

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

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Application of Pacific Gas and Electric Company For Adoption of Electric Revenue Requirements and Rates Associated with its 2024 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation

(U 39 E)

Application No. 23-05-012  
(Filed May 15, 2023)

Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery (ERRA) Trigger Mechanism.

(U 39 E)

Application No. 23-07-012  
(Filed July 28, 2023)

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S  
COMMENTS ON PACIFIC GAS AND ELECTRIC COMPANY'S TRIGGER  
PROPOSAL**

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## **SUMMARY OF RECOMMENDATIONS**

- The Commission should approve Pacific Gas and Electric Company's (PG&E) proposal to recover its Incremental Energy Resource Recovery Account (ERRA) Trigger Balance, up to \$256 million, through a rate increase.
- The Commission should direct PG&E to amortize its 2023 year-end Incremental ERRA Trigger Balance over twelve-months effective January 1, 2024.

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Pursuant to the schedule adopted in the Assigned Commissioner’s Amended Scoping Memo and Ruling Consolidating Related Proceedings (Amended Scoping Memo),<sup>1</sup> the California Community Choice Association (CalCCA)<sup>2</sup> hereby submits these *Comments on Pacific Gas and Electric Company’s Trigger Proposal*.

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<sup>1</sup> Applications (A.) 23-05-012 and A.23-07-012 (consolidated), *Assigned Commissioner’s Amended Scoping Memo and Ruling Consolidating Related Proceedings* at 3 (Sept. 15, 2023) (Amended Scoping Memo).

<sup>2</sup> California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, Energy for Palmdale’s Independent Choice, Lancaster Choice Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast

In late July of this year, Pacific Gas and Electric Company (PG&E) notified the Commission its Energy Resource Recovery Account (ERRA), net of bundled customers' share of the Portfolio Allocation Balancing Account (PABA) balance (Incremental ERRA Trigger Balance), was more than five percent under-collected and forecasted its undercollection would not self-correct within 120 days.<sup>3</sup> PG&E forecasted its Incremental ERRA Trigger Balance would continue to exceed the four percent trigger point through the remainder of 2023 and would be five percent under-collected by December 2023.<sup>4</sup> PG&E proposed a rate increase effective November 2023 to recover its Incremental ERRA Trigger balance, up to \$256 million plus applicable Revenue Fees and Uncollectibles (RF&U), over a six-month period.<sup>5</sup>

The Commission subsequently consolidated PG&E's Trigger Application with its 2024 ERRA Forecast Application.<sup>6</sup> In its Fall Update Testimony, PG&E slightly modifies its trigger proposal and requests to recover its "most recently recorded Incremental ERRA Trigger Balance over six months effective January 1, 2024[.]"<sup>7</sup> PG&E anticipates that the "most recently recorded Incremental ERRA Trigger Balance" available for a January 1, 2024 rate change will be the November 2023 recorded balance. PG&E projects a \$287 million Incremental ERRA Trigger Balance in November 2023, but proposes to recover a maximum of \$256 million through its trigger

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Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

<sup>3</sup> A.23-07-012, *Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism* at 1 (Trigger Application).

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

<sup>5</sup> *Id.*

<sup>6</sup> Amended Scoping Memo at 7.

<sup>7</sup> PG&E Fall Update Testimony at 32, lines 5-8.

proposal—it proposed to recover any remaining balance over twelve months through the Annual Electric True-Up (AET).<sup>8</sup>

CalCCA does not oppose PG&E’s proposal to recover its Incremental ERRA Trigger Balance through a rate increase. However, CalCCA does not support PG&E’s proposal to amortize that balance over a six-month period. Instead, CalCCA recommends the Commission follow the approach it has adopted in previous ERRA Trigger applications and direct PG&E to recover its 2023 year-end Incremental ERRA Trigger Balance over twelve months by rolling that balance into 2024 rates.

The purpose of the trigger mechanism is to “balance the utilities[’] need for timely cost recovery and the consequences of frequent rate adjustments on consumer behavior.”<sup>9</sup> In past ERRA Trigger Applications, PG&E has balanced these objectives by rolling its year-end undercollection (or overcollection) into the following year’s rates (and therefore amortizing its trigger balance over twelve months).<sup>10</sup> As PG&E stated in its 2019 ERRA Trigger application in the context of an ERRA *over*-collection, returning that overcollection through rates effective on January 1<sup>st</sup> of the forecast year “will return the accumulated overcollection expeditiously and minimizes rate volatility.”<sup>11</sup>

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<sup>8</sup> PG&E Fall Update Testimony at 32, lines 5-11.

<sup>9</sup> Decision (D.) 02-10-062 at 71, Finding of Fact (FOF) 24.

<sup>10</sup> See, e.g. A.22-11-020, *Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission’s Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism (U39 E)* (proposing to roll its 2022-year-end ERRA undercollection into 2023 rates); A.20-07-022, *Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission’s Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism (U39 E)* (proposing to roll its 2020-year-end ERRA undercollection into 2021 rates).

<sup>11</sup> A.19-11-017, *Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission’s Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism* at 5 (Nov. 18, 2019).

PG&E’s proposed six-month amortization would unnecessarily introduce a mid-year rate change (on July 1, 2024) for bundled customers—in addition to other mid-2024 rate changes PG&E may implement if its pending General Rate Case (GRC) is not resolved before the end of 2023. PG&E asserts that it proposes a six-month amortization period “to reduce the incremental financial pressures for both PG&E and its bundled customers”,<sup>12</sup> but it has not demonstrated those “financial pressures” outweigh the adverse impacts of multiple clustered rate changes on its customers. CalCCA’s recommended twelve-month amortization, in contrast, avoids subjecting PG&E’s customers to an additional mid-2024 rate change, which will help minimize both the customer confusion and administrative burdens that mid-year rate changes can cause.

For those reasons, CalCCA recommends the Commission:

- Approve PG&E’s proposal to recover its Incremental ERRR Trigger Balance, up to \$256 million, through a rate increase; and
- Direct PG&E to amortize its 2023 year-end Incremental ERRR Trigger Balance over twelve-months effective January 1, 2024.

Dated: November 1, 2023

Respectfully submitted,



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<sup>12</sup> A.23-07-012, PG&E Prepared Testimony at 2-7, lines 3-5.