

December 14, 2017

TO: STATE, CITY AND LOCAL OFFICIALS

**NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR ENERGY STORAGE APPLICATION (A.17-12-003)**

**Summary**

On December 1, 2017, Pacific Gas and Electric Company (PG&E) filed its Energy Storage application with the California Public Utilities Commission (CPUC) requesting approval for six energy storage resources. The six energy resources will represent a total of 165 megawatts (MW) of capacity. Although this application is requesting approval for six projects, recovery for only one project is being requested in this filing.

One of the six projects will represent 20 MW of capacity and is intended to provide distribution reliability services. Related to this project, PG&E is requesting to collect a total of \$4.5 million in rates from customers beginning in 2021 through 2022 to cover construction, operation and maintenance expenses. The request to increase rates for the remaining projects will be made in PG&E's next Energy Resource Recovery Account (ERRA) application. The CPUC will review all of the storage contracts in a public process and decide whether the storage contracts are reasonable.

**Background**

As part of the CPUC's Energy Storage Procurement Plan, PG&E will secure energy storage resources to meet the state's targets. The principles of this program are to reduce greenhouse gas, optimize electricity grid usage and integrate renewable energy resources. The amount of energy storage sought will increase every two years to allow for additional storage resources. By the end of 2024, PG&E will have a total of 580 MW of operational storage. If approved, the contracts in this application will count toward PG&E under the CPUC's Energy Storage Procurement Plan.

This application requests approval for cost recovery of the distribution reliability energy storage resource from all customers, including customers receiving energy through a third party. The costs for this resource will be included in utility charges for energy transmission and distribution services currently found on your energy statement.

**How will PG&E's Application affect me?**

Most customers receive bundled electric service from PG&E, meaning they receive electric generation, transmission and distribution services. In this Application PG&E is requesting \$0.2 million in 2021 and \$4.5 million in 2022. If approved, the costs of the distribution reliability energy storage resource would be recovered in PG&E's next General Rate Case.

Based on rates currently in effect, the bill for a typical residential non-CARE customer using 500 kWh per month would increase from \$110.77 to \$110.81 or 0.4 percent. Actual impacts will vary depending on energy usage.

**How will PG&E's Application affect customers who buy gas from a third party?**

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution services from PG&E. Within this category, residential customers will see an increase in rates. On average, DA and CCA customers will see a 0.4 percent increase to rates.

Departing Load customers do not receive electric generation, transmission or distribution services from PG&E. However, they are required to pay certain charges as required by law or CPUC decision. The impact on these customers is an average increase of 0.1 percent.

**How do I find out more about PG&E's proposals?**

If you have questions about PG&E's filing, please contact PG&E at **1-800-743-5000**. For TTY, call **1-800-652-4712**. Para más detalles llame al **1-800-660-6789** • 詳情請致電 • **1-800-893-9555**. If you would like a copy of PG&E's filing and exhibits, please write to PG&E at the address below:

Pacific Gas and Electric Company  
2018 Energy Storage Application (A.17-12-003)  
P.O. Box 7442  
San Francisco, CA 94120

A copy of PG&E's filing and exhibits are also available for review at the CPUC's Central Files Office by appointment only. For more information, contact [aljcentralfilesid@cpuc.ca.gov](mailto:aljcentralfilesid@cpuc.ca.gov) or **1-415-703-2045**. PG&E's Application (without exhibits) is available on the CPUC's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

**CPUC process**

This Application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where parties will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are formal parties in the case can participate.

After considering all proposals and evidence presented during the hearings, the assigned Judge will issue a proposed decision which may adopt PG&E's proposal, modify it or deny it. Any of the five CPUC Commissioners may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this Application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call **1-415-703-1584**, email **ora@cpuc.ca.gov** or visit ORA's website at **www.ora.ca.gov**.

**Stay informed**

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at **http://subscribecpuc.cpuc.ca.gov/**. If you would like to learn how you can participate in the proceeding, have informal comments about the Application or have questions about the CPUC processes, you may access the CPUC's Public Advisor Office (PAO) webpage at **http://consumers.cpuc.ca.gov/pao/**.

You may also contact the PAO as follows:

**Email: public.advisor@cpuc.ca.gov**

**Mail: CPUC**  
Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102

**Call: 1-866-849-8390** (toll-free) or **1-415-703-2074**

**TTY: 1-866-836-7825** (toll-free) or **1-415-703-5282**

If you are contacting the CPUC, please include the application number (2018 Energy Storage Application; A.17-12-003). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff and will become public record.

**SAN BENITO COUNTY CLERK - RECORDER**  
**RECEIVED: 12-18-17**  
**REMOVE: \_\_\_\_\_ SCAN: 12/18/17**

**FILED**  
*Marlene Medina*  
**DEC 18 2017**  
**MARLENE MEDINA**  
**JOE PAUL GONZALEZ**  
**COUNTY CLERK**