



ELECTRIC PRELIMINARY STATEMENT PART CP
ENERGY RESOURCE RECOVERY ACCOUNT

Sheet 1

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA)

1. **PURPOSE:** The purpose of the Energy Resource Recovery Account (ERRA) is to record and recover power costs, associated with PG&E's authorized procurement plan, and California Public Utilities Code § 454.5(d)(3). Power costs recorded in ERRA are applicable solely to PG&E's bundled customers while power costs incurred on behalf of both bundled and departing load customers are recorded in the Portfolio Allocation Balancing Account, the Modified Transition Cost Balancing Account (MTCBA), the New System Generation Balancing Account (NSGBA), the BioMAT Non-bypassable Charge Balancing Account (BNBCBA), the Tree Mortality Non-bypassable Charge Balancing Account (TMNBCBA), and the Public Policy Charge Procurement Subaccount included in the Public Policy Charge Balancing Account (PPCBA).

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Sheet 2

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

1. PURPOSE: (Cont'd.)

California Public Utilities Code § 454.5(d)(3) mandates a trigger mechanism to ensure that an undercollection or overcollection in the ERRA does not exceed 5 percent of a utility's recorded generation revenues for the prior year excluding revenues collected for the DWR.

Pursuant to Decision 02-12-074, Conclusion of Law 23 and Ordering Paragraph (OP) 15, PG&E is authorized to file an expedited trigger application at any time that its forecast indicates the undercollection in the ERRA will be in excess of the 5 percent threshold or 5 percent of the prior calendar year generation revenues less revenues collected for DWR during that year.

Pursuant to Decision 04-01-050, the ERRA trigger mechanism for 2004 and subsequent years would be established annually through an Advice Letter on or before April of each year.

Decision 04-12-048 extended the ERRA Trigger to be in effect during the term of the long-term procurement contracts, or 10 years, whichever is longer. Decision 22-01-023 modified the ERRA Trigger calculation to consider ERRA balances net of the Portfolio Allocation Balancing Account (PABA) balances when calculating over- or under-collected amounts that are above the 4 percent trigger and are forecast to exceed the 5 percent threshold.

In Decision 22-01-023, the Commission authorized disposition of the year-end ERRA balance via a transfer to the most recent vintage PABA subaccount.

Decision 22-11-009 authorized recovery of multi-season utility-owned microgrids and third-party contracts for microgrids, recovered through the Microgrids Balancing Account (MGBA). These multi-season microgrid resources may include blue-sky attributes for resource adequacy (RA) and Renewable Portfolio Standard (RPS) attributes which may be transferred to ERRA when these attributes are retained for bundled customer compliance.

Decision 24-01-032 authorized recovery of the generation component of the customer bill savings from PG&E's Expanded Pilots. (N)

The ERRA also contains a separate subaccount, the PCIA Financing Subaccount, that tracks the amount financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. (N)

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<i>Advice</i>	7189-E	<i>Issued by</i>	<i>Submitted</i>	<u>February 26, 2024</u>
<i>Decision</i>	D.24-01-032	Shilpa Ramaiya	<i>Effective</i>	<u>February 26, 2024</u>
		<i>Vice President</i>	<i>Resolution</i>	<u></u>
<i>Regulatory Proceedings and Rates</i>				



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CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

- 2. APPLICABILITY: The ERRA shall apply to all customer classes, except for those specifically excluded by the Commission.
- 3. REVISION DATES: Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC in the annual ERRA Forecast proceeding or an ERRA Trigger Application, including the provision that disposition of the year-end balance shall be to the PABA upon submission (where a Tier 1 advice letter is currently required) or approval (where a Tier 2 advice letter is currently required) by the Commission of the applicable compliance advice letter addressing such balance.

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Advice Decision 6515-E D.22-01-023 and D.22-02-002

Issued by **Robert S. Kenney**
Vice President, Regulatory Affairs

Submitted Effective Resolution February 25, 2022
February 25, 2022



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Sheet 4

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

- 4. RATES: The ERRA rate is set forth in electric Preliminary Statement Part I.
- 5. ACCOUNTING PROCEDURES: The CPUC-jurisdictional portion of all entries shall be made at the end of each month, or as applicable, excluding the allowance for Revenue Fees and Uncollectible (RF&U) Accounts expense, as follows:

Customer Billed Revenue Entries:

- a) A credit entry equal to the revenue from the generation rates less the recorded revenues from the: (1) PCIA rates (as defined in Part I of PG&E's electric Preliminary Statement (PS)), (2) Power Charge Collection Balancing Account (as defined in Part I of PG&E's electric PS), (3) DWR Franchise Fees (as defined in Part I of PG&E's electric PS);
- b) A credit entry equal to revenues received from Electric Schedule TBCC, (Transitional Bundled Commodity Cost);

Retained RPS and RA Value Entries:

- c) A debit entry equal to the Retained Renewable Portfolio Standard (RPS) Value, determined using the most current Commission-adopted RPS Adder, multiplied by Actual Retained RPS quantities. A corresponding credit entry equal the Retained RPS Value is recorded in PABA, MTCBA, BNBCBA, and MGBA. (T)
- d) A debit or credit entry to true-up the Retained RPS Value, determined using the Forecast RPS Adder to the Retained RPS Value using the Final RPS Adder. A corresponding credit or debit entry equal to the true-up of the Retained RPS Value is recorded in PABA, MTCBA, and the BNBCBA.
- e) A debit entry equal to the Retained Resource Adequacy (RA) Value, determined using the most current Commission-adopted RA Adder, multiplied by the Actual Retained RA quantities. A corresponding credit entry equal to the Retained RA Value is recorded in PABA, MTCBA, BNBCBA, and MGBA. (T)

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Advice 6787-E
Decision D.22-11-009

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

December 14, 2022
December 14, 2022



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CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd)

- g) A credit entry to transfer an allocated portion of the cost for import capacity rights to the NSGBA if PG&E uses existing PGE-owned import allocation rights to meet the updated procurement targets pursuant to D.21-02-028 or D.21-03-056, and D.21-12-015. The credit entries will be based on either the average price PG&E received for sales of its excess maximum import capability or, if not available or representative of market value, another reasonable market benchmark. (T)
- h) A debit entry to reflect the resource adequacy (RA) value of procurement originally directed in the Emergency Reliability proceeding, Rulemaking 20-11-003 and Rulemaking 21-10-002, including resources procured pursuant to D.21-02-028, D.21-03-056 and D.21-12-015, that are transferred to ERRA to meet bundled service RA compliance requirements. The contract costs and energy benefits of the Emergency and Summer Reliability procurement, if any, will continue to be allocated to all benefitting customers through the NSGBA. (T)

System RA Value Transferred to the New System Generation Balancing Account (NSGBA):

- i) A credit entry equal to the value of RA that is excess or unsold RA capacity and that is transferred to the System Reliability Incremental Procurement Subaccount of NSGBA in order to meet the updated procurement targets pursuant to D.21-12-015, after having made reasonable attempts to sell excess capacity to other load-serving entities to meet their 15% planning reserve margin. The credit entry will use the most current market price benchmark for system RA, which is approved in the annual ERRA Forecast, and used to value RA capacity in the PCIA calculation. (T)

Utility-Owned Generation Related Entries:

- j) A debit or credit entry, as appropriate, to record ESA costs associated with bundled customer portfolio/procurement activity (which is embedded in the annual authorized revenue requirements associated with PG&E's owned generation).

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Advice	6896-E	Issued by	Submitted	March 24, 2023
Decision	D.21-12-015	Meredith Allen	Effective	April 23, 2023
		Vice President, Regulatory Affairs	Resolution	



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CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd)

CAISO Related Entries:

- k) A debit or credit entry equal to the net charges or revenues for energy associated with load and generating resources recovered in ERRA and the New System Generation Balancing Account (NSGBA), and net charges or revenue for a proportional share of energy associated with the interim pool of RPS resources used to support the GTSR program; (L)/(T) | (L)/(T) | (D)
- l) A debit or credit entry equal to the net charges or revenues for miscellaneous CAISO charges/credits associated with load and generating resources recovered in ERRA and NSGBA, and net charges or revenue for a proportional share of for miscellaneous CAISO charges/ credits associated with the interim pool of RPS resources used to support the GTSR program; (T) | (T)
- m) A debit or credit entry equal to the net charges or revenues for ancillary services associated with load and generating resources recovered in ERRA and the NSGBA;
- n) A credit or debit entry equal to the revenues or costs related to Congestion Revenue Rights;
- o) A credit or debit entry equal to the revenues or costs related to convergence bidding;

Fuel Costs:

- p) A debit entry equal to fuel and related transportation and miscellaneous costs for contracts recovered through ERRA;

Contract Costs:

- q) A debit entry equal to short-term bilateral contract obligations;
- r) A debit or credit entry equal to short-term renewable contract obligations, and fees associated with participating in WREGIS;
- s) A debit entry equal to the short-term capacity and energy costs for QF/CHP Program contracts;
- t) A credit entry equal to the net capacity costs recorded in the QF/CHP Program and Marsh Landing subaccounts of the New System Generation Balancing Account (NSGBA); (L)

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Sheet 7

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd)

GHG Costs:

- u) A debit entry equal to greenhouse gas costs related with physically settled compliance instruments associated with contracts;

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(L)

Miscellaneous Costs:

- v) A debit entry equal to financial hedging contract obligations;
- w) A debit or credit entry equal to pre-payments and credit and collateral payments, including all associated fees, for procurement purchase and, if applicable, reimbursements of pre-payments, credit and collateral payments;
- x) A debit entry equal to any other power costs associated with procurement;
- y) A debit entry equal to the incremental IE costs through 2010 related to RFOs seeking terms of less than five years. After 2010, a debit entry equal to all IE costs related to all RFOs and other IE and third-party reviewer costs approved by the Commission;
- z) A debit entry equal to power purchase payments provided to eligible Net Energy Metering customers for energy produced by on-site generation in excess of consumption over a 12-month period. Power purchase payments may include additional compensation for renewable attributes where applicable;
- aa) A debit entry equal the authorized energy storage procurement evaluation program fund amount authorized in D.14-10-045;
- ab) A debit entry to record customer education expenses associated with PG&E's Critical Peak Pricing Program for Summer Reliability 2021 and 2022, as authorized in D.21-03-056, which is capped at \$635,000.

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CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

The following entries reflect the transfer of costs between ERRA and the Green Tariff Shared Renewables Balancing Account (GTSRBA) to support customers taking service under the Green Tariff Shared Renewable (GTSR) Program electric rate Schedule Green Tariff (E-GT) and electric rate Schedule Enhanced Community Renewables (E-ECR) as prescribed in Pub. Util. Code Sections 2833 and implemented in D.15-01-051:

- (P)/(D)
- ac) A credit or debit entry to reflect the generation-related Program Charge expense associated with the GTSR Program, excluding the PCIA expense and marketing and administrative expenses, for customers taking service under Schedule E-GT, equal to the Program Charge rate, multiplied by the kWh delivered under the program to the E-GT customers for the month, and/or entry to reflect any subsequent true-up of the Program Charge components' expense to actual costs. (P)/(T)
(T)
(T)
- ad) A credit or debit entry to reflect generation-related Program Charge expense associated with the GTSR Program, excluding the PCIA expense and marketing and administration expenses, for customers taking service under Schedule E-ECR, equal to the Program Charge rate, multiplied by the subscription level of the E-ECR customer in kWh, and/or entry to reflect any subsequent true-up of the Program Charge components' expense to actual costs. (P)/(T)
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(T)

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CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- ae) A debit or credit entry equal to expenses associated with the GTSR Program's Enhanced Community Solar (ECR) option resources that is unsubscribed. (P)/(T)
- af) A debit or credit entry to transfer expenses from the GTSRBA for renewable resources procured to serve customers taking service under Schedule E-GT that are in excess of the E-GT program subscription pursuant to the backstop provision in Pub. Util. Code §2833(s) (P)/(T)



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CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

The following entries reflect the transfer of costs from the BioMAT.

The following entries reflect interest expense and other balance transfers from memo and balancing accounts, as authorized by the Commission:

ag) A debit/credit entry to record the transfer of the revenues financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. A corresponding credit/debit entry is reflected in Accounting Procedure 6a below.

ah) a debit or credit entry equal, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC; (T)

The following entries reflect other costs and/or customer bill savings authorized by the Commission to be recorded to this account: (N)
(N)

ai) A debit entry to record the generation component of the customer bill savings from PG&E's Expanded Pilots; (N)
(N)

aj) A monthly entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor; (T)

6. PCIA FINANCING SUBACCOUNT

The purpose of the PCIA Financing Subaccount is to track the amount financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. PG&E shall maintain the PCIA Subaccount by making the following entries at the end of each month:

a) A credit/debit entry to record the transfer of the revenues financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. A corresponding debit/credit entry is reflected in Accounting Procedure 5ac above.

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CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

(L)

6. PCIA FINANCING SUBACCOUNT: (Cont'd.)

- b) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC.
- c) A monthly entry equal to interest on the average balance in the subaccount at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

(L)