



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Does AL replace a withdrawn or rejected AL?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Summarize differences between the AL and the prior withdrawn or rejected AL: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 proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss 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

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	



June 7, 2023

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

PCE Advice Letter 30-E-A

RE: SUPPLEMENTAL PENINSULA CLEAN ENERGY AUTHORITY REVISED 2024 BUDGET REQUEST AND OUTREACH PLAN FOR THE DISADVANTAGED COMMUNITIES GREEN TARIFF AND COMMUNITY SOLAR GREEN TARIFF PROGRAMS

PURPOSE

Peninsula Clean Energy Authority (“PCE”) hereby submits to the California Public Utilities Commission (“Commission” or “CPUC”) the following Supplemental Tier 2 Advice Letter (“AL”) to provide technical, non-substantive corrections to its true-up for the 2022 program budget and 2024 program budget forecast for PCE’s Disadvantaged Community Green Tariff (“DAC-GT”) and Community Solar Green Tariff (“CSGT”) programs. The correction is necessary to revise the calculation of the Budget Reconciliation for program year (“PY”) 2022 and the requested budget for PY 2024.

TIER DESIGNATION

Pursuant to General Order (“GO”) 96-B, Energy Industry Rule 5.2, and Ordering Paragraph (“OP”) 2 of Resolution E-5125, this AL is submitted with a Tier 2 designation, the same designation as PCE AL 30-E.

EFFECTIVE DATE

Pursuant to General Order 96-B, General Rule 7.3.4, PCE requests that this Tier 2 AL become effective 30 days following submittal, which is July 7, 2023.

BACKGROUND

On April 3, 2023 PCE submitted AL 30-E, *Peninsula Clean Energy’s 2024 Budget Request and Outreach Plan for the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs*. Per Resolution E-4999, the budget request covered the budget reconciliation for the previously concluded PY (i.e. PY 2022) and the budget forecast for the upcoming PY (i.e. PY 2024).

PCE requested a total budget of \$1,102,499.61 for the DAC-GT and CSGT programs for PY 2024. On April 28, 2023 the CPUC issued a suspension notice for PCE AL 30-E for further staff review.

In April 2023, in preparing its ERRRA Update, PG&E identified an error in Table 3 of Appendix A to AL 30-E. Specifically, due to a formula error, in Table 3, Line 1 and 2, the Generation costs and bill discounts were calculated as Actuals minus Forecasts, instead of Forecast minus Actuals. This formula error made incorrect the 2022 budget reconciliation amount for project year 2022, and consequently the final requested budget for the upcoming program year.

CORRECTION

The calculation in Appendix A, Table 3, Line 1 and 2 was corrected to calculate the amounts as Forecast minus Actuals. The proposed correction modifies the calculation of the Budget Reconciliation for PY 2022. The proposed budget correction in this Supplemental AL amends the total program budget amount requested. As amended, the combined final requested budget for the upcoming program year (PY 2024) is \$1,352,795.65.

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 Disadvantaged Communities Green Tariff Program and Community Solar Green Tariff Program Budget Forecast for Program Year 2024 (Clean); and
2. Appendix B: Revised Disadvantaged Communities Green Tariff Program and Community Solar Green Tariff Program Budget Forecast for Program Year 2024 (Redline).

CONCLUSION

PCE respectfully requests that the Commission approve the proposed 2024 budget request and outreach plan in PCE AL 30-E with the budget revisions made herein in Appendix A, 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 consolidated, official Commission service list for Rulemaking ("R.") 14-07-002 and Application ("A.") 16-07-015.

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.

PROTESTS

Anyone wishing to protest this AL may do so electronically no later than 20 days after the date of this AL. Protests should be submitted to:

CPUC, Energy Division
Attention: Tariff Unit
Email: EDTariffUnit@cpuc.ca.gov

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

Zsuzsanna Klara
Regulatory Compliance Analyst
Peninsula Clean Energy Authority
2075 Woodside Road
Redwood City, CA 94061
Email: zklara@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.

/s/ Jeremy Waen

Jeremy Waen
Director of Regulatory Policy
Peninsula Clean Energy Authority

cc: Service List: R.14-07-002 and A.16-07-015

APPENDIX A

**Disadvantaged Communities GreenTariff Program and
Community Solar Green Tariff Program Budget Forecast for
Program Year 2024**

Proposed by Peninsula Clean Energy Authority



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1. BACKGROUND

Per Resolution E-4999, estimated budget forecasts must be presented by program and include the following budget line items:¹

1. Generation cost delta,² 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, Peninsula Clean Energy Authority (“PCE”) must report on:

1. Existing capacity at the close of the previous program year (“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

¹ Resolution E-4999 at 67 (Ordering Paragraph (“OP”) 2). A detailed description of each budget line item can be found in PCE’s Implementation Plan, submitted in Appendix A to PCE Advice Letter 11-E submitted on December 22, 2020.

² 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 California Public Utility Commission’s (“Commission”) 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.”

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.

2. BUDGET FORECAST FOR PY 2024

For PY 2024, PCE forecasts a total budget of \$1,378,812.51 for the Disadvantaged Communities (“DAC-GT”) and Community Solar Green Tariff (“CSGT”) programs. A detailed budget forecast for each program and PY by budget line item can be found in the figure below.

Table 1: Budget forecast for PY 2024

Tab	Category	DAC-GT	CSGT	
1	Generation Cost Delta	\$777,945.54	\$-	
2a/b	20% Bill Discount	\$499,485.49	\$-	
	Program Administration			
3a	Program Management	\$11,385.00	\$2,070.00	
3b	Information Technology	\$13,735.00	\$2,935.00	
3c	Billing Operations	\$4,533.85	\$1,158.65	
3d	Regulatory Compliance	\$14,272.00	\$14,272.00	
3e	Procurement	\$18,884.00	\$1,464.00	
3f	CCA Integration	\$-	\$-	
	Subtotal Program Administration	\$62,809.85	\$21,899.65	
4	Marketing, Education & Outreach	\$8,335.99	\$8,335.99	
5	EM&V	\$-	\$-	
Total		\$1,348,576.87	\$30,235.64	\$1,378,812.51

PCE provides the following clarifying notes regarding the budget summary.

Generation Cost Delta

PCE has received approval from the CPUC for an executed PPA for a new solar resource to serve its DAC-GT program that is projected to come online prior to the start of PY 2024. Therefore, the generation cost delta budget forecast for the DAC-GT program is based on the cost of the contracted permanent resource. PCE does not anticipate having a new CSGT permanent resource online in 2024 and therefore does not forecast a generation cost delta for the program as it cannot be served with an interim resource.

20% Bill Discount

As described further in PCE Advice Letter 14-E and as directed in Resolution E-5124, PCE's 2023 forecasted bill discount costs include both the generation portion of the electric bill as set by PCE as well as the delivery portion of the electric bill as set by Pacific Gas and Electric Company ("PG&E"). PCE only expects to have customers enrolled in the DAC-GT program in PY 2024, and therefore does not include a forecasted bill discount cost for the CSGT program.

Program Administration Costs

Program management costs includes program development and management, budgeting, and reporting. IT costs include the costs to develop program tools and update existing systems to accommodate program enrollment and billing.

As directed in Resolution E-5124, PCE's Program Administration Costs also include a separate line item that capture Community Choice Aggregator ("CCA") Integration Costs ("CIAs"), which are forecasted by PG&E and provided to the CCAs for inclusion in their program budgets. These costs reflect the labor and programming work necessary to reflect the bill discount for these programs on the bills of participating customers.

Marketing, Education, and Outreach (ME&O)

PCE's ME&O budget includes costs associated with PCE labor and direct costs for outreach and materials. The PY 2024 DAC-GT budget also includes lower forecasted ME&O costs as PCE will be employing automatic enrollment for this program.

CCA Integration Costs

On March 2, 2023, PG&E submitted AL 6872-E, *Public Policy Charge Balancing Account Tariff Modification for Disadvantaged Communities Green Tariff Programs*, to request a tariff modification to its Public Policy Charge Balancing Account which will allow PG&E to record various administration expenses it incurs related to CCA DAC-GT and CSGT programs, including CCA integration costs that have previously been captured within the individual CCA's annual budget requests.³ The current process for recovering the CCA

³ See Pacific Gas and Electric Advice Letter 6872-E

integration costs as part of the CCA's budget request has proven to be inefficient and administratively burdensome. The requested change streamlines the process for recovering these CCA integration costs applicable to the 2024 PY and beyond.

The new process would eliminate the need for each CCA to present its proportional share of the CCA integration costs as a line item in each of their budget advice letters. Instead, the presentation of the CCA integration costs on a forecast or actual basis would be included in PG&E's annual DAC Program Budget Advice letter as a separate distinct line item, and then again in the subsequent ERRA forecast proceeding.

Accordingly, in anticipation of the disposition of AL 6872-E, PCE's 2024 PY budget does not include a line item for new CCA integration costs as such costs will instead be reflected in PG&E's DAC Program Budget Advice Letter. However, PCE has included CCA integration costs in the calculation of the true up of the 2022 PY costs as those costs were approved as part of the 2022 PY budget. In addition, PCE anticipates that it will need to account for CCA integration costs in its true up of the 2023 PY as part of the budget advice letter to be submitted in February 2024 to request a forecasted budget for the 2025 PY.

3. BUDGET CAPS

Resolution E-4999 established a budget cap of 10% of the total program budget for program administration costs and a budget cap of 4% of the total program budget for ME&O costs.⁴ However, the Commission recognized that administrative and ME&O costs may be higher than these budget allocations in the first two years of program implementation, and described a process that Program Administrators could follow to propose an adjustment.⁵ Resolution E-5125 provided further direction, stating that Program Administrators can request an adjustment to the budget caps through their Tier 2 Annual Budget AL if the need arises.⁶ The CPUC recognized in Resolution E-5125 that “[u]ntil a program begins delivering customer benefits and accruing implementation costs, the program administration and ME&O costs will automatically exceed the 10 and 4 percent thresholds.”⁷ Resolution E-5125 further recognized that full enrollment into the DAC-GT and CSGT programs may take longer than two start-up years and found that budget caps for Pacific Gas and Electric Company (“PG&E”) and Southern California Edison Company (“SCE”) were unnecessary when their respective programs did not have any Above Market Generation Costs or 20 Percent Bill Discounts.⁸ PCE requests that the Commission applies the same logic in consideration of PCE's request to exceed the Program Administration and ME&O budget caps for its CSGT program.

PCE anticipates that it will exceed the designated budget caps for its CSGT program in

⁴ See Resolution E-4999 at 67 (OP 2) (noting that Program Administrators can submit a Tier 3 AL requesting an adjustment to the budget allocations if necessary).

⁵ Resolution E-4999 at 67 (OP 2); Resolution E-5124 at 11.

⁶ Resolution E-5125 at 11, OP 2.

⁷ *Id.* at 10 (Findings and Conclusions ¶ 12).

⁸ *Id.* at 7.

2024. Although PYs 2021 and 2022 were the first two years of PCE’s approved budget to develop and offer these programs, PCE forecasts that the *soonest* any new permanent CSGT resources will come online is 2025. Further, unlike the DAC-GT program, the CSGT program cannot utilize interim resources. Due to the timing of the rollout for CSGT resources, PCE will not incur any Generation Cost Delta or Bill Discount costs for PY 2024.⁹ As such, PCE’s expenditures on Program Administration and ME&O make up the entirety of the CSGT forecasted budget for 2024, and PCE is projected to exceed the CSGT Program Administration and ME&O budget limits. PCE is therefore requesting an adjustment to the PY 2024 Program Administration and ME&O caps for the CSGT program. Table 2 below represents the forecasted DAC-GT and CSGT PY 2024 Program Administration and ME&O costs as a percent of the total forecasted budget.

Table 2: 2024 Program Administration and ME&O Forecasts

		% of Total 2024 PY Budget	
		DAC-GT	CSGT
Program Administration	Max 10% of total budget after start-up years	5%	72%
ME&O	Max 4% of total budget after start-up years	1%	28%

4. BUDGET RECONCILIATION FOR PY 2022

PCE submitted a budget for PY 2022 as an attachment to its Budget Request AL 24-E which was filed with the Commission on February 1, 2022.

The table below shows the forecasted costs for 2022 compared to actual costs, resulting in true-ups per line item and per total program budget that will be carried forward to future PYs.

⁹ In addition, these budget categories will likely only amount to partial costs of PCE’s total budget in CSGT PY 2024.

Table 3: Budget Reconciliation for PY 2022

Tab	Category	DAC-GT			CSGT		
		Forecast	Actual	True-up	Forecast	Actual	True-up
1	Generation Cost Delta	\$541,392.33	\$505,844.18	\$35,548.15	\$31,665.77	\$-	\$31,665.77
2	20% Bill Discount	\$155,121.90	\$353,580.79	\$(198,458.89)	\$6,096.95	\$-	\$6,096.95
	Program Administration						
3a	Program Management	\$60,468.75	\$10,059.24	\$50,409.51	\$60,468.75	\$1,590.08	\$58,878.67
3b	Information Technology	\$26,527.34	\$82,049.00	\$(55,521.66)	\$20,227.34	\$5,399.00	\$14,828.34
3c	Billing Operations	\$16,093.47	\$10,548	\$5,545.15	\$4,112.78	\$2,695.68	\$1,417.10
3d	Regulatory Compliance	\$16,015.00	\$25,542	\$(9,526.63)	\$16,015.00	\$12,556.00	\$3,459.00
3e	Procurement	\$44,165.00	\$81,947	\$(37,782.46)	\$44,165.00	\$8,166.50	\$35,998.50
3f	CCA Integration	\$31,014.00	\$3,940.58	\$27,073.42	\$31,014.00	\$-	\$31,014.00
	Subtotal Program Administration	\$194,283.57	\$214,086.22	\$(19,802.65)	\$176,002.87	\$30,407.26	\$145,595.61
4	Marketing, Education & Outreach	\$19,673.09	\$6,987.13	\$12,685.96	\$19,673.09	\$6,987.13	\$12,685.96
5	EM&V	\$-	\$-	\$-	\$-	\$-	\$-
	Total	\$910,470.89	\$1,080,498.33	\$(170,027.43)	\$233,438.69	\$37,394.39	\$196,044.29

5. 2024 BUDGET REQUEST

Based on the budget forecast for PY 2024 presented in Section 3 and the budget reconciliation for PY 2022 presented in Section 5, PCE is requesting a total budget of **\$1,352,795.65** for the DAC-GT and CSGT programs in this Advice Letter.

Table 4: Total Budget Request for PY 2024

	DAC-GT	CSGT	Total
Budget Forecast for 2024	\$1,348,576.87	\$30,235.64	\$1,378,812.51
Budget Carryover from 2022	\$(170,027.43)	\$196,044.29	\$26,016.86
Total	\$1,518,604.30	\$(165,808.65)	\$1,352,795.65

6. PROGRAM CAPACITY AND ENROLLMENT NUMBERS

PCE reports forecasted program capacity and customer enrollment numbers for PY 2024 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 2024, PCE is forecasting full capacity procurement and customer enrollment using either the procured interim resource or some combination of interim and new permanent resources. PCE is not forecasting any capacity procurement or customer enrollment in the CSGT program for PY 2024.

Table 5: Program Capacity and Enrollment Count for DAC-GT and CSGT Programs

Category	DAC-GT		CSGT	
	2024 Forecast	Total	2024 Forecast	Total
Estimated capacity to be procured (MW)	3.74	3.74	0	0
Estimated customer enrollment (#)	2241	2241	0	0

7. CONCLUSION

PCE respectfully requests the Commission approve PCE's PY 2024 budget proposed herein.

APPENDIX B

**Disadvantaged Communities GreenTariff Program and
Community Solar Green Tariff Program Budget Forecast for
Program Year 2024**

Proposed by Peninsula Clean Energy Authority



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Per Resolution E-4999, estimated budget forecasts must be presented by program and include the following budget line items:¹

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2. Workpaper for the calculation of the 20% bill discount to participating customers.

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² 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 California Public Utility Commission’s (“Commission”) 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.”

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20% Bill Discount

As described further in PCE Advice Letter 14-E and as directed in Resolution E-5124, PCE's 2023 forecasted bill discount costs include both the generation portion of the electric bill as set by PCE as well as the delivery portion of the electric bill as set by Pacific Gas and Electric Company ("PG&E"). PCE only expects to have customers enrolled in the DAC-GT program in PY 2024, and therefore does not include a forecasted bill discount cost for the CSGT program.

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Marketing, Education, and Outreach (ME&O)

PCE's ME&O budget includes costs associated with PCE labor and direct costs for outreach and materials. The PY 2024 DAC-GT budget also includes lower forecasted ME&O costs as PCE will be employing automatic enrollment for this program.

CCA Integration Costs

On March 2, 2023, PG&E submitted AL 6872-E, *Public Policy Charge Balancing Account Tariff Modification for Disadvantaged Communities Green Tariff Programs*, to request a tariff modification to its Public Policy Charge Balancing Account which will allow PG&E to record various administration expenses it incurs related to CCA DAC-GT and CSGT programs, including CCA integration costs that have previously been captured within the individual CCA's annual budget requests.³ The current process for recovering the CCA

³ See Pacific Gas and Electric Advice Letter 6872-E

integration costs as part of the CCA's budget request has proven to be inefficient and administratively burdensome. The requested change streamlines the process for recovering these CCA integration costs applicable to the 2024 PY and beyond.

The new process would eliminate the need for each CCA to present its proportional share of the CCA integration costs as a line item in each of their budget advice letters. Instead, the presentation of the CCA integration costs on a forecast or actual basis would be included in PG&E's annual DAC Program Budget Advice letter as a separate distinct line item, and then again in the subsequent ERRA forecast proceeding.

Accordingly, in anticipation of the disposition of AL 6872-E, PCE's 2024 PY budget does not include a line item for new CCA integration costs as such costs will instead be reflected in PG&E's DAC Program Budget Advice Letter. However, PCE has included CCA integration costs in the calculation of the true up of the 2022 PY costs as those costs were approved as part of the 2022 PY budget. In addition, PCE anticipates that it will need to account for CCA integration costs in its true up of the 2023 PY as part of the budget advice letter to be submitted in February 2024 to request a forecasted budget for the 2025 PY.

3. BUDGET CAPS

Resolution E-4999 established a budget cap of 10% of the total program budget for program administration costs and a budget cap of 4% of the total program budget for ME&O costs.⁴ However, the Commission recognized that administrative and ME&O costs may be higher than these budget allocations in the first two years of program implementation, and described a process that Program Administrators could follow to propose an adjustment.⁵ Resolution E-5125 provided further direction, stating that Program Administrators can request an adjustment to the budget caps through their Tier 2 Annual Budget AL if the need arises.⁶ The CPUC recognized in Resolution E-5125 that “[u]ntil a program begins delivering customer benefits and accruing implementation costs, the program administration and ME&O costs will automatically exceed the 10 and 4 percent thresholds.”⁷ Resolution E-5125 further recognized that full enrollment into the DAC-GT and CSGT programs may take longer than two start-up years and found that budget caps for Pacific Gas and Electric Company (“PG&E”) and Southern California Edison Company (“SCE”) were unnecessary when their respective programs did not have any Above Market Generation Costs or 20 Percent Bill Discounts.⁸ PCE requests that the Commission applies the same logic in consideration of PCE's request to exceed the Program Administration and ME&O budget caps for its CSGT program.

PCE anticipates that it will exceed the designated budget caps for its CSGT program in

⁴ See Resolution E-4999 at 67 (OP 2) (noting that Program Administrators can submit a Tier 3 AL requesting an adjustment to the budget allocations if necessary).

⁵ Resolution E-4999 at 67 (OP 2); Resolution E-5124 at 11.

⁶ Resolution E-5125 at 11, OP 2.

⁷ *Id.* at 10 (Findings and Conclusions ¶ 12).

⁸ *Id.* at 7.

2024. Although PYs 2021 and 2022 were the first two years of PCE’s approved budget to develop and offer these programs, PCE forecasts that the *soonest* any new permanent CSGT resources will come online is 2025. Further, unlike the DAC-GT program, the CSGT program cannot utilize interim resources. Due to the timing of the rollout for CSGT resources, PCE will not incur any Generation Cost Delta or Bill Discount costs for PY 2024.⁹ As such, PCE’s expenditures on Program Administration and ME&O make up the entirety of the CSGT forecasted budget for 2024, and PCE is projected to exceed the CSGT Program Administration and ME&O budget limits. PCE is therefore requesting an adjustment to the PY 2024 Program Administration and ME&O caps for the CSGT program. Table 2 below represents the forecasted DAC-GT and CSGT PY 2024 Program Administration and ME&O costs as a percent of the total forecasted budget.

Table 2: 2024 Program Administration and ME&O Forecasts

		% of Total 2024 PY Budget	
		DAC-GT	CSGT
Program Administration	Max 10% of total budget after start-up years	5%	72%
ME&O	Max 4% of total budget after start-up years	1%	28%

4. BUDGET RECONCILIATION FOR PY 2022

PCE submitted a budget for PY 2022 as an attachment to its Budget Request AL 24-E which was filed with the Commission on February 1, 2022.

The table below shows the forecasted costs for 2022 compared to actual costs, resulting in true-ups per line item and per total program budget that will be carried forward to future PYs.

⁹ In addition, these budget categories will likely only amount to partial costs of PCE’s total budget in CSGT PY 2024.

Table 3: Budget Reconciliation for PY 2022

Tab	Category	DAC-GT			CSGT		
		Forecast	Actual	True-up	Forecast	Actual	True-up
1	Generation Cost Delta	\$541,392.33	\$505,844.18	\$(35,548.15)	\$31,665.77	\$-	\$(31,665.77)
2	20% Bill Discount	\$155,121.90	\$353,580.79	\$198,458.89	\$6,096.95	\$-	\$(6,096.95)
	Program Administration						
3a	Program Management	\$60,468.75	\$10,059.24	\$50,409.51	\$60,468.75	\$1,590.08	\$58,878.67
3b	Information Technology	\$26,527.34	\$82,049.00	\$(55,521.66)	\$20,227.34	\$5,399.00	\$14,828.34
3c	Billing Operations	\$16,093.47	\$10,548	\$5,545.15	\$4,112.78	\$2,695.68	\$1,417.10
3d	Regulatory Compliance	\$16,015.00	\$25,542	\$(9,526.63)	\$16,015.00	\$12,556.00	\$3,459.00
3e	Procurement	\$44,165.00	\$81,947	\$(37,782.46)	\$44,165.00	\$8,166.50	\$35,998.50
3f	CCA Integration	\$31,014.00	\$3,940.58	\$27,073.42	\$31,014.00	\$-	\$31,014.00
	Subtotal Program Administration	\$194,283.57	\$214,086.22	\$(19,802.65)	176002.8703	30407.26142	\$145,595.61
4	Marketing, Education & Outreach	\$19,673.09	\$6,987.13	\$12,685.96	\$19,673.09	\$6,987.13	\$12,685.96
5	EM&V	\$-	\$-	\$-	\$-	\$-	\$-
	Total	\$910,470.89	\$1,080,498.33	\$155,794.05	\$233,438.69	\$37,394.39	\$120,518.85

Tab	Category	DAC-GT			CSGT		
		Forecast	Actual	True-up	Forecast	Actual	True-up
1	Generation Cost Delta	\$541,392.33	\$505,844.18	\$35,548.15	\$31,665.77	\$-	\$31,665.77
2	20% Bill Discount	\$155,121.90	\$353,580.79	\$(198,458.89)	\$6,096.95	\$-	\$6,096.95
	Program Administration						
3a	Program Management	\$60,468.75	\$10,059.24	\$50,409.51	\$60,468.75	\$1,590.08	\$58,878.67
3b	Information Technology	\$26,527.34	\$82,049.00	\$(55,521.66)	\$20,227.34	\$5,399.00	\$14,828.34

3c	Billing Operations	\$16,093.47	\$10,548	\$5,545.15	\$4,112.78	\$2,695.68	\$1,417.10
3d	Regulatory Compliance	\$16,015.00	\$25,542	\$(9,526.63)	\$16,015.00	\$12,556.00	\$3,459.00
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Subtotal Program Administration		\$194,283.57	\$214,086.22	\$(19,802.65)	\$176,002.87	\$30,407.26	\$145,595.61
4	Marketing, Education & Outreach	\$19,673.09	\$6,987.13	\$12,685.96	\$19,673.09	\$6,987.13	\$12,685.96
5	EM&V	\$-	\$-	\$-	\$-	\$-	\$-
Total		\$910,470.89	\$1,080,498.33	\$(170,027.43)	\$233,438.69	\$37,394.39	\$196,044.29

5. 2024 BUDGET REQUEST

Based on the budget forecast for PY 2024 presented in Section 3 and the budget reconciliation for PY 2022 presented in Section 5, PCE is requesting a total budget of \$1,352,795.65 ~~\$1,102,499.61~~ for the DAC-GT and CSGT programs in this Advice Letter.

Table 4: Total Budget Request for PY 2024

	<u>DAC-GT</u>	<u>CSGT</u>	<u>Total</u>
<u>Budget Forecast for 2024</u>	<u>\$1,348,576.87</u>	<u>\$30,235.64</u>	<u>\$1,378,812.51</u>
<u>Budget Carryover from 2022</u>	<u>\$(170,027.43)</u>	<u>\$196,044.29</u>	<u>\$26,016.86</u>
Total	<u>\$1,518,604.30</u>	<u>\$(165,808.65)</u>	<u>\$1,352,795.65</u>

	<u>DAC-GT</u>	<u>CSGT</u>	<u>Total</u>
<u>Budget Forecast for 2024</u>	<u>\$1,348,576.87</u>	<u>-\$30,235.64</u>	<u>\$1,378,812.51</u>
<u>Budget Carryover from 2022</u>	<u>\$155,794.05</u>	<u>-\$120,518.85</u>	<u>-\$276,312.90</u>
Total	<u>\$1,192,782.82</u>	<u>-\$90,283.21</u>	<u>\$1,102,499.61</u>

6. PROGRAM CAPACITY AND ENROLLMENT NUMBERS

PCE reports forecasted program capacity and customer enrollment numbers for PY 2024 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 2024, PCE is forecasting full capacity procurement and customer enrollment using either the procured interim resource or some combination of interim and new permanent resources. PCE is not forecasting any capacity procurement or customer enrollment in the CSGT program for PY 2024.

Table 5: Program Capacity and Enrollment Count for DAC-GT and CSGT Programs

Category	DAC-GT		CSGT	
	2024 Forecast	Total	2024 Forecast	Total
Estimated capacity to be procured (MW)	3.74	3.74	0	0
Estimated customer enrollment (#)	2241	2241	0	0

7. CONCLUSION

PCE respectfully requests the Commission approve PCE's PY 2024 budget proposed herein.