



2023 Rate Change Discussion



Guiding Principles for 2023 Ratemaking

- Continue to maintain two rate schedules for PCE customers
 - One rate for Vintage 2016-2021 customers, and
 - One rate for Vintage 2022 customers
- Customers with negative PCIA keep the benefit
- Ensure a minimum net 5% discount off generation rate
 - San Mateo County customers will have a 5% discount since 2016 PCIA is positive
 - Los Banos Vintage 2021 customers will have a slightly greater than 5% discount
 - Los Banos Vintage 2022 customers will have a 5% discount

PCE Standard Ratemaking Process

$$\begin{aligned} & ((\text{PG\&E Bundled Gen rate}) * 0.95) - \text{PCIA} - \text{FFS} \\ & = \text{PCE Gen rate} \end{aligned}$$

PCE Gen Rate + PCIA + FFS = net 5% discount from PG&E Gen Rate

PCIA = Power Charge Indifference Adjustment
FFS = Franchise Fee Surcharge

Details of PG&E Electric Delivery Charges

08/18/2021 - 09/16/2021 (30 billing days)

Service For: 105 ELM ST

Service Agreement ID: 1256595774

Rate Schedule: Time-of-Use (Peak Pricing 4 - 9 p.m. Every Day)

Enrolled Programs: CARE (Renew by 10/16/2023)

08/18/2021 – 09/16/2021

Baseline Allowance	204.00	kWh	(30 days x 6.8 kWh/day)	
Energy Charges				
Peak	129.626200	kWh	@ \$0.41972	\$54.41
Off Peak	356.604100	kWh	@ \$0.35628	127.05
Baseline Credit	204.000000	kWh	@ -\$0.07575	-15.45
CARE Discount				-58.01
Generation Credit				-60.67
Power Charge Indifference Adjustment				23.13
Franchise Fee Surcharge				0.23

Total PG&E Electric Delivery Charges **\$70.69**

2016 Vintaged Power Charge Indifference Adjustment

What are the PCIA and FFS? What is a vintage?

- PCIA (Power Charge Indifference Adjustment):
 - Paid by both PG&E "bundled" customers and CCA customers
 - Charge to ensure customers pay the above market costs for generation resources procured on their behalf
- FFS (Franchise Fee Surcharge)
 - Money collected through the FFS is paid to municipalities to support local services
- Vintage
 - Vintage years run on the CPUC fiscal year, July to June
 - Vintage PCIA and FFS paid depends on year departing IOU service

Maintaining 5% Value Proposition to New Customers

- **2016 Vintage used for San Mateo County rates**
 - Majority of SMC enrolled during the 2016 Vintage year
 - 2016 PCIA and FFS are used to calculate PCE rates for SMC
- **2021 Vintage used for Los Banos Rates**
 - Majority of Los Banos enrolled during the 2021 Vintage year
 - Some NEM customers were assigned 2022 Vintage due to rolling NEM enrollment (~1000 PCE customers)
 - Los Banos PCE rates calculated using 2021 PCIA and FFS to ensure Los Banos customers received a net 5% discount from PG&E generation rates
- **Going forward PCE anticipates maintaining two sets of rates**

2023 Rate Filings Have Negative PCIA for Some Vintages

- Annual Electric True-up (AET) filing from November 15th projected that only Vintage 2021 is negative:

2016	2021	2022
0.00098	(0.00455)	0.01383

- Final Advice Letter (AL) filed in December:

2016	2021	2022
0.00335	(0.00397)	0.01309

PCIA Rates From December AET

Customer Class	2016 Vintage	2021 Vintage	2022 Vintage
Residential	0.00335	(0.00397)	0.01309
Sm Commercial	0.00320	(0.00379)	0.01252
Md Commercial	0.00338	(0.00400)	0.01319
Lg Commercial	0.00317	(0.00375)	0.01239

- Staff recommended that Vintage 2022 customers have their own rate and Vintage 2016-2021 customers be grouped together due to significant 2021/2022 PCIA differentials

E1 Example Based on December AET Rates

		2016 vintage (Standard Rate Making)	2021 vintage (using 2016 vintage PCE rate)	2022 vintage (Standard Rate Making)		
Based on December AET					PCIA	
PG&E Generation Rate (E1)		0.15614		0.15614	PCE Rate Discount	5%
multiplied by	0.95	0.14833		0.14833	PCIA	
minus PCiA (if positive)		-0.00335		-0.01309	2016 vintage	0.00335
minus FFS		-0.00110		-0.00103	2021 vintage	-0.00397
PCE rate		0.14388	0.14388	0.13421	2022 vintage	0.01309
Plus (or minus) PCIA paid by customer		0.00335	-0.00397	0.01309	FFS (2016)	0.0011
Plus FFS paid by customers		0.00110	0.00116	0.00103	FFS (2021)	0.00116
					FFS (2022)	0.00103
Effective customer rate		0.14833	0.14107	0.14833		
Discount		95.00%	90.35%	95.00%		
		5.00%	9.65%	5.00%		