

**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**ADVICE LETTER FILING SUMMARY  
ENERGY UTILITY**

**MUST BE COMPLETED BY LSE (Attach additional pages as needed)**

Company name/CPUC Utility No. **Liberty Utilities (CalPeco Electric) LLC (U 933-E)**

Utility type:

- ELC             GAS  
 PLC             HEAT         WATER

Contact Person: Daniel W. Marsh

Phone #: (562) 299-5104

E-mail: Dan.Marsh@libertyutilities.com

**EXPLANATION OF UTILITY TYPE**

ELC = Electric            GAS = Gas  
 PLC = Pipeline           HEAT = Heat        WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 92-E

Tier Designation:  1  2  3

Subject of AL: Establishment of the Solar on Multifamily Affordable Housing Program Balancing Account Pursuant to Decision 17-12-022.

Keywords (choose from CPUC listing):

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution:

Does AL replace a withdrawn or rejected AL? No    If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL:

Resolution Required?  Yes  No

Requested effective date: March 19, 2018

No. of tariff sheets: N/A

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: N/A

Service affected and changes proposed: N/A

Pending Advice Letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division Utility Info (including e-mail)**

**Attention: Tariff Unit**  
**505 Van Ness Ave., 4<sup>th</sup> Floor**  
**San Francisco, CA 94102**  
[edtarriffunit@cpuc.ca.gov](mailto:edtarriffunit@cpuc.ca.gov)

**Liberty Utilities (CalPeco Electric) LLC**  
**Attention: Advice Letter Protests**  
**933 Eloise Avenue**  
**South Lake Tahoe, CA 96150**  
**Email: Dan.Marsh@libertyutilities.com**





Liberty Utilities (CalPeco Electric) LLC  
933 Eloise Avenue  
South Lake Tahoe, CA 96150  
Tel: 800-782-2506  
Fax: 530-544-4811

**VIA EMAIL AND U.S. MAIL**

March 19, 2018

**Advice Letter No. 92-E  
(U 933-E)**

California Public Utilities Commission  
Energy Division, Tariff Unit  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94102-3298

**Subject: Establishment of the Solar on Multifamily Affordable Housing Program  
Balancing Account Pursuant to Decision 17-12-022**

Liberty Utilities (CalPeco Electric) LLC (U 933 E) (“Liberty CalPeco”) hereby submits for approval by the California Public Utilities Commission (Commission) the following changes to its tariffs. The revised tariffs are listed on Attachment A and are attached hereto.

**I. Purpose**

In compliance with Commission Decision (D.)17-12-022, this advice filing establishes Preliminary Statement 22, Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA), to record the difference between the authorized SOMAH Program funding and the costs associated with the SOMAH Program. In addition, Liberty CalPeco modifies Preliminary Statement Part 20, Greenhouse Gas Balancing Account (GHGBA), to allow for transfers of GHG allowance revenues from the GHGBA to the SOMAHBA in amounts approved by the Commission.

**II. Background**

Assembly Bill (AB) 693 created the Multifamily Affordable Housing Solar Roofs Program, with up to \$100,000,000 annually in funding from Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison (SCE), Liberty Utilities Company, and PacifiCorp’s (collectively the Investor-Owned Utilities (IOUs)) share of greenhouse gas allowance auction proceeds. The SOMAH Program will provide financial incentives for the installation of solar photovoltaic (PV) energy systems sited on qualifying multifamily affordable housing properties throughout California.

On December 14, 2017, the Commission approved D.17-12-022, Decision Adopting Implementation Framework for Assembly Bill 693 and Creating the Solar On Multifamily Affordable Housing Program, adopting a new SOMAH Program as a vehicle for implementation of AB 693 and providing the framework for the SOMAH Program’s implementation. As part of this program’s implementation, D.17-12-022 requires each of the participating utilities to establish a balancing account to track its authorized funding for the SOMAH Program.

### **III. SOMAH Program Funding**

Under AB 693, as clarified by Senate Bill (SB) 92, the SOMAH Program is to be funded using a percentage of the proceeds from the sale of GHG allowances allocated to California's Investor Owned Utilities (IOUs) for the benefit of ratepayers. Under Section 2870 (c) of the Public Utilities Code:

The Commission shall annually authorize the allocation of \$100 million or 66.67 percent of available funds, whichever is less, from the revenues described in subdivision (c) of Section 748.5 for the Multifamily Affordable Housing Solar Roofs Program, beginning with the fiscal year commencing July 1, 2016, and ending with the fiscal year ending June 30, 2020. The commission shall continue authorizing the allocation of these funds through June 30, 2026, if the commission determines that revenues are available after 2020 and that there is adequate interest and participation in the program.<sup>1</sup>

Section 2879 (e) states that "not more than 10% of the funds allocated to the program shall be used for administration." This directive puts a ceiling of \$10 million annually on administrative costs in program years in which \$100 million is available; in the event that the GHG auction proceeds are lower, the allowable amount for administrative costs will vary with the amount of money available for the program.

The statute directs funding allocation for SOMAH beginning with the fiscal year 2016-2017 (beginning July 1, 2016). In order to begin accounting for any funds that would be allocated, the Administrative Law Judge's Ruling (1) Adding Respondents and (2) Providing Interim Direction to California Electric Utilities on Accounting for Funds for Implementation of Assembly Bill (AB) 693 (March 18, 2016) directed the electric IOUs to allocate a portion of their 2016 and 2017 GHG allowance proceeds to fund the AB 693 Multifamily Program in their current ERRA Forecast proceeding. For 2018 and beyond, the ruling states that "the directions for ERRA and ECAC filings given in this ruling will continue to apply unless they are explicitly changed by a subsequent ruling or Commission decision."

In Liberty CalPeco's 2017 ECAC/GHG Application (A.17-07-001), Liberty CalPeco set aside GHG revenues for the SOMAH Program in the amount of \$147,156 in 2016, \$287,032 in 2017, and \$349,673 million in 2018. The Decision in A.17-07-001 is still pending, but a Proposed Decision has been issued adopting these amounts. Liberty CalPeco will continue to set aside GHG revenues in its annual ECAC/GHG Forecast applications in amounts pursuant to AB 693 (as clarified by SB 92) throughout the duration of the SOMAH Program.

#### **Program Operations**

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<sup>1</sup> Available funds are defined in Section 748.5(c) which reserves up to 15 percent of GHG allowance proceeds for use in clean energy and energy efficiency projects, with the remaining proceeds returned to customers.

Liberty CalPeco proposes to follow the invoicing and payment processes approved by the Commission for the Joint IOUs (PG&E, SCE and SDG&E) for the New Solar Homes Partnership Program as modified below. Liberty CalPeco's role will be that of a paying agent; i.e., to pay invoices as submitted by the Program Administrator (PA)<sup>2</sup> (who has responsibility for developing the incentive payment procedures and processing incentive claims) and by Energy Division (ED).<sup>3</sup>

The process would be as follows:

- The PA and/or ED sends Liberty CalPeco an invoice on a quarterly basis that details the total amount of the SOMAH Program incentive payments and/or program expenses, and wire transfer or payment information.
- Liberty CalPeco will remit payment within 45 days, and will make a good faith effort to pay as promptly as possible.

### **Proposed Tariff Changes**

As discussed above, and pursuant to Ordering Paragraph (OP) 2 of D.17-12-002, in this advice filing Liberty CalPeco establishes Preliminary Statement 22, SOMAHBA, to record the difference between the authorized SOMAH Program funding levels and incremental costs associated with the SOMAH Program. As described in D.17-12-022, SOMAH Program costs include the initial costs of fielding a Request for Proposal (RFP), as well as the costs of utility administrative activities (including but not limited to reporting, processing of invoices/payments, and related data requests), contributions to the Program Administrator (PA) administrative budgets, and incentive payments. In addition, Liberty CalPeco modifies Preliminary Statement 20, GHGBA, to allow for transfers of GHG allowance revenues from the GHGBA to the SOMAHBA in amounts as approved by the Commission.

Liberty CalPeco will transfer the 2016, 2017 and 2018 GHG revenue set asides for the SOMAH Program as proposed in its 2017 ECAC/GHG Application totaling \$783,861 from the GHGBA to the SOMAHBA after a Decision is adopted.

Pursuant to D.17-12-022, unencumbered funds at the end of a program year are to be carried over to future years in the SOMAHBA. In D.17-12-022, the Commission finds that it is premature to decide how any funds that have not been spent by the end of the program should be treated. The treatment of such funds, if any, should be the subject of a Tier 3 Advice Letter submitted by the IOUs, or of a Commission decision, once the duration of the SOMAH Program and the extent of funds used in it are more clearly known.

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<sup>2</sup> D.17-12-022, Section 5.3-Major Responsibilities of the Program Administrator.

<sup>3</sup> D.17-12-022, OP 14; invoices related to the preparation of the annual report to the State Legislature, and activities related to the competitive bidding processes, and all evaluation, measurement, and verification activities.

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

**Tier Designation**

Pursuant to OP 2 of D.17-12-022, this advice letter is submitted with a Tier 1 designation.

**Effective Date**

This advice filing is effective March 19, 2018, the same day as filed.

**Protests**

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than April 3, 2018, which is 20 days after the date of this Advice Letter. There are no restrictions on who may submit a protest, but the protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. Protests should be mailed to:

California Public Utilities Commission  
Energy Division, Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102-3298  
Facsimile: (415) 703-2200  
Email: [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

The protest should be sent via email and U.S. Mail (and by facsimile, if possible) to Liberty Utilities (CalPeco Electric) LLC at the address shown below on the same date it is mailed or delivered to the Commission:

Liberty Utilities (CalPeco Electric) LLC  
Attn: Advice Letter Protests  
933 Eloise Avenue  
South Lake Tahoe, CA 96150  
Fax: 530-544-4811  
Email: [Dan.Marsh@libertyutilities.com](mailto:Dan.Marsh@libertyutilities.com)

**Notice**

In accordance with General Order 96-B, Section 4.3, a copy of this Advice Letter is being sent electronically to parties shown on the attached service list.

Energy Division Tariff Unit  
California Public Utilities Commission  
March 19, 2018  
Page 5

In accordance with General Order 96-B, Rule 4.2, Liberty CalPeco is providing customers notice through bill inserts and also by printing notices in newspapers of general circulation.

If additional information is required, please do not hesitate to contact me.

Respectfully submitted,

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

/s/ Daniel W. Marsh

Daniel W. Marsh  
Liberty Utilities (CalPeco Electric) LLC  
Manager, Rates and Regulatory Affairs  
Phone: 562-299-5104  
Email: Dan.Marsh@libertyutilities.com

cc: Liberty CalPeco General Order 96-B Service List

Liberty Utilities (CalPeco Electric) LLC  
Advice Letter Filing Service List  
General Order 96-B, Section 4.3

**VIA EMAIL**

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PRELIMINARY STATEMENT

Sheet 1

22. Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA)

1. Purpose

The purpose of the Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA) is to record the difference between the authorized SOMAH Program funding levels and all incremental costs associated with the SOMAH Program, including costs of conducting a Request for Approval (RFP), contributions to Program Administrator (PA) administrative budgets, utility administration costs and incentive payments pursuant to Decision (D.)17-12-022.

2. Definitions

a. GHG Revenue Funding:

GHG Revenues will be transferred from the Greenhouse Gas Balancing Account (GHGBA) to the SOMAHBA in amounts as approved by the Commission.

b. Interest Rate:

The Interest Rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate). If in any month a non-financial Rate is not published; Liberty CalPeco shall use the Federal Reserve three-month Commercial Paper Rate – Financial.

3. Operation of the SOMAHBA

On either an annual or monthly basis as required, entries to the SOMAHBA shall be determined as follows:

a. An initial credit entry equal to \$783,861 from funds transferred from the GHGBA pursuant to D.17-12-018 issued in Liberty CalPeco's 2017 ECAC/GHG Application (A.17-07-001) and D.17-12-022;

b. Beginning in 2019, a credit entry equal to the amount of GHG Revenue Funding made available from the GHGRBA as approved by the Commission in Liberty CalPeco's annual ECAC/GHG Application

Issued by

Advice Letter No. \_\_\_\_\_  
Name

Date Filed: \_\_\_\_\_

Decision No. \_\_\_\_\_  
Title

Effective Date: \_\_\_\_\_

Resolution No. \_\_\_\_\_

PRELIMINARY STATEMENT

Sheet 2

(Continued)

22. Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA)

3. Operation of the SOMAHBA (Continued)

- c. A debit entry equal to Liberty CalPeco's costs of fielding a Request for Proposal (RFP) related to Energy Division's selection of a contractor to conduct measurement and verification of the SOMAH Program;
- d. A debit entry for all incentive payments made for invoices as submitted by the Program Administrator (PA);
- e. A debit entry equal to Liberty CalPeco's recorded incremental administrative costs including but not limited to:
  - (1) Reporting,
  - (2) Processing of invoices and payments and related data requests),
  - (3) Initial cost of fielding Request for Proposal and ongoing management of contract with PA.
  - (4) Cost of incremental utility administrative activities which may include PA support, billing system enhancements, operational billing activities (set up and manual).
  - (5) Contributions to the PA administrative budgets, and
  - (6) Payments to the Energy Division for invoices received related to the preparation of the annual report to the State Legislature, and activities related to the competitive bidding processes, and all evaluation, measurement, and verification activities.
- f. An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- g. An entry equal to the interest by applying the Interest Rate to the average of the beginning and ending monthly SOMAHBA balances.

Not more than 10% of the GHG Revenue Funding allocated to the SOMAH Program shall be used for administration costs.

The sum of (a) through (g) equals the activity that may be recorded in the SOMAHBA each month.

Issued by

Advice Letter No. \_\_\_\_\_  
Name

Date Filed: \_\_\_\_\_

Decision No. \_\_\_\_\_  
Title

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Resolution No. \_\_\_\_\_

PRELIMINARY STATEMENT

Sheet 3

(Continued)

22. Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA)

4. Review and Disposition Procedures

Pursuant to D.17-12-022, unencumbered funds at the end of a program year are to be carried over to future years in the SOMAHBA. The disposition of any unencumbered funds upon program completion should be the subject of a Tier 3 Advice Letter submitted by the utilities, or of a Commission decision, once the duration of the SOMAH Program and the extent of funds used in it are more clearly known.

Advice Letter No. \_\_\_\_\_ Issued by \_\_\_\_\_ Date Filed: \_\_\_\_\_  
Decision No. \_\_\_\_\_ Name \_\_\_\_\_ Effective Date: \_\_\_\_\_  
Title \_\_\_\_\_ Resolution No. \_\_\_\_\_

PRELIMINARY STATEMENT

Sheet 4

(Continued)

20. Greenhouse Gas (GHG) Revenue Balancing Account (GHGRBA)

3. Forecast GHG Allowance Revenue Allocation Methodology

For rate setting purposes, on an annual forecast basis, the allocation of forecast GHG Allowance Revenues to eligible customers shall be determined as follows:

- a. A forecast of GHG Revenues that will be received for the upcoming year;
- b. Plus: the prior year's December 31<sup>st</sup> balance (over collected or under collected) in the GHGRBA;
- c. Less: the forecast GHG-related customer outreach and education costs, with each subsequent year authorized by the Commission for recovery;
- d. Less: Liberty CalPeco's proportionate share of its costs, allocated based on percentage of retail sales, to engage a firm with marketing and public relations expertise that will be responsible for proposed expanded customer outreach and education activities through 2015;
- e. Less: forecast annual GHG-related administrative costs as authorized by the Commission for recovery and
- f. Less: the portion of GHG allowance revenues to fund Energy Efficiency (EE) and clean energy programs that have been approved by the Commission.

The sum of (a) through (f) equals the net forecast annual GHG Revenues to be allocated to eligible customers as follows:

- g. Less: the portion of the net forecast annual GHG Revenues allocated for return to Emissions-Intensive Trade-Exposed (EITE) customers determined based on Commission-adopted EITE customer definitions and methodology;
- h. Less: the portion of the net forecast annual GHG Revenues allocated to eligible Small Business customers to be returned through the use of a volumetric \$/kWh distribution rate set so as to offset the amount of GHG costs in generation rates allocated to Small Business customers, adjusted by Commission-authorized industry assistance factors applicable in a given year;
- i. The remaining amount (i.e. the sum of (a) through (h) equals the California Climate Credit amount to be allocated for return to all residential customers on an equal-per-resident account basis.

The sum of (a) through (i) shall equal zero for each annual forecast year.

Issued by

Advice Letter No. \_\_\_\_\_  
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PRELIMINARY STATEMENT

Sheet 5

(Continued)

20: Greenhouse Gas (GHG) Revenue Balancing Account (GHGRBA)

4. Operation of the GHGRBA

On an annual or monthly basis as required, entries to the GHRRBA shall be determined as follows:

- a. A debit entry to transfer GHG allowance revenues to the Solar on Multifamily Affordable Housing P Balancing Account (SOMAHBA) in amounts approved by the Commission;
- b. A credit entry equal to the amount of actual GHG Revenues received from the (cap- and -trade auction);
- c. A debit entry equal to recorded GHG-related customer outreach and education costs;
- d. A debit entry equal to Liberty CalPeco's recorded share of costs to engage a firm with marketing a relations expertise that will be responsible for proposing expanded customer outreach and education a through 2015;
- e. A debit entry equal to recorded GHG-related administrative cost revenue requirements;
- f. A debit entry equal to actual GHG Revenues returned to EITE customers;
- g. A debit entry equal to actual GHG Revenues returned to Small Business customers through th volumetric \$/kWh rate;
- h. A debit entry equal to actual California Climate Credit revenues returned to residential customer;
- i. A debit entry equal to the amount paid to the California Air Resources Board (CARB) or any other aut ordered by the Commission.

The sum of (a) through (i) equals the activity that may be recorded in the GHGRBA each month.

Interest shall accrue monthly to the GHGRBA by applying the Interest Rate to the average of the beginning and monthly GHGRBA balances.

The balance forecast to be recorded in the GHGRBA (either over collected or under collected) on December 31 current year, shall be included in the forecast of GHG Revenues for the subsequent year to be either returned t recovered from, eligible customers in distribution rates based on the Commission-authorized GHG allowance r allocation methodology.

5. Transfers from the GHGBA

Track transfers from the GHGBA to the SOMAHBA (Preliminary Statement 22) in accordance with D.17-12-022.

Advice Letter No. \_\_\_\_\_  
 Issued by \_\_\_\_\_  
 Name \_\_\_\_\_

Date Filed: \_\_\_\_\_

Decision No. \_\_\_\_\_  
 Title \_\_\_\_\_

Effective Date: \_\_\_\_\_

Resolution No. \_\_\_\_\_

PRELIMINARY STATEMENT

Sheet 1

22. Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA)

1. Purpose

The purpose of the Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA) is to record the difference between the authorized SOMAH Program funding levels and all incremental costs associated with the SOMAH Program, including costs of conducting a Request for Approval (RFP), contributions to Program Administrator (PA) administrative budgets, utility administration costs and incentive payments pursuant to Decision (D.)17-12-022.

2. Definitions

a. GHG Revenue Funding:

GHG Revenues will be transferred from the Greenhouse Gas Balancing Account (GHGBA) to the SOMAHBA in amounts as approved by the Commission.

b. Interest Rate:

The Interest Rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate). If in any month a non-financial Rate is not published; Liberty CalPeco shall use the Federal Reserve three-month Commercial Paper Rate – Financial.

3. Operation of the SOMAHBA

On either an annual or monthly basis as required, entries to the SOMAHBA shall be determined as follows:

a. An initial credit entry equal to \$783,861 from funds transferred from the GHGBA pursuant to D.17-12-018 issued in Liberty CalPeco's 2017 ECAC/GHG Application (A.17-07-001) and D.17-12-022;

b. Beginning in 2019, a credit entry equal to the amount of GHG Revenue Funding made available from the GHGRBA as approved by the Commission in Liberty CalPeco's annual ECAC/GHG Application

Issued by \_\_\_\_\_

Advice Letter No. \_\_\_\_\_

Date Filed: \_\_\_\_\_

Name

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Title

Resolution No. \_\_\_\_\_

PRELIMINARY STATEMENT

Sheet 2

(Continued)

22. Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA)

3. Operation of the SOMAHBA (Continued)

- c. A debit entry equal to Liberty CalPeco's costs of fielding a Request for Proposal (RFP) related to Energy Division's selection of a contractor to conduct measurement and verification of the SOMAH Program;
- d. A debit entry for all incentive payments made for invoices as submitted by the Program Administrator (PA);
- e. A debit entry equal to Liberty CalPeco's recorded incremental administrative costs including but not limited to:
  - (1) Reporting,
  - (2) Processing of invoices and payments and related data requests),
  - (3) Initial cost of fielding Request for Proposal and ongoing management of contract with PA.
  - (4) Cost of incremental utility administrative activities which may include PA support, billing system enhancements, operational billing activities (set up and manual).
  - (5) Contributions to the PA administrative budgets, and
  - (6) Payments to the Energy Division for invoices received related to the preparation of the annual report to the State Legislature, and activities related to the competitive bidding processes, and all evaluation, measurement, and verification activities.
- f. An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- g. An entry equal to the interest by applying the Interest Rate to the average of the beginning and ending monthly SOMAHBA balances.

Not more than 10% of the GHG Revenue Funding allocated to the SOMAH Program shall be used for administration costs.

The sum of (a) through (g) equals the activity that may be recorded in the SOMAHBA each month.

Advice Letter No. \_\_\_\_\_ Issued by \_\_\_\_\_ Date Filed: \_\_\_\_\_  
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Title \_\_\_\_\_ Resolution No. \_\_\_\_\_

PRELIMINARY STATEMENT

Sheet 3

(Continued)

22. Solar on Multifamily Affordable Housing Program (SOMAH) Balancing Account (SOMAHBA)

4. Review and Disposition Procedures

Pursuant to D.17-12-022, unencumbered funds at the end of a program year are to be carried over to future years in the SOMAHBA. The disposition of any unencumbered funds upon program completion should be the subject of a Tier 3 Advice Letter submitted by the utilities, or of a Commission decision, once the duration of the SOMAH Program and the extent of funds used in it are more clearly known.

Advice Letter No. \_\_\_\_\_ Issued by \_\_\_\_\_ Date Filed: \_\_\_\_\_  
Name \_\_\_\_\_  
Decision No. \_\_\_\_\_ Title \_\_\_\_\_ Effective Date: \_\_\_\_\_  
Resolution No. \_\_\_\_\_



PRELIMINARY STATEMENT

Sheet 4

(Continued)

20. Greenhouse Gas (GHG) Revenue Balancing Account (GHGRBA)

3. Forecast GHG Allowance Revenue Allocation Methodology

For rate setting purposes, on an annual forecast basis, the allocation of forecast GHG Allowance Revenues to eligible customers shall be determined as follows:

- a. A forecast of GHG Revenues that will be received for the upcoming year;
- b. Plus: the prior year's December 31<sup>st</sup> balance (over collected or under collected) in the GHGRBA;
- c. Less: the forecast GHG-related customer outreach and education costs, with each subsequent year's funding as authorized by the Commission for recovery;
- d. Less: Liberty CalPeco's proportionate share of its costs, allocated based on percentage of retail sales, to engage a firm with marketing and public relations expertise that will be responsible for proposing expanded customer outreach and education activities through 2015;
- e. Less: forecast annual GHG-related administrative costs as authorized by the Commission for recovery; and
- f. Less: the portion of GHG allowance revenues to fund Energy Efficiency (EE) and clean energy programs that have been approved by the Commission.

The sum of (a) through (f) equals the net forecast annual GHG Revenues to be allocated to eligible customers as follows:

- g. Less: the portion of the net forecast annual GHG Revenues allocated for return to Emissions-Intensive, Trade-Exposed (EITE) customers determined based on Commission-adopted EITE customer definitions and methodology;
- h. Less: the portion of the net forecast annual GHG Revenues allocated to eligible Small Business customers to be returned through the use of a volumetric \$/kWh distribution rate set so as to offset the amount of GHG costs in generation rates allocated to Small Business customers, adjusted by Commission-authorized industry assistance factors applicable in a given year;
- i. The remaining amount (i.e. the sum of (a) through (h) equals the California Climate Credit amount to be allocated for return to all residential customers on an equal-per-residential account basis.

The sum of (a) through (i) shall equal zero for each annual forecast year.

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PRELIMINARY STATEMENT

Sheet 5

(Continued)

20: Greenhouse Gas (GHG) Revenue Balancing Account (GHGRBA)

4. Operation of the GHGRBA

On an annual or monthly basis as required, entries to the GHRRBA shall be determined as follows:

- a. A debit entry to transfer GHG allowance revenues to the Solar on Multifamily Affordable Housing Program Balancing Account (SOMAHBA) in amounts approved by the Commission;
- b. A credit entry equal to the amount of actual GHG Revenues received from the (cap-and-trade auction);
- c. A debit entry equal to recorded GHG-related customer outreach and education costs;
- d. A debit entry equal to Liberty CalPeco's recorded share of costs to engage a firm with marketing and public relations expertise that will be responsible for proposing expanded customer outreach and education activities through 2015;
- e. A debit entry equal to recorded GHG-related administrative cost revenue requirements;
- f. A debit entry equal to actual GHG Revenues returned to EITE customers;
- g. A debit entry equal to actual GHG Revenues returned to Small Business customers through the use of a volumetric \$/kWh rate;
- h. A debit entry equal to actual California Climate Credit revenues returned to residential customers, and
- i. A debit entry equal to the amount paid to the California Air Resources Board (CARB) or any other authority as ordered by the Commission.

The sum of (a) through (i) equals the activity that may be recorded in the GHGRBA each month.

Interest shall accrue monthly to the GHGRBA by applying the Interest Rate to the average of the beginning and ending monthly GHGRBA balances.

The balance forecast to be recorded in the GHGRBA (either over collected or under collected) on December 31st of the current year, shall be included in the forecast of GHG Revenues for the subsequent year to be either returned to, or recovered from, eligible customers in distribution rates based on the Commission-authorized GHG allowance revenue allocation methodology.

5. Transfers from the GHGBA

Track transfers from the GHGBA to the SOMAHBA (Preliminary Statement 22) in accordance with D.17-12-022.

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