ALJ/SNE/lil **Date of Issuance 2/11/2022**

Decision 22-02-002 February 10, 2022

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

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| --- | --- |
| Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2022 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation. (U39E) | Application 21-06-001 |

DECISION ADOPTING PACIFIC GAS AND ELECTRIC COMPANY’S   
2022 ELECTRIC REVENUE REQUIREMENTS ASSOCIATED WITH   
ENERGY RESOURCE RECOVERY ACCOUNT FORECAST,   
GENERATION NON‑BYPASSABLE CHARGES FORECAST,  
GREENHOUSE GAS REVENUE FORECAST,   
AND RELATED PROPOSALS

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**DECISION ADOPTING PACIFIC GAS AND ELECTRIC COMPANY’S   
2022 ELECTRIC REVENUE REQUIREMENTS ASSOCIATED WITH   
ENERGY RESOURCE RECOVERY ACCOUNT FORECAST,   
GENERATION NON-BYPASSABLE CHARGES FORECAST,   
GREENHOUSE GAS REVENUE FORECAST,   
AND RELATED PROPOSALS**

# Summary

This decision adopts and approves the following requests by Pacific Gas and Electric Company (PG&E), as modified herein: (1) 2022 forecast of electric sales; (2) 2022 forecasted energy procurement revenue requirements to be effective in rates on or after March 1, 2022; (3) Greenhouse Gas (GHG) allowance revenue return forecast and costs; (4) rate design proposals associated with PG&E’s proposed electric-procurement related revenue requirements, including the Green Tariff Shared Renewables rate proposal; (5) methodology to transfer certain year-end 2021 Energy Resource Recovery Account (ERRA) balances to the latest vintage of the Portfolio Allocation Balancing Account (PABA); and (6) transfer public-policy related procurement costs from the non-vintage PABA subaccount to the Public Policy Charge Balancing Account for recovery through the Public Purpose Program Charge on a going-forward basis.

|  |  |
| --- | --- |
| **2022 Revenue Requirement** | **Thousands** |
| Cost Allocation Mechanism/New System Generation Charge (CAM/NSGC) | $170,533 |
| Power Charge Indifference Adjustment (PCIA) | $1,480,423 |
| Ongoing Competition Transition Charge (CTC) | $17,104 |
| Energy Resource Recovery Account (ERRA) | $3,356,016 |
| ERRA PCIA Financing Subaccount | ($95,091) |
| PCIA Undercollection Balancing Account | $91,562 |
| Non-Vintaged PCIA | ($16) |
| Tree Mortality Non‑Bypassable Charge (TMNBC) | $12,597 |
| Bioenergy Market Adjusting Tariff | $27,098 |
| Revenue Requirement for Rate Setting | $5,060,190 |
| **Adjustments from Other Proceedings** |  |
| Utility Owned Generation Related Costs (UOG) | ($2,437,220) |
| PCIA Undercollection Balancing Account (Adjustment) | ($91,526) |
| ERRA PCIA Financing Subaccount (Adjustment) | $ 95,091 |
| Electric Risk Transfer Balancing Account | ($163,370) |
| 2020 and 2021 Electric Residential Uncollectible Balancing Account | ($46,237) |
| Subtotal from Other Proceedings | ($2,643,262) |
| Total Request | $2,416,928 |

|  |  |
| --- | --- |
| **GHG Revenue Return, Costs and Set-Asides** |  |
| 2022 GHG Administrative and Outreach Expenses | $855,000 |
| 2020 Recorded GHG Administrative and Outreach Expenses | $598,000 |
| True-Up Set-Aside for GHG Administrative and Outreach | $285,000 |
| 2022 Customer Generation Programs Funded by GHG Revenues | $56.55Million |
| Net GHG Revenue Return | $469 Million |
| Semi-annual Residential and Small Business California Climate Credit | $39.30 |

This decision adopts Pacific Gas and Electric Company’s December Update Forecast Revenue Requirements served on December 14, 2021.

The proceeding is closed.

# Background

## Historical Background

Pursuant to Decision (D.) 02-10-062, the California Public Utilities Commission (Commission) established the Energy Resource Recovery Account (ERRA) required by Public Utilities (Pub. Util.) Code 454.5(d)(3) to provide recovery of energy procurement costs, including expenses associated with fuel and purchased power, utility retained generation, California Independent System Operator related costs and costs associated with the residual net short procurement requirements to serve the bundled electric service customers of utilities, including Pacific Gas and Electric Company (PG&E). The ERRA regulatory process includes (1) an annual forecast proceeding to adopt a forecast of the utility’s electric procurement cost revenue requirement and electricity sales for the upcoming year, (2) a compliance proceeding in the following year regarding energy resource contract administration, least cost dispatch, and prudent maintenance of Utility Owned Generation (UOG) and the ERRA balancing account, and (3) a quarterly report in which the Commission’s Energy Division reviews procurement transactions “to ensure the prices, types of products, and quantities of each product conform to the approved plan.”[[1]](#footnote-2)

Pursuant to D.12-12-033, PG&E filed Advice Letter 4181-E to establish a subaccount within the ERRA to record greenhouse gas (GHG) costs. The advice letter also created the GHG Customer Outreach and Education Memorandum Account (GHGCOEMA),[[2]](#footnote-3) the GHG Administrative Costs Memorandum Account (GHGACMA)[[3]](#footnote-4) and the GHG Revenue Balancing Account (GHGRBA). The GHG revenue balancing account is a two-way balancing account that records GHG allowance revenues less revenue returns and any revenues approved to be set aside for outreach and administrative costs.

## Procedural Background

On June 1, 2021, PG&E filed Application (A.) 21-06-001 for adoption of its 2022 ERRA and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation (Application). PG&E concurrently served prepared testimony.

On June 24, 2021, Resolution ALJ 176-3488 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary.

On July 23, 2021, the Commission held a prehearing conference (PHC) to discuss the issues of law and fact, determine the necessity for hearings, and procedural matters.

The following parties were granted party status on the following dates:

| Party | Abbreviation | Event | Date Status Granted |
| --- | --- | --- | --- |
| Public Advocates Office of the Commission | Cal Advocates | Protest filed Jul. 6, 2021 | Rule[[4]](#footnote-5) 1.4(a)(2)  Jul. 6, 2021 |
| The Joint Community Choice Aggregators: East Bay Community Energy, Marin Clean Energy, Sonoma Clean Power Authority, Central Coast Community Energy, San Jose Clean Energy, Pioneer Community Energy, City and County of San Francisco, Peninsula Clean Energy Authority, and Silicon Valley Clean Energy Authority | The Joint CCAs | Protest filed | Rule 1.4(a)(2)  Jul. 6, 2021 |
| Direct Access Customer Coalition | DACC | Response filed  Jul. 6, 2021 | Rule 1.4(a)(2)  Jul. 6, 2021 |
| California Community Choice Association | Cal CCA | Oral Motion made at PHC  Jul. 23, 2021 | Granted at PHC  Jul. 23, 2021 |
| Agricultural Energy Consumer Coalition | AECA | Motion filed on Aug. 23, 2021 | Granted  Ruling  Sept. 17, 2021 |
| California Large Energy Consumers Association | CLECA | Motion filed Dec. 16, 2021 | Granted Ruling  Dec. 17, 2021 |
| California Farm Bureau Federation | Farm Bureau | Motion filed Dec. 22, 2021 | Granted Ruling Dec. 22, 2021 |

On August 11, 2021, Commissioner Guzman Aceves issued the Scoping Memo and Ruling.

On August 25, 2021, PG&E served Revised Prepared Testimony. On September 2, 2021, PG&E served Supplemental Testimony. On September 16, 2021, PG&E served an email correcting portions of the Revised and Supplemental Testimony.

On August 31, 2021, the Joint CCAs filed a motion to compel discovery and shorten time to produce documents. PG&E filed a reply on September 3, 2021. On September 30, 2021, the assigned Administrative Law Judge (ALJ) issued a ruling asking for more details about the data requests, including, who had possession of the workpapers and if the workpapers were being prohibited from release by a non-disclosure agreement. On October 4, 2021, PG&E and the Joint CCAs each filed a response to the ruling.

On October 5, 2021, the ALJ issued a ruling granting the Joint CCAs’ motion to compel, finding that the information was important since the 2021 PCIA rates are integral to the calculation of the year-end Portfolio Allocation Balancing Account (PABA) balance that is being used to set the PCIA rates for 2022. The ALJ found the ability to compare the workpapers between the two proceedings is critical to the current proceeding and the 2021 workpapers merit scrutiny in that context.

On October 6, 2021, PG&E served Rebuttal Testimony and an email correcting portions of the Revised Testimony and Supplemental Testimony.

On October 8, 2021, the assigned ALJ held a status conference. Four of the five parties waived evidentiary hearing. The Joint CCAs could not waive evidentiary hearing until PG&E proffered outstanding data requests. At the status conference, Exhibits PGE-1, PGE-1C, PGE-2, PGE-2C, PGE-3, JCCA-01, and JCCA-01-C were entered into evidence.

On October 11, 2021, PG&E, on behalf of all parties, notified the service list that an evidentiary hearing was not needed.

On November 8, 2021, PG&E filed its Update to Prepared Testimony, 2022 ERRA and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation, Public Version. This filing is commonly referred to as “the November Update” in ERRA proceedings. PG&E filed an Errata to the November Update on November 17, 2021.

On November 24, 2021, the assigned ALJ issued a ruling, ordering PG&E to provide additional information to allow the Commission to better evaluate the November Update. Using the November Update as a model, PG&E was directed to submit the following:

* October Update: based on accounting close balances and energy market information as of September 30, 2021.
* December Update: based on accounting close balances as of November 30, 2021 and the most recent energy market value at the time of filing.

The October Update and the December Update were filed as the Fourth Supplemental Testimony. Replies were filed on December 23, 2021 by the Joint CCAs and jointly by California Large Energy Consumers Association (CLECA) and Agricultural Energy Consumer Association (AECA). PG&E filed Reply Comments on January 4, 2022.

On December 20, 2021, the assigned ALJ issued a ruling ordering PG&E to provide analysis concerning the ERRA balance in the December Update given two scenarios: amortizing the 2021 ERRA balance over an 18-month period and over a 24-month period. The parties were also ordered to meet and confer on the amortization periods and submit a joint or individual statements.

On December 21, 2021, the proceeding was reassigned to Commissioner Genevieve Shiroma.

On December 28, 2021, PG&E served its Fifth Supplemental Testimony with analysis for the two amortization periods.

On January 6, 2022, joint statements regarding the analysis on the amortization periods were filed by two groups: 1) PG&E, the Joint CCAs, Cal CCA, DACC and Cal Advocates, and 2) CLECA, AECA and Farm Bureau.

On January 7, 2022, the ALJ emailed a procedural communication to the parties to stipulate to a seven-day comment period and a three-day reply period after the proposed decision is mailed. On January 7, 2022, DACC stipulated to the shortened comment periods. On January 8, 2022, the Joint CCAs so stipulated. On January 10, 2022, PG&E and Cal Advocates agreed to the shortened comment periods. On January 11, 2022, AECA, Farm Bureau, CLECA and Cal CCA stipulated to the shortened comment period.

All motions to enter exhibits into evidence, including requests to file documents under seal, were granted in a ruling on January 26, 2022. The same ruling granted all parties’ requests to seal portions of the evidentiary record and to file confidential materials under seal.

# Issues Before the Commission

The PG&E ERRA Forecast application is filed annually to adjust electricity rates for the coming year. The issues before the Commission include:

Whether PG&E’s requested 2022 ERRA Forecast revenue requirement, Cost Allocation Mechanism/New System Generation Charge (NSGC), PCIA, Ongoing Competition Transmission Charge, and Tree Mortality Non-Bypassable Charge are reasonable and should be adopted;

Whether the Commission should adopt PG&E’s 2022 electric sales forecast;

Whether the Commission should adopt PG&E’s 2022 Greenhouse Gas (GHG) Related Forecast and Expenses, including Administrative and Outreach Expenses, Customer Generation Programs costs, Net GHG revenue return, and Semi-Annual Residential California Climate Credit;

Whether PG&E’s recorded 2020 GHG administrative and outreach expenses of $598,000 are reasonable;

Whether all calculations and entries, including but not limited to Cost Allocation Mechanism/NSGC, PCIA, Ongoing CTC, ERRA, ERRA‑PCIA Financing Subaccount, PCIA Under-Collection Balancing Account, Non-Vintage PCIA, Tree Mortality Non-Bypassable Charge, Bioenergy Market Adjusting Tariff, and GHG related items, including the funding of GHG clean energy programs, are in compliance with all applicable rules, regulations, resolutions and decisions for all customer classes;

Whether the Commission should approve the rate proposal associated with PG&E’s proposed electric-procurement related revenue requirements, including its 2022 Green Tariff Shared Renewables rate proposal;

Whether the Commission should approve PG&E’s disposition of year-end 2021 ERRA balance, excluding deferred revenue resulting from capped vintage 2020 PCIA rates, to the 2021 vintage subaccount of the PABA;

Whether the Commission should approve PG&E’s proposal to transfer certain public-policy procurement costs from its PABA non-vintaged subaccount to a new subaccount in the Public Policy Charge Balancing Account for recovery from all customers through the Public Purpose Program (PPP) charge on a going forward basis;

Whether PG&E’s proposal to transfer the year-end 2021 ERRA account balance, less amounts associated with the ERRA-PCIA Financing Subaccount, to the latest vintage of the PABA is reasonable;

Whether the Commission should allow PG&E to correct an error related to the 2021 Community Green Solar Tariff program set aside amount in Decision 20-12-038 in this proceeding;

Whether there are any safety considerations raised by this application; and

Whether the Application aligns with or impacts the achievement of any of the nine goals of the Commission’s Environmental and Social Justice Action Plan.

# Overview of PG&E’s 2022 Forecast and Revenue Requirement Requests

PG&E’s application requests Commission approval of several procurement-related revenue requirement forecasts: 1) adoption of its 2022 electric procurement revenue requirement forecast to become effective in rates on March 1, 2022; 2) adoption of its forecasted electric sales for 2022, and 3) adoption of its forecast of GHG revenues, revenue return, and administrative and customer outreach costs for 2022 and approval of PG&E’s 2020 GHG administrative and customer outreach costs as reasonable.

## November Update

As in prior years, the procedural schedule requires PG&E to provide an update to its calculations in November. The November Update includes refreshes data based on recent energy market information and actual costs incurred by the utility. The November Update is intended to allow parties and the Commission to evaluate the ERRA forecast application using updated data.

This year the November Update reflected a significant increase in energy prices, caused by increased natural gas prices world-wide. As a result, the November Update forecast a roughly $630 million undercollection in 2021 that would contribute to a rate increase of approximately 13.8% for bundled customers. PG&E was ordered to provide an October Update using accounting close balances and energy market information up to and including September 30, 2021, and a December Update using accounting close balances up to and including November 30, 2021 and the most recent energy market values to calculate the forecast year-end balance. The forecast year-end balance in the December Update is both lower and more accurate, reflecting two additional months of real data and updated forecast costs for December of 2021. Therefore, this decision adopts PG&E’s December Update for the year-end forecast values and other elements of the application that it updates. However, due to procedural delay, PG&E can now provide the actual year-end account balance for the ERRA-main balancing account. Therefore, we adopt the actual year-end account balance in the ERRA-main.

In its December Update, PG&E’s total 2022 electric procurement forecast for rate setting purposes consists of a total request of $2,416,928,000. The system average bundled rate—including the impact of the change in the GHG revenue return—would increase by approximately 12.6 percent to 26.2 cents per kilowatt‑hour (¢/kWh), when compared to the system average bundled rate of 23.3 ¢/kWh, which was effective October 1, 2021. The system average rate for Direct Access (DA) and community choice aggregation (CCA) customers, whose average rates exclude commodity charges that are provided by third-party service providers, would decrease by approximately 15.9 percent to 13.1 ¢/kWh, when compared to the system average rate for DA and CCA customers of 15.5 ¢/kWh, which was effective October 1, 2021.[[5]](#footnote-6)

|  |  |  |  |
| --- | --- | --- | --- |
| **10/1/2021** | **1/1/2022** | **Rate Change** | **% Change** |
|  | **Present** | **Proposed** |  |
|  | **(A)** | **(B)** | **(B) - (A)** |
| **Customer Class** |  |  |  |  |
| Residential | 24.73 | 27.15 | 2.42 | 9.79% |
| CARE | 17.84 | 19.45 | 1.61 | 9.02% |
| Non-CARE | 28.47 | 31.26 | 2.79 | 9.80% |
| Small Commercial | 27.49 | 30.28 | 2.79 | 10.15% |
| Medium Commercial | 24.27 | 28.31 | 4.04 | 16.65% |
| Large Commercial (E-19) | 20.92 | 24.77 | 3.85 | 18.40% |
| E-19 T | 17.01 | 19.37 | 2.36 | 13.87% |
| E-19 P | 18.79 | 23.44 | 4.65 | 24.75% |
| E-19 S | 21.25 | 24.96 | 3.71 | 17.46% |
| Streetlight | 30.19 | 34.42 | 4.23 | 14.01% |
| Standby | 13.09 | 15.67 | 2.58 | 19.71% |
| Agriculture | 25.08 | 27.78 | 2.7 | 10.77% |
| Industrial (E-20) | 15.94 | 19.38 | 3.44 | 21.58% |
| E-20 T | 13.37 | 16.91 | 3.54 | 26.48% |
| E-20 P | 17.67 | 20.81 | 3.14 | 17.77% |
| E-20 S | 19.6 | 22.05 | 2.45 | 12.50% |
| **Average System Rate** | 23.25 | 26.2 | 2.95 | 12.69% |

These rate increases for bundled customers are primarily the result of a forecast year-over-year revenue requirement increase of roughly $769 million in the ERRA balancing account and a forecast $358 million undercollection in the ERRA balancing account in 2021. The rate decreases for departed load customers are the result of elevated electricity values, which decrease the Power Charge Indifference Adjustment rate.

The Joint CCAs’ comments encourage the Commission to adopt the December Update since likely rate volatility between 2022 and 2023 rates will be reduced, citing decreases in bundled generation rates in the December Update from the proposed increases in the November Update.[[6]](#footnote-7)

CLECA and AECA offer no opinion on adopting the October Update or the December Update and encourage the Commission to adopt the option with the least ratepayer harm, along with mitigation measures, such as longer amortization periods.[[7]](#footnote-8)

We find that the December Update, updated again with the actual year‑end ERRA-main account balance, provides the most accurate forecast for 2022 revenue requirements. Due to the considerable volatility in the California Independent System Operator (CAISO) market prices for 2022, PG&E proposes to recover these revenue requirements through rates to be implemented on January 1, 2022, or as early as practicable. With its December Update, PG&E requests approval of the following.[[8]](#footnote-9)

|  |  |
| --- | --- |
| **2022 Revenue Requirement** | **Thousands** |
| Cost Allocation Mechanism/New System Generation Charge | $170,533 |
| Power Charge Indifference Adjustment (PCIA) | $1,408,423 |
| Ongoing Competition Transition Charge | $17,104 |
| Energy Resource Recovery Account (ERRA) | $3,356,016 |
| ERRA PCIA Financing Subaccount | ($95,091) |
| PCIA Undercollection Balancing Account | $91,526 |
| Non-Vintaged PCIA | ($16) |
| Tree Mortality Non‑Bypassable Charge | $12,597 |
| Bioenergy Market Adjusting Tariff | $27,098 |
| Revenue Requirement for Rate Setting | $5,060,190 |
| **Adjustments from Other Proceedings** |  |
| Utility Owned Generation Related Costs | ($2,437,220) |
| PCIA Undercollection Balancing Account (Adjustment) | ($91,526) |
| ERRA PCIA Financing Subaccount (Adjustment) | $ 95,091 |
| Electric Risk Transfer Balancing Account | ($163,370) |
| 2020 and 2021 Electric Residential Uncollectible Balancing Account | ($46,237) |
| Subtotal from Other Proceedings | ($2,643,262) |
| Total Request | $2,416,928 |

## Amortization of ERRA Main Balance

With the ERRA undercollection projected to be in the hundreds of millions, the assigned ALJ ordered PG&E to provide updates to the forecast revenue requirements using the analyses in the December Update based on two scenarios: updated information and data if the undercollection was amortized over 18 months; and updated information and data if the undercollection was amortized over 24 months.

The December Update was based on a 12-month amortization of the forecast undercollected amount. PG&E maintains that a one-year amortization is best for ratepayers and consistent with Commission precedent.[[9]](#footnote-10) The Joint CCAs and Cal CCA also support the 12-month amortization.[[10]](#footnote-11) DACC does not oppose amortizing over 12 months.[[11]](#footnote-12)

Cal Advocates does not oppose the 12-month amortization since ratepayer would only experience temporary rate relief under an 18- or 24-month proposal.[[12]](#footnote-13)

CLECA and AECA contend that the ERRA increase is in additiontothe 7.5% system average bundled electric rate that went into effect January 1, 2022 as set forth in second supplemental AET Advice Letter 6408-E-B.[[13]](#footnote-14) CLECA and AECA state that the magnitude of the two proposed rate increases in such rapid succession is unprecedented and that it is, therefore, unjust and unreasonable.[[14]](#footnote-15)

One goal in setting rates is to send timely price signals by accurately reflecting the actual cost of providing service in any given time period in the rates charged in that period or as soon as practicable, pursuant to Pub. Util. Code § 454(d)(3). Long delays in recovering costs can result in both poor price signals to customers and cause year-over-year misallocations. The 2.5% difference[[15]](#footnote-16) in system average bundled rates over a 12-month amortization versus a 24-month amortization does not overcome the need for the Commission’s duty to ensure timely recovery of prospective procurement costs incurred by a utility. We find that amortizing the current PG&E undercollection over an expanded period of time may artificially reduce rates in the near-term and cause a larger increase in the future to compensate for delayed cost recovery. We, therefore, adopt PG&E’s December Update filed on December 14, 2021 amortized over a 12-month period.

# 2022 Forecast Revenue Requirement

## Cost Allocation Mechanism (CAM) and New System Generation Charge (NSGC)

The Cost Allocation Mechanism (CAM) and NSGC allocate certain costs and benefits, including: (1) resources needed for ensuring system reliability, (2) resources procured in accordance with the Qualified Facility/Combined Heat and Power Settlement approved by D.10‑12‑035, and (3) resources procured for renewables integration (D.19‑11‑016.)[[16]](#footnote-17)

PG&E also requests recovery of administrative costs incurred as the central procurement entity for multi-year local Resource Adequacy (RA) under the CAM pursuant to D.20-06-002.[[17]](#footnote-18)

No party disputes PG&E’s proposed revenue requirements for Cost Allocation Mechanism or the NSGC as reflected in the December Update. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## Ongoing Competition Transition Charge

Ongoing Competition Transmission Charges (Ongoing CTC) 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.”[[18]](#footnote-19) These costs are recorded in PG&E’s Modified Transition Cost Balancing Account (MTCBA).[[19]](#footnote-20)

The above-market costs are determined by calculating the difference between the cost of the portfolio of resources and the market value of an equivalent portfolio.[[20]](#footnote-21) The Commission approved the current methodology for calculating the Market Price Benchmark in D.18-10-019.

No party disputes PG&E’s proposed revenue requirements for Ongoing Competition Transmission Charges as of the December Update. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## Tree Mortality Non-Bypassable Charge

The Tree Mortality Non-Bypassable Charge was established for recovery of net costs of tree mortality‑related biomass energy procurement mandated by Pub. Util. Code § 399.20.3(f).[[21]](#footnote-22) The Commission determined that recovery of the Tree Mortality Non-Bypassable Charge should occur through the Public Purpose Program (PPP) Charge, with each utility establishing a balancing account to collect the net costs associated with this non‑bypassable charge.[[22]](#footnote-23)

Pursuant to D.18-12-003, PG&E proposes to recover the net costs of the tree mortality-related biomass energy procurement, excluding revenue received by the Investor-Owned Utilities (IOUs) through sales of energy and ancillary services, the value of Renewable Energy Credits, and the value of the RA capacity.

No party disputes PG&E’s proposed revenue requirements for Tree Mortality Non-Bypassable Charges as of the December Update. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## Bioenergy Market Adjusting Tariff

In D.20-08-043, the Commission authorized a new non-bypassable charge to recover Bioenergy Market Adjusting Tariff (BioMAT) program costs through the PPP Charge.

No party disputes PG&E’s proposed revenue requirements for BioMAT Non-Bypassable Charges as of the December Update. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## ERRA Revenue Requirement

In D.02-10-062, the Commission established the ERRA as the balancing account for the IOUs to track and recover energy procurement costs incurred under Commission-authorized procurement plans. PG&E’s main balancing account in ERRA, or ERRA-Main, records PG&E’s procurement-related costs and revenues, and any difference flows back to or is collected from customers.[[23]](#footnote-24) The ERRA-Main is the ERRA minus the ERRA PCIA Financial Subaccount,[[24]](#footnote-25) which tracks any amount finances by bundled customers related to revenue shortfalls associated with capped PCIA rates for eligible departing load customers.[[25]](#footnote-26)

As of the December Update, PG&E requests $5,060,190,000 in total ERRA revenue requirement. As of the December Update, no party disputes PG&E’s proposed revenue requirements for the ERRA.

We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## Utility-Owned Generation Costs

In D.20-12-005, the Commission adopted PG&E’s 2020 General Rate Case. On November 1, 2021, PG&E submitted Tier 1 Advice Letter 4522-G/6389-E to update its generation revenue requirement effective January 1, 2022.

In its November Update, PG&E updated its Utility-Owned Generation Costs in accordance with Advice Letter 4522-G/6389-E. The updated costs reflect the following changes:

1. Gains on sale of PG&E’s San Francisco General Office (SFGO) Headquarters, authorized in D.21-08-027, is updated to remove the 2022 forecast lease and moving costs of $33 million, lowering the 2022 gain on sale to $149 million, of which the electric portion is $36 million. PG&E also includes the electric portion of the 2021 gain on sale of SFGO ($4 million). PG&E proposes to allocate both 2021 and 2022 gains to PCIA and ERRA in accordance with the methodology described in PG&E’s Rebuttal Testimony.[[26]](#footnote-27)

1. The Commission adopted a settlement agreement on the Catastrophic Event Memorandum Account and Wildfire Expense Memorandum Account (WEMA) in D.21-10-022, where the Commission authorized PG&E to recover $445.5 million of insurance costs in 2022. PG&E proposes to allocate the electric portion ($117 million) to PCIA and ERRA in accordance with the November Update for recovery in 2022 rates.[[27]](#footnote-28)

The Joint CCAs contend that PG&E misapplied the estimated net gain and altered the allocation factor to assign a greater proportion of the sale credit to bundled customers.[[28]](#footnote-29) In its rebuttal testimony, PG&E agreed to adopt the Joint CCAs’ recommendation with respect to the allocation of the SFGO sale credit, and have done so.[[29]](#footnote-30)

In the cost recovery for WEMA, the Joint CCAs initially opposed PG&E’s proposed request as premature when the CCAs filed their protest on July 6, 2021.[[30]](#footnote-31) D.21-01-022, adopted on October 21, 2021, approved the settlement by PG&E, Cal Advocates and The Utility Reform Network. The Joint CCAs have raised no further objection.[[31]](#footnote-32)

No party disputes PG&E’s proposed revenue requirements for Utility‑Owned Generation Costs as reflected in the December Update. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## Electric Risk Transfer Balancing Account (RTBA‑E) and Electric Residential Uncollectible Balancing Account (RUBA-E)

On January 1, 2020, the Commission’s Energy Division accepted PG&E’s Tier 1 Advice Letter 4344G/6032E to implement tariff changes approved in D.20‑12-005. This advice letter establishes the Electric Risk Transfer Balancing Account (RTBA-E) to track the financial risk transfer costs paid to third parties associated with $1.4 billion of risk transfer coverage in total compared to adopted amounts that are allocated to the generation function.[[32]](#footnote-33) The approved advice letter provides that undercollections in the Third-Party Generation Subaccount will be transferred annually to the PABA as part of the Annual Electric True-Up process or through a separate advice letter as authorized by the Commission. Overcollections at the end of the year will be transferred to the Self-Insurance Subaccount.[[33]](#footnote-34)

PG&E allocated the Third-Party Generation Subaccount of the RTBA-E between PABA and ERRA-Main based on the 2020 GRC authorized revenue requirement for applicable assets covered by the financial risk transfer costs recorded in the RTBA-E.[[34]](#footnote-35)

In the November Update, followed by the November Errata, PG&E forecasts that the RTBA-E net undercollection will reach $162 million by year‑end, comprising of (a) $152 million in the Third-Party Generation Subaccount and (b) $10 million in the electric generation portion of the Additional Coverage Subaccount.[[35]](#footnote-36) PG&E proposes to recover $153 million of the 2021 RTBA balance in PABA and the balance of $9 million in ERRA.[[36]](#footnote-37) The December Update forecasts the same amounts.[[37]](#footnote-38)

The Additional Coverage Subaccount tracks the cost to purchase of more than $1.4 billion in financial risk total coverage authorized in D.20-12-005 and is allocated to the electric distribution and generation functions.[[38]](#footnote-39)

On April 13, 2021, the Commission approved PG&E’s Tier 2 Advice Letter 4334-G/6001-E, 4334-G-A/6001-E-A, including a request to establish a two-way Residential Uncollectibles Balancing Account – Electric (RUBA-E) pursuant to D.20-06-003.

As of the December Update, PG&E proposes to recover an updated balance estimate of $46 million for the 2020 and 2021 RUBA-E based on November 2021 accounting close.[[39]](#footnote-40)

No party disputes PG&E’s proposed revenue requirements for the RTBA-E or the 2020 and 2021 Residential Uncollectibles Balancing Account as of the December Update. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## PCIA

### PCIA Rates

The Commission adopted the PCIA to ensure that bundled customers are indifferent to customer departures. SB 350 made explicit the dual requirements that (1) bundled service IOU customers do not experience any cost increases when other retail customers elect service from other providers, and (2) customers who depart for another provider do not experience any cost increases due to an allocation of costs that were not incurred on behalf of the unbundled customers.[[40]](#footnote-41)

PCIA rates will be set in this proceeding based on (i) the difference between the forecasted cost of PG&E’s generation portfolio in 2022 and the forecasted market value of PG&E’s generation portfolio in 2022, and (ii) the 2021 year-end balance in the PABA.[[41]](#footnote-42)

In D.18-10-019, the Commission adopted a cap to limit the PCIA’s upward movement to 0.5 cents/kWh and created the PUBA for recording the uncollected portion. In D.20-12-038, the Commission adopted a PCIA Adder for repayment of the uncollected portion of the PCIA, including PG&E’s 2021 forecast of PUBA year-end balances and a 3‑year amortization of 2020 year-end PUBA balances. In D.21-05-030, the Commission removed the cap to PCIA rates.[[42]](#footnote-43)

In D.20-12-005, the Commission adopted PG&E’s 2020 General Rate Case application, approving $2,479 million in the generation base revenues to be collected in bundled and Departing Load (DL) customer rates.

As of the December Update, PG&E forecasts that the PCIA revenue requirement is $1,480 million[[43]](#footnote-44) resulting in changes to PCIA base rates for all customer vintages and rate groups, compared to the current 2021 levels. PCIA system and vintage average rates will decrease by 15.9%.[[44]](#footnote-45)

The Joint CCAs initially challenged two components of PG&E’s PCIA revenue requirement calculation: 1) the allocation of credit to the PCIA calculation from the sale of the SFGO Headquarters and 2) using the above‑market costs of resources in the Green Tariff Shared Renewables (GTSR) Program for bundled customers. Gains on the sale of the SFGO has been resolved, as discussed in Section 4.6 above.

PG&E’s GTSR program was challenged by the Joint CCAs in a petition for modification (PFM) to Decision 15-01-051,[[45]](#footnote-46) filed on May 17, 2021. The Joint CCAs contend that the calculation for the RA component of the GTSR rate should be updated to be consistent with the Commission’s updated calculation of Retained RA set in D.19-01-011.[[46]](#footnote-47) PG&E agrees with the Joint CCAs’ recommendation to make revisions to update the indifference calculation, including updated market price benchmark.[[47]](#footnote-48) The Joint CCA’s PFM was addressed in D.21-12-036.[[48]](#footnote-49)

In the December Update, the PCIA revenue requirements were adjusted to take into account the requirements imposed by D.21-12-036.[[49]](#footnote-50) No party disputes PG&E’s proposed revenue requirement for the PCIA as of the December Update. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

### PCIA Undercollection Balancing Account (PUBA)

In D.18-10-019, the Commission implemented an annual 0.5 cent/kWh cap on PCIA rate increases. The decision ordered PG&E to establish a PUBA to record the revenue shortfall resulting from the implementation of the cap on PCIA rate increases.

In D.20-12-038, the Commission approved a 2021 PCIA rate adder (on top of PCIA rates) to recover the revenue shortfall from the PCIA cap during 2021, and to amortize accumulated PUBA balances over three years in a 2020 PUBA rate adder (on top of PCIA rates). That cap was removed in D.21-05-030 effective January 1, 2022. PG&E was directed to address its projected 2021 year-end PUBA balance in its 2022 ERRA forecast application.

As of the December Update, PG&E forecasts a revenue requirement of $92 million for the PUBA.[[50]](#footnote-51)

No party disputes the revenue forecast by PG&E in the PUBA. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

### Portfolio Allocation Balancing Account (PABA)

In D.18-10-019, the Commission required PG&E to establish the PABA, a two-way balancing account that trues up the forecast of PCIA-eligible resource costs with actual recorded costs and revenues, and to modify associated generation-related regulatory accounts consistent with the approved PABA structure. The PABA is comprised 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.[[51]](#footnote-52) Costs recorded to PABA are recovered by bundled customers through the generation rate, and by unbundled customers through the PCIA rate.[[52]](#footnote-53) DL customers are assigned cost responsibility for vintages of generation resources based upon when the customer departs bundled service.[[53]](#footnote-54)

The Joint CCAs initially contended that additional data is required to confirm whether PG&E’s project PABA balance is reasonable.[[54]](#footnote-55) However, as of the December Update, no party disputes the PABA balance. The PABA balance, as set forth in the December Update, is discussed below in the section on Balancing Account Transfer Proposals.

We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

### ERRA PCIA Financing Subaccount

PG&E’s ERRA includes the PCIA Financing Subaccount, which tracks any amounts financed by bundled customers related to revenue shortfalls associated with capped PCIA rates for eligible DL customers. Pursuant to D.20‑12-038, PG&E will recover the unbundled customer revenue shortfall from the 2020 PCIA revenue requirement over three years effective 2021. The end‑of‑year 2021 forecast balance of the ERRA PCIA Financing Subaccount (ERRA-PFS) is brought forward from 2020 and will be amortized over 2022 and 2023.[[55]](#footnote-56)

PG&E’s December Update includes a request for a $95 million credit for the ERRA-PFS.[[56]](#footnote-57)

The Joint CCAs argue that PG&E’s method for returning the PCIA Financing Subaccount to customers via the ERRA rather than the PABA improperly transfers funds to bundled customers that should be returned to recently departed unbundled customers.[[57]](#footnote-58) The Joint CCAs have also raised these concerns in the PCIA Rulemaking (R.) 17-06-026.[[58]](#footnote-59)

DACC concurs with the Joint CCAs’ position that the PFS should go to those who were on the bundled service when the PCIA cap was in place, which would include both bundled customers and those who departed to other service providers in subsequent years. It is only fair to return the PFS amounts to those customers who paid into the account and not just those currently on bundled service.[[59]](#footnote-60)

We agree with the Joint CCAs and DACC that all customers who were financially responsible for the ERRA-PCIA Financing Subaccount (ERRA-PFS) balance should be entitled to the appropriate credit. We direct PG&E to transfer the $95 million ERRA-PFS credit for 2022 to the 2020 vintage subaccount. By moving the ERRA-PFS to PABA, we promote indifference and accuracy by returning a balance to all customers who paid for it, and not only those who remain on bundled service.

# 2022 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.[[60]](#footnote-61) PG&E uses the most recent available recorded unbundled sales as a proxy for 2022 projected unbundled load, and meets and confers with CCA and DA providers to forecast unbundled load.[[61]](#footnote-62)

PG&E expects bundled electricity sales forecast for 2022 to be about 8 percent lower than the forecast adopted by the Commission in D.20-12-038, which adopted PG&E’s 2021 ERRA Forecast Application. The primary driver of the decrease in bundled electricity sales is the continuing load departures to CCA and DA providers. PG&E expects CCA and DA providers to serve over 62 percent of PG&E’s total system sales in 2022. Incremental energy efficiency and behind-the-meter distributed generation also contribute to relatively flat system-wide load growth.[[62]](#footnote-63)

No party disputes PG&E’s proposed 2022 electric sales forecast as of the December Update. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

# Balancing Account Transfer Proposal

## Year-end 2021 ERRA Balance Proposal

In the November update, PG&E proposes to transfer an undercollection of $629 million plus an allowance for the 2022 Revenue Fees and Uncollectibles Factor, from the ERRA-Main account to the Vintage 2020 PABA account ($11 million) and the Vintage 2021 PABA account ($618 million). Because PCIA rate design is cumulative, the portion transfer to the 2020 public vintage subaccount will be applied to the PCIA rate vintage in 2020 and later, while the portion transferred to the 2021 PABA Vintage Subaccount will be applied to the PCIA rate vintages 2021 and later.[[63]](#footnote-64)

PG&E amended the ERRA undercollection balance to $358 million in the December Update, with $11 million to the Vintage 2020 PABA subaccount and $347 million to the Vintage 2021 PABA subaccount.

As of the December Update, PG&E proposes to transfer the undercollected ERRA Main of $358 million, plus an allowance of revenues, fees and uncollectibles (RF&U) to PABA Vintage Subaccounts as follows:

1. Vintage 2020: $11 million, plus RF&U, for the recorded 2020 portion of the RUBA-E undercollection; and
2. Vintage 2021: $347 million for the forecast remaining undercollection.

Furthermore, PG&E proposes to transfer the $61,000 cost, plus RF&U, of the PURPA[[64]](#footnote-65) contracts currently being recorded to the PABA non-vintaged subaccount to a proposed new subaccount in the PPCBA[[65]](#footnote-66) for recovery through the PPP charge.

As of the December Update, no party disputes this proposed transfer. Due to procedural delays, PG&E now has actual year-end account balances in ERRA. PG&E must transfer the actual year-end account balance in the ERRA-main account to the Vintage 2021 subaccount. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions, pending PG&E’s updated actual year-end ERRA-main calculations.

## PABA Transfer Proposals

PG&E proposes to transfer certain public-policy procurement costs from its PABA non-vintaged subaccount to a new subaccount in the Public Policy Charge Balancing Account (PPCBA) for recovery from all customers through the PPP Charge on a going forward basis. As of the December Update, PG&E proposes, for 2022, to transfer $30,000, plus an allowance for the 2022 RF&U factor of the PURPA contracts currently being recorded to the PABA non-vintage subaccount to a proposed new subaccount and the PPCBA for recovery through the PPP Charge.

As of the December update, no party opposes this proposal.

We have reviewed this proposal and find it in compliance with all applicable rules, regulations, resolutions and decisions.

## GTSR Balancing Account Proposal

As of the December Update, PG&E forecasted an overcollection in its Green Tariff Shared Renewables Balancing Account (GTSRBA) of approximately $21 million. The overcollection is attributable to customer billed revenues from the increased Solar Choice enrollment, Schedule Green Tariff E-GT, which has not been fully offset with solar resource expenses.[[66]](#footnote-67) The number of participating customers and amount of participating load in Tariff E-GT dramatically increased in 2021, from roughly 35 megawatt (MW) in December 2020 to approximately 235 MW in April 2021.[[67]](#footnote-68) This unanticipated increase led to a capacity shortfall.

On April 30, 2021, PG&E filed an emergency PFM to D.15-01-051, requesting that it be allowed to use some of the Renewables Portfolio Standard resources for its obligation to procure additional “Green” resources for its oversubscribed GTSR customers. The Commission conditionally granted PG&E’s emergency PFM in D.21-12-036, which also orders appropriate accounting entries to balance the generation supply expense against the GTSR customer’s billed revenue in either the GTSRBA or in ERRA, along with updates to the GTSR rates to align with the Commission’s final decision.[[68]](#footnote-69)

The December Update includes the interim resource pool and updates the RA reformulation. After PG&E revised its calculations to reflect these changes, no party disputes PG&E’s forecast revenue requirement for GTSR. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## Non-Vintage Rate Proposal for Under 20 MW Qualified Facility (QF) Costs

PG&E proposes to treat costs for QF standard offer contracts for generators under 20 MW under D.20-05-006 in the same manner as BioMAT program costs.

PG&E proposes to:

1) recover costs associated with the under 20 MW QF contracts approved in D.10-12-035 through the PPP charge, mirroring the authority granted by the CPUC for BioMAT tariff contracts,

2) retire the non-vintage PCIA subaccount created in D.20‑05‑006 by transferring the accumulated balances,

3) record future costs and revenue associated with eligible under 20 MW QFs to a subaccount in the Public Policy Charge Balance Accounts, and

4) determine that the PPP is the appropriate rate component for costs associated with D.20-05-006 generation costs.

PG&E requests recovery of costs associated with these 20 MW QF contracts from all customers, including pre-2009 DA customers, while maintaining the premise of D.19-12-010 that the PCIA is terminated for pre-2009 DA customers.[[69]](#footnote-70) In rebuttal testimony, PG&E clarified that in D.20-05-006, the Commission directed the IOUs to modify their PABA tariffs to create a non‑vintage PCIA subaccount for recording the costs and revenues of future Under 20 Megawatt PURPA contract costs in the PCIA without respect to when the customer departed. PG&E seeks to transfer the nonvintage PCIA subaccount balance to the PPCBA as related to legacy PURPA QF costs approved in Res.E‑5119 and record such costs on a going-forward basis. [[70]](#footnote-71) PG&E does not request to retire all nonvintage PCIA subaccount in this application.

As of the December Update, no party disputes this four-pronged proposal for costs recovery or transfer.

We approve PG&E’s request to recover costs associated with these QF contracts through the PPP Charge. We direct PG&E to retire the non-vintage PCIA subaccount, transfer the balance to a newly created subaccount in the PPCBA, and file a Tier 1 Advice Letter to establish a new subaccount in the PPCBA to recover any current or future public policy costs associated with the new PURPA contracts.

# GHG Requests

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. Methodologies were further updated in D.21‑08‑026/AL 6326-E-A/E-B/E-C. These changes were incorporated in the application in the November update.

PG&E also provides detailed explanations of how it calculated the semi‑annual residential and small business California Climate Credit and specific expense items and amounts for both administrative and outreach expenses.[[71]](#footnote-72)

In its November Update, PG&E forecasts for 2022 a net GHG revenue return of $469 million, and administrative and outreach (A&O) expenses of $855,000.[[72]](#footnote-73) For 2020, PG&E recorded administrative and outreach expenses of $598,000[[73]](#footnote-74) and requests a set-aside of $285,000[[74]](#footnote-75) for GHG administrative and outreach to true-up recorded and forecast administrative and outreach expenses through 2022. PG&E forecasts a semi‑annual residential and small business California Climate Credit of $39.30 per household.[[75]](#footnote-76)

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 that are not funded by another source. Fifteen percent of PG&E’s 2022 forecast allowance is $69.61 million as of the November Update.[[76]](#footnote-77) PG&E proposes to set‑aside $56.55 million for clean energy and energy efficiency programs in 2022.[[77]](#footnote-78)

PG&E has four clean energy and energy efficiency programs funded in whole or in part from the sales of GHG allowances: (1) Solar on Multifamily Affordable Housing (SOMAH); (2) Disadvantaged Communities Single-Family Affordable Solar Housing (DAC-SASH); (3) Disadvantaged Communities Green Tariff (DAC-GT); and (4) Community Solar Green Tariff (CS-GT). Under D.18‑06‑027, CCAs may choose to offer their own versions of the DAC-GT and CS-GT programs. In PG&E’s service territory, five CCAs submitted advice letters for 2021 and/or 2022 budgets for DAC-GT and CS-GT as of the November Update.[[78]](#footnote-79)

The following table from PG&E’s November Update breaks down the proposed set aside by program.[[79]](#footnote-80)

A screenshot of a computer

Description automatically generated with medium confidence

PG&E also requests that the Commission allow it to correct an error related to the 2021 Community Green Solar Tariff program set aside amount in Decision 20-12-038 in this proceeding. On March 30, 2021, PG&E filed a motion to reopen the record of PG&E 2021 ERRA Forecast Application and correct this error. In that motion, PG&E requested unused funds to carry over to future years. The scoping memo for this proceeding includes this issue.

In the November Update, PG&E requests to utilize the approved 2021 Community Solar Green Tariff set aside amount of $2.89 million for the program in 2022. As such, PG&E reduced its 2022 budget request to $0 in AL 6075-E-A, after subtracting 2020 unspent funds.[[80]](#footnote-81)

D.21-08-026 allowed the IOUs the choice to provide the 2022 small business California Climate Credits as a lump sum credit in October 2022.[[81]](#footnote-82) In the November Update, PG&E stated its intention to choose this distribution option and has updated its 2022 A&O expenses of $855,000 to implement the small businesses California Climate Credit for the following activities: General Program Management, Information Technology (IT)/Billing System Maintenance, Customer Inquiry Support and Customer Outreach.[[82]](#footnote-83)

No party objected to PG&E’s request to correct an error related to the 2021 Community Solar Green Tariff program set aside amount in D.20-12-038 in this proceeding.

As of the December Update, no party disputes PG&E’s proposed 2022 GHG-related forecast revenue return, administrative and outreach expenses, clean energy and energy efficiency program set-asides, or California Climate Credit calculations. We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

# Rate Proposals

## Process to Implement Rates from Pending General Rate Case Phase II Proceeding

PG&E filed its Application to Revise its Electric Marginal Costs, Revenue Allocation, and Rate Design (A.19-11-019) on November 22, 2019 (General Rate Case Phase II). The Commission adopted the decision on November 18, 2021 in D.21-11-016. PG&E asserts that the decision will have a material impact on the allocation of the generation revenue requirement to each rate group, and would also impact the allocation of Competition Transition Charge (CTC) and PCIA revenue requirements to each rate group.[[83]](#footnote-84)

In the November Update, PG&E proposes to submit in a Tier 1 Advice Letter updated illustrative ERRA-related rate components based on a final decision on the General Rate Case Phase II.[[84]](#footnote-85)

We have reviewed these calculations and find them reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

## GTSR Rates: Solar Value Adjustment Time‑of‑Delivery (TOD) Rate Component

PG&E’s opening testimony included a forecast for the GTSR Program’s Solar Value Adjustment (SVA) TOD rate component that limited the charge to a value at or below zero.[[85]](#footnote-86) According to PG&E, the SVA TOD rate credit was limited to a zero value beginning with PG&E’s 2020 GTSR Rate Forecast.[[86]](#footnote-87) D.15‑01-051 approved the SVA TOD calculation methodology, which calculates a ratio that compares the value of solar to the cost to service load.[[87]](#footnote-88) This ratio is multiplied by the class average generation rate to determine the SVA TOD rate component.[[88]](#footnote-89) At the time of D.15-01-051, solar generation coincided with higher peak system prices during the middle of the day and provided a greater value to the grid than conventional energy sources. Thus, the TOD adjustment was expected to be a credit, rather than a charge.

The December Update does not deviate from the November Update on this matter. The November Update effectively changes the SVA TOD rate component into a charge, which has the effect of lowering the net credit provided to the GTSR Program participants taking service under the Green Tariff, Schedule E-GT, rate. PG&E proposes to remove the zero-price floor on its SVA TOD rate “credit,” effectively establishing a SVA TOD charge when PG&E’s SVA TOD calculation methodology produces a ratio below one. PG&E’s proposal lowers the solar credit by 2.8 to 4.7 cents per kWh[[89]](#footnote-90). As a result, the overall cost of participating in the Green Tariff program will shift from a credit back to a premium-priced product for almost all customers.

In comments, the Joint CCAs request that the Commission approve PG&E’s proposal to remove the floor price from the SVA TOD rate, while also noting that the addition or removal of the cap on this rate component is an entirely new substantive proposal, which parties do not have the time to understand and test.[[90]](#footnote-91) No opposition was filed.

The proposal by PG&E corrects a flaw in the calculation of rates in the GTSR program. The correction will allow PG&E to allocate the proper costs to E‑GT rate subscribers. Therefore, we find that PG&E’s request to amend the methodology in its SVA TOD rate is reasonable and in compliance with all applicable rules, regulations, resolutions and decisions.

# Information in Master Data Request

In the 2021 ERRA Forecast proceeding, a Master Data Request process was established. PG&E provides, on a monthly basis during the proceeding, updated current-year recorded volumetric information concerning PG&E’s resources, load, and transactions informing balancing account balances to resolve disputes concerning transparency and data access.[[91]](#footnote-92)

A motion to compel was filed in this proceeding by the Joint CCAs to demand that PG&E provide further information. The Joint CCAs sought data from PG&E which supports the composition of the current vintage PCIA rates which are “a critical input to the derivation of PG&E’s 2021 Portfolio Allocation Balance Account (PABA) year-end balance.”[[92]](#footnote-93) Since the PCIA revenue requirement requested for approval in this proceeding includes the remaining 2021 year-end PABA balance, CCAs seek workpapers to understand the drivers of PG&E’s 2021 year-end balance overcollection. Because the 2021 PCIA rates are integral to the calculation of the year-end PABA balance that is being used to set the 2022 PCIA rates, the workpapers supporting the 2021 PCIA rates are relevant to the current proceeding. The ability to compare the workpapers between the two proceedings is critical to the current proceeding and the 2021 workpapers merit scrutiny in that context.

PG&E argued that the additional data, although relevant to the 2021 ERRA forecast proceeding, was irrelevant to the current proceeding. PG&E argued that the 2021 PCIA rates were already set in the 2021 proceeding and that because the current proceeding will not be modifying the 2021 PCIA rates. It further argued that the Annual ERRA Forecast proceeding is an expedited process to forecast rates in the future, and not one to conduct a detailed review of historical PCIA rates or balances.[[93]](#footnote-94)

Although we agree with PG&E that the ERRA Forecast proceeding is an expedited process, we disagree that the workpapers supporting the year-end PABA balance requested by the Joint CCAs is irrelevant for the next year’s proceeding. Therefore, we direct PG&E to include the confidential workpapers supporting the PCIA rates from the prior year’s ERRA Forecast proceeding as part of the Master Data Request it will provide in each subsequent ERRA Forecast proceeding. The Commission will not revisit the prior year’s PCIA rates based on the incorporation of prior year’s PCIA workpapers in the evidentiary record of a pending ERRA forecast application. We adopt the inclusion of the previous year’s PCIA rates in an ERRA forecast application on a going forward basis.

# PG&E’s Role As a Central Procurement Entity (CPE) Starting in 2023

In D.20-06-002, the Commission established a central procurement framework, through which a named Central Procurement Entity will enter into contracts for RA starting in 2023. PG&E, a named CPE for its service territory, has included administrative costs and costs of the market solicitation process in its 2022 ERRA forecast applications and will recover those costs through the CAM.[[94]](#footnote-95)

The Joint CCAs raise concerns that, to date, PG&E has incurred only administrative costs related to establishing the CPE organization and beginning the market solicitation process.[[95]](#footnote-96) PG&E should be required to identify in future ERRA proceedings transactions executed by PG&E as the CPE for the Local RA and the effect of CPE procurement on CAM and PCIA.[[96]](#footnote-97) Since UOG facilities will directly affect the CAM and PCIA, PG&E should be required to clearly identify the impact of CPE procurement in the ERRA Forecast and demonstrate how specific resources shown or sold to the CPE are treated in the PCIA and CAM, and if and whether any transfer occur between the two accounts as result of CPE procurement.[[97]](#footnote-98)

PGE’s response is that the recommendation is outside the scope of this proceeding.[[98]](#footnote-99) No other parties commented on the CPE data access proposal.

Upon review, the Commission finds the Joint CCA’s request is premature and outside the scope of this proceeding. The request for a Commission order requiring PG&E to provide data demonstrating its future role as a CPE in future ERRA forecast proceedings is denied without prejudice.

# Safety and Environmental and Social Justice Issues

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.”[[99]](#footnote-100)

In February 2019, the Commission adopted its Environmental and Social Justice (ESJ) Action Plan as a comprehensive strategy and framework for addressing ESJ issues in each proceeding.[[100]](#footnote-101)

This decision implements a key part of the GHG reduction program envisioned by Assembly Bill (AB) 32 and Pub. Util. Code § 748.5, is consistent with the Commission’s Safety Policy Statement[[101]](#footnote-102) and, as a result, will improve the health and safety of California residents.

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.

# Motions

On January 26, 2022, the assigned ALJ issue a ruling addressing all pending motions requesting exhibits be entered into evidence, and all pending motions requesting certain materials under submission be treated as confidential with leave to file such confidential information under seal.

All other pending motions are hereby denied.

# Comments on Proposed Decision

The proposed decision of ALJ Susan F. Lee in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code. On January 7, 2022, the ALJ emailed a procedural communication to the parties to stipulate to a seven-day comment period and a three-day reply period after the proposed decision mails. On January 7, 2022, DACC stipulated to the shortened comment periods. On January 8, 2022, the Joint CCAs so stipulated. On January 10, 2022, PG&E and Cal Advocates agreed to the shortened comment periods. On January 11, 2022, AECA, Farm Bureau, CLECA and Cal CCA stipulated to the shortened comment period. Pursuant to Rule 14.6(b) of the Commission’s Rules of Practice and Procedure and by stipulation of all the parties the otherwise applicable 30-day comment period is shortened such that opening comments were due on January 31, 2022, and reply comments were due on February 3, 2022. Public necessity requires electricity rates to be updated based on the ERRA forecast on January 1, or as soon thereafter as possible. Due to the revised comment periods, the rates adopted in this decision will be effective March 1, 2022. Opening comments were filed on January 31, 2022 by PG&E, the Joint CCAs and jointly by CLECA and AECA. Reply comments were filed on February 3, 2022 by the Joint CCAs, PG&E and jointly by CLECA and AECA.

CLECA and AECA’s comments that the adoption of the twelve-month amortization has no basis in the evidentiary record or any legal authority is unfounded. The ERRA Forecast proceeding is a recordation of actual procurement costs for a utility with a projected calculation of revenue requirements for the following twelve months.

Revisions responsive to comments have been made. Comments which continue to argue positions which were previously presented during the course of the proceeding have not been discussed further.

# Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Susan F. Lee is the assigned ALJ in this proceeding.

Findings of Fact

1. By Resolution ALJ-3488 dated June 24, 2021, Application (A.) 21-06-001 was categorized as ratesetting with hearings needed.
2. On June 1, 2021, PG&E filed A.21-06-001 and prepared testimony. In A.21‑06-001, PG&E requests, pursuant to its Application, and Update: 1) Adoption of its 2022 electric procurement revenue requirement forecast to become effective in rates on January 1, 2022, or as soon as practicable; 2) adoption of its forecasted electric sales for 2022; and 3) adoption of its forecast of GHG revenues, revenue return, and administrative and customer outreach costs for 2022 and approval of PG&E’s 2020 GHG administrative and customer outreach costs as reasonable.
3. On October 11, 2021, PG&E notified the service list by email that evidentiary hearings would not be needed, and before the California Large Energy Consumers Association requested party status.
4. The 2022 Forecast Revenue Requirements continued to undergo updates as various input assumptions changed, including gas, electric and GHG forward price curves, sales forecasts and other projected operations.
5. The 2021 ERRA-Main balance undercollections continued to increase, which PG&E asserts is primarily due to an increase in unexpected CAISO energy costs.
6. A.21-06-001, filed on June 1, 2021, forecast a 2.4% increase in system average bundled rates. The November Update and subsequent Errata, filed on November 17, 2021, proposed a 13.8% increase to system average bundled rates based on energy market prices ending October 31, 2021. An October Update and a December Update were ordered to determine if the rate increase was a trend.
7. The December Update included accounting close balances up to and including November 30, 2021, plus a December 2021 forecast using the November 30, 2021 forward electricity and natural gas price forecasts.
8. The December Update provided more accurate information than the October Update and the November Update since it included more actual costs incurred by PG&E throughout 2021.
9. As of the mailing of this Decision, PG&E has the actual recorded year-end account balance for the ERRA-main balancing account.
10. As of the December Update, PG&E forecasts and requests approval for 2022 procurement revenue requirements as set forth below:

|  |  |
| --- | --- |
|  | **Thousands** |
| Cost Allocation Mechanism/New System Generation Charge (CAM/ NSGC) | $170,533 |
| Power Charge Indifference Adjustment (PCIA) | $1,480,423 |
| Ongoing Competition Transition Charge (CTC) | $17,104 |
| Energy Resource Recovery Account (ERRA) | $3,356,016 |
| ERRA PCIA Financing Subaccount | ($95,091) |
| PCIA Undercollection Balancing Account | $91,526 |
| Non-Vintaged PCIA | ($16) |
| Tree Mortality Non‑Bypassable Charge (TMNBC) | $12,597 |
| Bioenergy Market Adjusting Tariff | $27,098 |
| Revenue Requirement for Rate Setting | $5,060,190 |
| **Adjustments from Other Proceedings** |  |
| Utility Owned Generation Related Costs (UOG) | ($2,437,220) |
| PCIA Undercollection Balancing Account (Adjustment) | $95,091 |
| ERRA PCIA Financing Subaccount (Adjustment) | ($91,526) |
| Electric Risk Transfer Balancing Account | ($163,370) |
| 2020 and 2021 Electric Residential Uncollectible Balancing Account | ($46,237) |
| Subtotal from Other Proceedings | ($2,643,262) |
| Total Request | $2,416,928 |
|  |  |
|  |  |

1. As of the December Update, PG&E forecasts and requests approval for 2022 Greenhouse Gas revenue return, costs and set-asides as set forth below:

|  |  |
| --- | --- |
| **GHG Revenue Return, Costs and Set-Asides** |  |
| 2022 GHG Administrative and Outreach Expenses | $855,000 |
| 2020 Recorded GHG Administrative and Outreach Expenses | $598,000 |
| True-Up Set-Aside for GHG Administrative and Outreach | $285,000 |
| 2022 Customer Generation Programs Funded by GHG Revenues | $56.55Million |
| Net GHG Revenue Return | $469 Million |
| Semi-annual Residential and Small Business California Climate Credit | $39.30 |

1. PG&E over-enrolled its subscription to the Solar Choice Program, Green Tariff schedule, or Tariff E-GT. D.21-12-036 allows PG&E, on a temporary basis, to use other renewables portfolio sources to meet the E-GT over-subscription.
2. The Joint Community Choice Aggregators (CCAs) filed a PFM to D.15‑01‑051 to request that PG&E’s calculation to the Resource Adequacy component in the GTSR program be amended to be consistent with D.19-10-001. The Joint CCA’s request was granted in D.21-12-036.
3. PG&E’s Application proposes to transfer the disposition of the year-end 2021 ERRA balance to the 2021 Vintage subaccount of PABA, to continue Commission approval of such in D.20‑12-038. The year-end balance does not include the ERRA-PFS since the ERRA-PFS forecast 2021 year-end balance is the remainder of 2020 balances that will be amortized over 2022 and 2023 rates, as approved in D.20-12-038.
4. PG&E’s Application proposes to create a new subaccount in the Public Policy Charge Balance Account for recovery from all customers through the PPP charge in order to transfer certain public purpose procurement costs from its PABA non-vintaged subaccount on a going forward basis.
5. PG&E’s 2022 electric sales forecast is uncontested.
6. Based on its 2022 electric sales forecast, requested 2022 ERRA forecast revenue requirements, and the December Update, PG&E forecasts that the total average rates for bundled customers will increase by 12.6 percent or 26.2 cents per kilowatt hours in 2022, and total average rates for unbundled customers will decrease by 15.9 percent or 13.1 cents per kilowatt hours in 2022.
7. As of the December Update, PG&E forecasts and requests a net GHG revenue return of $469 million for 2022, and administrative and outreach expenses of $855,000 for 2022, recorded administrative and outreach expenses of $598,000 for 2020, and a set-aside of $285,000 for GHG administrative and outreach to true-up recorded and forecast administrative and outreach expenses through 2022.
8. As of the December Update, PG&E forecasts a semi‑annual residential and small business California Climate Credit of $39.30 per household.
9. PG&E rate design proposals for its 2022 Green Tariff Shared Renewables and Enhanced Community Renewables rate proposal includes a reformulated calculation to align with D.21-12-036.
10. As parties to the proceeding, the Joint CCAs require access to the final PCIA workpapers to the prior year’s ERRA Forecast proceeding in order to accurately evaluate the validity of PG&E’s ERRA forecast application.
11. This decision advances health and safety and the Commission’s Environmental and Social Justice Action Plan.

Conclusions of Law

1. PG&E’s forecasted 2022 procurement-related revenue requirements set forth below are reasonable and should be adopted.

|  |  |
| --- | --- |
| **2022 Revenue Requirement** | **Thousands** |
| Cost Allocation Mechanism/New System Generation Charge | $170,533 |
| Power Charge Indifference Adjustment (PCIA) | $1,480,423 |
| Ongoing Competition Transition Charge | $17,104 |
| Energy Resource Recovery Account (ERRA) | $3,356,016 |
| ERRA PCIA Financing Subaccount | ($95,091) |
| PCIA Undercollection Balancing Account | $91,526 |
| Non-Vintaged PCIA | ($16) |
| Tree Mortality Non‑Bypassable Charge | $12,597 |
| Bioenergy Market Adjusting Tariff | $27,098 |
| Revenue Requirement for Rate Setting | $5,060,190 |
| **Adjustments from Other Proceedings** |  |
| Utility Owned Generation Related Costs | ($2,437,220) |
| PCIA Undercollection Balancing Account (Adjustment) | $95,091 |
| ERRA PCIA Financing Subaccount (Adjustment) | ($91,526) |
| Electric Risk Transfer Balancing Account | ($163,370) |
| 2020 and 2021 Electric Residential Uncollectible Balancing Account | ($46,237) |
| Subtotal from Other Proceedings | ($2,643,262) |
| Total Request | $2,416,928 |

1. 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.

|  |  |
| --- | --- |
| **GHG Revenue Return, Costs and Set-Asides** |  |
| 2022 GHG Administrative and Outreach Expenses | $855,000 |
| True-Up Set-Aside for GHG Administrative and Outreach | $285,000 |
| 2022 Customer Generation Programs Funded by GHG Revenues | $56.55 million |
| Net GHG Revenue Return | $469 million |
| Semi-annual Residential California Climate Credit | $39.30 per household |

1. PG&E’s recorded administrative and outreach expenses related to the 2020 GHG revenue return of $598,000 were reasonable and should be adopted.
2. PG&E’s rate design proposals associated with PG&E’s proposed electric‑procurement related revenue requirements, including its 2022 Green Tariff Shared Renewables and Enhanced Community Renewables rate proposal, are reasonable and should be adopted.
3. PG&E’s proposal to transfer certain year-end 2021 ERRA balances, excluding deferred revenue resulting from capped vintage 2020 PCIA rates, to the latest vintage of the PABA is reasonable.
4. Transferring the actual year-end 2021 ERRA balances promotes customer indifference and is reasonable.
5. Transferring the ERRA-PFS amount for 2022 to the 2020 PABA vintage subaccount promotes indifference to bundled customers and is just and reasonable.
6. PG&E’s proposal to transfer public-policy related procurement costs from the non-vintage PABA sub-account to the Public Policy Charge Balancing Account, for recovery of such public policy-related procurement from all customers through the Public Purpose Program Charge on a going forward basis is reasonable and should be adopted.
7. PG&E’s proposal to recover costs associated with the under 20 MW Qualifying Facility contracts through the PPP Charge is reasonable and should be adopted on a going forward basis.
8. PG&E’s proposal to retire the non-vintage PCIA subaccount created in D.20-05-006 by transferring the accumulated balances to a newly created subaccount in the Public Policy Charge Balancing Account is reasonable and should be adopted.
9. PG&E’s proposal that the PPP is the appropriate rate component for costs associated with D.20-05-006 generation costs is reasonable and should be adopted.
10. PG&E’s 2022 forecast of electric sales is reasonable and should be adopted.
11. PG&E’s requests to correct an error related to the 2021 Community Green Solar Tariff program set aside amount in D.20-12-038 in this proceeding is reasonable and should be granted.
12. This decision should be reflected in rates on March 1, 2022, or as soon thereafter as reasonably practicable.
13. Allowing parties to independently evaluate the validity of the utility’s projections is necessary for ensuring that ERRA forecast proceedings result in just and reasonable rates.
14. PG&E’s proposal to remove the zero-price floor on its Solar Value Adjustment Time-of-Day rate is reasonable and should be approved.
15. The term “final PCIA workpapers” refers to the PCIA workpapers submitted in the advice letter implementing the Commission decision in each ERRA forecast proceeding.
16. Access to the final PCIA workpapers from the prior year’s ERRA proceeding is subject to the Commission’s existing confidentiality rules and regulations, and will only be provided upon execution of the applicable non‑disclosure agreements.

ORDER

**IT IS ORDERED** that:

1. This decision adopts and approves Pacific Gas and Electric Company’s (PG&E’s) updated forecasts and requests as modified herein: (1) 2022 forecast of electric sales; (2) 2022 forecasted energy procurement revenue requirements to be effective in rates on or after March 1, 2022; (3) Greenhouse Gas allowance revenue return forecast and costs; (4) rate design proposals associated with PG&E’s proposed electric-procurement related revenue requirements, including its 2022 Green Tariff Shared Renewables and Enhanced Community Renewables rate proposal; (5) methodology to transfer certain year-end 2021 Energy Resource Recovery Account balances to the latest vintage of the Portfolio Allocation Balancing Account; and (6) transfer of public-policy related procurement costs from the non‑vintage Portfolio Allocation Balancing Account sub-account to the Public Policy Charge Balancing Account, for recovery of such public policy‑related procurement from all customers through the Public Purpose Program Charge on a going-forward basis.
2. Pacific Gas and Electric Company shall transfer the actual year-end balance of the Energy Resource Recovery Account-main balancing account to the 2021 Vintage Portfolio Allocation Balancing Account.
3. Pacific Gas and Electric Company’s approved forecasts and requests, including the Green Tariff Shared Renewable, Solar Value Adjustment Time‑of‑Day proposal, shall be effective in rates on March 1, 2022, or as soon thereafter as reasonably practicable, subject to the Annual Electric True‑Up process.
4. 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.
5. Pacific Gas and Electric Company shall transfer the Energy Resource Recovery Account - Power Charge Indifference Adjustment Financing Subaccount credit for 2022 to the 2020 Portfolio Allocation Balancing Account vintage.
6. All motions filed for confidential treatment of information have been independently evaluated and have been granted. The information deemed confidential shall be filed under seal and remain under seal for three years from the issuance of this decision.
7. Pacific Gas and Electric Company must include the confidential workpapers supporting the Power Charge Indifference Adjustment rates from the prior year’s Energy Resource Recovery Account (ERRA) Forecast proceeding as part of the Master Data Request it will provide in each subsequent ERRA Forecast proceeding. Access to these workpapers is subject to the existing confidentiality rules and of the California Public Utilities Commission (Commission) and will only be provided upon execution of the applicable non‑disclosure agreements. The Commission will not revisit the prior year’s Power Charge Indifference Adjustment (PCIA) rates based on the incorporation of the prior year’s final PCIA workpapers in the evidentiary record of a pending ERRA forecast proceeding.
8. Pacific Gas and Electric Company shall submit a Tier 2 Advice Letter within 30 days of this Decision revising and detailing its Green Tariff Shared Renewables rate calculations consistent with Decision (D.) 21-12-036 to include the Retained Resource Adequacy capacity as authorized in D.19-10-001. The Tier 2 Advice Letter shall include all workpapers, calculations, assumption to support its rate calculations.
9. Pacific Gas and Electric Company shall retire the non-vintage Power Charge Indifference Adjustment subaccount, transfer the balance to a newly created subaccount in the Public Policy Charge Balancing Account, and file a Tier 1 Advice Letter within 30 days of this Decision to establish a new subaccount in the Public Policy Charge Balancing Account to recover any current or future public policy costs associated with the new Public Utility Regulatory Policies Act contracts.
10. All motions not previously ruled on are hereby denied.
11. Application 21-06-001 is closed.

This order is effective today.

Dated February 10, 2022, at San Francisco, California.

ALICE REYNOLDS

President

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE HOUCK

Commissioners

**APPENDIX A**

**List of Acronyms and Abbreviations**

|  |  |
| --- | --- |
| Term | Definition |
| A. | Application |
| AB | Assembly Bill |
| AECA | Agricultural Energy Consumer Association |
| AET | Annual Electric True-up |
| AL | Advice Letter |
| ALJ | Administrative Law Judge |
| BioMAT | Bioenergy Market Adjusting Tariff |
| Cal Advocates | Public Advocates Office |
| CAM | Cost Allocation Mechanism |
| CCA | Community Choice Aggregation |
| CLECA | California Large Energy Consumers Association |
| COL | Conclusions of Law |
| CSGT | Community Solar Green Tariff |
| CTC | Competition Transition Charge |
| D. | Decision |
| DA | Direct Access |
| DAC-SASH | Disadvantaged Communities Single‑Family Affordable Solar Housing |
| DAC-GT | Disadvantaged Communities Green Tariff |
| DL | Departing Load |
| ERRA | Energy Resource Recovery Account |
| ERRA-Main | PG&E’s main balancing account in ERRA |
| ERRA-PFS | ERRA-PCIA Financing Subaccount |
| GHG | Greenhouse Gas |
| Farm Bureau | California Farm Bureau Federation |
| GHGACMA | GHG Administrative Costs Memorandum Account |
| GHGCOEMA | GHG Customer Outreach and Education Memorandum Account |
| GHGRBA | GHG Revenue Balancing Account |
| GTSR | Green Tariff Shared Renewables |
| GTSRBA | Green Tariff Shared Renewables Balancing Account |
| IOU | Investor-Owned Utility |
| IOUs | Investor-Owned Utilities |
| Joint CCAs | Joint Community Choice Aggregators |
| MTCBA | Modified Transition Cost Balancing Account |
| MW | Megawatt |
| NDA | Non-Disclosure Agreement |
| NSGC | New System Generation Charge |
| OP | Ordering Paragraph |
| PABA | Portfolio Allocation Balancing Account |
| PCIA | Power Charge Indifference Adjustment |
| PFM | Petition For Modification |
| PFS | PCIA Financing Subaccount |
| PG&E | Pacific Gas and Electric Company |
| PHC | Prehearing Conference |
| PPCBA | Public Policy Charge Balancing Account |
| PPP | Public Purpose Program |
| PUBA | PCIA Undercollection Balancing Account |
| PURPA | Public Utility Regulatory Policies Act |
| Pub. Util. | Public Utilities |
| QF | Qualifying Facility |
| R. | Rulemaking |
| RA | Resource Adequacy |
| RF&U | Revenues, Fees & Uncollectibles |
| RTBA-E | Electric Risk Transfer Balancing Account |
| RUBA-E | Electric Residential Uncollectible Balancing Account |
| SFGO | San Francisco General Office |
| SOMAH | Solar on Multifamily Affordable Housing |
| SVA | Solar Value Adjustment |
| The Commission | California Public Utilities Commission |
| TM | Tree Mortality |
| TM NBC | Tree Mortality Non-Bypassable Charge Balancing Account |
| TOD | Time-of-Delivery |
| UOG | Utility Owned Generation |
| WEMA | Wildfire Expense Memorandum Account |

**Definition of Terms**

The October Update – updated testimony reflecting accounting close balances and market information as of September 30, 2021.

The November Update – updated testimony reflecting accounting close balances and market information as of October 30, 2021.

The December Update – updated testimony reflecting accounting close balances as of November 30, 2021 and the most recent market value at that time.

(End of Appendix A)

1. D.02-10-062 at 47, 50 and Conclusions of Law (COL) 7. [↑](#footnote-ref-2)
2. D.12-12-033 directed Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, PacifiCorp, and Liberty Utilities (CalPeco Electric) LLC (formerly known as California Pacific Electric Company) to set aside greenhouse gas revenues to cover customer outreach and education efforts in advance of distributing remaining greenhouse gas revenues to emissions-intensive and trade-exposed, small business, and residential customers. Customer outreach costs must be tracked in a memorandum account. Any remaining customer outreach and education funds at the end of a calendar year must be rolled over for use in subsequent years. D.12-12-033, Ordering Paragraph (OP) 18 at 213. [↑](#footnote-ref-3)
3. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, PacifiCorp, and California Pacific Electric Company are authorized to use greenhouse gas revenues to fund initial and ongoing administrative costs necessary to the implementation of the greenhouse gas revenue allocation methodology adopted in this decision. Administrative costs must be tracked in a memorandum account and are subject to reasonableness review. Any remaining administrative funds at the end of a calendar year must be rolled over for use in subsequent years. D.12-12-033, Findings of Fact (FOF) 161 at 187 and COL 58, 59 at 201. [↑](#footnote-ref-4)
4. All references to Rule or Rules refer to the Commission’s Rules of Practice and Procedure, unless otherwise stated. [↑](#footnote-ref-5)
5. PGE’s Fourth Supplemental Testimony, December 14, 2021, at 14-15. [↑](#footnote-ref-6)
6. Comments of the Joint CCAs, December 20, 2021, at 3. [↑](#footnote-ref-7)
7. Reply Comments by CLECA/AECA at 4-5. [↑](#footnote-ref-8)
8. PG&E’s Fourth Supplemental Testimony, December 14, 2021, at Appendix B-1. Table 1-1B, Summary of 2022 Forecast Energy Procurement Revenue Requirements. [↑](#footnote-ref-9)
9. PG&E, DACC, the Joint CCAS and Cal CCA, and Cal Advocates Statements Concerning Additional ERRA-Main Data at 3-4. [↑](#footnote-ref-10)
10. *Ibid*. at 4. [↑](#footnote-ref-11)
11. *Ibid*. at 5. [↑](#footnote-ref-12)
12. *Ibid*. [↑](#footnote-ref-13)
13. The Commission adopted a rate increase of 7.5% for system average bundled electric rate, effective January 1, 2022. [↑](#footnote-ref-14)
14. Joint Statement of CLECA, AECA and Farm Bureau Regarding Amortization of the ERRA Main Balance at 2-3. [↑](#footnote-ref-15)
15. Compare PGE- 7, Fourth Supplemental Testimony, Total System Bundled Average Rate at 12.6% at AppB-23 to PGE-9, Fifth Supplement Testimony, Total System Bundled Average Rate at 10.1% at AppC-24. [↑](#footnote-ref-16)
16. Exhibit PGE-1 at 1-18 to 1-19. [↑](#footnote-ref-17)
17. *Ibid.* at 1-19 to 1-20. [↑](#footnote-ref-18)
18. D.20-02-047 at 7, D.12‑12‑008 at 5. [↑](#footnote-ref-19)
19. Exhibit PGE-1 at 1-20. [↑](#footnote-ref-20)
20. Exhibit PGE-1 at 1-20. [↑](#footnote-ref-21)
21. *See* D.18‑12‑003. [↑](#footnote-ref-22)
22. D.18‑12‑003 at Ordering Paragraph 9. [↑](#footnote-ref-23)
23. Exhibit PGE-1 at 1-11 to 1-12. [↑](#footnote-ref-24)
24. Exhibit PGE-1 at 15-8. [↑](#footnote-ref-25)
25. Exhibit PGE-1 at 15-4. [↑](#footnote-ref-26)
26. November Update at 12-13. [↑](#footnote-ref-27)
27. November Update at 13. [↑](#footnote-ref-28)
28. Opening Brief of Joint CCAs at 30. [↑](#footnote-ref-29)
29. *Ibid*. citing Exhibit PGE-3, at 8. [↑](#footnote-ref-30)
30. Protest of the Joint CCAs to the Application at 6-8. [↑](#footnote-ref-31)
31. November Update at 13. [↑](#footnote-ref-32)
32. *Ibid.* [↑](#footnote-ref-33)
33. *Ibid.* at 15-16. [↑](#footnote-ref-34)
34. *Ibid.* at 16. [↑](#footnote-ref-35)
35. November Update at 18. [↑](#footnote-ref-36)
36. November Update at 19. [↑](#footnote-ref-37)
37. PG&E’s Fourth Supplemental Testimony, December 14, 2021, Table 1-1B at AppB-1. [↑](#footnote-ref-38)
38. November Update at 18. PG&E states that on July 8, 2021, the Commission approved PG&E’s AL 4444-G/6210-E to recover the cost of excess liability insurance above $1.4 billion in coverage obtained by PG&E in 2020. [↑](#footnote-ref-39)
39. PG&E’s Fourth Supplemental Testimony, December 14, 2021, Table 1-1B at AppB-1. [↑](#footnote-ref-40)
40. *See* D.18-10-019 at 7. [↑](#footnote-ref-41)
41. Exhibit JCCA-01 at 4 and Opening Brief of Joint CCAs at 6. [↑](#footnote-ref-42)
42. *See* D.20-12-038, Conclusions of Law 9 at 37. [↑](#footnote-ref-43)
43. PG&E’s Fourth Supplemental Testimony, December 14, 2021, at 14. [↑](#footnote-ref-44)
44. PG&E’s Fourth Supplemental Testimony, December 14, 2021, at Appendix B-25. [↑](#footnote-ref-45)
45. The PFM re-opened A.12-04-021, In the Matter of the Application of Pacific Gas and Electric Company to Establish a Green Option Tariff (U39E). [↑](#footnote-ref-46)
46. *See* Exhibit JCCA-01 at 15-19. [↑](#footnote-ref-47)
47. PG&E’s Opening Brief at 15. [↑](#footnote-ref-48)
48. D.21-12-036, OP 14 at 56. [↑](#footnote-ref-49)
49. Exhibit PGE-7 at 16. [↑](#footnote-ref-50)
50. PG&E’s Fourth Supplemental Testimony, December 14, 2021, at 14 and AppB-1. [↑](#footnote-ref-51)
51. Exhibit PGE-1 at 15-2. [↑](#footnote-ref-52)
52. *Ibid.* at 1-13 to 1-14. [↑](#footnote-ref-53)
53. *Ibid.* at 15-2. [↑](#footnote-ref-54)
54. Exhibit JCCA-01 at 20. [↑](#footnote-ref-55)
55. Exhibit PGE-1 at 15-4. [↑](#footnote-ref-56)
56. PG&E’s Fourth Supplemental Testimony, December 14, 2021, at 14. [↑](#footnote-ref-57)
57. Opening Brief of the Joint CCAs at 28. [↑](#footnote-ref-58)
58. *Ibid.* citing R.17-06-026, Opening Comments of California Community Choice Association on Data-Related PCIA Issues, pp. 27-29 (October 1, 2021). [↑](#footnote-ref-59)
59. Reply Brief of DACC at 2. [↑](#footnote-ref-60)
60. Exhibit PGE-1 at 2-4. [↑](#footnote-ref-61)
61. Exhibit PGE-1 at 2-11 to 2-17. [↑](#footnote-ref-62)
62. Exhibit PGE-1 at 2-1. [↑](#footnote-ref-63)
63. November Update 24-25. [↑](#footnote-ref-64)
64. Public Utility Regulatory Policies Act. [↑](#footnote-ref-65)
65. Public Policy Charge Balancing Account. [↑](#footnote-ref-66)
66. Exhibit PGE-1 at 14-3 and November Update at 8. [↑](#footnote-ref-67)
67. *Ibid.* at 14-2. [↑](#footnote-ref-68)
68. D.21-12-036 Ordering Paragraph (OP) 1 at 49 and OP 5 at 50. *See* also D.21-12-036 at page 7: This decision grants PG&E permission to temporarily count those extra green resources towards the GTSR service but imposes an obligation for PG&E to track those resources and procure and bring online new resources in an expedited timeframe. PG&E must conduct GTSR solicitations to make up for the oversubscription which is temporarily served by existing green resources available in its RPS portfolio. PG&E must stop enrolling new GTSR customers until it has first brought new sources online. [↑](#footnote-ref-69)
69. Exhibit PGE-1 at 1-6. [↑](#footnote-ref-70)
70. Exhibit PGE-3 at 21-22. [↑](#footnote-ref-71)
71. Exhibit PGE-1 at Chapter 17. [↑](#footnote-ref-72)
72. November Update at 29-40 and 42. [↑](#footnote-ref-73)
73. November Update at 42. [↑](#footnote-ref-74)
74. *Ibid.* at 42. [↑](#footnote-ref-75)
75. November Update at 40 and 42. [↑](#footnote-ref-76)
76. November Update at 30. [↑](#footnote-ref-77)
77. November Update at 37. [↑](#footnote-ref-78)
78. November Update at 32. [↑](#footnote-ref-79)
79. November Update at 37. [↑](#footnote-ref-80)
80. *Ibid*. [↑](#footnote-ref-81)
81. *See* D. 21-08-026, Findings of Fact (FOF) 40, OP 6. [↑](#footnote-ref-82)
82. November Update at 29-30. [↑](#footnote-ref-83)
83. November Update at 27-28. [↑](#footnote-ref-84)
84. November Update at 28-29. [↑](#footnote-ref-85)
85. November Update at 8, fn. 10. [↑](#footnote-ref-86)
86. November Update at 8, fn. 10. [↑](#footnote-ref-87)
87. November Update at 9. [↑](#footnote-ref-88)
88. *Ibid.* at 9. [↑](#footnote-ref-89)
89. PG&E’s Fourth Supplemental Testimony, Appendix D: December Update Tables (Assumes GTSR Proposed Decision is Adopted), Tables 14-2 and 14-4. [↑](#footnote-ref-90)
90. Comments of the Joint CCAs, November 18, 2021, at 10. [↑](#footnote-ref-91)
91. PG&E’s Response to Motion to Compel Discover at 3, citing, Settlement Agreement Between PG&E, the California Community Choice Association, the Joint Community Choice Aggregators, and The Utility Reform Network, dated November 20, 2021, Terms and Conditions item 3, p. 4 (indicating PG&E’s agreement as a Settling Party to provide additional information to ERRA Forecast parties). While D.20-12-038 did not adopt the Settlement Agreement, PG&E continued to support the establishment of an MDR process to address transparency concerns. Such process was ultimately adopted in COL 11 of D.20-12-038. [↑](#footnote-ref-92)
92. Motion to Compel Discovery of the Joint CCAs at 1. [↑](#footnote-ref-93)
93. Opening Brief of PG&E at 34, citing Pub. Util. Code § 454.5(d)(3). [↑](#footnote-ref-94)
94. Exhibit JCCA-01 at 40 and Opening Brief of the Joint CCAs at 16. [↑](#footnote-ref-95)
95. Exhibit JCCA-01 at 40. [↑](#footnote-ref-96)
96. *Ibid.* at 41. [↑](#footnote-ref-97)
97. *Ibid.* [↑](#footnote-ref-98)
98. Opening Brief of PG&E at 35-37 and Reply Brief of PG&E at 11-13. [↑](#footnote-ref-99)
99. AB 32 § 38501(a). [↑](#footnote-ref-100)
100. The ESJ Action plan is available as of this writing at [http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/Infrastructure/DC/Env%20and%20Social%20Justice%20ActionPlan\_%202019-02-21.docx.pdf](about:blank). [↑](#footnote-ref-101)
101. The Commission adopted a Safety Policy Statement and declared its ultimate safety goal as “ . . . zero accidents and injuries across all the utilities and businesses we regulate, and within our own workplace.” (Adopted July 10, 2014) [↑](#footnote-ref-102)