

**PACIFIC GAS AND ELECTRIC COMPANY  
Renewable Portfolio Standard  
Rulemaking 11-05-005  
Data Response**

PG&E Data Request No.:	EnergyDivision_001-01 1G, 1H, 1i SUPPLEMENTAL RESPONSE		
Request Date:	N/A	Requester DR No.:	001
Date Sent:	December 21, 2012	Requesting Party:	Energy Division
PG&E Witness:	Various	Requester:	Michele Kito; Sean Simon

**QUESTION 1**

Section 910(a)(1) of the Public Utilities Code states that the Commission shall prepare a report, including “All electrical corporation revenue requirement increases associated with meeting the renewables portfolio standard, as defined in Section 399.12, including the direct procurement costs for eligible energy renewable resources and renewable energy credits, administrative expenses for procurement, expenses incurred to ensure a reliable supply of electricity, and expenses for upgrades to the electrical transmission and distribution grid necessary to the delivery of electricity from eligible renewable energy resources to load.”

**QUESTION 1G**

Please identify all transmission projects constructed or planned for the RPS program at any point during the implementation of the RPS program.

**QUESTION 1H**

Please identify the costs associated with the transmission projects identified in g. above.

**QUESTION 1I**

Please identify the RPS transmission related costs that were collected in rates in 2011 and please explain how this figure was calculated and/or estimated. Please provide your workpapers in excel format, with links intact.

**SUPPEMENTAL ANSWER 1G, 1H AND 1I**

PG&E’s response under 1-G though 1-I data addresses known RPS related transmission costs that are, or are forecasted to be in PG&E’s Transmission Owner (TO) rates and includes costs for each of the following:

1. Network Upgrades (NU) for generators:

- a. that use RPS qualified technology, and
  - b. that have gone on-line, and
  - c. for which PG&E is in the process or has completed making refund and interest payments.
2. Transmission projects that PG&E is planning in support of RPS through 2020.

The response does not include RPS costs that are or may be recovered in PG&E's Transmission Access Charge Balancing Account (TACBA). In TACBA, PG&E recovers the difference between the CAISO's Transmission Access Charge (TAC) and PG&E's utility specific High Voltage (HV) revenue requirement. TAC is a single rate that blends all participating transmission owners' (PTOs') HV transmission revenue requirements. It is the charge the CAISO assesses for HV transmission service on the CAISO controlled grid. The TAC, therefore, includes other PTOs' RPS costs and it is through the TAC that PG&E customers "share" in the HV transmission revenue requirement of other PTOs. PG&E is not incorporating these costs in this data response because:

1. It avoids the risk of double counting RPS costs that other PTO's (i.e., San Diego Gas and Electric Company and Southern California Edison Company) are expected to include in their responses to the Public Utilities Code Section 910 data request and, as a result, overstating the total RPS transmission costs in California.
2. More accurate data is available from the PTOs that are actually incurring the RPS costs.

In Response 1-I, PG&E shows a summary of the refund payments it has made for NUs in its service territory for the period 2003 through 2011, and refund payments it expects to make for the period 2012 through 2015. The costs represented in the table are limited to generators that use RPS eligible technology. Through 2011, a total of \$13.9M associated with refunds of customer deposits and \$3.1M in related interest was paid by PG&E to these generators.

The refunded deposits add to PG&E's rate base as the refunds are made, similar to capital expenditures, whereas the interest payments are recorded as an expense in the period they are incurred. A general rule of thumb to apply to a capital expenditure to approximate its impact on PG&E's transmission revenue requirement is 16%. This would indicate that the \$13.9M in generator refunds employing an RPS-eligible technology is expected to translate into a cumulative increase in 2011 revenue requirement of less than \$2.2M. Compared to PG&E's overall as-settled Base TRR in TO13 of ~\$943M, this small amount would indicate that payments made for RPS based NUs in PG&E's service territory in 2011 have a minor impact on PG&E transmission rates in 2011. As a result, PG&E has not performed explicit calculations to determine the portion of these RPS transmission costs that may have been in PG&E rates in 2011.