

Application: 20-02-009  
(U 39 E)  
Exhibit No.: \_\_\_\_\_  
Date: July 10, 2020  
Witness(es): Various

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**PACIFIC GAS AND ELECTRIC COMPANY**

**APPLICATION FOR COMPLIANCE REVIEW OF UTILITY OWNED  
GENERATION OPERATIONS, PORTFOLIO ALLOCATION BALANCING  
ACCOUNT ENTRIES, ENERGY RESOURCE RECOVERY ACCOUNT  
ENTRIES, CONTRACT ADMINISTRATION, ECONOMIC DISPATCH OF  
ELECTRIC RESOURCES, UTILITY OWNED GENERATION FUEL  
PROCUREMENT, DIABLO CANYON SEISMIC STUDIES BALANCING  
ACCOUNT, AND OTHER ACTIVITIES  
FOR THE PERIOD JANUARY 1 THROUGH DECEMBER 31, 2019**

**ERRATA TESTIMONY**

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**PACIFIC GAS AND ELECTRIC COMPANY  
2019 ENERGY RESOURCE RECOVERY ACCOUNT COMPLIANCE REVIEW  
ERRATA TO PREPARED TESTIMONY  
DATED JULY 10, 2020**

**Chapter 16, Review Entries Recorded in the Disadvantaged Community – Single-Family Affordable Solar Homes Balancing Account and the Disadvantaged Community – Single-Family Affordable Solar Homes Memorandum Account**  
**Witness: Tiffany Hanson, Ryan Stanley**

<b>Page(s)</b>	<b>Line(s)</b>	<b>Column(s)</b>	<b>Delete</b>	<b>Replace With/Insert/or Explanation</b>
16-3	Table 16-1, line 1	Amount	9,412	112
16-3	Table 16-1, line 4	Amount	1,559,544	1,550,244
16-3	8		9,412	112

**PACIFIC GAS AND ELECTRIC COMPANY**

**CHAPTER 16**

**REVIEW ENTRIES RECORDED IN THE  
DISADVANTAGED COMMUNITY – SINGLE-FAMILY  
AFFORDABLE SOLAR HOMES BALANCING ACCOUNT  
AND THE DISADVANTAGED COMMUNITY – SINGLE-FAMILY  
AFFORDABLE SOLAR HOMES MEMORANDUM ACCOUNT**

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 16  
REVIEW ENTRIES RECORDED IN THE  
DISADVANTAGED COMMUNITY – SINGLE-FAMILY AFFORDABLE SOLAR  
HOMES BALANCING ACCOUNT  
AND THE DISADVANTAGED COMMUNITY – SINGLE-FAMILY AFFORDABLE  
SOLAR HOMES MEMORANDUM ACCOUNT

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1 **PACIFIC GAS AND ELECTRIC COMPANY**  
2 **CHAPTER 16**  
3 **REVIEW ENTRIES RECORDED IN THE**  
4 **DISADVANTAGED COMMUNITY – SINGLE-FAMILY AFFORDABLE**  
5 **SOLAR HOMES BALANCING ACCOUNT**  
6 **AND THE DISADVANTAGED COMMUNITY – SINGLE-FAMILY**  
7 **AFFORDABLE SOLAR HOMES MEMORANDUM ACCOUNT**

8 **A. Introduction**

9 In this chapter, Pacific Gas and Electric Company (PG&E) presents for  
10 review its 2019 Disadvantaged Community – Single-Family Affordable Solar  
11 Housing (DAC SASH) funding and administrative costs recorded to the  
12 DAC SASH subaccount in the Public Policy Charge Balancing Account (referred  
13 as Disadvantaged Community – Single-Family Affordable Solar Housing  
14 Balancing Account (DACSASHBA) in this chapter) and the Disadvantaged  
15 Community – Single-Family Affordable Solar Housing Memorandum Account  
16 (DACSASHMA), as directed by the California Public Utilities Commission (CPUC  
17 or Commission) in Decision (D.) 18-06-027, the *Alternate Decision Adopting*  
18 *Alternatives to Promote Solar Distributed Generation in Disadvantaged*  
19 *Communities*.

20 Assembly Bill 327 required the Commission to develop alternatives to  
21 increase the adoption and growth of renewable generation in disadvantaged  
22 communities. D.18-06-027 adopted the DAC SASH Program, along with the  
23 Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green  
24 Tariff (CS-GT) programs.

25 Ordering Paragraph (OP 15) of D.18-06-027 directs that the investor-owned  
26 utilities (IOU) create two-way DAC-GT and CS-GT balancing accounts, and that  
27 all costs related to the implementation and operation of the programs be tracked  
28 in these balancing accounts. The OP further directs that these balancing  
29 accounts be reviewed in each company's future Energy Resource Recovery  
30 Account (ERRA) proceedings.

31 In accordance with this directive, PG&E filed Advice Letter 5351-E  
32 "Disadvantaged Communities Green Tariff and CS-GT Programs Balancing  
33 Account Implementation Advice Letter" on August 6, 2018, which was approved

on January 24, 2019. This advice letter established the Public Purpose Charge Balancing Account (PPCBA) with two subaccounts to track the costs and revenues associated with the DAC-GT and CS-GT programs. PG&E has incurred administrative costs for the programs, but those costs have not yet been booked to the DAC-GT and CS-GT subaccounts due to pending changes to the subaccount structure. At this time, PG&E's Advice Letter 5763-E is pending approval at the CPUC. This advice letter updates Advice Letter 5351-E, and addresses changes requested by the Energy Division of the CPUC to reconcile accounting treatment for the DAC-GT and CS-GT programs among the three IOUs. Once Advice Letter 5763-E is acted upon by the CPUC, PG&E will proceed to record all costs pertaining to the DAC-GT and CS-GT to the PPCBA, in accordance with OP 15 of D.18-06-027.

Pursuant to OP 8 of D.18-06-027, the DAC SASH Program has an annual budget of \$10 million per year beginning January 1, 2019 and continuing through the end of 2030. PG&E's proportionate share of the \$10 million per year is 43.7 percent, or \$4.37 million per year.<sup>1</sup> The Commission required DAC SASH Program funds be reviewed in the annual ERRA proceeding.<sup>2</sup> In accordance with this Decision, on August 20, 2018, PG&E filed Advice Letter 5363-E, the DACSASHBA Implementation advice letter, which was approved on January 24, 2019 and effective as of September 19, 2018.

In addition, the Commission required that start-up costs for the DAC SASH Program be tracked in a memorandum account and reviewed in each IOU's ERRA proceeding.<sup>3</sup> In accordance with OP 10 of D.18-06-027, on August 20, 2018, PG&E filed Advice Letter 5361-E, to establish the DACSASHMA, which was approved on December 14, 2018 and effective as of August 20, 2018.

## **B. Disadvantaged Community – Single-Family Affordable Solar Housing Balancing Account**

### **1. Funding of the DAC SASH Program and Transfer to Balancing Account**

Pursuant to OP 8 of D.18-06-027, the annual budget of \$10 million for the program is funded first through Green House Gas allowance proceeds.

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<sup>1</sup> D.18-06-027, Appendix A, p. A-6.

<sup>2</sup> D.18-06-027, OP 8, p. 102.

<sup>3</sup> D.18-06-027, OP 10, p. 103.

If such funds are exhausted, the program will be funded through Public Purpose Charge component of the Public Purpose Program funds. In July 2019, PG&E's proportionate share of \$4.37 million was transferred from Greenhouse Gas Revenue Balancing Account to DACSASHBA.<sup>4</sup>

## 2. Expenses of the DAC SASH Program Recorded to Balancing Account

An overview of the expenses recorded in 2019 to the DACSASHBA<sup>5</sup> are shown in Table 16-1 below.

**TABLE 16-1  
DACSASHBA RECORDED EXPENSES IN 2019**

Line No.	Description	Amount
1	PG&E Program Management	\$ <del>1129,412</del>
2	Program Administrator (PA) Administrative Expenses	\$369,712
3	Incentives	\$1,180,420
4	Total	\$ <del>1,550,244</del> <del>,559,544</del>

PG&E incurred \$~~1129,412~~ in internal program management expenses to the DACSASHBA from September 2019 to December 2019. The DACSASHBA does not include the start-up costs recorded in the DACSASHMA. For the administrative expenses incurred by the PA, GRID Alternatives, there is a co-funding agreement between the IOUs which is managed by Southern California Edison Company (SCE). In 2019, PG&E received one invoice for \$369,712 from SCE for PG&E's share of the administrative costs for GRID Alternatives. In 2019, PG&E received four invoices totaling \$1,180,420 from GRID Alternatives for incentive payments for completed DAC SASH projects.

<sup>4</sup> Interest on the account balance is calculated and recorded based on the average balance in this account at the beginning and the end of the month, at a rate equal to one-twelfth of the interest rate on the three-month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

<sup>5</sup> Interest on the account balance is calculated and recorded based on the average balance in this account at the beginning and the end of the month, at a rate equal to one-twelfth of the interest rate on the three-month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

1 **C. Disadvantaged Community – Single Family Affordable Solar Housing**  
2 **Memorandum Account**

3 **1. Description of Start Up Costs Incurred**

4 PG&E incurred \$5,536 in expenses from January 2019 to the launch of  
5 the DAC SASH Program (September 2019). All expenses during this start  
6 up period were internal program management costs for implementing and  
7 managing the DAC SASH Program. The expenses were recorded into a  
8 memorandum account (DACSASHMA)<sup>6</sup> and are shown in Table 16-2.

9 The activities associated with this work included: ensuring compliance with  
10 all regulatory requirements, creating internal order numbers for cost  
11 tracking, and financial planning and analysis for the program.

**TABLE 16-2**  
**DACSASHMA RECORDED START UP COSTS**

Line No.	Description	Amount
1	PG&E Program Management	\$5,536
2	Total	\$5,536

12 **2. Request of Recovery of Start Up Costs**

13 PG&E is seeking recovery of cost of \$5,536 for the start-up costs  
14 recorded in the DACSASHMA. Upon review and approval of the start-up  
15 costs by the Commission, PG&E will transfer the recorded costs and the  
16 associated interest balance from the DACSASHMA to the DACSASHBA,  
17 which is funded by greenhouse gas auction proceeds.

18 **D. Conclusion**

19 In this chapter, PG&E described its 2019 funding and recorded expenses for  
20 the DAC SASH Program. PG&E requests that the Commission find the start-up  
21 costs recorded to the DACSASHMA was in compliance with the Commission's  
22 directives and approves recovery through transfer to DACSASHBA, which was  
23 funded by greenhouse gas auction proceeds.

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6 *Id.*