would work in light of the anticipated 2021 PUBA balance growing above the trigger threshold discussed above.

PG&E proposes that the rate adder be charged on top of PCIA rates subject to the cap. No party opposes this provision. We agree that this approach is consistent with D.18-10-019.

In comments on the proposed decision, TURN continued to support the Settlement Motion. PG&E and the Joint CCAs both proposed a different approach to achieving the goals of the Settlement Motion in comments on the proposed decision: a 2021-2023 rate adder that combines (a) a 3-year amortization period for the 2020 PUBA amount and (b) a 12-month amortization period for the projected 2021 PCIA amount above the cap. PG&E and the Joint CCAs assert that this approach would reduce rate volatility and increase affordability for bundled and unbundled customers. The proposed rate adder is described further in the chart below. In light of the extremely large 2020 PUBA balance and projected 2021 PCIA amount above the cap, we agree that this solution is reasonable and will adopt it.

³¹ AReM and DACC's protest of the PUBA Trigger Application at 3-4.

Adopted Rate Adder

Year	Balance	Rate Adder (Millions)
2021	2020 PUBA	\$85.0 (33%)
	2021 PCIA above cap	\$200.6 (100%)
2022	2020 PUBA	\$85.0 (33%)
2023	2020 PUBA	\$85.0 (33%)

In all other respects, we find that PG&E's PUBA rate adder proposal and methodology comply with all applicable rules, regulations, resolutions and decisions. The proposal and methodology are reasonable and should be approved, as modified.

PG&E proposes that the rate adder be implemented through a Tier 1 advice letter.³² The Joint CCAs assert that a Tier 2 advice letter is more appropriate since this would be the first time PG&E would implement the PUBA adder for unbundled customers and combine the PUBA adder and PCIA rates.

The Commission routinely orders Tier 1 advice letters to implement ERRA forecast decisions and ERRA trigger refund decisions. Any delay in implementing the PUBA rate adder will result in additional rate volatility. Further, adjustments may be made to the rate adder after review of protests to a Tier 1 advice letter, if any. Accordingly, we direct PG&E to implement this PUBA rate adder through a Tier 1 advice letter.

5. Proposals to Transfer Certain Year-End ERRA Balances to Latest Vintage in PABA, Excluding PCIA Cap Revenue Deferral

In D.18-10-019, the Commission adopted an annual true-up mechanism to for the above-market costs of PCIA-eligible resources and directed PG&E to

³² PUBA Trigger Application at 5.

establish the Portfolio Allocation Balancing Account (PABA). The PABA consists of subaccounts for each year's vintage portfolio that records the costs, market revenues, and imputed revenues of all generation resources executed or approved by the Commission for cost recovery that year. Customers are responsible for the costs of vintages of generation resources based on when the customer departed bundled service.

PG&E forecasts a year-end PABA under-collection balance of \$462 million for 2020, based on recorded data through September 2020 plus a forecast of the remaining three months.³³ No party opposed this forecast in November Update comments. We have reviewed this calculation and find it reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

PG&E proposes to transfer year-end ERRA balances to the latest vintage in PABA as follows:

- a. Return approximately \$9 million of the 2019 ERRA over-collection to bundled customers through a one-time rate adder for vintage 2019 departing load customers;³⁴
- b. Transfer the \$413 million forecasted 2020 year-end ERRA balance to the most recent vintage subaccount in PABA, less \$14 million in deferred revenue financed by bundled customers due to capped PCIA rates;³⁵ and
- c. On a going forward basis, transfer year-end ERRA balances, excluding deferred revenue resulting from capped vintage PCIA rates, through a balancing account transfer to the latest vintage in Portfolio Allocation Balancing.³⁶

³³ November Update at 14.

³⁴ Exhibit PGE-1 at 19-7 and November Update at 21.

³⁵ Exhibit PGE-1 at 19-9 and November Update at 19-20.

³⁶ PG&E's opening brief.

No party opposes PG&E's proposal regarding the 2019 ERRA overcollection. After review of this proposal, we conclude that it is reasonable and will adopt it.

The Joint CCAs oppose PG&E's proposal to exclude approximately \$14 million in deferred revenue from the return of the 2020 ERRA balance to the most recent vintage subaccount in PABA. The Joint CCAs argue that the balance should be paid back in the same manner as an ERRA overcollection – by reflecting the amounts in PCIA rates instead, as Southern California Edison proposed.³⁷

PG&E countered that Southern California Edison has structured its PCIA financing account differently and therefore it is appropriate for the utilities to address the overcollection differently.³⁸ PG&E explains that the PCIA Financing Subaccount of ERRA consists of the deferred revenue resulting from the implementation of capped vintage PCIA rates paid by non-exempt unbundled customers. Sales variances caused the PCIA Financing Subaccount balance to exceed the offsetting PUBA balance by \$14 million. Effectively, PG&E bundled customers financed approximately \$14 million more than was needed to finance the capped rates of unbundled customers. PG&E proposes a credit of \$14,215,000 for the PCIA Financing Subaccount to return this amount to bundled customers through generation rates.³⁹

We decline to direct PG&E to change its approach to returning balances owed to bundled customers at this time. We agree with PG&E that Southern

³⁷ Joint CCAs' opening brief at 16-19.

³⁸ PG&E's reply brief at 5-6.

³⁹ November Update at 22-23.

California Edison structured its financing subaccount differently than PG&E, and therefore it is reasonable for PG&E to have a different approach to returning balances to bundled customers. We may consider structural changes to the PUBA Financing Subaccount when we address PCIA framework issues in the appropriate proceeding.

The Joint CCAs also oppose adopting PG&E's approach to ERRA balances on a going-forward basis.⁴⁰ The Joint CCAs flagged that customers departing bundled service in the first half of the year would not be impacted by the transfer of the year-end ERRA balance to the most recent vintage subaccount in PABA. The Joint CCAs point out that while this approach has no significant negative impacts on departing customers this year, it is premature to establish this approach as a long-term policy before considering other changes to the PCIA framework.⁴¹

PG&E explained in rebuttal testimony that the existing PCIA framework prevents PG&E from treating customers that depart from January through June of a given year, who have contributed to the ERRA balance for at most half of the year, separately from customers that depart from July through December of the previous year, who have not contributed to the ERRA balance at all.

We recognize the importance of approving a consistent method for returning balances to customers but will not adopt PG&E's going-forward proposal at this time. We will consider a long-term solution when we address PCIA framework issues in the appropriate proceeding.

⁴⁰ Joint CCAs' opening brief at 15.

⁴¹ Joint CCAs' opening brief at 14-16.

6. GHG Issues

PG&E records GHG allowance revenues, expenses, and corresponding revenue return to customers in its GHG Revenue Balancing Account. In its testimony, PG&E describes how it intended to distribute GHG allowance revenues in accordance with the methodologies adopted by the Commission in D.12-12-033 and D.14-02-037.⁴² PG&E also provides detailed explanations of how it calculated the semi-annual residential climate credit and specific expense items and amounts for both administrative and outreach expenses.

In its November Update, PG&E forecasts for 2021 a net GHG revenue return of \$205,235,000, and administrative and outreach expenses of \$847,000.⁴³ For 2019, PG&E recorded administrative and outreach expenses of \$426,000 and requests a set-aside of \$189,000 for GHG administrative and outreach to true-up recorded and forecast administrative and outreach expenses through 2021.⁴⁴ PG&E forecasts a semi-annual residential California Climate Credit of \$17.48 per household.⁴⁵ No party disputes these calculations, except to the extent these calculations are affected by the set asides for clean energy programs funded by GHG revenues.

6.1. Clean Energy Program Set Asides

Under Pub. Util. Code § 748.5(c), the Commission may allocate up to 15 percent of the revenue received by an electric corporation from its sales of allocated GHG allowances to specific clean energy and energy efficiency projects

⁴² Exhibit PGE-1 at 16.

⁴³ November Update at 34.

⁴⁴ November Update at 34.

⁴⁵ November Update Amendments at 8.

that are not funded by another source. 15 percent of PG&E's 2021 forecast allowance is \$47.41 million.⁴⁶

PG&E proposes to set-aside \$4.45 million for the 2016-2019 SOMAH true-up, \$20.9 million for the second-half of 2020 SOMAH, \$31.61 million for 2021 SOMAH, \$4.37 million for the DAC-SASH program, \$0.74 million for the DAC-GT program and \$2.89 million for the CS-GT program.⁴⁷

We have reviewed these set aside calculations and find that they comply with applicable resolutions and decisions.

In D.17-12-022, the Commission directed PG&E to reserve 10 percent of the proceeds from GHG allowance sales through annual ERRA proceedings for use in the Solar on Multifamily Affordable Housing (SOMAH) program.

In D.20-02-047, we directed PG&E to transfer approved set-asides to the SOMAH Balancing Account on a quarterly basis as needed to meet project incentive demand and avoid SOMAH application waitlists. The Commission extended authorization to fund the SOMAH program through GHG revenues from June 30, 2020 through June 30, 2026, in D.20-04-012. In D.20-02-047, we directed PG&E to propose in its 2021 ERRA forecast application "amounts to be set aside for the SOMAH program from July 1, 2020 through December 31, 2020, and any necessary climate credit adjustments resulting from those set aside amounts".

Sunrun's testimony flagged that PG&E's initial proposed set aside for the second half of 2020 was \$1.7 million less than the \$20.665 million approved to

⁴⁶ November Update at 30.

⁴⁷ November Update at 34.

fund SOMAH for the first half of 2020 in D.20-02-047.⁴⁸ PG&E explained in rebuttal testimony that it would propose a SOMAH set-aside for that period in the November Update based on its most recent forecast rather than the forecast from the prior year's filing.⁴⁹

No party disputed PG&E's updated SOMAH set asides for 2020 or 2021 in comments to the November Update. We have reviewed PG&E's set asides for SOMAH in 2020 and 2021 and find that they comply with applicable resolutions and decisions.

In D.18-06-027, the Commission created the Disadvantaged Community-Single-Family Solar Homes (DAC-SASH) program, the Disadvantaged Community Green Tariff (DAC-GT) program, and the Community Solar Green Tariff (CS-GT) program to promote the installation of renewable generation among residential customers in disadvantaged communities. D.18-06-027 directed PG&E to contribute its proportional share of the DAC-SASH annual budget of \$10 million from available GHG allowance proceeds, and if such funds are exhausted, through public purpose program funds.⁵⁰ D.18-06-027 directed PG&E to create two-way balancing accounts for DAC-GT and CS-GT and to fund these programs first through available GHG allowance proceeds, and if such funds are exhausted, through public purpose program funds.⁵¹ As of the November Update, no party disputes the DAC-SASH set aside.

⁴⁸ Exhibit SR-1.

⁴⁹ Exhibit PGE-4 at 37-38.

⁵⁰ D.18-06-027 Ordering Paragraph 8.

⁵¹ D.18-06-027 Ordering Paragraphs 14 and 15.

Joint CCAs assert that PG&E's proposals for the 2021 DAC-GT and CS-GT programs are unreasonable because they do not include pending funding requests by Marin Clean Energy and East Bay Community Energy for \$1,853,437 and \$984,922, respectively.⁵² In rebuttal testimony, PG&E states that it will request to set aside funds for these community choice aggregation (CCA) programs at the time it is directed to do so by the Commission.⁵³

In its opening brief, Joint CCAs point out that this approach is inconsistent with D.19-02-023, where we found PG&E's proposal to not set aside any funds for the DAC-GT and CS-GT programs to be inconsistent with D.18-06-027. The Joint CCAs also cite Resolution E-4999, which reserved capacity for CCA DAC-GT and CS-GT programs based on the CCA's proportionate share of service area residential customers located in a disadvantaged community. Resolution E-4999 includes a table that shows the proportional allocation of DAC-GT and CS-GT capacity to each CCA in megawatts.

We find it consistent with D.18-06-027, D.19-02-023 and Resolution E-4999 to set aside funding for the pending requests of Marin Clean Energy and East Bay Community Energy. We direct PG&E to set aside \$2,838,359 for the CCAs' DAC-GT and CS-GT programs, subject to the disposition of the pending funding requests.

6.2. Climate Credit

With the addition of funding the CCAs' DAC-GT and CS-GT programs, the net GHG revenue funding for clean energy programs for 2021 is increased to

⁵² Joint CCAs' November Update comments at 8. See Marin Clean Energy's Advice Letter 42-E-A and East Bay Clean Energy's Advice Letter 14-E.

⁵³ Exhibit PGE-4 at 29.

\$42.45 million and the GHG revenue return is reduced to \$202.4 million. With the corresponding reduction of the forecast per household credit, we modify the authorized amount for the semi-annual Climate Credit to eligible households to \$17.20.

7. Electric Sales Forecast

PG&E's electric sales forecast is based on econometric models that forecast electric customer demand for each major customer class. PG&E also makes adjustments to account for factors such as distributed generation, energy efficiency, electric vehicles and end-use electrification.⁵⁴ PG&E then calculates departing customer load by using historic information for departing load and by working with CCAs to develop load forecasts.⁵⁵

AECA is the only party that disputes PG&E's 2021 electric sales forecast. AECA presented evidence in prepared testimony that PG&E's agricultural sales forecasting method has been significantly more inaccurate than forecasts for other customer segments for years.⁵⁶ PG&E argues that the inaccuracies do not prove that PG&E's agricultural load forecasting method is unreasonably flawed.

We addressed similar concerns in the most recent PG&E ERRR forecast decision. In D.20-02-047, we noted that "PG&E does not object to the Agricultural Parties proposing a ratemaking adjustment in the next GRC Phase 2." The Commission is currently considering PG&E's General Rate Case Phase 2. This is the appropriate venue for AECA to propose improvements to

⁵⁴ Exhibit PGE-1 at 2-5.

⁵⁵ Exhibit PGE-1 at 2-13 to 2-18.

⁵⁶ Exhibit AECA-1.

methods for agricultural electric sales forecasts and any related ratemaking adjustment.

We conclude that PG&E's 2021 electric sales forecast is reasonable and should be adopted.

8. PG&E's 2021 Green Tariff Shared Renewables Rate Proposal

PG&E requests approval for its 2021 rate proposal for its Green Tariff Shared Renewables program. In its opening brief, the Joint CCAs argue that PG&E's calculation of the Resource Adequacy charge within PG&E's proposed Green Tariff Shared Renewables (GTSR) and Enhanced Community Renewables (ECR) rates does not comply with D.15-01-051. The Joint CCAs argue that the Resource Adequacy charge should be revised to reflect the costs and load for only bundled customers. The Joint CCAs point out that PG&E calculated the numerator using all PCIA-eligible capacity in the utility's portfolio, and PG&E calculated the denominator based on bundled, CCA, and non-exempt direct access customers.⁵⁷

In D.15-01-051, the Commission determined that "[t]he utilities must charge all bundled customers, including GTSR customers, for the value of RA procured on their behalf" and that the "[Resource Adequacy] adder from the annual PCIA calculation is reasonable, fair, and consistent with SB 43."⁵⁸ We find that PG&E's use of all PCIA-eligible capacity to calculate the Resource Adequacy charge is consistent with D.15-01-051. We note that the Joint CCAs

⁵⁷ Joint CCAs' opening brief at 20-24.

⁵⁸ D.15-01-051 at 105.

may file a petition for modification of D.15-01-051 to propose updates to the methodology for calculating the Resource Adequacy charge.

We have reviewed PG&E's rate proposal for GTSR and ECR and find that it complies with all applicable rules, regulations, resolutions and decisions.

9. Procedural and Transparency Issues

9.1. SOMAH Procedural and Transparency Issues

In its opening brief, Sunrun expressed appreciation for the Commission's adopted measures to ensure that SOMAH funding will be made available on a timely basis. Sunrun proposes two additional requirements to improve reporting and availability of SOMAH funding: (1) require quarterly reports or real-time information showing GHG auction proceeds received, set-asides for the SOMAH program, current SOMAH Balancing Account balances, transfers of funds to the Program Administrator, and details of administrative costs; and (2) order PG&E to include forecasted funding in the SOMAH Balancing Account as soon as forecasts are adopted, rather than quarterly.

The first issue involves SOMAH program administration details and stakeholders who are not parties to this proceeding. Accordingly, this issue is outside of the scope of this proceeding.

As Sunrun recognized in its opening brief, the Commission recently addressed the second issue in the 2020 PG&E Erra Forecast decision, which directed PG&E to release funding to the SOMAH program administrator on a quarterly basis.⁵⁹ Sunrun did not offer new evidence or changes in circumstances in testimony to justify revisiting this decision. Accordingly, we conclude that it

⁵⁹ D.20-02-047 at 20-21.

is not necessary to adjust the SOMAH funding release requirements of D.20-02-047 at this time.

9.2. CCA Transparency Issues

The Joint CCAs urge the Commission to direct PG&E to provide more information on a going forward basis. The Joint CCAs raise concerns about how the current reliance on discovery to obtain information has created an unnecessarily contentious November Update review and made it difficult to plan for rate changes.⁶⁰

In its opening brief, the Joint CCAs recommend that the Commission direct PG&E to provide in their confidential workpapers and in routine updates the following data:

- Monthly, aggregated volumetric data;
- Additional detail supporting the monthly PABA reports, including subcategories for summarized line items such as Utility Owned Generation (UOG) costs and Contracts (e.g. provide by resource type, and whether Renewable Portfolio Standard (RPS) or non-RPS eligible);
- Actual volumetric quantities underlying each relevant dollar figure in PABA reports;
- Monthly volumes of Actual Sold, Retained, and Unsold Resource Adequacy; and
- Monthly volumes of Actual Sold, Retained, and Unsold RPS.

In its reply brief, PG&E agreed to provide the data described below to the Joint CCAs in future ERRA Forecast Proceedings.

- Volume of RPS generation, sold RPS and retained RPS used to calculate the retained RPS value;

⁶⁰ Joint CCAs' opening brief at 29-37.

- Volume of non-RPS Generation for both UOG and non-UOG resources, segregated by technology;
- Total RA capacity, segregated by sold, unsold and retained used to calculate the retained RA value; and
- Billed retail sales volume used to calculate the PCIA revenue, distinguished by bundled, DA, and CCA customer groups.

We recognize that it is essential for CCAs to access more PG&E information on a routine basis ahead of annual November Updates. We direct PG&E to provide the following information as part of a Master Data Request (“Master Data Request”) response in each of its future ERRA Forecast proceedings:

1. Confidential versions of the monthly ERRA/PABA/PUBA activity reports.
2. Additional detail supporting the monthly PABA reports, including subcategories for summarized line items such as UOG costs and contracts (*e.g.*, provide by resource type, and whether RPS or non-RPS eligible).
3. Actual volumetric quantities underlying each relevant dollar figure; such categories include UOG generation, power purchases and sales, California Independent System Operator market sales, and retail customer sales.
4. Monthly volumes of Actual Sold, Retained, and Unsold Resource Adequacy capacity.
5. Monthly volumes of Actual Sold, Retained, and Unsold RPS-eligible energy.

After PG&E has filed an ERRA forecast application and so long as such application is pending, PG&E will provide the specified information to reviewing representatives that have signed a nondisclosure agreement within

5 days after it submits each monthly ERRA/PABA/PUBA activity report to the Commission.

This decision does not modify any of the Commission's rules for obtaining confidential information. A party's access to confidential information within the Master Data Request will require its reviewing representative to sign a nondisclosure agreement. Non-confidential information will be provided to all parties to the proceeding that request a copy of the Master Data Request response.

10. Safety and Impacts on Environmental and Social Justice Communities

The health and safety impacts of GHGs are among the many reasons that the Legislature enacted Assembly Bill (AB) 32. Specifically, the Legislature found and declared that global warming caused by GHG "poses a serious threat to the economic well-being, public health, natural resources, and the environment of California. The potential adverse impacts of global warming include the exacerbation of air quality problems, a reduction in the quality and supply of water to the state from the Sierra snowpack, a rise in sea levels resulting in the displacement of thousands of coastal businesses and residences, damage to marine ecosystems and the natural environment, and an increase in the incidences of infectious diseases, asthma, and other human health-related problems."⁶¹

This decision implements a key part of the GHG reduction program envisioned by AB 32 and Pub. Util. Code Section 748.5 and, as a result, will improve the health and safety of California residents.

⁶¹ AB 32 Section 38501(a).

By adopting set asides for clean energy programs for disadvantaged communities, this decision advances the goals of the Commission's Environmental and Social Justice Action Plan.

11. Comments on Proposed Decision

Pursuant to Rule 14.6(b) of the Commission's Rules of Practice and Procedure, we reduced the period for public review and comment on this decision. As stipulated by parties to this proceeding, opening comments on this proposed decision were filed on December 11, 2020, by AReM and DACC, Joint CCAs, PG&E and TURN, and reply comments were filed on December 15, 2020, by PG&E.

12. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Stephanie S. Wang is the assigned ALJ in this proceeding.

Findings of Fact

1. As of its November Update, PG&E forecasts and requests approval for 2021 procurement revenue requirements as set forth below.

2021 Revenue Requirement	Millions
Energy Resource Recovery Account (ERRA)	\$2,666
Ongoing Competition Transition Charge (CTC)	\$3
Power Charge Indifference Adjustment (PCIA)	\$2,233
Cost Allocation Mechanism (CAM)	\$262
Tree Mortality Non-Bypassable Charge (TMNBC)	\$66
ERRA PCIA Financing Subaccount Credit	(\$14)
Revenue Requirement for Rate Setting	\$5,107
Less: Utility Owned Generation (UOG) Related Costs	(\$2,250)
Total	\$2,965

2. PG&E's calculations for its 2021 electric sales forecast and requested 2021 ERRA forecast revenue requirements are reasonable and in compliance with all applicable rules, regulations, resolutions and decisions for all customer classes.

3. Based on its 2021 electric sales forecast, requested 2021 ERRA forecast revenue requirements, and the requested PCIA Undercollection Balancing Account Trigger Application revenue requirement, PG&E forecasts that the total average rates for bundled customers will decrease by 3 percent or 0.69 cents per kWh in 2021, and total average rates for unbundled customers will increase by 5.9 percent or 0.82 cents/kWh in 2021.

4. As of its November Update, PG&E forecasts and requests 2021 GHG allowance revenue return, set asides for GHG revenue funded programs, GHG administrative and outreach costs, and semi-annual residential Climate Credit, as set forth below.

2021 GHG Revenue Return, Costs and Set-Asides	Millions
GHG Administrative and Outreach Expenses	\$0.85
2020 Solar on Multifamily Affordable Housing (SOMAH) Set-Aside	\$20.86
2016-2019 SOMAH True-Up Set-Aside	\$4.45
2021 Clean Energy and Energy Efficiency Programs Set-Aside	\$39.61
Net GHG Revenue Return	\$205.24
Semi-annual Residential California Climate Credit	\$17.48

5. It is consistent with D.18-06-027, D.19-020-023 and Resolution E-4999 to direct PG&E to set aside funding for the pending requests of Marin Clean Energy and East Bay Community Energy.

6. PG&E's calculations for its 2021 GHG allowance revenue return, set asides for GHG revenue funded programs, GHG administrative and outreach costs, and semi-annual residential Climate Credit, as modified by this decision, are

reasonable and in compliance with all applicable rules, regulations, resolutions and decisions for all customer classes.

7. In D.02-10-062, the Commission directed 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.

8. PG&E projects a 2020 ERRA overcollection of 15.7 percent, or \$793 million, by December 31, 2020.

9. PG&E's calculations of the 2019 ERRA overcollection and forecasted 2020 overcollection are reasonable and in compliance with all applicable rules, regulations, resolutions and decisions for all customer classes.

10. PG&E's rate proposal for the Green Tariff Shared Renewables and Enhanced Community Renewables programs is reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

11. In D.18-10-019, the Commission directed PG&E to file an expedited application when it forecasts that the PUBA balance will exceed a trigger threshold of ten percent of forecast PCIA revenues.

12. In 2020, the PUBA trigger point of 7 percent of forecasted PCIA revenues is \$112.5 million and the threshold of 10 percent of the PCIA revenues forecast is \$160.7 million.

13. PG&E forecasts a PUBA balance of \$255 million by December 31, 2020.

14. PG&E's modified proposal and methodology for the 2021-2023 PUBA rate adder is reasonable and in compliance with all applicable rules, regulations, resolutions and decisions for all customer classes.

15. PG&E estimates that the average rate impact of the proposed 2021 PUBA rate adder amortized over 12 months is 0.55 cents per kWh or 4 percent.

16. This decision advances health and safety and the Commission's Environmental and Social Justice Action Plan.

17. No hearings were necessary for this proceeding.

Conclusions of Law

1. PG&E's 2021 forecast of electric sales is reasonable and should be adopted.

2. PG&E's forecasted 2021 procurement-related revenue requirements set forth below are reasonable and should be adopted.

2021 Revenue Requirement	Millions
Energy Resource Recovery Account (ERRA)	\$2,666
Ongoing Competition Transition Charge (CTC)	\$3
Power Charge Indifference Adjustment (PCIA)	\$2,233
Cost Allocation Mechanism (CAM)	\$262
Tree Mortality Non-Bypassable Charge (TMNBC)	\$66
ERRA PCIA Financing Subaccount Credit	(\$14)
Revenue Requirement for Rate Setting	\$5,107
Less: Utility Owned Generation (UOG) Related Costs	(\$2,250)
Total	\$2,965

3. PG&E should set aside \$2,838,359 for the pending requests of Marin Clean Energy and East Bay Community Energy for their DAC-GT and CS-GT programs.

4. In its 2022 ERRA forecast application, PG&E should propose a true-up of the difference between (a) the 2021 set aside amount for the pending requests of Marin Clean Energy and East Bay Community Energy for their DAC-GT and CS-GT programs and (b) the amount approved by Commission resolutions of such requests.

5. The Commission should adopt PG&E's 2021 GHG allowance revenue return forecast, clean energy program set asides, and related costs as set forth below.

2021 GHG Revenue Return, Costs and Set-Asides	Millions
GHG Administrative and Outreach Expenses	\$0.85
2020 Solar on Multifamily Affordable Housing (SOMAH) Set-Aside	\$20.86
2016-2019 SOMAH True-Up Set-Aside	\$4.45
2021 Clean Energy and Energy Efficiency Programs Set-Aside	\$42.45
Net GHG Revenue Return	\$202.40
Semi-annual Residential California Climate Credit	\$17.20

6. The Commission should adopt PG&E's rate proposal for the Green Tariff Shared Renewables and Enhanced Community Renewables programs.

7. PG&E's proposal to return the 2019 ERRRA overcollection and forecasted 2020 overcollection to customers is reasonable and should be approved.

8. PG&E satisfied the requirements of D.18-10-019 to file an expedited PUBA trigger application.

9. PG&E's modified proposal and methodology to refund the entire 2020 PUBA balance and projected 2021 PUBA balance to bundled service customers through generation rates and recover such amounts through a vintage-specific 2021-2023 PUBA rate adder on top of PCIA rates is reasonable and should be approved.

10. The projected 2020 year-end PUBA balance addressed through a rate adder in this decision should not be counted towards the requirement for PG&E to file a new expedited trigger application when the PUBA balance exceeds the trigger point.

11. PG&E should provide the following information as part of a response to a “Master Data Request” in each of its future ERRA forecast proceedings:

- a. Confidential versions of the monthly ERRA/PABA/PUBA activity reports.
- b. Additional detail supporting the monthly PABA reports, including subcategories for summarized line items such as UOG costs and contracts (*e.g.*, provide by resource type, and whether RPS or non-RPS eligible).
- c. Actual volumetric quantities underlying each relevant dollar figure; such categories include UOG generation, power purchases and sales, California Independent System Operator market sales, and retail customer sales.
- d. Monthly volumes of Actual Sold, Retained, and Unsold Resource Adequacy capacity.
- e. Monthly volumes of Actual Sold, Retained, and Unsold RPS-eligible energy.

12. PG&E should provide non-confidential information from the Master Data Request response to all parties to the proceeding that request a copy within 5 days of the request.

13. A party’s access to confidential information within the Master Data Request should require its reviewing representative to sign a nondisclosure agreement. This decision should not modify any of the Commission’s rules for obtaining confidential information.

14. PG&E should provide confidential information from the Master Data Request response to all reviewing representatives that have signed a nondisclosure agreement within 5 days after each of PG&E’s monthly ERRA/PABA/PUBA activity reports is submitted to the Commission during the pendency of the applicable ERRA forecast proceeding.

15. This decision should be reflected in rates on January 1, 2021, or as soon thereafter as reasonably practicable.

O R D E R

IT IS ORDERED that:

1. This decision adopts and approves Pacific Gas and Electric Company's updated forecasts and requests as modified herein: (1) 2021 forecast of electric sales; (2) 2021 forecasted energy procurement revenue requirements; (3) 2021 Greenhouse Gas allowance revenue return forecast, clean energy program set asides and related costs; (4) 2021 Green Tariff Shared Renewables and Enhanced Community Renewables rate proposal; (5) proposal to credit vintage 2019 and vintage 2020 customers for Energy Resource Recovery Account overcollections; and (6) proposal to return the Power Charge Indifference Adjustment (PCIA) Undercollection Balancing Account balance to bundled customers through a rate adder to be applied in addition to the authorized PCIA rates for eligible unbundled customers.

2. Pacific Gas and Electric Company's approved forecasts and requests shall be effective in rates on January 1, 2021, or as soon thereafter as reasonably practicable, subject to the Annual Electric True-Up process.

3. Pacific Gas and Electric Company shall file a Tier 1 Advice Letter within 15 days of the date of this decision including tariff sheets in compliance with this decision and incorporating changes to authorized revenue requirements in accordance with Decision 20-12-005.

4. Upon the filing of each future Energy Resource Recovery Account (ERRA) forecast application, Pacific Gas and Electric Company shall provide a response to a Master Data Request by any party in such ERRA forecast proceeding in

accordance with this decision. This decision shall not modify any of the California Public Utilities Commission's rules for obtaining confidential information.

5. All motions not previously ruled on are hereby denied.
6. Application 20-07-002 and Application 20-09-014 are closed.

This order is effective today.

Dated December 17, 2020, at San Francisco, California.

MARYBEL BATJER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners