

Docket No.: A.24-05-009

Exhibit No.: CalCCA-03

Date: November 12, 2024

Sponsor/Witness: Dickman

EXHIBIT CalCCA-03

**Pacific Gas and Electric Company's Responses to CalCCA
Data Requests 5.01, 5.02, 5.06, 5.08, and 5.12**

PACIFIC GAS AND ELECTRIC COMPANY
Energy Resource Recovery Account 2025 Forecast
Application 24-05-009
Data Response

PG&E Data Request No.:	CalCCA_005-Q001
PG&E File Name:	ERRA-2025-PGE-Forecast_DR_CalCCA_005-Q001
Request Date:	October 29, 2024
Requester DR No.:	005
Requesting Party:	California Community Choice Association
Requester:	Nikhil Vijaykar
Date Sent:	November 5, 2024
PG&E Witness(es):	Erica Brown

QUESTION 001

Referring to PG&E Fall Update Testimony at page AtchC-2 line 29 through AtchC-3 line 2 and footnote 1:

- a. Confirm that PG&E’s citation to D.22-05-015 is reference to Modified CAM procurement. If not confirmed, please explain.
- b. Please explain whether PG&E sold portions of its Modified CAM capacity to third parties with contract prices settled at the RA MPBs. If yes, quantify the number of contracts, MW sold, and the RA MPB used for pricing (e.g. System, Local, or Flex).
- c. Does PG&E have contracts priced based on the RA MPB, other than the Modified CAM sales contracts? If yes, please explain what types of contracts and how they are included in the Indifference Amount forecast.

ANSWER 001

- a. PG&E’s citation is in reference to contracts executed in accordance with Ordering Paragraph 4 of D.22-05-015, which are for resources that were procured on behalf of bundled service customers “in accordance with Decision 19-11-016, where the load has subsequently migrated to service by another [LSE]” and that LSE was given the option to “enter into an agreement with the relevant IOU to purchase the system resource adequacy capacity at the Market Price Benchmark calculated in accordance with the provisions of Decision 19-10-001.”¹ Further, in accordance with Ordering Paragraph 4 of D.22-05-015, the costs of this procurement are recovered through the Power Charge Indifference Adjustment (PCIA) and assigned to vintage 2019. These contracts total 29.8 MW and are settled at the applicable System RA MPB.
- b. Other than the contracts described above, PG&E has not sold portions of its Modified CAM capacity to third parties as this capacity is being used by the

¹ See PG&E Advice Letters 6723-E and 6811-E.

respective LSEs (i.e., LSEs that opted-out of their procurement obligations in accordance with D.19-11-016) towards their respective RA compliance requirements.

- c. PG&E does not have any other contracts priced based on an RA MPB besides those executed in accordance with Ordering Paragraph 4 of D.22-05-015.

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PG&E Data Request No.:	CalCCA_005-Q002
PG&E File Name:	ERRA-2025-PGE-Forecast_DR_CalCCA_005-Q002
Request Date:	October 29, 2024
Requester DR No.:	005
Requesting Party:	California Community Choice Association
Requester:	Nikhil Vijaykar
Date Sent:	November 5, 2024
PG&E Witness(es):	Erica Brown

QUESTION 002

Referring to PG&E Fall Update Testimony at page AtchC-2 line 29 through AtchC-3 line 2 and footnote 1: Please explain what PG&E means when it states contracts executed under D.22-05-015 use the MPB as published by the CPUC for settlement purposes, 'but are not modeled to do so in this presentation'.

ANSWER 002

See PG&E's response to Q1.a. The costs of contracts executed in accordance with Ordering Paragraph 4 of D.22-05-015 are recovered through the Power Charge Indifference Adjustment (PCIA) and assigned to vintage 2019. For purposes of presenting its alternative scenarios in its Fall Update Testimony, PG&E did not model the PCIA rate impact of these contracts under its alternative scenarios for the 2025 delivery year.

Additionally, PG&E has determined that it did not calibrate the price input assumption for these two contracts in its Fall Update forecast, which equates to an approximately \$12.5 million reduction for 2025 based on the 2025 Forecast System RA MPB and, of which, approximately \$9.3 million is for bundled service customers and \$3.2 million for departed load customers given that these are vintage 2019 sales contracts. Unless ordered by the CPUC as part of the 2025 ERRA Forecast implementation, these amounts will be incorporated into 2026 customer rates as 2025 balancing account balances that are ultimately based on the 2025 Final System RA MPB to be published in October 2025.

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PG&E Data Request No.:	CalCCA_005-Q006
PG&E File Name:	ERRA-2025-PGE-Forecast_DR_CalCCA_005-Q006
Request Date:	October 29, 2024
Requester DR No.:	005
Requesting Party:	California Community Choice Association
Requester:	Nikhil Vijaykar
Date Sent:	November 5, 2024
PG&E Witness(es):	Erica Brown

QUESTION 006

Referring to PG&E Fall Update Testimony at page AtchC-1 lines 11-17:

- a. Provide all documentation and analyses relied on by PG&E to determine that the Forecast System RA MPB greatly exceeds reasonable benchmarks.
- b. Provide all documentation and analyses relied on by PG&E to determine that the Forecast System RA MPB greatly exceeds the cost of building new resources.
- c. Provide all documentation and analyses relied on by PG&E to determine that the Forecast System RA MPB creates a strong incentive not to buy RA compliance products.

ANSWER 006

- a. In addition to the benchmarks provided in b. and c. below, the CAISO's "soft" offer cap under its capacity procurement mechanism (CPM) authority reflects the going-forward estimated cost of maintaining and operating a resource including fuel, maintenance, and repair costs plus a 20 percent adder. The current CPM benchmark is \$7.34/kW-month and was approved for implementation in June 2024.¹
- b. Regarding the cost of building new resources, PG&E compared the System RA MPB with the net cost of new entry (CONE), which estimates the cost of building a new resource less any forecasted energy market revenues. Specifically, PG&E

¹ See *Letter Order Accepting Capacity Procurement Mechanism Soft Offer Cap Tariff Amendment (ER24-1225)* (Apr. 25, 2024), pp. 1, 4 <<http://www.caiso.com/Documents/Apr25-2024-LetterOrderAcceptingCapacityProcurementMechanism-Soft-Offer-Cap-TariffAmendment-ER24-1225.pdf>> (accessed Oct. 31, 2024); CAISO Tariff, Section 43A.4.1.1.

notes that Southern California Edison Company's (SCE) General Rate Case Phase 2 filing suggests a net CONE of \$7.46/kW-month (or \$89.48/kW-year) in 2025.²

- c. Regarding the incentive not to buy RA compliance products, PG&E compared the System RA MPB with the Commission's RA compliance penalties. Specifically, PG&E notes that the Commission-adopted RA compliance penalties are \$8.88/kW-month for summer months and \$4.44/kW-month for winter months (or \$79.92/kW-year) for a Tier 1 designation. Tier 2 and Tier 3 compliance penalties can be up to \$159.84/kW-year and \$239.76/kW-year, respectively. These benchmarks are significantly lower than the recently published System RA MPBs of \$343.80/kW-year and \$510.48/kW-year for 2024 (Final) and 2025 (Forecast), respectively.³

² Application 24-03-019, SCE-02, Marginal Costs and Sales Forecast Proposals (Mar. 29, 2024), p. 15.

³ 2024 Filing Guide for System, Local and Flexible RA Compliance Filings (Sept. 28, 2023), pp. 54-55, <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/guides-and-resources/final-2024-ra-guide-clean.pdf> (accessed Oct. 31, 2024).

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PG&E Data Request No.:	CalCCA_005-Q008
PG&E File Name:	ERRA-2025-PGE-Forecast_DR_CalCCA_005-Q008
Request Date:	October 29, 2024
Requester DR No.:	005
Requesting Party:	California Community Choice Association
Requester:	Nikhil Vijaykar
Date Sent:	November 5, 2024
PG&E Witness(es):	Erica Brown

QUESTION 008

Referring to PG&E Fall Update Testimony at page AtchC-6 lines 10-17: Please explain whether PG&E has access to data from prior years' MPB calculations to know whether transaction volumes that are 2% or 6% of the total annual System RA requirement are higher or lower than experienced in prior years. If yes, please provide such information.

ANSWER 008

PG&E does not have access to data from prior years' RA MPB calculations other than what PG&E reports to the Commission as part of the PCIA data request process to know whether the total 2024 and 2025 transaction volumes are higher or lower than experienced in prior years.

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PG&E Data Request No.:	CalCCA_005-Q012
PG&E File Name:	ERRA-2025-PGE-Forecast_DR_CalCCA_005-Q012
Request Date:	October 29, 2024
Requester DR No.:	005
Requesting Party:	California Community Choice Association
Requester:	Nikhil Vijaykar
Date Sent:	November 5, 2024
PG&E Witness(es):	Angelia Vega

QUESTION 012

Refer to workpaper 10.ERRA_2025_Forecast_WP_PGE_20241016_Ch10_PCIA_CONF: Please reconcile the dollar amount used for the Minimum Retained RPS adjustment on tab 'CONF_CTC and PCIA', Excel row 385, and the Minimum 2025 Retained RPS \$ amount calculated in cell Y10 of tab 'CONF_VAMOandExcessRPS'.

ANSWER 012

The amount shown in cell Y10 of tab 'CONF_VAMOandExcessRPS' in PG&E's workpaper reflects the CPUC ERRATA prices published on October 18, 2024, while the amount used for the Minimum Retained RPS adjustment in PG&E's Fall Update was based on the pre-ERRATA price.

The result is an approximately \$2 million lower credit to departed load and equivalent debit to bundled service load as part of the 2025 Minimum Retained RPS forecast based on the Forecast 2025 RPS MPB. Unless ordered by the CPUC as part of the 2025 ERRA Forecast implementation, the final amount will be incorporated into 2026 customer rates as a 2025 balancing account balance that is ultimately based on the Final 2025 RPS MPB to be published in October 2025.