

**Proposed Standard Outline**  
**PG&E Economic Development Rate Application (A. 12-03-001)**

1. Factual Showings on the Need for Economic Development Rate(s) (EDR) after expiration of the current option on December 31, 2012
2. CPUC's Legal Authority
  - a. Does the CPUC have authority in the field of economic development other than that granted in Section 740.4?
  - b. Does Section 740.4(h) require that every EDR customer generates a positive contribution to margin (CTM) or can the CPUC find that the program overall will generate a positive CTM, and/or can the CPUC reach its decision based on other factors, such as evidence of job creation? If positive CTM for the program overall is required, over what time horizon should CTM be calculated (i.e., is there a factual basis to consider years beyond the contract period).
3. Discrimination
  - a. Is it legally permissible under Section 453(b) to distinguish between customers in high-unemployment counties (e.g. over 125% of statewide unemployment rate) and other counties, for purposes of the EDR program? (I.e., should the CPUC find it reasonable based on factual showings to have locational differences in the available level of EDR discount based on unemployment to achieve State public policy goals relating to reducing high unemployment levels?)
  - b. As a matter of policy, should the CPUC distinguish between high-unemployment counties and other counties for purposes of the EDR program?
    - i. Should the CPUC adopt PG&E's proposal of using counties with >125% of the state's average unemployment rate for the enhanced EDR program?
    - ii. Should the CPUC adopt PG&E's proposal to revisit the list of eligible counties each year?
  - c. Does PG&E's proposal to limit the percentage (12% or 35%) rate reduction to PG&E's charges (the non-generation portion of the customer's bill) discriminate against DA and CCA customers? If so, is it anticompetitive under the law? If so, is there an acceptable alternative to this structure?
  - d. Does PG&E's proposed EDR revenue crediting structure (crediting the distribution rate after all NBCs, generation and transmission) discriminate against DA and CCA customers? If so, is it anticompetitive under the law? If so, is there an acceptable alternative to this structure?
4. Program Design
  - a. What elements should be included in evaluating Contribution to Margin?
    - i. Contract length
    - ii. Time horizon of analysis

- iii. Time structure of rate reduction (e.g., graduated)
  - iv. Marginal costs – short term or long-term?
    - 1. Generation
    - 2. Transmission
    - 3. Distribution
  - v. Other
- b. Is a Price Floor for each and every customer necessary to ensure a positive Contribution to Margin for the overall program?
  - c. What elements, if any, are legally required to be included in a Price Floor?
    - i. Generation marginal cost
    - ii. Distribution marginal cost
    - iii. Transmission charges
    - iv. Non-bypassable charges (NBCs)
  - d. Are NBCs Marginal Costs?
  - e. What elements, if any, should the CPUC, as a matter of policy, include in a Price Floor? (see options above)
  - f. Are the proposed 12% and 35% rate reduction levels appropriate, or should the CPUC adopt different rate reduction levels?
5. Program Requirements
- a. Should the CPUC continue to require the same EDR customer affidavit?
  - b. Should the CPUC require CalBIS or other agency review of EDR applications?
  - c. Should energy costs constitute a minimum percentage of the customer's operating costs?
  - d. Should the CPUC require an ex ante CTM evaluation? If so, how should it be structured
  - e. Should the CPUC require an ex post CTM true-up? If so, should it be annual or should it encompass a multi-year review period (please address any potential chilling effect for customers considering the rate of later changes that can require repayments)?
  - f. Should the CPUC impose a total enrollment cap on the availability of the EDR program?
  - g. Should the CPUC allow a customer to renew its EDR rate for a second term if it can recertify by meeting anew all initial participation requirements?
  - h. Should the CPUC require an after-the-fact review to evaluate program effectiveness? If so, by whom, when, and what information should it evaluate?
  - i. Should the CPUC adopt additional protections to further guard against free ridership?
6. Shareholder Funding

- a. Does the CPUC have legal authority to require shareholder funding of PG&E's EDR program?
- b. Is there any policy or factual reason why the CPUC should require PG&E's shareholders to be at risk or subsidize the EDR program?

7. Other Issues