

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Southern California Gas Company**  
**GAS (Corp ID 904)**  
**Status of Advice Letter 5761G**  
**As of February 25, 2021**

Subject: Joint Tier 1 Advice Letter to Fund the School Energy Efficiency Stimulus Program in Compliance with Decision 21-01-004

Division Assigned: Energy

Date Filed: 02-01-2021

Date to Calendar: 02-05-2021

Authorizing Documents: D2101004

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>02-01-2021</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

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February 1, 2021

**ADVICE 4406-E**  
**Southern California Edison Company (U 338-E)**

**ADVICE 4374-G/6070-E**  
**Pacific Gas and Electric Company (U 39-M)**

**ADVICE 3679-E/2949-G**  
**San Diego Gas & Electric Company (U 902-M)**

**ADVICE 5761-G**  
**Southern California Gas Company (U 904-G)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Joint Tier 1 Advice Letter to Fund the School Energy Efficiency  
Stimulus Program in Compliance with Decision 21-01-004

**PURPOSE**

Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), and Pacific Gas and Electric Company (PG&E) (collectively, “the utilities” or “IOUs”) hereby submit this Advice Letter to Fund the School Energy Efficiency Stimulus Program (Stimulus Program) as required by Ordering Paragraph (OP) 1 of Decision (D.)21-01-004 (Decision).<sup>1</sup> This advice letter describes how the utilities will establish balancing accounts or sub-accounts to record funding amounts allocated to the Stimulus Program and details the utilities’ proposed funding and rate recovery for the Stimulus Program in 2021.

**BACKGROUND**

Assembly Bill (AB) 841 (Stats. 2020, Chap. 372), signed into law on September 30, 2020, establishes the Stimulus Program.<sup>2</sup> The Stimulus Program aims to improve

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<sup>1</sup> D.21-01-004 OP 1 states “No later than February 1, 2021, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must submit a joint advice letter to fund the School Energy Efficiency Stimulus Program in accordance with Public Utilities Code Section 1610 et seq. and with further directions specified in Section 4 of this decision.”

<sup>2</sup> Public Utilities Code § 1600, *et. seq.*

ventilation and replace old or inefficient plumbing fixtures to prepare schools for operating during the coronavirus (COVID-19) pandemic. The Decision requires the IOUs to file a Joint Advice letter to fund the Stimulus Program by providing details of the establishment of new balancing account(s) or sub-account(s), proposing 2021 program funding, describing the amount each IOU will transfer to the California Energy Commission (CEC) quarterly, specifying rate recovery for yet to be recovered program funds, and describing anticipated Stimulus Program funding amounts for program years (PY) 2022 and 2023.<sup>3</sup>

**DISCUSSION**

The Decision requires each IOU to establish either a new balancing sub-account within its respective existing energy efficiency (EE) balancing account or a new balancing account<sup>4</sup> to record funding amounts allocated to the Stimulus Program and Stimulus Program funds transferred to the CEC.<sup>5</sup> To establish new balancing accounts or sub-accounts, each IOU must file a preliminary statement with proposed tariff changes. It is not the practice of the IOUs to effectuate tariffs in joint filings, therefore, concurrent with the submittal of this joint advice letter, each IOU is submitting a separate Tier 1 advice letter with its proposed tariff changes and an effective date of January 14, 2021 to align with the Decision date authorizing balancing account treatment for the Stimulus Program.<sup>6</sup>

Pursuant to the Decision, Table 1 below sets forth each IOU’s proposed 2021 funding amounts for the Stimulus Program pursuant to Section 1615(a)(1)(A), an estimate of unspent and uncommitted EE funds from PY 2020, the total funding amount for the Stimulus Program for 2021, and the quarterly amount each utility proposes to transfer to the CEC starting on April 1, 2021.

**Table 1: Estimated Stimulus Program Funding for 2021**

	SCE	PG&E	SDG&E	SoCalGas	Totals
Proposed 2021 Stimulus Program Funding	\$99,565,293	\$92,466,340	\$27,976,495	\$0	\$220,008,128
Estimate of 2020 Unspent	\$16,923,000	\$10,000,000	\$25,000,000	\$5,000,000	\$56,923,000

<sup>3</sup> D.21-01-004 pp. 11-13.

<sup>4</sup> The Decision allows the IOUs to establish the ratemaking account as a balancing account or a sub-account within their existing EE balancing account. See Decision Section 4.2.1.

<sup>5</sup> Decision Section 4.2 p. 11.

<sup>6</sup> See SCE Advice 4408-E, PG&E Advice 4375-G/6071-E, SDG&E Advice 3680-E/2950-G, and SoCalGas Advice 5762-G.

	SCE	PG&E	SDG&E	SoCalGas	Totals
Uncommitted EE Funds					
Total Funding for 2021	\$116,488,293	\$102,466,340	\$52,976,495	\$5,000,000	\$276,931,128
Amount of each Quarterly Funds Transfer to CEC for PY 2021	\$29,122,073	\$25,616,585	\$13,244,124	\$1,250,000	\$69,232,782

Pursuant to the Decision, set forth in Table 2 are each IOU's anticipated annual 2022 and 2023 Stimulus Program funding amounts.

**Table 2: Estimated Stimulus Program Funding for 2022 and 2023<sup>Z</sup>**

	SCE	PG&E	SDG&E	SoCalGas	Totals
Anticipated Stimulus Program Funding for PY 2022	\$87,119,631	\$80,908,048	\$24,479,433	\$0	\$192,507,112
Anticipated Stimulus Program Funding for PY 2023	\$74,673,970	\$69,349,755	\$20,982,371	\$0	\$165,006,096

Pursuant to the Decision, below is a description of each IOU's funding source for PY 2021 funds, when the IOU proposes to begin recovering Stimulus Program funding, and how the IOU will address rate impacts to customers. As described below, each IOU's strategy is based on the unique circumstances of its respective EE portfolio and its scheduled electric and gas consolidated rate changes.

### **SCE**

SCE will recover the PY 2021 Stimulus Program funding amount of \$99,565,293 shown in Table 1 through its Public Purpose Programs Charge (PPPC) rate component and anticipates implementing recovery in rates beginning on June 1, 2021, which is the next regularly scheduled rate change date for SCE in 2021. SCE proposes to amortize the recovery over a standard 12-month amortization period to smooth any rate volatility relative to a shorter amortization period and to limit the rate impact to customers in

<sup>Z</sup> Estimates do not include unspent/uncommitted funds for PY 2021 and 2022, which will be determined when each IOU files its Annual Budget Advice Letter.

2021. Any revenue undercollection resulting from the June 1, 2021 rate implementation and 12-month amortization period will be included in SCE's first quarter (Q1) 2022 consolidated revenue requirement and rate change advice filing.

**PG&E**

PG&E will recover the 2021 Stimulus Program funding amount of \$92,466,340 shown in Table 1 through electric and gas public purpose program (PPP) rates as soon as practically possible, as authorized by the 2021 Stimulus Program budget amount via Decision. Table 3 below summarizes the details of funding sources and rate recovery for PG&E's portion of the 2021 Stimulus Program budget.

**Table 3: PG&E Funding Details for 2021 Stimulus Program Incremental Budget**

Funding Source	Funding Percentage [1]	Funding Amount	Rate Change Effective Date for Funding Recovery	Funding Collection Amortization Schedule
Electric PPP Rates	83%	\$76,747,062	March 1, 2021	12 months
Gas PPP Surcharge Rates [2]	17%	\$15,719,278	January 1, 2022	12 months
Total (Electric and Gas)	100%	\$92,466,340		

[1] The Decision directs PG&E to apply the electric / gas split approved for the 2021 EE portfolio budget to the 2021 Stimulus Program incremental funding budget recovery. PG&E's 2021 EE Annual Budget Advice Letter (Advice 4303-G-A/5936-E-A) was rejected via CPUC non-standard disposition issued on December 21, 2020. PG&E filed Tier 1 Advice 4376-G/6074-E on February 1, 2021, requesting approval of its 2021 EE electric/gas split of 83%/17%. This electric/gas split is assumed effective upon filing.

[2] The gas rate change filing for recovery of the 2021 Stimulus Program funding will be filed in October 2021, for gas PPP surcharge rate changes effective January 1, 2022. The gas PPP rate impacts resulting from the Stimulus Program funding are insufficiently large to meet Commission requirements for a mid-year gas rate change filing prior to the annual gas rate filing in October 2021. Specifically, D.04-08-010 prevents mid-year gas rate changes unless failure to make the rate change would result in a forecasted total rate increase of 10% or more on January 1 of the next year, and the gas PPP rate impact would not meet this criterion. Thus, October 2021 is the earliest date by which PG&E can file gas PPP rate changes following the January 2021 Decision authorization of the Stimulus Program budget for rate recovery.

PG&E strives to provide its customers with reasonable rates for gas and electric service. PG&E's rate policy focuses on providing customers with reasonable rates by minimizing the number of rate changes per year and smoothing the impact of revenue and rate changes for its customers whenever possible. Generally, PG&E attempts to limit requests for electric rate changes to two or three times per calendar year (January and March, and occasionally a change later in the year). For gas rate changes, as

required by prior Commission decisions, PG&E files monthly changes to the gas commodity rate and seeks an annual rate change to reflect changes in gas transportation and PPP costs.

**SDG&E**

SDG&E proposes to recover the electric portion of the funding via its PPP electric rate component and the gas portion of the funding via its PPP Gas Surcharge, both effective November 1, 2021. In light of recent Commission decisions<sup>8</sup> creating rate pressure for customers, SDG&E believes a rate implementation date that begins later in the year would be beneficial to customers in the current economic environment. SDG&E further proposes to amortize the recovery over the standard 12-month amortization schedule to smooth the rate volatility. Any undercollection resulting from this amortization schedule will be included in the 2022 Electric PPP filing and 2022 PPP Gas Surcharge Revision filing. For compliance purposes, SDG&E’s Stimulus Program incremental funding PPP split between Electric and Gas, is 90 percent electric and 10 percent gas.

**SoCalGas**

SoCalGas’ portion of the School Stimulus Program is limited to its unspent, uncommitted funds from 2020, and therefore SoCalGas does not have an incremental funding requirement and there will be no rate or bill impacts associated with School Stimulus funding.

Details of the 2021 rate impacts of the rate recovery strategies discussed above are provided in Table 4.

**Table 4: Estimated Rate and Bill Impacts of Incremental 2021 Stimulus Program Funding<sup>9</sup>**

	SCE	PG&E	SDG&E <sup>10</sup>	SoCalGas
Electric Customer Average Rate Increase	0.7%	0.4%	1.2%	N/A

<sup>8</sup> See, e.g., D.21-01-017, OP 8 (2021 ERRR Forecast Decision) and SDG&E Consolidated Filing to Implement February 1, 2021 Electric Rates (Filed January 29, 2021, Advice Letter 3669-E-A).

<sup>9</sup> Estimates are for typical non-CARE Residential Customer Receiving Bundled Service in 2021

<sup>10</sup> In its Opening Comments and Reply Comments regarding the Proposed Decision, SDG&E provided the estimated Gas Customer Average Rate Increase, Gas Customer Monthly Bill Increase, and Gas Average Rate Increase (\$/therm) calculated utilizing a 7-month amortization period; these numbers have been updated in Table 4 to reflect a 12-month amortization period.

Electric Customer Monthly Bill Increase	\$0.70	\$0.56	\$1.23	N/A
Electric Average Rate Increase (\$/kWh)	\$0.0014 / kWh	\$0.00113 / kWh	\$0.00334 / kWh	N/A
Gas Customer Average Rate Increase	N/A	0.2%	0.42%	0%
Gas Customer Monthly Bill Increase	N/A	\$0.09	\$0.11	\$0
Gas Average Rate Increase (\$/therm)	N/A	\$0.0029 / therm	\$0.00458 / therm	\$0 / therm

**TIER DESIGNATION**

Pursuant to the Decision, Section 4.2, this advice letter is being submitted with a Tier 1 designation.

**EFFECTIVE DATE**

This advice letter will become effective February 1, 2021, the same day as submitted.

No cost information is required for this advice letter.

This advice letter will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

**NOTICE**

Anyone wishing to protest this advice letter may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 10 days after the date of this advice letter. Protests should be submitted to:

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

Copies 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 advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:



Gary A. Stern, Ph.D.  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Telephone: (626) 302-9645  
Facsimile: (626) 302-6396  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Tara S. Kaushik  
Managing Director, Regulatory Relations  
c/o Karyn Gansecki  
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Attn: Erik Jacobson  
Director - Regulatory Relations  
c/o Megan Lawson  
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Greg Anderson  
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[SDGETariffs@sdge.com](mailto:SDGETariffs@sdge.com)

Attn: Ray B. Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-mail: [ROrtiz@socalgas.com](mailto:ROrtiz@socalgas.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 must be received by the deadline shown above.

In accordance with General Rule 4 of General Order (GO) 96-B, SCE is serving copies of this advice letter to the interested parties shown on the attached GO 96-B and R.13-11-005 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-4039. For changes to all other service lists, 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).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by submitting and keeping the advice letter at SCE's corporate headquarters. To view other SCE advice letters submitted with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Brandon Sanders at (626) 302-0949 or by electronic mail at [Brandon.Sanders@sce.com](mailto:Brandon.Sanders@sce.com).

**Southern California Edison Company**

/s/ Gary A. Stern, Ph.D.  
Gary A. Stern, Ph.D.

GAS:bs:jm



# 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	