

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) #: 94-E

Tier Designation: 1 2 3

Subject of AL: Green Tariff

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Does AL replace a withdrawn or rejected AL?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Summarize differences between the AL and the prior withdrawn or rejected AL: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: May 29, 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., 4th Floor
San Francisco, CA 94102
edtariffunit@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

April 26, 2018

**Advice Letter No. 94-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 a New Green Tariff

I. Purpose

Liberty Utilities (CalPeco Electric) LLC (U 933 E) ("Liberty CalPeco") hereby submits this Tier 2 Advice Letter No. 94-E requesting the authority to establish a voluntary Green Tariff for all customer classes.

II. Background

Liberty CalPeco is committed to California's goal of a cleaner energy future and has taken steps in this direction with the installation of the Luning Solar Facility and the in-construction Turquoise Solar Facility, which will increase Liberty CalPeco's renewable generation to meet approximately 30% of its customers' load. Liberty CalPeco is also actively exploring options for adding even more renewable capacity, with a goal of serving 100% of its customers' load from renewable energy.

Many of the largest customers in Liberty CalPeco's service territory are committed to meeting 100% of their electricity purchases with renewable generation as soon as possible. To help these customers reach their goal, Liberty CalPeco proposes to create a Green Tariff, which will allow these customers to achieve their 100% renewable goals now.

Customers at the three large IOUs already have the capability of procuring renewable energy via the Green Tariff/Shared Renewables ("GTSR") Program. The GTSR Program was designed to allow PG&E, SCE, and SDG&E customers to receive 50-100% of their electricity demand from solar generation. Under the Green Tariff component of the GTSR Program, a customer pays the difference between their current generation charge and a charge that reflects the cost of procuring 50% to 100% solar generation for their electricity needs.

III. Liberty CalPeco Green Tariff

Liberty CalPeco's proposed Green Tariff is designed to allow interested customers an opportunity to purchase their power directly from Liberty CalPeco's Luning Solar Facility, which is currently in base rates. The design of the Green Tariff rate takes into account both the currently approved recovery of Luning in base rates and the cost of purchasing power to meet the customer load that is not met by Luning. The intent is to include in the Green Rate only the Luning costs not recovered in base rates (including Green Tariff customers). The Green Tariff initially calculates the estimated cost of a kWh of energy generated by Luning using average 10-year costs and expected production. This value is then credited with the Luning kWh charge included in base rates and recovered from all customers, including Green Tariff customers. The Green Tariff rate is further credited with the Liberty CalPeco's cost to meet the California RPS obligation and cost of Liberty CalPeco purchasing conventional electricity to meet existing load that is not provided from the Luning Solar Facility. The rates collected from customers on the Green Tariff will be credited to Liberty CalPeco's Energy Cost Adjustment Clause ("ECAC"), which will reduce electricity costs for existing customers not on the Green Tariff.

Liberty CalPeco proposes that the Green Tariff be provided to all residential and commercial customers at the same rate of \$0.0166/kWh. Customers will be added to the Green Tariff on a first-come, first-served basis, up to the limit of Luning's production, which is forecast at approximately 145 million kWh per year. Attachment 1 contains the detailed calculation of the Green Tariff rate.

Once the Green Tariff is approved, Liberty CalPeco will submit an advice letter with the new Green Tariffs. A Green Tariff will need to be created for residential, A-1, A-2, and A-3 customers. Liberty CalPeco is currently processing rate changes related to its ECAC and BRRBA tariffs, so it will be cleaner to adjust tariffs for the Green Tariff at a later time.

Tier Designation

Pursuant to General Order 96-B, Section 5, this advice letter is being submitted with a Tier 2 designation.

Effective Date

Liberty CalPeco requests that this Tier 2 Advice Letter become effective on May 28, 2018.

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 May 16, 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, 4th Floor
San Francisco, CA 94102-3298
Facsimile: (415) 703-2200
Email: 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

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 lists.

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

Energy Division Tariff Unit
California Public Utilities Commission
April 26, 2018
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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

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@nvenergy.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;
greg.campbell@libertyutilities.com;
bcragg@goodinmacbride.com;

AdviceTariffManager@sce.com;
edtariffunit@cpuc.ca.gov;
jrw@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@kinectenergy.com

Liberty Utilities (CalPeco Electric) LLC
 Green Tariff/Shared Renewables Tariff Rate Calculation

Luning Costs		\$\$
1	Luning Average Annual Revenue Requirement (2018-2028)	\$ 10,365,778
Luning Production		kWh
2	Luning Average Production (2018-2028)	145,410,805 kWhs
Luning Recovery		per kWh
3	Luning Cost per kWh	\$ 0.0713 per kWh
4	Average Annual Retail Sales (2018-2020)	600,167,519 kWhs
5	Recovery From All Customers	\$ 0.0173 per kWh
RPS Obligation		kWh
5.a	RPS 30% obligation	180,050,256 kWhs
5.b	RPS Obligation in excess of LU Resources	34,639,451 kWhs
5.c	% of Obligation met as part of Power Purchases	19.24%
Forecast of Power Purchase Costs (2018-2020)		\$\$
6	Average Annual Power Purchase Costs	\$ 20,047,496
7	Average Power Purchase Cost Recovered From ALL Customers	\$ 0.0334 per kWh
Calculation of Proposed Green Tariff		per kWh
8	Green Tariff Rate	\$ 0.0166 per kWh

- 1 Levelized revenue requirement over 10 years
- 2 Average production over 10 years
- 3 Lines (1) / (2)
- 4 Company reports
- 5 Lines (1) / (4)
- 5.a Line (4) x 30%
- 5.b Lines (5.a) - (2)
- 5.c Lines (5.b) / (5.a)
- 6 Company reports
- 7 Lines (6) / (4)
- 8 Lines (3) - (5) - (7) x (1 - Line 5.c)