



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

ELC       GAS       WATER  
 PLC       HEAT

Contact Person:

Phone #:  
E-mail:  
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type:  Monthly     Quarterly     Annual     One-Time     Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes     No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes     No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



Serving the San Mateo County Community

November 2, 2021

California Public Utilities Commission  
Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94102-3298

**PCE Advice Letter 17-E**

**RE: PENINSULA CLEAN ENERGY AUTHORITY REVISED BUDGET REQUEST FOR THE DISADVANTAGED COMMUNITIES GREEN TARIFF AND COMMUNITY SOLAR GREEN TARIFF PROGRAMS FOR PROGRAM YEARS 2021 AND 2022**

**PURPOSE**

Peninsula Clean Energy Authority (“PCE”) hereby submits to the California Public Utilities Commission (“Commission” or “CPUC”) the following technical, non-substantive correction to its 2021 and 2022 program budget forecast for PCE’s Disadvantaged Communities Green Tariff (“DAC-GT”) and Community Solar Green Tariff (“CSGT”) programs. The correction is necessary to incorporate line items that were previously excluded from PCE’s total requested program budgets. This correction has increased the total budget amounts for program years (“PYs”) 2021 and 2022 compared to PCE’s previously approved budget forecast.

**TIER DESIGNATION**

Pursuant to General Order (“GO”) 96-B, Energy Industry Rule 5.1, and Ordering Paragraph (“OP”) 6 of Resolution E-5124, this advice letter (“AL”) is submitted with a Tier 1 designation.

**EFFECTIVE DATE**

Pursuant to General Order 96-B and General Rule 7.3.4, PCE requests that this Tier 1 AL become effective upon the date of submittal.

**BACKGROUND**

On June 22, 2018, the Commission issued Decision (“D.”) 18-06-027 adopting three new programs to promote the installation of renewable generation among residential customers in disadvantaged

communities (“DACs”),<sup>1</sup> as directed by the California Legislature in Assembly Bill (“AB”) 327.<sup>2</sup> The three programs include the DAC Single Family Solar Homes (“DAC-SASH”) program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC-GT and the Community Solar Green Tariff (“CSGT”) programs, are community solar programs that offer 100% renewable energy to residential customers and provide a 20% discount on the electricity portion of the customers’ bills.

Pursuant to D.18-06-027, Community Choice Aggregators (“CCAs”) may also develop and implement their own DAC-GT and CSGT programs.<sup>3</sup> D.18-06-027 provides that CCAs must submit a Tier 3 AL to implement the CCA DAC-GT and CSGT programs (“Implementation AL”).<sup>4</sup> Accordingly, PCE submitted its Tier 3 Implementation AL on December 22, 2020 to create DAC-GT and CSGT programs (PCE AL 11-E). On April 15, 2021, the Commission issued Resolution E-5124, which approved PCE’s DAC-GT and CSGT Implementation AL with modifications.<sup>5</sup>

In Resolution E-5124, the Commission directed PCE to submit updated budget forecasts for PYs 2021 and 2022 to reflect the changes made to CCA Implementation ALs and budgets in Resolution E-5124. The Commission further directed that, once the updated budget forecasts are approved by the Commission, Pacific Gas and Electric Company (“PG&E”) will incorporate these budgets into PG&E’s 2022 Energy Resources Recovery Account (“ERRA”) Update filing due in November 2021.<sup>6</sup>

On June 14, 2021, PCE submitted AL 14-E, *Peninsula Clean Energy Authority’s Disadvantaged Communities Green Tariff Program and Community Solar Green Tariff Program Revised Budget Estimates for Program Years 2021 and 2022*, providing budget updates requested in Resolution E-5124, including the “CCA integration” costs, defined as “administrative, IT, or other discrete activities taken by PG&E in order to facilitate implementation of the DAC-GT and CSGT CCA programs.”<sup>7</sup> AL 14-E was approved on July 21, 2021. On August 31, 2021, PCE submitted jointly with PG&E AL 15-E, *Proposed Capacity Transfer Under the Disadvantaged Communities Green Tariff Program to Accommodate Service to The City of Los Banos*, which included the most recent budget forecast update to accommodate DAC-GT program capacity expansion for PCE to serve the City of Los Banos. The Energy Division approved AL 15-E on September 30, 2021.

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<sup>1</sup> DACs are defined under D.18-06-027 as communities that are identified in the CalEnviroScreen 3.0 as among the top 25 percent of census tracts statewide, plus the census tracts in the highest five percent of CalEnviroScreen’s Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. Resolution E-4999 clarified that Program Administrators must submit a Tier 1 AL to update program eligibility rules within 30 days of a new release of the CalEnviroScreen tool.

<sup>2</sup> AB 327 (Perea), Stats. 2013, ch 611.

<sup>3</sup> D.18-06-027 at 104 (OP 17).

<sup>4</sup> *Id.*

<sup>5</sup> Resolution E-5124 at 32 (OP 1).

<sup>6</sup> *Id.* at 33 (OP 6).

<sup>7</sup> Resolution E-5124 at 11.

In preparing its ERRA November Update, PG&E identified an error in Figure 1 of Appendix A to AL 15-E. Specifically, due to a formula error, the “CCA Integration” costs submitted in Figure 1, Line 3f were not incorporated into the “Program Administration” subtotal, and consequently were not included in the total requested budgets for the DAC-GT and CSGT programs for the 2021 and 2022 PYs. This formula error only affected the total combined requested budget for the two programs on page 5 and in Figure 1 of Appendix A.

## **CORRECTION**

The proposed budget correction in this AL amends the total program budget amount requested. As amended, the total program budget amount requested now includes the previously indicated CCA integration costs for a total combined budget forecast of \$1,592,209.20 for the 2021 and 2022 PYs for the DAC-GT and CSGT programs.<sup>8</sup> PCE requests that the Commission approve the corrected budgets proposed herein and direct PG&E to transfer funds sufficient to meet PCE’s approved annual budgets.

## **APPENDICES**

The following appendices are included as a part of this AL:

1. Appendix A: Revised forecasted program budgets for PYs 2021 and 2022 (Clean); and
2. Appendix B: Revised forecasted program budgets for PYs 2021 and 2022 (Redline).

## **CONCLUSION**

PCE respectfully requests that the Commission approve the corrected budgets proposed herein and direct PG&E to transfer funds sufficient to meet PCE’s approved annual budgets.

## **NOTICE**

A copy of this AL is being served on the official Commission service list for R.14-07-002.

For changes to this service list, please contact the Commission’s Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

## **PROTESTS**

**\*\*\*Due to the COVID-19 pandemic and shelter-at-home orders, PCE is currently unable to receive protests or responses to this AL via U.S. Mail or fax. Please submit protests or responses to this AL to [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov) and [jwaen@peninsulacleanenergy.com](mailto:jwaen@peninsulacleanenergy.com).\*\*\***

Anyone wishing to protest this AL may do so by letter via U.S. Mail, facsimile, or

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<sup>8</sup> PCE previously requested a total program budget of \$1,514,311.20 in AL 15-E.

electronically, any of which must be received no later than 20 days after the date of this AL. Protests should be mailed to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Copies of the protest should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this AL should be sent by letter or transmitted electronically to the attention of:

Jeremy Waen  
Director of Regulatory Policy  
Peninsula Clean Energy Authority  
2075 Woodside Road  
Redwood City, CA 94061  
Email: [jwaen@peninsulacleanenergy.com](mailto:jwaen@peninsulacleanenergy.com)

There are no restrictions on who may submit a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

## **CORRESPONDENCE**

For questions regarding this AL, please contact Jeremy Waen by electronic mail at [jwaen@peninsulacleanenergy.com](mailto:jwaen@peninsulacleanenergy.com).

*/s/ Jeremy Waen*

Jeremy Waen  
Director of Regulatory Policy  
Peninsula Clean Energy Authority

cc: Service List: R.14-07-002

# **APPENDIX A**



**Disadvantaged Communities GreenTariff Program and  
Community Solar Green Tariff Program Budget Forecast for  
Program Years 2021 and 2022**

Proposed by Peninsula Clean Energy Authority



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## 1. PURPOSE

Pursuant to Ordering Paragraph (“OP”) 17 of California Public Utilities Commission (“Commission” or “CPUC”) Decision (“D.”) 18-06-027, *Alternate Decision Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities*, issued in Rulemaking 14-07-002 on June 22, 2018, and Resolution E-4999, issued on June 3, 2019, Community Choice Aggregators (“CCAs”) may develop and implement their own Disadvantaged Communities Green Tariff (“DAC-GT”) and Community Solar Green Tariff (“CSGT”) programs via a Tier 3 Advice Letter (“Implementation AL”). Peninsula Clean Energy Authority (“PCE”) submitted its Implementation AL on December 22, 2020 to create DAC-GT and CSGT programs (PCE AL 11-E). As part of its Implementation AL, PCE included budget forecasts for Program Years (“PYs”) 2021 and 2022.<sup>1</sup>

On April 15, 2021, the Commission issued Resolution E-5124, approving PCE’s Implementation AL with modifications.<sup>2</sup> In Resolution E-5124, the Commission directed PCE to submit updated budget forecasts for PYs 2021 and 2022 via a Tier 1 Advice Letter (“AL”) to reflect the changes made in Resolution E-5124 to CCA Implementation ALs and budgets.<sup>3</sup> Accordingly, PCE submitted its Tier 1 revised budget AL on June 14, 2021 (“Budget Compliance AL”).

As explained in the Capacity Reallocation AL to which this appendix is attached, PCE is expanding its service area to incorporate the city of Los Banos, and PCE will begin serving Los Banos customers in April 2022.<sup>4</sup> Eligibility in a DAC-GT program is limited to those customers who are receiving generation service from the program administrator. However, the current amount of DAC-GT program capacity allocated to PCE is not sufficient to accommodate the transfer of incoming Los Banos customers who are currently enrolled in Pacific Gas and Electric Company’s (“PG&E”) DAC-GT program. In order to allow these Los Banos customers to continue to benefit from the DAC-GT program once they are enrolled in PCE’s generation service, PG&E has agreed to transfer up to 2.5 MW of its DAC-GT capacity allocation to PCE. This capacity transfer has resulted in changes to PCE’s budget forecast for PYs 2021 and 2022, discussed further below.

PCE requests that the Commission approve the revised budgets proposed herein and that the Commission direct PG&E to transfer funds sufficient to meet PCE’s approved annual budgets per the funding mechanisms discussed below.

## 2. BACKGROUND

Per Resolution E-4999, estimated budget forecasts must be presented by program and include the following budget line items:<sup>5</sup>

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<sup>1</sup> In future PYs, the annual program budget will also include actual program costs from the previous PY, as well as a reconciliation of forecasted versus actual costs.

<sup>2</sup> Resolution E-5124 at 32 (OP 1).

<sup>3</sup> *Id.* at 33 (OP 6).

<sup>4</sup> PCE AL 11-E at 14.

<sup>5</sup> A detailed description of each budget line item can be found in PCE’s Implementation Plan,

1. Generation cost delta,<sup>6</sup> if any;
2. 20% bill discount for participating customers;
3. Program administration costs, including:
  - a. Program management;
  - b. Information technology (“IT”);
  - c. Billing operations;
  - d. Regulatory compliance; and
  - e. Procurement
4. Marketing, education, and outreach (“ME&O”) costs, including:
  - a. Labor costs;
  - b. Outreach and material costs; and
  - c. Local Community Based Organization/sponsor costs for the CSGT program
5. Program Evaluation Costs.

In addition to budget forecasts, annual program budget submissions must also include details on program capacity and customer enrollment numbers for both programs. More specifically, PCE must report on:

1. Existing capacity at the close of the previous PY;
2. Forecasted capacity for procurement in the upcoming PY;
3. Customers served at the close of the previous PY; and
4. Forecasted customer enrollment for the upcoming PY.

Finally, Confidential Appendix C contains the following information:

1. Workpaper for the calculation of the generation cost delta; and
2. Workpaper for the calculation of the 20% bill discount to participating customers.

For the reasons set forth in the attached declaration of Jeremy Waen, these two workpapers are confidential, not included in the public versions of this Advice Letter, and will only be made available to those who execute a nondisclosure agreement. Further information on how to execute a nondisclosure agreement can be found in the cover letter of this Advice Letter.

Supporting worksheets used in substantiating cost estimates, including direct labor, management and/or supervisor costs, and any vendor costs, along with a breakdown of staff or contractor position descriptions, loaded hourly rates, and total hours anticipated for each task, will be provided if available.

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submitted in Appendix A to the Implementation Advice Letter.

<sup>6</sup> Resolution E-4999 establishes that *above market* generation costs should include net renewable resource costs in excess of the otherwise applicable class average generation rate that will be used to calculate the customers’ bills. In conversations with the Commission’s Energy Division after the release of Resolution E-4999, it was clarified that this budget line item is intended to cover both a potential higher, as well as lower, cost of the DAC-GT/CSGT resources than the otherwise applicable class average generation rate. Hence, the term is updated to state the “*Delta of generation costs between the DAC-GT/CSGT resources and the otherwise applicable class average generation rate.*”

### **3. BUDGET FORECAST FOR PY 2021 and 2022**

For PYs 2021 and 2022, PCE requests a total budget of \$1,592,209.20 for the DAC-GT and CSGT programs. A detailed budget forecast for each program and PY by budget line item can be found in the figure below.

Figure 1: PCE Budget Forecast for PYs 2021 and 2022

Tab	Category	DAC-GT			CSGT			
		2021	2022	Total	2021	2022	Total	
1	Generation Cost Delta	\$ -	\$ 541,392.33	\$ 541,392.33	\$ -	\$ 31,665.77	\$ 31,665.77	
2	20% Bill Discount	\$ -	\$ 155,121.90	\$ 155,121.90	\$ -	\$ 6,096.95	\$ 6,096.95	
	<b>Program Administration</b>							
3a	Program Management	\$ 61,406.25	\$ 60,468.75	\$ 121,875.00	\$ 61,406.25	\$ 60,468.75	\$ 121,875.00	
3b	Information Technology	\$ 49,731.25	\$ 26,527.34	\$ 76,258.59	\$ 13,581.25	\$ 20,227.34	\$ 33,808.59	
3c	Billing Operations	\$ 7,591.26	\$ 16,093.47	\$ 23,684.73	\$ 1,939.99	\$ 4,112.78	\$ 6,052.77	
3d	Regulatory Compliance	\$ 7,625.00	\$ 16,015.00	\$ 23,640.00	\$ 7,625.00	\$ 16,015.00	\$ 23,640.00	
3e	Procurement	\$ 52,175.00	\$ 44,165.00	\$ 96,340.00	\$ 52,175.00	\$ 44,165.00	\$ 96,340.00	
3f	CCA Integration	\$ 15,870.00	\$ 31,014.00	\$ 46,884.00	\$ -	\$ 31,014.00	\$ 31,014.00	
	<b>Subtotal Program Administration</b>	<b>\$ 194,398.76</b>	<b>\$ 194,283.57</b>	<b>\$ 388,682.33</b>	<b>\$ 136,727.49</b>	<b>\$ 176,002.87</b>	<b>\$ 312,730.36</b>	
4	Marketing, Education & Outreach	\$ 58,586.69	\$ 19,673.09	\$ 78,259.78	\$ 58,586.69	\$ 19,673.09	\$ 78,259.78	
5	EM&V	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Total</b>	<b>\$ 252,985.45</b>	<b>\$ 910,470.89</b>	<b>\$ 1,163,456.34</b>	<b>\$ 195,314.18</b>	<b>\$ 233,438.69</b>	<b>\$ 428,752.86</b>	<b>\$ 1,592,209.20</b>

PCE provides the following clarifying notes regarding the budget summary.

### **Generation Cost Delta**

PCE's Budget Compliance AL anticipated securing an interim resource by October 2021 in the interest of quickly offering the DAC-GT program to its customers and providing customers with the 20% bill discount while PCE conducts its solicitation to secure a permanent resource. The Budget Compliance AL also anticipated securing a permanent resource for the CSGT program in July 2022. However, as previously discussed, the Capacity Reallocation AL requests 2.5 MW of capacity to be transferred from PG&E's DAC-GT program to PCE's DAC-GT program in order to serve customers in Los Banos. To provide additional time for review and approval of the Capacity Reallocation AL, PCE has extended its procurement forecast timeline. Consequently, PCE has revised its PYs 2021 and 2022 budget forecasts to reflect this extended timeline.

The attached budget assumes DAC-GT delivery from an interim resource in January 2022 and securing a permanent resources for the DAC-GT and CSGT programs in September 2022. To accommodate time for the Commission to address the capacity transfer, PCE has also submitted a separate letter to the CPUC Executive Director for an extension on the issuance of its solicitation to procure permanent resources for both the DAC-GT and CSGT programs ("Solicitation Extension Request Letter").

PCE has not yet contracted for an interim resource for the DAC-GT program or permanent resource to serve either the DAC-GT or CSGT programs, therefore the generation cost delta budget forecast for the DAC-GT and CSGT programs is based on the cost of a generic project that is sized to match the program criteria. The extended procurement timeline reduces the costs of the programs in the near term and the additional capacity leads to net increases in the cost to operate PCE's programs in the long term. As such, the DAC-GT budget herein includes a decrease in the generation cost delta in PY 2021 from \$15,971.33 to forecasted cost of \$0.00, and an increase in the generation cost delta in PY 2022 from \$221,514.70 to forecasted cost of \$541,392.33. The CSGT generation cost delta forecast remains unchanged for PY 2021 and includes a decrease in PY 2022 from \$34,604.54 to \$31,665.77.

### **20% Bill Discount**

The budget revisions proposed herein are also in part due to changes in the number of customers that will participate in PCE's DAC-GT program and adjustments to the timeline to procure permanent resources to serve both the DAC-GT and CSGT programs.

PCE's Budget Compliance AL did not include the costs to provide the 20% bill discount to the additional participating customers that live in Los Banos. The review and approval of PCE's Capacity Reallocation AL and PCE's Solicitation Extension Request Letter means that PCE will not be able to deliver bill discounts through either of the programs as soon as originally anticipated. This is because PCE is requesting an extension of the deadline set to issue its Request for Offers for permanent resources until the additional DAC-GT capacity is approved, which would concurrently delay the procurement of a

permanent resource for the CSGT program until later in 2022 than originally anticipated. Figure 1 and Figure 2 assume delivery of DAC-GT bill credits from an interim resource in January 2022 and securing a permanent resources for the DAC-GT and CSGT programs in September 2022.

For the DAC-GT program, the two changes discussed above (additional DAC-GT customers and extended timelines for delivering customer discounts) result in a net decrease to the bill discount forecast for PY 2021 from \$4,572.71 to \$0.00 and a net increase in the bill discount forecast in PY 2022 from \$63,469.28 to \$155,121.90. For the CSGT program, the extended timeline for delivery of bill discounts to customers does not impact the PY 2021 forecast and results in a net decrease to the bill discount forecast from \$9,907.55 to \$6,096.95 in PY 2022.

#### 4. BUDGET CAPS

Resolution E-4999 establishes a budget cap of 10% of the total budget for program administration costs and a budget cap of 4% of the total budget for ME&O costs.<sup>7</sup> However, administrative and ME&O costs may be higher than these budget allocations in the first two years of program implementation (i.e., PYs 2021 and 2022 for PCE) in order to account for higher start-up costs.<sup>8</sup> PCE will include information on budget caps in subsequent submissions of its Annual Budget Advice Letter if necessary.

#### 5. PROGRAM CAPACITY AND ENROLLMENT NUMBERS

PCE reports forecasted program capacity and customer enrollment numbers for PYs 2021 and 2022 in the figure below. PCE is unable to report on existing program capacity and customer enrollment numbers to date as the DAC-GT and CSGT programs have not yet launched.

For PY 2021, PCE is not forecasting any program capacity and enrollment numbers for the DAC-GT program or the CSGT program in anticipation of additional time to review the Capacity Reallocation AL. PCE anticipates that it will procure new solar resources to serve the two programs in 2022.

Figure 2: Program Capacity and Enrollment Count for DAC-GT and CSGT

Category	DAC-GT		
	2021	2022	Total
Estimated capacity to be procured (MW)	0	3.736	3.736
Estimated customer enrollment (#)	0	780	780

Category	CSGT		
	2021	2022	Total
Estimated capacity to be procured (MW)	0	0.4025	0.4025
Estimated customer enrollment (#)	0	125	125

<sup>7</sup> Resolution E-4999 determined that Program Administrators can submit a Tier 3 AL requesting an adjustment to the budget allocations if the need arises. See Resolution E-4999 at 67 (OP 2).

<sup>8</sup> *Id.*



## **6. CONCLUSION**

PCE respectfully requests the Commission approve the budgets proposed herein and direct PG&E to transfer funds sufficient to meet PCE's approved annual budgets per the funding mechanisms discussed above.

# **APPENDIX B**

**Disadvantaged Communities GreenTariff Program and  
Community Solar Green Tariff Program Budget Forecast for  
Program Years 2021 and 2022**

Proposed by Peninsula Clean Energy Authority



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## 1. PURPOSE

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As explained in the Capacity Reallocation AL to which this appendix is attached, PCE is expanding its service area to incorporate the city of Los Banos, and PCE will begin serving Los Banos customers in April 2022.<sup>4</sup> Eligibility in a DAC-GT program is limited to those customers who are receiving generation service from the program administrator. However, the current amount of DAC-GT program capacity allocated to PCE is not sufficient to accommodate the transfer of incoming Los Banos customers who are currently enrolled in Pacific Gas and Electric Company’s (“PG&E”) DAC-GT program. In order to allow these Los Banos customers to continue to benefit from the DAC-GT program once they are enrolled in PCE’s generation service, PG&E has agreed to transfer up to 2.5 MW of its DAC-GT capacity allocation to PCE. This capacity transfer has resulted in changes to PCE’s budget forecast for PYs 2021 and 2022, discussed further below.

PCE requests that the Commission approve the revised budgets proposed herein and that the Commission direct PG&E to transfer funds sufficient to meet PCE’s approved annual budgets per the funding mechanisms discussed below.

## 2. BACKGROUND

Per Resolution E-4999, estimated budget forecasts must be presented by program and include the following budget line items:<sup>5</sup>

---

<sup>1</sup> In future PYs, the annual program budget will also include actual program costs from the previous PY, as well as a reconciliation of forecasted versus actual costs.

<sup>2</sup> Resolution E-5124 at 32 (OP 1).

<sup>3</sup> *Id.* at 33 (OP 6).

<sup>4</sup> PCE AL 11-E at 14.

<sup>5</sup> A detailed description of each budget line item can be found in PCE’s Implementation Plan,

1. Generation cost delta,<sup>6</sup> if any;
2. 20% bill discount for participating customers;
3. Program administration costs, including:
  - a. Program management;
  - b. Information technology (“IT”);
  - c. Billing operations;
  - d. Regulatory compliance; and
  - e. Procurement
4. Marketing, education, and outreach (“ME&O”) costs, including:
  - a. Labor costs;
  - b. Outreach and material costs; and
  - c. Local Community Based Organization/sponsor costs for the CSGT program
5. Program Evaluation Costs.

In addition to budget forecasts, annual program budget submissions must also include details on program capacity and customer enrollment numbers for both programs. More specifically, PCE must report on:

1. Existing capacity at the close of the previous PY;
2. Forecasted capacity for procurement in the upcoming PY;
3. Customers served at the close of the previous PY; and
4. Forecasted customer enrollment for the upcoming PY.

Finally, Confidential Appendix C contains the following information:

1. Workpaper for the calculation of the generation cost delta; and
2. Workpaper for the calculation of the 20% bill discount to participating customers.

For the reasons set forth in the attached declaration of Jeremy Waen, these two workpapers are confidential, not included in the public versions of this Advice Letter, and will only be made available to those who execute a nondisclosure agreement. Further information on how to execute a nondisclosure agreement can be found in the cover letter of this Advice Letter.

Supporting worksheets used in substantiating cost estimates, including direct labor, management and/or supervisor costs, and any vendor costs, along with a breakdown of staff or contractor position descriptions, loaded hourly rates, and total hours anticipated for each task, will be provided if available.

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submitted in Appendix A to the Implementation Advice Letter.

<sup>6</sup> Resolution E-4999 establishes that *above market* generation costs should include net renewable resource costs in excess of the otherwise applicable class average generation rate that will be used to calculate the customers’ bills. In conversations with the Commission’s Energy Division after the release of Resolution E-4999, it was clarified that this budget line item is intended to cover both a potential higher, as well as lower, cost of the DAC-GT/CSGT resources than the otherwise applicable class average generation rate. Hence, the term is updated to state the “*Delta of generation costs between the DAC-GT/CSGT resources and the otherwise applicable class average generation rate.*”

### **3. BUDGET FORECAST FOR PY 2021 and 2022**

For PYs 2021 and 2022, PCE requests a total budget of \$1,~~514,311~~592,209.20 for the DAC-GT and CSGT programs. A detailed budget forecast for each program and PY by budget line item can be found in the figure below.

Figure 1: PCE Budget Forecast for PYs 2021 and 2022

Tab	Category	DAC-GT			CSGT			
		2021	2022	Total	2021	2022	Total	
1	Generation Cost Delta	\$ -	\$ 541,392.33	\$ 541,392.33	\$ -	\$ 31,665.77	\$ 31,665.77	
2	20% Bill Discount	\$ -	\$ 155,121.90	\$ 155,121.90	\$ -	\$ 6,096.95	\$ 6,096.95	
	<b>Program Administration</b>							
3a	Program Management	\$ 61,406.25	\$ 60,468.75	\$ 121,875.00	\$ 61,406.25	\$ 60,468.75	\$ 121,875.00	
3b	Information Technology	\$ 49,731.25	\$ 26,527.34	\$ 76,258.59	\$ 13,581.25	\$ 20,227.34	\$ 33,808.59	
3c	Billing Operations	\$ 7,591.26	\$ 16,093.47	\$ 23,684.73	\$ 1,939.99	\$ 4,112.78	\$ 6,052.77	
3d	Regulatory Compliance	\$ 7,625.00	\$ 16,015.00	\$ 23,640.00	\$ 7,625.00	\$ 16,015.00	\$ 23,640.00	
3e	Procurement	\$ 52,175.00	\$ 44,165.00	\$ 96,340.00	\$ 52,175.00	\$ 44,165.00	\$ 96,340.00	
3f	CCA Integration	\$ 15,870.00	\$ 31,014.00	\$ 46,884.00	\$ -	\$ 31,014.00	\$ 31,014.00	
	<b>Subtotal Program Administration</b>	<del>\$ 178,528.76</del>	<del>\$ 163,269.57</del>	<del>\$ 341,798.33</del>	<del>\$ 136,727.49</del>	<del>\$ 144,988.87</del>	<del>\$ 281,716.36</del>	
		\$ 194,398.76	\$ 194,283.57	\$ 388,682.33	\$ 136,727.49	\$ 176,002.87	\$ 312,730.36	
4	Marketing, Education & Outreach	\$ 58,586.69	\$ 19,673.09	\$ 78,259.78	\$ 58,586.69	\$ 19,673.09	\$ 78,259.78	
5	EM&V	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Total</b>	<del>\$ 237,115.45</del>	<del>\$ 879,456.89</del>	<del>\$ 1,116,572.34</del>	<del>\$ 195,314.18</del>	<del>\$ 202,424.69</del>	<del>\$ 397,738.86</del>	<del>\$ 1,514,311.20</del>
		\$ 252,985.45	\$ 910,470.89	\$ 1,163,456.34	\$ 195,314.18	\$ 233,438.69	\$ 428,752.86	\$ 1,592,209.20



PCE provides the following clarifying notes regarding the budget summary.

### **Generation Cost Delta**

PCE's Budget Compliance AL anticipated securing an interim resource by October 2021 in the interest of quickly offering the DAC-GT program to its customers and providing customers with the 20% bill discount while PCE conducts its solicitation to secure a permanent resource. The Budget Compliance AL also anticipated securing a permanent resource for the CSGT program in July 2022. However, as previously discussed, the Capacity Reallocation AL requests 2.5 MW of capacity to be transferred from PG&E's DAC-GT program to PCE's DAC-GT program in order to serve customers in Los Banos. To provide additional time for review and approval of the Capacity Reallocation AL, PCE has extended its procurement forecast timeline. Consequently, PCE has revised its PYs 2021 and 2022 budget forecasts to reflect this extended timeline.

The attached budget assumes DAC-GT delivery from an interim resource in January 2022 and securing a permanent resources for the DAC-GT and CSGT programs in September 2022. To accommodate time for the Commission to address the capacity transfer, PCE has also submitted a separate letter to the CPUC Executive Director for an extension on the issuance of its solicitation to procure permanent resources for both the DAC-GT and CSGT programs ("Solicitation Extension Request Letter").

PCE has not yet contracted for an interim resource for the DAC-GT program or permanent resource to serve either the DAC-GT or CSGT programs, therefore the generation cost delta budget forecast for the DAC-GT and CSGT programs is based on the cost of a generic project that is sized to match the program criteria. The extended procurement timeline reduces the costs of the programs in the near term and the additional capacity leads to net increases in the cost to operate PCE's programs in the long term. As such, the DAC-GT budget herein includes a decrease in the generation cost delta in PY 2021 from \$15,971.33 to forecasted cost of \$0.00, and an increase in the generation cost delta in PY 2022 from \$221,514.70 to forecasted cost of \$541,392.33. The CSGT generation cost delta forecast remains unchanged for PY 2021 and includes a decrease in PY 2022 from \$34,604.54 to \$31,665.77.

### **20% Bill Discount**

The budget revisions proposed herein are also in part due to changes in the number of customers that will participate in PCE's DAC-GT program and adjustments to the timeline to procure permanent resources to serve both the DAC-GT and CSGT programs.

PCE's Budget Compliance AL did not include the costs to provide the 20% bill discount to the additional participating customers that live in Los Banos. The review and approval of PCE's Capacity Reallocation AL and PCE's Solicitation Extension Request Letter means that PCE will not be able to deliver bill discounts through either of the programs as soon as originally anticipated. This is because PCE is requesting an extension of the deadline set to issue its Request for Offers for permanent resources until the additional DAC-GT capacity is approved, which would concurrently delay the procurement of a

permanent resource for the CSGT program until later in 2022 than originally anticipated. Figure 1 and Figure 2 assume delivery of DAC-GT bill credits from an interim resource in January 2022 and securing a permanent resources for the DAC-GT and CSGT programs in September 2022.

For the DAC-GT program, the two changes discussed above (additional DAC-GT customers and extended timelines for delivering customer discounts) result in a net decrease to the bill discount forecast for PY 2021 from \$4,572.71 to \$0.00 and a net increase in the bill discount forecast in PY 2022 from \$63,469.28 to \$155,121.90. For the CSGT program, the extended timeline for delivery of bill discounts to customers does not impact the PY 2021 forecast and results in a net decrease to the bill discount forecast from \$9,907.55 to \$6,096.95 in PY 2022.

#### 4. BUDGET CAPS

Resolution E-4999 establishes a budget cap of 10% of the total budget for program administration costs and a budget cap of 4% of the total budget for ME&O costs.<sup>7</sup> However, administrative and ME&O costs may be higher than these budget allocations in the first two years of program implementation (i.e., PYs 2021 and 2022 for PCE) in order to account for higher start-up costs.<sup>8</sup> PCE will include information on budget caps in subsequent submissions of its Annual Budget Advice Letter if necessary.

#### 5. PROGRAM CAPACITY AND ENROLLMENT NUMBERS

PCE reports forecasted program capacity and customer enrollment numbers for PYs 2021 and 2022 in the figure below. PCE is unable to report on existing program capacity and customer enrollment numbers to date as the DAC-GT and CSGT programs have not yet launched.

For PY 2021, PCE is not forecasting any program capacity and enrollment numbers for the DAC-GT program or the CSGT program in anticipation of additional time to review the Capacity Reallocation AL. PCE anticipates that it will procure new solar resources to serve the two programs in 2022.

Figure 2: Program Capacity and Enrollment Count for DAC-GT and CSGT

Category	DAC-GT		
	2021	2022	Total
Estimated capacity to be procured (MW)	0	3.736	3.736
Estimated customer enrollment (#)	0	780	780

Category	CSGT		
	2021	2022	Total
Estimated capacity to be procured (MW)	0	0.4025	0.4025
Estimated customer enrollment (#)	0	125	125

<sup>7</sup> Resolution E-4999 determined that Program Administrators can submit a Tier 3 AL requesting an adjustment to the budget allocations if the need arises. See Resolution E-4999 at 67 (OP 2).

<sup>8</sup> *Id.*

## **6. CONCLUSION**

PCE respectfully requests the Commission approve the budgets proposed herein and direct PG&E to transfer funds sufficient to meet PCE's approved annual budgets per the funding mechanisms discussed above.