



March 1, 2024

ADVICE 7196-E

(Pacific Gas and Electric Company ID U 39-E)

ADVICE 5241-E

(Southern California Edison Company ID U 338-E)

ADVICE 4392-E

(San Diego Gas & Electric Company ID U 902-E)

ADVICE 234-E

(Liberty Utilities (CalPeco Electric) LLC Company ID U 933-E)

ADVICE 732-E

(PacifiCorp Company ID U 901 E)

Public Utilities Commission of the State of California

Subject: Joint Investor-Owned Utility Notice of Solar on Multifamily Affordable Housing Program Funding True-Up for 2023 Recorded Greenhouse Gas Allowance Revenues Pursuant to Decision 22-09-009

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Liberty Utilities Company (Liberty), and PacifiCorp Company (PacifiCorp) (collectively, the “Joint IOUs”) submit this Tier 1 advice letter in accordance with Ordering Paragraph (OP) 4 of Decision (D.) 22-09-009.

Purpose

Pursuant to OP 4 of D. 22-09-009, this advice letter establishes the final proportionate share of the \$100 million cap in annual SOMAH funding and the final 2023 true-up to be incorporated into the Joint IOUs’ respective Energy Resource Recovery Account (ERRA) or Energy Cost Adjustment Clause (ECAC) forecast proceedings that are filed in 2024 for the 2025 forecast year.

Background

Pursuant to Assembly Bill (AB) 693 (Stats. 2015, Ch. 582), D.17-12-022 established the SOMAH program to provide financial incentives for installation of solar energy systems on multifamily affordable housing properties, as specified in the statute. Public Utilities Code Section 2870(c) provides:

The Commission shall annually authorize the allocation of one hundred million dollars (\$100,000,000) or ten 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 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.

The statute provides for a maximum annual budget of \$100 million, and also creates a structure wherein each IOU's annual contribution amount is based on the total allocated allowance auction proceeds of all the other IOUs. Funding for the SOMAH program is set aside annually by the IOUs' ERRA forecast application and ECAC applications. Pursuant to D.17-12-022, the Commission in D.20-04-012 continued authorizing the allocation of SOMAH funds through June 30, 2026.

On May 13, 2022, SCE filed a Petition for Modification (PFM) of D.17-12-022 and D.20-04-012, requesting to modify the process by which the IOUs initially set aside SOMAH funds, asserting that the IOUs were likely setting aside SOMAH funding in excess of \$100 million (prior to their annual true-up). The PFM proposed to clarify that the IOUs may submit a SOMAH funding set-aside in their respective ERRA Forecast and ECAC proceedings by applying the \$100 million cap on a forecast basis. Of particular relevance to this advice letter, SCE also requested that the IOUs coordinate to submit a joint true-up advice letter, rather than each IOU submitting its own advice letter as directed by D.20-04-012.

On September 25, 2022, the Commission adopted D.22-09-009, which modified D.17-12-022 and D.20-04-012 to simplify the process for forecasting and setting aside funding for the SOMAH program, including approving the request for a Joint IOU advice letter true-up.

While D.22-09-009 does not alter the existing true-up advice letter process, pursuant to OP 4, through modification of language on page 11 of D.20-04-022, the Joint IOUs may jointly submit a Tier 1 advice letter showing each IOU's prior year recorded greenhouse gas (GHG) allowance revenue and, if the \$100 million cap is reached, a calculation of each IOU's proportionate share of \$100 million.

D.22-09-009 modified the language on page 11 of D.20-04-012 as follows (additions underlined):

The true-up for the final three months of each year shall occur via a joint (i.e., jointly submitted by all five electric IOUs) Tier 1 advice letter and submitted by one of the three large electric

IOUs (PG&E, SCE, or SDG&E) on behalf of all five electric IOUs, as soon as this information becomes available, and no later than March 1 of the following year.

DISCUSSION

Consistent with the requirements of D.20-04-012 as modified by D.22-09-009, Table 1 below reflects a final accounting of each IOU's total GHG allowance revenues for 2023 as tracked in the IOUs' respective GHG revenue balancing account. The true-up or credit amount for 2023 is the difference between the IOUs' share of the \$100 million cap and the previously approved set aside in the 2023 ERRA or ECAC filings. These 2023 true-up or credit amounts will be incorporated into each of the IOU's 2025 ERRA and ECAC forecast proceedings.

Table 1

2023 Recorded GHG Allowance Revenue and Allocation of SOMAH Funding

IOU	2023 Recorded GHG Proceeds	Proportion of Total Proceeds	Share of \$100M	Previously Approved Set Aside in 2023 ERRA or ECAC (per D.22-09-009 Table 2)	Difference (Previously Approved Set Aside - Share of \$100M)
SCE	\$ 789,701,028	50.21%	\$ 50,208,714	\$ 46,527,856	\$ 3,680,858
PG&E	\$ 544,616,174	34.63%	\$ 34,626,367	\$ 42,666,696	\$ (5,131,012)
SDG&E	\$ 214,387,613	13.63%	\$ 13,630,635	\$ 14,949,939	\$ (1,319,304)
Liberty	\$ 6,282,980	0.40%	\$ 399,468	\$ 332,411	\$ (67,057)
PacifiCorp	\$ 17,848,799	1.13%	\$ 1,134,816	\$ 1,784,880	\$ (650,064)
Total	\$ 1,572,836,594	100.00%	\$ 100,000,000	\$ 103,352,465	\$ (3,352,465)

Below are the annual historical true-up accounting tables, unique to each IOU, shown in Tables 2 – 6 respectively.

Table 2 - SCE				
SOMAH Funding Prior Years True-Up	Recorded GHG Allowance Revenues	Set-Aside Based on 10% of Recorded GHG Revenue (\$100M limit)	Previously Approved 'Actual' Set-Aside	Difference
2016	\$188,087,539	\$18,808,754	\$0	\$18,808,754
2017	\$384,894,152	\$38,489,415	\$8,077,000	\$30,412,415
2018	\$389,316,108	\$38,931,611	\$39,125,783	(\$194,173)
2019	\$421,170,202	\$42,117,020	\$40,853,635	\$1,263,386
2020	\$420,965,362	\$42,096,536	\$73,281,647	(\$31,185,111)
2021	\$551,751,564	\$49,498,366	\$63,966,285	(\$14,467,919)
2022	\$700,179,282	\$50,134,994	\$73,364,564	(\$23,229,570)
2023	\$789,701,028	\$50,208,714	\$46,527,856	\$3,680,858
Total	\$3,846,065,235	\$330,285,411	\$345,196,770	(\$14,911,360)

Table 3 - PG&E				
SOMAH Funding Prior Years True-Up	Recorded GHG Allowance Revenues	Set-Aside Based on 10% of Recorded GHG Revenue (\$100M limit)	Previously Approved 'Actual' Set-Aside (a)	Difference
2016 (b)	\$301,670,155	\$15,083,508	\$15,083,508	\$0
2017	\$345,513,934	\$34,551,393	\$34,551,393	\$0
2018	\$348,098,763	\$34,809,876	\$34,809,876	\$0
2019	\$389,040,958	\$38,904,096	\$38,904,096	\$0
2020	\$385,893,957	\$38,589,396	\$38,589,396	\$0
2021	\$384,773,215	\$34,518,517	\$34,518,517	\$0
2022	\$486,243,930	\$34,816,563	\$34,816,563	\$0
2023 (c)	\$544,616,174	\$34,626,367	\$39,757,379	(\$5,131,012)
Total	\$3,185,851,086	\$265,899,716	\$271,030,728	(\$5,131,012)

- (a) Years 2016-2018 include true-ups for previous under-collections, which were collected in 2020 (\$29.52 million) per D.20-02-047 and 2021 (\$4.45 million) per D.20-12-038. Year 2019 includes the true-up (\$1.17 million), which was collected in 2019. Year 2020 includes the netting of the over-collection from the 2022 set aside request (\$187 thousand), which was performed in 2022 per D.22-02-002. Year 2021 includes the true-up (\$2.91 million), which was collected in 2023 per D.22-12-044. Year 2022 is the actual set aside performed quarterly in 2022 based on the forecast approved in D.22-02-002.
- (b) AB 693 implemented SOMAH mid-way through 2016; therefore, GHG Revenues and set aside amount are prorated 50 percent and totals reflect the prorated amounts.
- (c) Based on 2023 recorded GHG allowance revenues and the IOU \$100 million cap, PG&E over-forecasted the 2023 set aside by \$5.13 million. In the 2025 ERRA Forecast Filing, PG&E plans to propose enacting the true-up by netting the 2023 reserve of \$5.13 million from the 2025 SOMAH set aside request.

Table 4 - SDG&E				
SOMAH Funding Prior Years True-Up	Recorded GHG Allowance Revenues	Set-Aside Based on 10% of Recorded GHG Revenue (\$100M limit)	Previously Approved 'Actual' Set-Aside	Difference
2016	\$40,779,160	\$4,077,916	\$0	\$4,077,916
2017	\$92,539,677	\$9,253,968	\$0	\$9,253,968
2018	\$9,372,755	\$9,372,756	\$10,300,000	(\$927,244)
2019	\$104,156,909	\$10,415,691	\$10,115,640	\$300,051
2020	\$104,691,923	\$10,469,192	\$18,222,844	(\$7,753,652)
2021	\$161,825,842	\$14,517,611	\$35,975,035	(\$21,457,424)
2022	\$189,236,214	\$13,549,896	\$14,949,939	(\$1,400,043)
2023	\$214,387,613	\$13,630,635	\$14,949,939	(\$1,319,304)
Total	\$916,990,093	\$85,287,665	\$104,513,397	(\$19,225,732)

Table 5 - Liberty				
SOMAH Funding Prior Years True-Up	Recorded GHG Allowance Revenues	Set-Aside Based on 10% of Recorded GHG Revenue (\$100M limit)	Previously Approved 'Actual' Set-Aside	Difference
2016	\$0	\$0	\$0	\$0
2017	\$3,048,375	\$304,838	\$287,032	\$17,806
2018	\$3,658,091	\$365,809	\$349,673	\$16,136
2019	\$4,250,819	\$425,082	\$466,130	(\$41,048)
2020	\$3,794,503	\$379,450	\$362,585	\$16,865
2021	\$4,220,989	\$378,671	\$333,475	\$45,196
2022	\$5,365,389	\$384,178	\$446,231	(\$62,053)
2023	\$6,282,980	\$399,468	\$332,411	\$67,057
Total	\$30,621,146	\$2,637,496	\$2,577,537	\$59,959

Table 6 - PacifiCorp				
SOMAH Funding Prior Years True-Up	Recorded GHG Allowance Revenues	Set-Aside Based on 10% of Recorded GHG Revenue (\$100M limit)	Previously Approved 'Actual' Set-Aside	Difference (Actual 10% Set-aside)
2016	\$9,387,611	\$469,380	\$469,380	\$0
2017	\$10,681,011	\$1,068,101	\$1,068,101	\$0
2018	\$11,216,803	\$1,121,680	\$1,121,680	\$0
2019	\$12,783,641	\$1,278,364	\$1,278,364	\$0
2020	\$13,082,153	\$1,308,215	\$1,308,215	\$0
2021	\$12,114,799	\$1,086,835	\$1,211,479	(\$124,644)
2022	\$15,563,147	\$1,556,315	\$1,066,147	\$490,168
2023	\$17,848,799	\$1,134,816	\$1,784,880	(\$650,064)
Total	\$102,677,964	\$9,023,706	\$9,308,246	(\$284,540)

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than **March 21, 2024**, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E, SCE, SDG&E, PacifiCorp, and Liberty via E-mail at the addresses shown below on the same date it is electronically delivered to the Commission:

PG&E: Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

SCE: Connor Flanigan
Managing Director, State Regulatory Operations
E-mail: AdviceTariffManager@sce.com

Adam Smith
Director, Regulatory Relations
c/o Karyn Gansecki
E-mail: Karyn.Gansecki@sce.com

SDG&E: Greg Anderson
Regulatory Tariff Manager
E-mail: GAnderson@sdge.com
SDGETariffs@sdge.com

PacifiCorp: Joe Dallas
Senior Attorney
Pacific Power
825 NE Multnomah, Suite 2000
Portland, OR 97232
Telephone: (503) 813-5701
E-mail: joseph.dallas@pacificcorp.com

Liberty: Liberty Utilities (CalPeco Electric) LLC
Attn: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150

VIA EMAIL

gbinge@ktminc.com;
emello@sppc.com;
epoole@adplaw.com;
cem@newsdata.com;
rmccann@umich.edu;
sheila@wma.org;
abb@eslawfirm.com;
cbk@eslawfirm.com;
bhodgeusa@yahoo.com;
chilen@nvenenergy.com;
phanschen@mofo.com;
liddell@energyattorney.com;
cem@newsdata.com;
dietrichlaw2@earthlink.net;
ericj@eslawfirm.com;
clerk-recorder@sierracounty.ws;
plumascoco@gmail.com;
marshall@psln.com;
stephenhollabaugh@tdpud.org;
gross@portersimon.com;
mccluretahoe@yahoo.com;
catherine.mazzeo@swgas.com;
Theresa.Faegre@libertyutilities.com;
SDG&ETariffs@semprautilities.com;
bcragg@downeybrand.com;
AdviceTariffManager@sce.com;
edtariffunit@cpuc.ca.gov;

jrjw@cpuc.ca.gov;
rmp@cpuc.ca.gov;
jaime.gannon@cpuc.ca.gov;
mas@cpuc.ca.gov;
txb@cpuc.ca.gov;
efr@cpuc.ca.gov;
tlg@cpuc.ca.gov;
dao@cpuc.ca.gov;
ljt@cpuc.ca.gov;
mmg@cpuc.ca.gov;
kjl@cpuc.ca.gov;
denise.tyrrell@cpuc.ca.gov;
fadi.daye@cpuc.ca.gov;
winnie.ho@cpuc.ca.gov;
usrb@cpuc.ca.gov;
Rob.Oglesby@energy.ca.gov;
stevegreenwald@dwt.com;
vidhyaprabhakaran@dwt.com;
judypau@dwt.com;
dwtcpucdockets@dwt.com;
patrickferguson@dwt.com;
travis.ritchie@sierraclub.org;
dan.marsh@libertyutilities.com;
sharon.yang@libertyutilities.com;
ginge@regintl.com;
christopher.westling@cpuc.ca.gov;
sletton@cityofslt.us