

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company (U39M) for Approval of its
Proposal for a Day-Ahead Real Time Rate and
Pilot to Evaluate Customer Understanding and
Supporting Technology

U 39 M

Application No. 20-10-011
(Filed October 23, 2020)

**JOINT MOTION OF THE PUBLIC ADVOCATES OFFICE AT THE
CALIFORNIA PUBLIC UTILITIES COMMISSION, VEHICLE GRID
INTEGRATION COUNCIL, ELECTRIFY AMERICA, LLC, AND PACIFIC
GAS AND ELECTRIC COMPANY (U 39 E), FOR ADOPTION OF JOINT
SETTLEMENT AGREEMENT IN PG&E'S DAY AHEAD REAL TIME
PRICING COMMERCIAL ELECTRIC VEHICLE PROCEEDING ON NON-
NEM EXPORT COMPENSATION PILOT**

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I. INTRODUCTION

In accordance with Article 12 of the Rules of Practice and Procedure of the Public Utilities Commission of the State of California (the "Commission" or "CPUC"), the Public Advocates Office at the California Public Utilities Commission ("Cal Advocates"), the Vehicle Grid Integration Council ("VGIC"), Electrify America, LLC, and Pacific Gas and Electric Company ("PG&E") submit this joint motion in Application ("A.") 20-10-011, to respectfully request Commission approval of the Settlement Agreement ("SA") attached hereto as Attachment A.^{1/2/} The SA resolves all of the issues included within the scope of this track of the

1/ Pursuant to Rule 1.8(d), the above-listed Settling Parties have authorized counsel for PG&E to submit this motion on their behalf.

2/ The one other party that called into some of the settlement conferences to monitor them, ENEL X North America, Inc., did not serve testimony on these issues or substantively participate settlement discussions, has been provided with the Settlement Agreement ("SA") and has indicated they have no objection to it. Although none of the other five parties on the service list for the prior phase of this proceeding submitted any testimony or participated in the publicly noticed settlement conference, the sponsoring Settling Parties fairly reflect the range of affected interests. Therefore, the SA satisfies the Commission's criteria for being considered an all-party

above-referenced proceeding related to Day-ahead Real-time Pricing (“DAHRTP”) Commercial Electric Vehicle (“CEV”) Non-Net Energy Metering (“Non-NEM”) Export Compensation.

As discussed in greater detail below, the SA specifies the Settling Parties’ agreement regarding: the DAHRTP CEV Non-NEM Export Pilot’s (“Non-NEM Export Rate Pilot” or “the Pilot”) eligibility and enrollment, pilot duration, interim evaluation and Advice Letter process after year one and year two of Pilot operation, final evaluation and Advice Letter process, non-NEM export compensation rider rate design (relative to the underlying DAHRTP CEV rate), use of Energy Cost (“MEC”) and Marginal Generation Capacity Cost (“MGCC”), exclusion of the revenue neutral adder (“RNA”) for this rate rider, limited customer incentives for early participation, dual participation between real-time pricing (“RTP”) and other dynamic rates/demand response programs, reporting metrics, and measurement and evaluation (“M&E”) reports (interim and final). The SA also addresses additional terms for information technology billing systems changes and timing, as well as Appendix A to the SA, the Comparison Exhibit showing the parties’ pre-settlement positions, as required by Rule 12.1(a) of the Rules of Practice and Procedure of the CPUC.

The Settling Parties are pleased that their compressed, intensive negotiations during eight all-party sessions over the past month and a half have successfully resulted in the attached SA, which they are proud to now be presenting to the Commission for its approval, without modification. The SA resulted from earnest, good faith negotiations, which included hard-fought exchanges that ultimately resulted in the SA’s carefully balanced compromises. Many novel and quite complex issues were raised relating to non-NEM export compensation for customers who opt-in to the Non-NEM Export Rate Pilot. Specifically, the process of developing this Pilot rate rider was made more difficult because the necessary underlying technologies and management methods relating to Vehicle-to-Grid exports from electric vehicles is still at a relatively early stage of development and market adoption. Although the Commission only approved PG&E’s

settlement. (See D.92-12-019, 46 CPUC2d 538, 1992 Cal. PUC LEXIS 867, p. *9 and D.90-08-068, 1990 Cal. PUC LEXIS 1471, pp. *41-*42 and *49.)

underlying DAHRTP CEV rate relatively recently (in Decision (“D.”) 21-11-017), the parties were able, in this second phase, to agree on an approach for testing an interim non-NEM export rate rider in this Pilot, even as explorations of a potential alternative market participation approach proceed in parallel over the coming years, ideally on a holistic basis through the CPUC’s High DER proceeding.^{3/}

During negotiations, the Settling Parties also carefully considered concerns about attracting eligible Non-NEM DAHRTP CEV customers to both the underlying rate and the non-NEM export compensation rate rider recommended for testing through this Pilot. Concerns about the inability at this time to satisfy the CPUC’s dual participation rules and avoid double compensation were addressed through prohibiting the dual participation at this time, agreeing to limited early participation incentives based on a reasonable proxy for the differential between this program and the ELRP incentives, and PG&E’s commitment to continue to seek solutions that might allow dual participation in the further future if a means for satisfying the CPUC’s dual participation rules against double compensation. Balancing these and other factors were all part of the Settling Parties’ spring 2022 negotiations, through which they hammered out a balanced and reasonable approach to this Pilot. The resulting Pilot program jointly recommended in this SA is designed to gather important information that should be useful to inform CPUC proceedings in the longer-term about non-NEM export compensation for the DAHRTP CEV rate as well as other dynamic pricing efforts (including other RTP rates).

The SA is a comprehensive, integrated and unified package that resolves all the issues in this follow-on track of PG&E’s DAHRTP CEV Proceeding, reached among all parties who were actively and regularly involved in the substantive non-NEM export compensation settlement discussions held during this phase of A.20-10-011.^{4/} The SA’s outcomes fall within the various positions of the parties, and were based on carefully considered trade-offs that, when combined

3/ The High DER Proceeding is ongoing, through CPUC docket number Rulemaking (“R.”) 21-06-017.

4/ See Footnote 2, *supra*.

into this overall integrated package, result in a sound plan for this Non-NEM Export Rate Pilot. The Settling Parties also agree that there may be additional value associated with customers exporting to the grid, such as (but not limited to) MEC aggregated at the sub-LAP level, local Resource Adequacy (“RA”) (beyond what is currently represented by the MGCC) or distribution investment deferral, for which there is no current mechanism to value or capture. The Settling Parties further agree that valuing the benefits and costs as well as determining the mechanisms for capturing those benefits and costs are outside of the scope of this proceeding and should be handled in their respective proceedings (*e.g.*, the RA proceeding for RA value, the Distribution Investment Deferral Framework (“DIDF”) for local distribution deferral value, and the DRIVE Order Instituting Rulemaking (“OIR”) for related value assessments). If the CPUC determines through another such proceeding that there is additional value of customer export beyond what is currently represented by PG&E’s adopted MGCC and MEC, the Settling Parties agree that whether compensation for EV export under this Pilot’s rate rider should be adjusted to include such additional value, as well as whether other tariff adjustments are necessary to qualify for the additional value (*e.g.*, include an additional performance requirement to qualify for RA value) should be addressed in an appropriate proceeding, which may include reopening this proceeding if the Commission deems that appropriate.

The Settling Parties believe that the SA fairly balances the various interests affected in this proceeding. The SA satisfies the criteria for Commission approval in that it is reasonable in light of the record as a whole, consistent with law, and in the public interest. Accordingly, the Settling Parties respectfully urge adoption of the SA in its entirety, without any modification.

II. BACKGROUND

A. Procedural History

The non-NEM export compensation issues being considered in Phase 2 of PG&E’s above-captioned DAHRTP CEV proceeding, follow litigation and a Commission decision adopting the underlying CEV RTP rate (D.21-11-017). The prior procedural history in A.20-10-

011 was set forth in Section 1 (pages 3-6) of the Commission's recent DAHRTP CEV decision (D.21-11-017).

The following summarizes the additional procedural history for the second phase of A.20-10-011:

In a Second Amended Scoping Memo and Ruling dated December 17, 2021, the Assigned Commissioner set a deadline for filing the MGCC Study of January 18, 2022, with hearings on MGCC and non-NEM export compensation issues initially scheduled for April 19 to 22, 2022. On January 6, 2022, PG&E filed a Motion for Ruling Revising the Schedule for the MGCC Study and Testimony, as well as a Motion to Shorten Time for Responses. On January 10, 2022, PG&E filed an additional Motion for Ruling Revising the Schedule for Non-NEM, Behind-The-Meter Export Compensation Supplement and Testimony along with a Motion to Shorten Time for Responses. That Motion was granted by an ALJ Ruling revising the schedule on January 14, 2022, after which PG&E timely served its supplemental testimony on March 24, 2022. This was followed by service of direct and then rebuttal testimony by all interested parties; specifically, PG&E and VGIC served direct testimony on April 13, 2022, and then rebuttal testimony was served by PG&E, VGIC, Cal Advocates and Electrify America on April 29, 2022.

Meanwhile, on April 13, 2022, Cal Advocates, ENEL X, the Small Business Users Association ("SBUA") and PG&E filed a Motion to Submit Stipulation on MGCC in Lieu of Testimony, as the MGCC Study recommendations were collaboratively developed and are uncontested. (*See separate MGCC-related Procedural History section, below*).

On April 22, 2022, PG&E timely filed a Motion for Evidentiary Hearings.

On May 6, 2022, Assigned ALJ Doherty issued an email Ruling confirming that updated dates for evidentiary hearing dates would be reserved for June 21 through 22, 2022, on non-NEM export compensation issues, as MGCC issues are uncontested. On May 12, 2022, ALJ Doherty noticed a prehearing Status Conference which was duly held on June 10, 2022, at 1 p.m. These hearings must be held remotely to support the health and safety of all participants given

the continuing COVID-19 pandemic including a recent surge caused by highly transmissible variants.

Informal settlement discussions began on April 27, 2022, just before the parties served their rebuttal testimony. PG&E filed a Notice of Settlement Conference on May 18, 2022, to formally convene an all-party conference call that was held on May 27, 2022. As of June 15, 2022, a total of eight settlement meetings had been held involving all the active parties. Additional discussions were held for subgroups to address *ad hoc* topics, with results reported back to all active participants during the main settlement meetings.^{5/} The four Settling Parties participated in all the main settlement meetings. The attorney for ENEL X North America also listened into the beginning of the May 27, 2022, formally noticed Settlement Conference, but indicated that ENEL X would be merely monitoring this track of the proceeding and did not intend to actively participate in settlement discussions.

B. Additional Procedural History on Uncontested MGCC Study

As mentioned above, in this track of the DAHRTP CEV proceeding, the CPUC also ordered PG&E to conduct and serve an MGCC Study. For the convenience of the CPUC, the parties supporting this Joint Motion wanted to also provide the related Procedural History of the MGCC Study issues here as well.

The December 17, 2021, Amended Scoping Memo established that, based on this MGCC Study, opening and then rebuttal testimony would be submitted, to be followed by hearings, if necessary, and briefing, if necessary, to support a Commission decision. On January 6, 2022, PG&E filed, and the CPUC granted, a motion in A.20-10-011 to extend the procedural dates for the MGCC study and related recommendations by eight weeks.

^{5/} *Ad hoc* topics included a potential early participation incentive as well as concerns related to Rule 21 interconnection agreements that are not currently “two-way” (*i.e.*, that allow the customer to not only receive energy, but also export energy back to the grid).

Pursuant to the Joint Stipulation between Cal Advocates, Small Business Utility Advocates (SBUA) and PG&E regarding its scope and approach,^{6/} an MGCC study was completed and then filed with the CPUC on March 15, 2022 (with a corrected version filed with the CPUC on March 17, 2022), to determine the structure for not only the MGCC component for the purpose of the rate rider in this Phase 2 DAHRTP CEV proceeding (A.20-10-011), but also for the rates recommended in PG&E's General Rate Case (GRC) Phase II's Stage 1 RTP Pilots^{7/} recommended in an all-party Settlement filed on January 14, 2022 being considered for adoption in A.19-11-019. Although the Joint Stipulation in Exhibit 20 had called for the MGCC study results to be received into record for this CEV proceeding, the MGCC issues it studied are identical for A.20-10-011 and A.19-11-019, such that there should be only one resulting approach for MGCCs to be used consistently in those two, and any other relevant CPUC proceedings for PG&E.

The MGCC component should be cost-based and identical for whatever customer classes receive RTP rate options. Thus, Administrative Law Judge Sisto established a process by which the identical remaining MGCC study issues would be considered under a single procedural schedule within A.19-11-019, for use in the pending decision on the RTP track of GRC Phase II in A.19-11-019. By doing so, the CPUC avoided duplicative parallel consideration of the identical MGCC Study issues thus ensuring efficient use of the parties' and the Commission's scarce resources, as well as ensuring consistency in the Commission's treatment of MGCC issues across PG&E's various pending rate proceedings. The DAHRTP CEV MGCC study results and related testimony are also being received into the record of PG&E's 2020 GRC Phase II proceeding (A.19-11-019), to allow for a consistent resolution of these MGCC issues in both that

6/ That Stipulation was received into evidence as Exhibit 20 in the main DAHRTPCEV proceeding, A.20-10-011.

7/ In PG&E's Rebuttal Testimony in the RTP track of A.19-11-019, the GRC Phase II RTP Pilots were defined as the "Stage 1 Pilots" and now include RTP Pilots for customers eligible for one residential rate, E-ELEC, one small business rate, B-6, and one large commercial and industrial rate, B-20 (pending adoption of the all-party Settlement Agreement filed in A.19-11-109 track on January 14, 2022), A.19-11-019, Exhibit PG&E-RTP-2, p. 1-1.

proceeding and this DAHRTP proceeding. These MGCC Study issues are identical and should be consistently applied in both proceedings.

Through the process established by ALJ Sisto, all interested parties were able to participate collaboratively in creating the MGCC study, to the extent they wished, and no party contested the MGCC Study parties' joint recommendations based on the uncontested MGCC Study.^{8/}

The Settling Parties agreed that time is of the essence for Commission action to resolve the uncontested issues addressed in the MGCC study, because the final, detailed MGCC methodology is needed for inclusion in the RTP rates under both A.20-10-011 and A.19-11-019. The Assigned ALJ ruled on April 29, 2022, that no hearings were necessary on the MGCC Study recommendation, as there are no contested issues of fact arising out of the MGCC study.^{9/} Settling Parties requested that a decision on the MGCC Study be issued as much before the end of the third quarter of 2022 as possible, to ensure that the currently planned October 1, 2023, launch date for the DAHRTP CEV rate and this Non-NEM Export Rate Pilot to remain viable. If necessary, the Settling Parties respectfully request that the assigned ALJ consider bifurcating the uncontested MGCC Study issues to ensure a prompter CPUC decision on that issue, if there might be any concern that a proposed decision on the contested Non-NEM Export Rate Pilot issues addressed in this Settlement might not be issued before the end of Q3 2022.

III. THE SETTLEMENT AGREEMENT IS REASONABLE IN LIGHT OF THE ENTIRE RECORD, CONSISTENT WITH LAW, AND IN THE PUBLIC INTEREST

The Commission has acknowledged "California's strong public policy favoring settlements," pointing out that "[t]his policy supports many worthwhile goals, such as reducing litigation expenses, conserving scarce resources of parties and the Commission, and allowing

8/ A.19-11-019, Exhibit PG&E-RTP-8, Stipulation Supporting Marginal Generation Capacity Cost Pricing Formula for PG&E's Day-Ahead Hourly Real Time Pricing (DAHRTP) Rates, Report to Parties in California Public Utility Commission Dockets A.20-10-011 and A.19-11-019.

9/ E-mail Ruling Granting Motion for Evidentiary Hearing (Apr. 29, 2022), p. 3.

parties to reduce the risk that litigation will produce unacceptable results.”^{10/} The Commission’s policy of favoring the settlement of disputes “supports many goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation might produce unacceptable results.”^{11/} In evaluating a proposed settlement, the Commission will apply the test set forth in Rule 12.1, which requires that the settlement: (1) be reasonable in light of the whole record, (2) be consistent with law, and (3) serve the public interest. The Commission takes a holistic approach to considering proposed settlements, weighing the entire agreement as a whole, rather than assessing just its individual parts:

In assessing settlements we consider individual settlement provisions but, in light of strong public policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. **Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.**^{12/}

As discussed below, the SA fully meets the criteria set forth in Rule 12.1. The SA reflects a compromise among parties of diverse interests and positions, that fairly reflect the affected interests. It falls within the range of possible outcomes presented by parties to the proceeding (as shown in the Comparison Exhibit attached hereto as Exhibit A) and is a reasonable and workable solution to the challenges surrounding the contested issues relating to non-NEM export compensation as presented in this track of the DAHRTP CEV proceeding. The SA is an indivisible package of compromises, on key issues, and is reasonable in light of the whole record, consistent with the law, and serves the public interest. Accordingly, the Commission should adopt the SA without modification or alteration.^{13/}

10/ D.11-05-018, p. 16.

11/ D.07-05-060, p. 6.

12/ D.11-05-018, p. 16 (emphasis added).

13/ D.06-06-014, p. 12.

A. Summary of Settlement Terms

The Settling Parties seek Commission approval of the terms set forth in the attached Settlement Agreement.^{14/} The key terms of the SA are summarized below:

1. Eligibility

PG&E's bundled non-NEM customers who are eligible for the DAHRTP CEV rate may also participate in this Non-NEM Export Rate Pilot on an opt-in basis. Participation by unbundled customers will depend on whether the decision-making body for any of the Load Serving Entities ("LSE", including Community Choice Aggregators ("CCA")) affirmatively decide to mirror the DAHRTP CEV rate and participate in this Non-NEM Export Rate Pilot. The Settling Parties hope that at least one or two of the twelve CCAs currently operating within PG&E's service territory will decide to mirror the DAHRTP CEV rate and participate in this Non-NEM Export Rate Pilot. PG&E agrees to work with its twelve CCAs to seek agreement from one or two of them to do so, if possible. The Settling Parties recognize that CCAs and ESPs may impose other program parameters and/or eligibility requirements for their customers to participate in the Non-NEM Export Rate Pilot.

2. Duration

The duration of the Non-NEM Export Rate Pilot shall be 36 months after the launch date for the new non-NEM export rate rider, unless the rate rider being studied in this Pilot is extended by the CPUC based on the final Report Advice Letter. The underlying (non-export) DAHRTP CEV rate and Non-NEM Export Rate Pilot are currently expected to become available to eligible customers in or about October 2023. This target schedule is subject to change depending on the terms of the Final Decision in this proceeding, as well as demands of other PG&E Information Technology (IT) projects.

The Settling Parties agree that two measurement and evaluation studies shall be conducted on the results of this Non-NEM Export Rate Pilot: (1) an Interim Evaluation to be

^{14/} In the event of an inconsistency or a conflict between a term in the SA and a term described in this Motion's "summary" section, Settling Parties intend for the term in the SA to prevail.

conducted after 12 months of data has been collected for this Pilot; and (2) a Final Evaluation—to be conducted after 24 months of data is available from the operations of this Pilot.

3. Enrollment

PG&E shall make its best efforts to program and make available for enrollment this Non-NEM Export Rate Pilot by October 1, 2023. Eligible customers may enroll in this Pilot rates at any time during the 36-month Pilot duration (*i.e.*, participants do not have to enroll on or before the date the underlying DAHRTP CEV rate is launched but may opt to enroll at any time during this Pilot's 36-month period). Initially, non-NEM CEV customers who are exporting electricity will only have the option of participating in this Pilot at the time it is adopted. However, at a future time, there may be alternative, CPUC-approved non-NEM export compensation. Settling Parties agree that, consistent with Rule 12, any Pilot participant who de-enrolls from the non-NEM export rate and enrolls in another non-NEM export rate will not be eligible to re-enroll until at least 12 months have elapsed since their prior de-enrollment from this Non-NEM Export Rate Pilot. The Setting Parties agree that a customer's initial enrollment in the Non-NEM Export Rate Pilot shall not be considered a rate change for purposes of Rule 12 (*i.e.*, if the customer enrolls in the Non-NEM Export Rate Pilot from another rate even though the enrollment on the prior rate occurred within 12 months).

4. RTP Pricing Dissemination

A Pricing Tool and Communication Platform^{15/} will be provided as proposed in PG&E's testimony.^{16/} In addition, pricing will be disseminated to the CEC's MIDAS Platform, when it becomes available.

5. Rate Rider Design to include MEC and MGCC and Exclude RNA

The non-NEM export compensation retail rate rider (Non-NEM Export Rate) should not include any rate components besides generation at this time.

15/ This Pricing Tool and Communication Platform were approved in D.21-11-017.

16/ PG&E Rebuttal Testimony, pp. 4-4 and 4-5; A.19-11-019, Exhibit PG&E-RTP-1, pp. 5-16 to 5-19.

The generation component to be used in this Pilot’s rate rider for non-NEM export compensation will include: (1) a Marginal Energy Charge, and (2) a Marginal Generation Capacity Cost. However, this Pilot shall not include a Revenue Neutral Adder (“RNA”) as detailed in the Settlement Agreement. The Settling Parties agree the MGCC component should be cost-based. Therefore, the MGCC issues subject to the MGCC Study being performed in compliance with D.21-11-017 (in A.20-10-011) should only be decided once by the Commission, to ensure consistency across all MGCC rate elements, including those arising from A.20-10-011 and A.19-11-019.

6. Revenue Neutral Adder (RNA)

The RNA is an additional rate component in the DAHRTP-CEV rate, on top of the MEC and MGCC components, which is designed to make the forecasted annual generation revenue collected under the underlying DAHRTP rates revenue neutral to the base schedules. The Settling Parties agree that, for purposes of this Non-NEM Export Rate, however, the RNA should not be included in the export rate.

7. Limited Early Participation Customer Incentives

Participants in this Pilot will be eligible for an incentive payment based on the size of the Electric Vehicle Service Equipment (“EVSE”) and type of vehicle served (*i.e.*, school buses will be eligible for an incentive adder), and subject to the budget cap for the incentive.

Limited ratepayer-funded early participation incentives shall be tested, as described in Appendix B, Attachment 1, the Declaration of Erica Brown. Specifically, the following incentives shall be tested for eligible participants, with caps to control total costs:

Table 1: DAHTRP CEV Non-NEM Export Compensation Pilot Upfront Incentive by EVSE Size			
EVSE Size	Base EVSE Incentive	School Bus Adder	School Bus EVSE Incentive
100 kW or lower	\$1,800	\$1,350	\$3,150
Greater than 100 kW	\$3,750	\$2,810	\$6,560

8. Incentive Cost Controls

The ratepayer funded limited early participation incentives for this Pilot will only be made available to participants enrolled within the first 12 months of the Pilot. Participants will receive the incentive in two installments, with the first payment of 70 percent of the total incentive amount after the participant's enrollment has been accepted and installation of eligible equipment and availability of funding has been verified, and the second payment of the remaining 30 percent after 12 months of the participant's enrollment and participation in the Pilot. Participants who receive an upfront incentive payment must remain on the rate for a minimum of 12 months in order to receive the second installment. This feature aims to ensure that participants remain within the Pilot long enough to gather relevant data (*i.e.*, export data for at least one full year, including at least one summer season). The total amount of ratepayer funded early participation incentives shall not exceed \$250,000. The ratepayer funded incentives for this Pilot are available only to participants who enroll in the Pilot within the first 12 months after the Pilot begins and shall cease once the ratepayer total incentive cap of \$250,000 is reached. To ensure a diversity of participants and a priority on understanding the charge and discharge behavior of EVs, the budget allocated to EVSEs serving school buses will be limited to 25 percent of the total budget, and the budget allocated to EVSEs with storage onsite will be similarly limited to 25 percent of the total budget.

9. Dual Participation

Dual participation is prohibited between this Pilot rate rider and load management approaches or demand response (DR) programs that are dispatched, or otherwise based, on day-ahead price signals or have energy-based payments (including ELRP, CESP, PDP, DRAM, and CBP). Also, the Stage 1 RTP Pilot RTP rates and programs recommended to the CPUC in a January 2022 all-party settlement, did not allow Dual Participation between the Stage 1 Pilot

RTP rates and programs that are dispatched based on day-of conditions such as the Base Interruptible Program (BIP), or that have day-of options such as ELRP.^{17/}

The Settling Parties agree that the initial operations of this Pilot should be consistent with that settlement. However, as described further below, the Settling Parties agree that the issue of Dual Participation between day-ahead RTP rates and day-of Demand Response programs will be re-considered in the Interim Evaluation Report. If PG&E determines it is able to mitigate some of the technical difficulties in doing so, PG&E will submit a Tier 2 advice letter requesting CPUC approval to permit limited dual participation on the day-of option for ELRP and this Pilot to further evaluate impacts, including: (1) isolating *ex-post* and *ex-ante* ELRP RTP load impacts from dually participating customers so they can be correctly attributed to each program, and (2) avoiding double compensation.

The Settling Parties agree that this settlement does not modify the previously approved dual participation of customers providing ancillary services to the CAISO.^{18/}

10. Reporting Metrics, Measurement and Evaluation

PG&E shall engage qualified vendors to perform two measurement and evaluation studies that shall be presented as: (1) an Interim Evaluation Report to be completed approximately 18 months after the Pilot is launched, based on the available data from the first 12 months' operations of the Pilot, and (2) a Final Evaluation Report, based on the full 24 months of Pilot operations (whether extended or not).

11. Rule 21 Process Changes are Out of Scope

In its Rebuttal Testimony, VGIC correctly stated that PG&E's Electric Rule 21 tariff "governs interconnection for DERs, and specifically requires that Rule 21 interconnected DERs

17/ The Emergency Load Reduction Program (ELRP) is a five-year pilot program administered by PG&E that offers participants financial incentives to reduce energy usage during times of high grid stress and emergencies, with the goal of avoiding rotating outages while minimizing costs to customers. The Commission ordered the Investor-Owned Utilities to administer ELRP in Rulemaking (R.) 20-11-003.

18/ D.21-11-017.

(i.e., inverters) meet certain conditions intended to ensure safety and reliability.”^{19/} PG&E and the Settling Parties agree that in order to participate in this Pilot, participants must engage the Rule 21 process to ensure that any export onto the grid, and/or load taken from the grid to support the Pilot infrastructure, is able to be accomplished safely and reliably.

Relatedly, in subsequent discussions, Electrify America expressed concern that, for sites that had previously engaged and received approval for Rule 21 non-export interconnection applications, this Pilot would necessitate participants to begin the Rule 21 process anew to receive approval for export interconnection, resulting in the production of load studies which had been previously approved; thereby, incurring additional costs to produce the same study. Because of this, Electrify America questioned whether it might be possible to “modify” an existing and approved Rule 21 non-export interconnection application to only address the export portion of a new project.

The current language of the Rule 21 tariff does not allow “modifications” of an existing, approved Rule 21 application where there are material changes to the load or export needs of an interconnection.^{20/} In fact, Rule 21 has sections and processes separately addressing export and non-export interconnection projects.^{21/} Therefore, where a site that is now seeking to export onto the grid after receiving Rule 21 approval for a non-export interconnection, that site must resubmit a new Rule 21 application and reengage the entire process. To engage Electrify America’s request to “modify” an existing, approved Rule 21 non-export application would necessitate a formal change to the language of the Rule 21 tariff—a change that is outside the scope of this proceeding and would need to be addressed in the ongoing Rule 21 proceeding (Rulemaking (“R.”) 17-07-007).

19/ VGIC Rebuttal Testimony, p. 4.

20/ PG&E Electric Rule 21, Sheet 97.

21/ *See for example* The Rule 21 Screen I in the Technical Framework requires an assessment of whether exports are anticipated, and Sections M on inadvertent export, limited export and non-export.

That said, through internal discussions at PG&E, PG&E determined that, for an existing approved Rule 21 non-export application that has already received permission to operate from PG&E, it may still be possible to apply previously used study results in assessing the “new” Rule 21 export application for the same project to avoid duplicative costs. In other words, for those potential Pilot participant sites operating under an existing Rule 21 non-export interconnection agreement, the participant may be able to reuse the load studies^{22/} that were conducted and reviewed in the original application, rather than having to repeat the same load studies in the resubmitted Rule 21 export application. Therefore, where there is no material change to the load needs at the site, the Pilot participant may be able to resubmit the following load studies: 1) Initial Load Study; 2) Supplemental Load Study (if available);^{23/} and, 3) System Impact Study (if available).^{24/} This would mean that a potential Pilot participant would potentially primarily be responsible for the cost and preparation of export studies during the new Rule 21 export application, including: 1) Initial Export Study; 2) Supplemental Export Study (if necessary); and, 3) System Impact Study (if not previously conducted, and if necessary).

By reusing these load studies, the Pilot participant may be able to avoid duplicating previous efforts in preparing and submitting studies, thereby potentially avoiding some costs and possibly resulting in a faster review of the Rule 21 export application resubmitted as export. However, Settling Parties agree that each project will require evaluation on a case-by-case basis

22/ So long as the load needed for the site remains the same and will not experience a material change to its load, thereby necessitating the need for new, updated load studies.

23/ Depending on the load needs, location, and/or simplicity of the site, a Supplemental Load Study may not have been necessary; therefore, a Supplemental Load Study may have not been conducted and reviewed during the original Rule 21 one-way, non-export application process. Thus, if during the review of the resubmitted Rule 21 export application it is determined that a Supplemental Load Study is necessary when one was not previously conducted/reviewed, the participant must pay for this additional study in order to abide by the requirements of Rule 21.

24/ Similar to the Supplemental Load Study, depending on the load needs, location, and/or simplicity of the site, a System Impact Study may have not been conducted and reviewed during the original Rule 21 one-way, non-export application process. Thus, if during the review of the resubmitted Rule 21 export application it is determined that a System Impact Study is necessary when one was not previously conducted/reviewed, the participant must pay for this additional study in order to abide by the requirements of Rule 21 to participate in this Pilot.

and PG&E agrees to consider the applicability of previously executed studies. Further, it is understood that facts and circumstances may have changed so as to render the studies inadequate pursuant to the requirements of Rule 21. The use of a previously conducted study will depend upon the specific details of that project and changes to the grid since the original application and there is no agreement among the Settling Parties at this time on whether a previously executed study satisfies the particular requirements for a Rule 21 application to be submitted.

12. Cost Recovery of Pilot Costs in Rates

All development, implementation, incentives, and operating costs for this Pilot, will be through electric distribution rates, as adopted in D.21-11-017, using PG&E's standard distribution allocation factors from all customers. These costs will be tracked in the Dynamic and Real Time Pricing Memorandum Account (DRTPMA) for recovery in a future application and testimony. PG&E agrees to separately track four categories of costs within DRTPMA:

- a. The costs for the Stage 1 Pilots approved (pending) in A.19-11-019 (not including costs in d. below);
- b. The costs for the separate customer research study for residential, agricultural and small commercial customers approved (pending) in A.19-11-019;
- c. DAHRTP-CEV rate program costs approved in D.21-11-017 and the DAHRTP CEV Non-NEM Export Rate Pilot per the final decision in this proceeding (not including costs in d. below); and
- d. Joint costs between the Stage 1 Pilots and the DAHRTP-CEV rate program and the DAHRTP-CEV Non-NEM Export Rate Pilot (e.g., joint costs for the Customer Enablement Platform and billing) (not including costs in a., b. or c. immediately above).

PG&E will record in the DRTPMA the actual costs it incurs pursuant to the Commission's orders for Dynamic and RTP Pilots and the separate customer research in A.19-11-019, the DAHRTP-CEV rate program in D.21-11-017, and this Non-NEM Export Rate Pilot, per the final decision expected to be issued in this proceeding. All recorded costs will be subject to reasonableness review, either through a single application or through a proposal and testimony PG&E will submit in the future for cost recovery. PG&E will record costs in the

DRTPMA consistent with how costs have been recorded in its Residential Rate Reform Memorandum Account (RRRMA). PG&E can recover the costs recorded to the DRTPMA only after the Commission finds that PG&E has demonstrated in the separate application or testimony that its expenditures were incremental, verifiable, and reasonable, and consistent with the requirements resulting from A.19-11-019 or D.21-11-017, as well as consistent with any other relevant Commission rulings and approvals (including, without limitation, plans and activities submitted by PG&E and approved through advice filings discussed elsewhere herein).

13. Information Technology Billing Systems Changes and Timing

PG&E commits to implementing, as soon as practicable, whatever structural changes to PG&E's systems may be necessary to conduct the Pilot agreed upon in this Settlement, including associated external systems for which PG&E is responsible and has control. PG&E advises, and the Settling Parties acknowledge, that to achieve PG&E's goal of timely usability of the systems involved and necessary employee training, any proposed timeline may be modified. The Settling Parties agree that this Settlement shall not preclude any party's right to solicit action from the Commission to address unreasonable delays in implementation of the structural changes to PG&E systems necessary for this Pilot. Prior to contacting the Commission regarding concerns about the timing of PG&E's implementation of the rate changes, the Settling Parties agree to meet and confer with PG&E on the status of Pilot implementation, discuss options for resolution and allow PG&E a reasonable time to pursue any viable alternative option.

The Settlement Agreement sets forth the target date for PG&E to make best efforts to program and make available for enrollment the agreed upon rate rider Pilot agreed to here as well as the underlying DAHRTP CEV rate adopted in D.21-11-017 by October 2023, but if the Commission approves something different from the integrated comprehensive Settlement Agreement's provisions for this Pilot, the launch date for Pilot rate roll-out may take additional time beyond October 2023 and may require a revised budget forecast.

B. The Settlement Agreement is Reasonable in Light of the Record as a Whole

The Settling Parties participated in comprehensive and in-depth settlement negotiations, with the goal of developing compromise positions that would permit resolution of the disputed non-NEM export compensation issues in this second phase of PG&E's DAHRTP CEV proceeding. The Settlement Agreement is a product of those intensive settlement efforts. The specific outcomes on the issues covered by the Settlement Agreement are within the range of positions and outcomes presented by the parties in the instant proceeding, as discussed below and summarized in Appendix 1 to the SA.

The Settling Parties are pleased that they have been able to reach agreement on all issues regarding non-NEM export compensation in this track of PG&E's DAHRTP CEV proceeding. As shown in the Comparison Exhibit, some issues were uncontested.

Perhaps the most difficult key contested matters that the Settling Parties were able to successfully resolve were the related issues of: (1) whether an interim retail rate approach is needed as a bridge to allow longer-term exploration of a potential, alternative future market-based approach, and if so, (2) how should any interim retail rate rider be designed and what other terms and conditions should be included in this interim rate Pilot to ensure it is as successful as possible in gaining early learnings. The Settling Parties concluded that the answer to the first question was, at this time, "yes." As for the second question, the Settling Parties recommend CPUC adoption of a 36-month retail rate rider to provide non-NEM customers taking service on the new DAHRTP CEV rate with *cost-based* export compensation, with a transparent, separate limited early participation incentive to encourage interested customers to move forward quickly to join this Pilot, and stay on it for at least one year, so the Pilot can gather important early learnings like Pilot customers' receptivity and response (specifically through their exporting behavior) under the DAHRTP real time prices. The Settling Parties also agreed that the total Pilot incentive budget amount authorized under the SA should be limited to \$250,000 to address Cal Advocate's concerns about cost control and impacts on other customers' rates. The Settling Parties also agree that additional program management costs are warranted to administer this

Pilot, including the validation, tracking, and payout of incentives. The total estimated budget for this Pilot is \$1.42 million to \$1.52 million.^{25/} For the reasons discussed herein, the agreed design of the interim retail rate rider to be tested in this Pilot will allow Non-NEM DAHRTP CEV customers to not only gain whatever benefits they can from RTP pricing, but also be compensated for whatever vehicle-to-grid exports they can provide, as an additional income stream. It is hoped that this compromise, interim retail rate rider to the DAHRTP CEV rate can encourage more commercial customers to switch to EV fleets and to do so more quickly, as well as also consider adding vehicle-to-grid enablement technologies to allow their fleets' "batteries on wheels" to be able to feed excess power back onto the grid to help address reliability constraints, especially during critical peak times.

Without waiving the Settling Parties' Rule 12.6 protections of the confidentiality of the give and take of settlement discussions, this Motion provides some agreed explanations of why this settlement, the outcomes of which fall between the parties' positions, is reasonable and in the public interest.

PG&E originally proposed a market participation approach^{26/} because PG&E believes market participation provides the best value to customers and the grid in the long term. A market participation framework would also allow for aggregation of customer-generators served by different LSEs and, in this way, provides the most flexibility for customers and best complements California's retail choice landscape. Finally, the market participation pilot originally proposed by PG&E would establish needed processes for coordination between and among CAISO, the distribution system operator, and the customer-generator to ensure that energy delivered by the customer can be accommodated by distribution grid.

25/ Actual costs above the amounts presented in the SA, if any, may be recorded in the memo account and will be subject to future review and litigation in an application or other appropriate Commission proceeding.

26/ PG&E Direct Testimony, pp. 4-8; PG&E Rebuttal Testimony, pp. 1-1 to 1-6.

VGIC's opening testimony^{27/} instead proposed that this Pilot study a retail rate option, based on MECs, MGCCs, and included the RNA as part of export compensation. In response, PG&E drafted its rebuttal testimony^{28/} to provide the CPUC with a cost-based retail rate alternative, showing why only MECs and MGCCs should be included, but not the RNA, which would result in compensation for these customers going beyond the cost basis and unfairly causing cost-shifting to other customers.

Cal Advocates' rebuttal testimony^{29/} largely aligned with PG&E's concerns that the retail rate rider be cost-based without the RNA, and that the total budget for this Pilot be kept reasonable to avoid unnecessarily increasing other customers' rates at a time that affordability of electric rates is so vital given current economic pressures on all customers and even more so to help ensure customers see the value in adopting higher electric loads to shift away from fossil fuel sources, thus helping our State achieve its decarbonization goals to fight the climate crisis.

Electrify America's rebuttal testimony^{30/} concurred with VGIC's opening testimony, as well as raised a new Rule 21 concern regarding duplicative study costs for those sites that had previously received Rule 21 one-way, non-export approval.

Ultimately, PG&E concluded that it would be advantageous for customers to gain experience participating in an interim Non-NEM Export Rate Pilot as a bridge to a potential future market participation pathway. After reflection, it seemed likely that the exploration and design of a market participation approach was a complex undertaking and would likely take more time to implement than possible to complete before October 2023. Significantly, PG&E was ultimately willing to accept an interim retail rate rider Pilot approach, as a bridge that could ensure eligible Non-NEM DAHRTP CEV customers would, by the time the DAHRTP rate becomes available, have a means of receiving Export Compensation for whatever Vehicle-to-

27/ VGIC Opening Testimony, pp. 9-16.

28/ PG&E Rebuttal Testimony, pp. 3-1 to 3-3.

29/ Cal Advocates-3, Rebuttal Testimony, pp. 1-8 to 1-9.

30/ VGIC Answer Testimony of Jigar J. Shah, pp. 3-4.

Grid power they can provide during this Pilot’s 36-month period (unless extended after the CPUC considers the Advice Letter presenting the Final Measurement and Evaluation Report).

The 36-month period for this Pilot was selected to allow two years for collection of data (importantly, including two summer seasons), followed by adequate time for analysis and reporting. The other parties agreed with PG&E that during the 36-month Pilot period, a parallel evaluation of the market participation approach should be undertaken, but that this should be done in a more holistic way that considers all types of exports (not just the relatively smaller kW from CEV vehicle-to-grid exports), such as through the CPUC’s High DER proceeding.

Rather, the Settling Parties agreed to a set of transparent, limited early participation incentives, allocated based on interconnection size and type of fleet:

Table 1: DAHTRP CEV Non-NEM Export Compensation Pilot Upfront Incentive by EVSE Size			
EVSE Size	Base EVSE Incentive	School Bus Adder (75%)	School Bus EVSE Incentive
100 kW or lower	\$1,800	\$1,350	\$3,150
Greater than 100 kW	\$3,750	\$2,810	\$6,560

These early participation incentives were added in response to VGIC’s concern that, because eligible customers might prefer the certainty of ELRP pricing, but, at this time, cannot dually participate in the ELRP program given CPUC dual participation rules against double recoveries. This incentive has been tailored to provide a ratepayer-funded initial financial incentive designed to cover a reasonable estimate of their likely ELRP opportunity cost, with special carve-outs for Direct Current Fast EV Charging Stations that were of concern to Electrify America, as well as an enhanced incentive level to more strongly encourage School Bus EV fleets to participate, which both PG&E and VGIC have identified as an important target group for participation. The parties have also agreed to work together to seek potential non-ratepayer sources of funding, such as from the State’s General Fund, if potential further encouragement for non-NEM

customer vehicle-to-grid enablement is needed, above and beyond this Pilot's agreed limited early participation incentive.

The SA's rate design recommendations are also reasonable in light of the record as a whole. All the Settling Parties support this Non-NEM Export Rate rider being based, as this time, solely on adopted MECs and MGCCs, but that it would result in an inappropriate cost-shift to non-participating customers if the RNA were not excluded (as explained in Cal Advocates'^{31/} and PG&E's testimony^{32/}).

The Settling Parties recognize that the Commission may have additional questions about this Settlement Agreement. Although the Settling Parties are willing provide a representative panel of witnesses to appear during remote hearings on June 22, 2023, to testify in support of the Settlement, it can be challenging for such witnesses to, in real time, craft answers to questions in a manner that do not violate the Commission's confidentiality requirements under Rule 12.6. This is made even more difficult because of the narrow window of time between the finalization and filing of this Settlement and the onset of hearings. Therefore, as an alternative, the Settling Parties recommend the Commission instead consider issuing a list of written questions to which the Settling Parties could jointly respond in writing, given enough time to do so as a group. Such joint written responses could perhaps be received as a late-filed exhibit, if necessary, as the Commission did to receive joint responses to Commission questions about the revenue allocation settlement submitted during the April 2021 evidentiary hearings in a prior track of this GRC Phase 2 proceeding. In any event, the Settling Parties are committed to responding in whatever ways the Administrative Law Judge and the Commission believe would be most appropriate and efficient to provide the Commission with answers to whatever questions it may want addressed to provide whatever further support it feels it needs as it assesses whether this Settlement is reasonable in light of the record, consistent with law, and in the public interest.

31/ Cal Advocates-3, Rebuttal Testimony, pp. 1-8 to 1-9.

32/ PG&E Rebuttal Testimony, pp. 3-2 to 3-3.

C. The Settlement Agreement is Consistent with Law

The Settling Parties believe that the Settlement Agreement is fully consistent with relevant statutes, Commission decisions, and public policy, including the Rate Design Principles adopted by the Commission in D.15-07-001. In particular, implementation of the SA terms will ensure the Pilot's rate rider is aligned with the Commission's cost-of-service,^{33/} affordability,^{34/} and customer acceptance.^{35/} The Settlement Agreement is in the Public Interest

The Commission has determined that the "public interest" criterion is satisfied by a settlement that "commands broad support among participants fairly reflective of the affected interests" and "does not contain terms which contravene statutory provisions or prior Commission decisions."^{36/} Here, all the active parties on non-NEM export compensation issues in this second phase of the DAHRTP CEV proceeding have either joined this Motion (and signed the attached Settlement Agreement indicating that they believe the Settlement Agreement represents a reasonable compromise of their respective positions) or affirmatively indicated that they do not oppose it. The Settling Parties are knowledgeable and experienced regarding the issues in this proceeding and, in agreeing to the SA, have applied their collective experience to produce appropriate, well-conceived recommendations. The Settling Parties have vigorously negotiated and succeeded in achieving a settlement that they believe balances the various interests affected in this second phase of PG&E's DAHRTP CEV proceeding. In addition, as noted above, the Settling Parties do not believe that the SA contains terms that would contravene statutory provisions or prior Commission decisions. Finally, the SA limits potential under-collection and cross-subsidization concerns while allowing a limited Pilot to proceed to gather key early learnings and hopefully deliver some initial GHG reduction benefits as well as generation cost savings, and potentially added exports that can help address system reliability

33/ See D.15-07-001, p. 264 (RDPs #2, #3, #7, #8, #9).

34/ See *Id.* (RDP #1).

35/ See *Id.* (RDP #6).

36/ D.10-06-015, p. 11.

concerns especially at critical peak times – all of which are in the public interest. The limitations on this Pilot result in a reasonable initial test on appropriate customers, with reasonable, capped early participation incentives that minimize incremental additional costs.

The rate design for the Pilot rate rider focuses on Marginal Generation Costs, which are composed of MEC and MGCC, both of which were approved in D.21-11-017. The Settling Parties agreed that is important to incentivize customers to export at the appropriate time while also ensuring that the compensation is not greater than the cost savings to PG&E. The Settlement Agreement’s approach will send a capacity price signal in addition to the market energy price especially when the grid is most stressed, in an effort to incent customers to export in those hours, which should help keep rates lower for all customers.

The Settling Parties expect candidates for participation in the Pilot include but are not limited to delivery vehicle fleets, school buses, and charging infrastructure with storage facilities onsite, and have designed the incentive structure to ensure learnings from a variety of customer types. Specifically, we propose additional incentives for school buses in recognition of concerns about make-ready funding available to school districts as well as potential benefits of school buses that will not be used for transportation for a portion of the high load months. The Settling Parties also agreed to some limitations on the incentives available for charging infrastructure with storage onsite to ensure sufficient learnings from EV exports.

For all these reasons, the public interest criterion is satisfied. As stated above, if the Commission has additional questions, key experts from the Settling Parties are willing appear as a panel during hearings and/or provide jointly agreed written answers to any written questions the Commission might have.

1. The Settlement Agreement is Reasonable and Should be Adopted without Modification

The Settling Parties view the proposed SA as an integrated and cohesive resolution of all the issues in this track of the DAHRTP CEV proceeding. The various provisions of the Settlement Agreement reflect specific compromises among a wide range of litigation positions

presented by parties. The Settling Parties had differing interests that are fairly representative of those who will be affected by adoption of this proposal. Although each provision of the SA is discussed separately in the summary above, the SA is presented as a whole, and each provision of the SA is dependent on the other provisions; in some instances, the proposed outcome reflects a party's concession on one issue in consideration for the outcome provided on a different issue.

Modification of any one part of this integrated SA would harm the carefully balanced compromises achieved among the Settling Parties, who represent a wide range of interests. Indeed, the SA expressly provides that adoption of only a portion of the SA would free the Settling Parties from their settlement obligations.^{37/} Accordingly, in keeping with long-standing Commission precedent in favor of consideration of “whether the settlement *as a whole* produces a just and reasonable outcome,”^{38/} the Commission should consider and approve this SA as a whole, without any alteration or modification.

IV. THE SETTLING PARTIES HAVE COMPLIED WITH THE REQUIREMENTS OF RULE 12.1(B)

Settlement discussions in this track of the DAHRTP CEV proceeding began almost two months ago, first informally and then pursuant to a formal notice of settlement conference provided by PG&E to the service list under Rule 12.1(b), on May 18, 2022. Settlement initially arose somewhat before rebuttal testimony had been filed, with only a couple weeks until the originally scheduled evidentiary hearing dates. The ALJ agreed to move hearings to June 21-22, 2022, to allow adequate time for settlement talks to conclude. Discussions during eight larger group settlement meetings, as well as related ad hoc subgroup meetings and other communications among the parties, resulted in agreement on the terms and conditions in the SA. On June 13, 2022, PG&E sent out an email attaching the proposed Settlement to ENEL X, as it had indicated an interest in monitoring this settlement without actively participating in substantive negotiations; ENEL X indicated that they do not oppose this Settlement.

37/ Settlement Agreement, Section III.

38/ D.11-05-018, p. 16 (emphasis added).

V. REQUESTED FINDINGS

Based on this Joint Motion, the SA attached hereto, and the record in this proceeding, the Settling Parties respectfully request that the Commission make the following findings:

- The Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest.
- The Settlement Agreement should be adopted in its entirety with no modifications.
- If the CPUC determines through another proceeding that there is additional value of customer export beyond what is currently represented by PG&E's adopted MGCC and MEC, the Settling Parties agree that whether compensation for EV export under this Pilot tariff should be adjusted to include such additional value, as well as whether other tariff adjustments are necessary to qualify for the additional value (*e.g.*, include an additional performance requirement to qualify for RA value) should be addressed in an appropriate proceeding, which may include reopening this proceeding if the Commission deems that appropriate.
- The Settling Parties have also authorized PG&E to file a parallel motion asking the CPUC to receive into evidence the description of Limited Early Participation Incentive presented in Appendix B Attachment 1, the Declaration of Erica Brown. This description has been reviewed and signed off on by the parties supporting this Joint Motion. The terms of the agreed early participation incentive may be jointly sponsored by any Settlement Panel the CPUC may wish to have appear at hearings, and/or through written responses to questions if the CPUC should desire any further testimony about the agreed incentive feature of this Pilot. The CPUC should find this added incentive provision to be reasonable because, among other things, it will provide Non-NEM DAHRTP CEV customers with added early encouragement to join the Pilot during its first year of operation and stay on the Pilot's rate rider for at least a full year. At the same time, it also controls costs to other ratepayers by making these incentives available only to participants who enroll in the Pilot within the first 12 months after the Pilot begins as well as ending these incentives once the ratepayer total incentive cap of \$250,000 is reached.
- In addition, the Settling Parties have further authorized PG&E to file another parallel motion asking the CPUC to receive into evidence Appendix B, Attachment 2, the Declaration of PG&E's Anh Dong. Ms. Dong's declaration presents the incremental costs of adding a limited early participation incentive to this Pilot, clarifies the costs for Pilot, and sets out the Pilot schedule, as agreed in the Settlement. Ms. Browns' Declaration addresses the basis for and other features of the limited early participation incentive, such as the reasons for its provision of a higher incentive for School Bus fleets that participate in this Pilot. All Settling Parties reviewed these Declarations before signing the Settlement, and recommend the Commission grant each of the separate Motions requesting that they be received into evidence.

VI. CONCLUSION

As demonstrated herein, the SA is reasonable in light of the entire record, is consistent with law, and promotes the public interest. Accordingly, the Settling Parties respectfully request that the Commission expeditiously approve the Settlement Agreement without modification and make the findings set forth in Section V of this motion.

All the Settling Parties have reviewed and authorized PG&E to file, on their behalf, this Joint Motion and Settlement Agreement on behalf of all the Settling Parties per Rule 1.8 of the Commission's Rules of Practice and Procedure.

Respectfully, this 17th day of June, 2022.

Respectfully submitted,

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Dated: June 17, 2022

APPENDIX A

*Settlement Agreement, including
Attachment 1 - Comparison Exhibit*

**SETTLEMENT AGREEMENT ON EXPORT COMPENSATION RATE
PILOT FOR NON-NEM PARTICIPANTS IN PG&E'S DAY-AHEAD
REAL TIME PRICING COMMERCIAL ELECTRIC VEHICLE RATE
IN APPLICATION 20-10-011**

I. INTRODUCTION

In accordance with Article 12 of the Rule of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”), the parties to this Settlement Agreement listed below in Section II (“Settling Parties”), agree on a mutually acceptable outcome to all of the contested issues in this phase of above-captioned Application (“A.”) 20-10-011 related to Day-ahead Real-time Pricing (“DAHRTP”) Commercial Electric Vehicle (“CEV”) Non-Net Energy Metering (“Non-NEM”) Export Compensation, and respectfully recommend the CPUC adopt without modification their agreed Export Compensation Rate Pilot for Non-NEM Customers Participating on PG&E’s DAHRTP Rate for CEVs (“Non-NEM Export Rate Pilot” or “the Pilot”). The Settling Parties further agree that the CPUC should also evaluate a potential future market participation approach to export compensation on a holistic basis in its High Distributed Energy Resource (“DER”) proceeding, as a possible longer-term alternative to the retail rate rider being piloted here. The Settling Parties represent that this Settlement Agreement resolves all non-NEM export compensation issues within the scope of this phase of the DAHRTP CEV proceeding (A.20-10-011). The details of this Settlement Agreement are set forth herein.

The testimony served by the parties active in this track of the DAHRTP CEV Proceeding advanced differing views on certain aspects of the remaining scoped issues, including regarding the Pilot on export compensation for non-NEM customers.¹ In compliance with Rule 12.1(a) of

¹ As described in PG&E's Rebuttal Testimony, future changes to the rate to be tested in this 36-month pilot can be informed by the results of this Pilot, as well as by the underlying Commercial Electric

the Commission's Rules of Practice and Procedure, the parties' positions in testimony are shown in the Comparison Exhibit attached hereto as Appendix A, Attachment 1. The active parties have debated their positions at length through eight in-depth settlement conferences among all active parties and have bargained earnestly and in good faith to reach a reasonable compromise concerning the DAHRTP non-NEM export compensation issues pending in this proceeding including the proposed retail rate Pilot that PG&E plans to launch in October 2023. This Settlement Agreement is the product of their detailed, arm's length-negotiations on various disputed issues. These negotiations considered the interests of all active parties on the contested issues being considered in this phase of the DAHRTP CEV proceeding (A.20-10-011). The resulting Settlement Agreement addresses and resolves each of these issues in a fair and balanced manner.

The Settling Parties reached this Settlement Agreement by mutually accepting concessions and trade-offs among themselves. Thus, the various elements and sections of this Settlement Agreement are closely interrelated and should not be altered, as the Settling Parties intend that the Settlement Agreement be treated as a package solution that strives to carefully balance and align the interests of each party. Accordingly, the Settling Parties respectfully request that the Commission approve each and every aspect of this Settlement Agreement without modification. Any material change to the Settlement Agreement shall render it null and void, unless all Settling Parties agree in writing to such changes.

II. SETTling PARTIES

The Settling Parties are as follows:

- Pacific Gas and Electric Company (“PG&E”);

Vehicle Real Time Pricing rate (“DAHRTP CEV Rate”) adopted in Decision (“D.”) 21-11-017, and other utilities' RTP pilots or export compensation efforts for Non-NEM customers that may be developed in their General Rate Case (“GRC”) Phase II proceedings or through other CPUC proceedings.

- Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”);
- Vehicle Grid Integration Council (“VGIC”); and,
- Electrify America, LLC.²

III. RTP SETTLEMENT CONDITIONS

This Settlement Agreement resolves the issues raised by the Settling Parties in this phase of A.20-10-011 on an export compensation pilot for Non-NEM DAHRTP participants, subject to the conditions set forth below:

1. This Non-NEM Export Rate Pilot Settlement Agreement embodies the entire understanding and agreement of the Settling Parties with respect to the matters described herein, and it supersedes prior oral or written agreements, principles, negotiations, statements, representations, or understandings among the Settling Parties with respect to those matters.
2. This Settlement Agreement represents a negotiated compromise among the Settling Parties’ respective litigation positions on the matters described; the Settling Parties have assented to the terms of this Settlement Agreement only to arrive at the terms embodied herein. Nothing contained in this Settlement Agreement should be considered an admission of, acceptance of, agreement to, or endorsement of any disputed fact, principle,

² While there are six other parties on the service list created during the prior phase of A.20-10-011, none of them chose to serve testimony on any of the non-NEM export compensation issues addressed in this Settlement Agreement. Of these, five did not participate at all in settlement discussions in this phase: East Bay Community Energy (EBCE) and Peninsula Clean Energy Authority (PCE), Small Business Utility Advocates (SBUA), Environmental Defense Fund (EDF), and Chargepoint, Inc. The sixth, ENEL X North America, (ENEL X) served no testimony but initially called in to the formally noticed Settlement Conference on May 27, 2022, with a quick procedural question but then indicated they did not currently have plans to substantively participate in this phase of the proceeding, which they would only be monitoring. ENEL X did not participate in any subsequent settlement conferences. ENEL X has subsequently reviewed this Settlement and indicated it does not oppose CPUC adoption.

or position previously presented by any of the Settling Parties on these matters in this proceeding.

3. This Settlement Agreement does not constitute and should not be used as a precedent regarding any principle or issue litigated in this proceeding or in any future proceeding.
4. The Settling Parties agree that this Settlement Agreement is reasonable, in light of the testimony submitted, consistent with law, and in the public interest.
5. The Settling Parties agree that the language in all provisions of this Settlement Agreement shall be construed according to its fair meaning and not for or against any Settling Party based on whether that Settling Party or its counsel or advocate drafted the provision.
6. The Settling Parties agree that the Settlement Agreement addresses all contested issues regarding the proposals pending in this track of the DAHRTP CEV proceeding on the design of a Non-NEM Export Rate Pilot.
7. This RTP Settlement Agreement may be amended or changed only by a written agreement signed by all the Settling Parties.
8. The Settling Parties shall jointly request Commission approval of this Settlement Agreement and shall actively support its prompt approval. Active support shall include written and oral testimony if testimony is required, briefing if briefing is required, comments and reply comments on the proposed decision, advocacy to the Commissioners and their advisors as needed, and other appropriate means necessary to obtain the requested approval.
9. The Settling Parties intend that the terms of this Settlement Agreement are to be interpreted and treated as a unified integrated agreement to the degree applicable to this track of the DAHRTP CEV proceeding. In the event the Commission rejects or modifies

any portion of this Settlement Agreement, the Settling Parties reserve their rights under Commission Rules 12.4 and 12.6.

IV. PROCEDURAL AND SETTLEMENT HISTORY

The procedural history of PG&E's DAHRTP CEV proceeding, from the date the application was filed in October 2020 through November 2021, appears in Section 1 (pages 3-6) of the Commission's decision on the issues scoped for the main track of the DAHRTP CEV proceeding, Decision ("D.") 21-11-017, and is incorporated herein by reference.

The following summarizes the additional procedural history for Phase 2 of A.20-10-011, to which this Settlement relates:

In a Second Amended Scoping Memo and Ruling dated December 17, 2021, the Assigned Commissioner set a deadline for filing the Marginal Generation Capacity Cost ("MGCC") Study of January 18, 2022, with hearings on MGCC and non-NEM export compensation issues initially scheduled for April 19 to 22, 2022. On January 6, 2022, PG&E filed a Motion for Ruling Revising the Schedule for the MGCC Study and Testimony, as well as a Motion to Shorten Time for Responses. On January 10, 2022, PG&E filed an additional Motion for Ruling Revising the Schedule for Non-NEM, Behind-The-Meter Export Compensation Supplement and Testimony along with a Motion to Shorten Time for Responses. That Motion was granted by an ALJ Ruling revising the schedule on January 14, 2022, after which PG&E timely served its supplemental testimony on March 24, 2022. This was followed by service of direct and then rebuttal testimony by all interested parties; specifically, PG&E and VGIC served direct testimony on April 13, 2022, and then rebuttal testimony was served by PG&E, VGIC, Cal Advocates and Electrify America on April 29, 2022.

Meanwhile, on April 13, 2022, Cal Advocates, ENEL X, the Small Business Utility Advocates (SBUA) and PG&E filed a *Motion to Submit Stipulation on MGCC in Lieu of*

Testimony, as the MGCC Study recommendations were collaboratively developed and are uncontested.

On April 22, 2022, PG&E timely filed a Motion for Evidentiary Hearings.

On May 6, 2022, Assigned ALJ Doherty issued an email Ruling confirming that updated dates for evidentiary hearing dates would be reserved for June 21 through 22, 2022, on Non-NEM Export Compensation issues, as MGCC issues are uncontested. On May 12, 2022, ALJ Doherty noticed a prehearing Status Conference which was duly held on June 10, 2022, at 1 p.m. These hearings must be held remotely to support the health and safety of all participants given the continuing COVID-19 pandemic including a recent surge caused by the highly transmissible Omicron and other variants.

Informal settlement discussions began on April 27, 2022, just before the parties served their rebuttal testimony. PG&E filed a Notice of Settlement Conference on May 18, 2022, to formally convene an all-party conference call that was held on May 27, 2022. As of June 16, 2022, a total of eight settlement meetings had been held involving all the active parties. Additional discussions were held by subgroups to address *ad hoc* topics, with results reported back to all active participants during the main settlement meetings.³ The four Settling Parties participated in all the main settlement meetings. The attorney for ENEL X North America also listened into the beginning of the May 27, 2022, formally noticed Settlement Conference, but indicated that ENEL X would be merely monitoring this track of the proceeding and did not intend to actively participate in settlement discussions.

³ *Ad hoc* topics included potential early participation incentives, as well as concerns related to Rule 21 interconnection agreements that are not currently “two-way” (i.e., that allow the BEV customer to not only receive but also export energy to the grid).

V. SETTLEMENT TERMS

A. General Terms

Considering and both recognizing and compromising the litigation positions taken by the individual parties, the Settling Parties unanimously agree to a 36-month Pilot to test an agreed non-NEM export rate rider for CEV customers taking service on the underlying DAHRTP CEV rate previously adopted in A.20-10-011, with Pilot design features as set forth in this Settlement Agreement. The agreed Pilot design includes provisions for reporting of results and making recommendations intended to inform a later CPUC decision as to whether to extend this Pilot beyond its initial term. The Settling Parties agree that if, at the time the Final Report is filed, no other alternative for Non-NEM export compensation is as yet available to these Pilot customers, and if the Pilot study demonstrates that this rate program has been cost-effective, then continuation of this Pilot through extension beyond the initial 36-month period would be recommended at that time.⁴

The Settling Parties agree that this Pilot will provide eligible customers on the underlying DAHRTP CEV rate with a rider⁵ that provides Pilot participants with cost-based export compensation, intended to start in October 2023, while CPUC and interested parties also explore a potential, alternative market participation approach in a holistic manner, over the longer-term, through the CPUC's high DER proceeding.

The Settling Parties agree that this Non-NEM Export Rate Pilot intends to accomplish three things:

⁴ The Settling Parties use of the term "cost-effective" here is in its generic sense and should not be interpreted to indicate any particular agreement as to what criteria should be used to determine cost effectiveness for purposes of evaluation of this Pilot.

⁵ A rate rider is a supplemental rate schedule that appends or modifies an underlying rate schedule. Under a rate rider structure, eligible customers who enroll in this Pilot will receive export compensation while remaining on the existing, already-adopted underlying DAHRTP CEV import rate. Making this new export rate a rider eliminates the need to build separate two rate structures for the underlying DAHRTP CEV import rate – one with Non-NEM export compensation and one without export compensation.

1. To provide learnings about how CEVs respond to day-ahead price signals and how that affects export behavior;
2. To provide opportunities for customers to reduce their electric costs beyond the benefits of the underlying DAHRTP CEV rate itself; and
3. To support grid reliability and decarbonization goals.

The Settling Parties further agree that this Pilot should: (1) test the hourly non-NEM real-time pricing (“RTP”) export compensation rate design to assess customer interest in and barriers to participating on such a rate; and (2) accurately measure the load reduction and load-shifting, and export behavior, and the associated impacts on greenhouse gas emissions, achieved through customers’ participation on this Pilot rate rider; (3) test whether the exports compensated through this Pilot provide a meaningful contribution to addressing California’s emergency reliability needs; (4) test whether and to what degree this non-NEM export rate might help minimize power costs to ratepayers by aligning not only electric vehicle (“EV”) charging but also EV discharging with real time grid conditions. While there is no plan to study the following as part of this rate Pilot, the Settling Parties also assume the Pilot may beneficially encourage: (a) development of emerging EV and Electric Vehicle Supply Equipment (“EVSE”) technologies with bidirectional capabilities, and (b) reductions to eligible customers’ total cost of CEV ownership by offering a supplemental revenue stream that is cost-based. The rate and program design for the Settlement Agreement’s Non-NEM Export Rate Pilot proposal are reasonable in light of the entire record in this proceeding, consistent with law, and reflect a fair and balanced compromise of the Settling Parties’ proposals relating to the issues included in this Settlement Agreement that is in the public interest.

Each Settling Party agrees that all testimony served prior to the date of this Settlement Agreement, addressing the issues resolved by this Settlement Agreement, should be admitted

into evidence without cross-examination by the Settling Parties. Since this Settlement Agreement includes a limited early participation incentive feature, and associated costs, that were not explicitly addressed in any party's testimony prior to the date of this Settlement Agreement, PG&E has prepared, and the Settling Parties have reviewed and support admission into evidence of: (1) the Declaration of Witness Erica Brown describing the incentive and (2) the Declaration of Witness Anh Dong setting forth the incentive-related costs that are incremental to the rough cost estimates for a retail rate pilot as set forth PG&E's April 29, 2022, rebuttal testimony, Chapter 4, pages 4-4 through 4-5. (These two declarations, which are attached as Appendix B, Attachments 1 and 2, are being concurrently filed under a PG&E Motion asking that they be received into evidence). The estimated additional costs and terms of the limited early participation incentive agreed to in this Settlement are also itemized below in Section V.B.x.b. of this Settlement Agreement, as well as being detailed in the Declaration of Anh Dong presented in Appendix B and Attachment 2, attached hereto.

The Settling Parties agree that, subject to the confidentiality restrictions under Rule 12.6, they shall make witnesses available to answer any questions the Commission may have about this Settlement Agreement, either: (1) as part of a Settlement Panel to appear at a mutually agreeable time during the scheduled remote evidentiary hearings, if the Commission so desires, and/or (2) by jointly preparing written responses to written questions from the Commission, for submission into the record at hearings or as a late-filed exhibit if it cannot be finalized before the close of evidentiary hearings on June 22, 2022.

As described below in Section V.B., the Settling Parties agree to the elements and parameters of the Non-NEM Export Rate Pilot agreed to herein, as well as related agreements to pursue, in the longer-term, a potential alternate market participation approach in the CPUC's High DER proceeding.

B. Uncontested and Settled Issues

i. Design of Non-NEM Export Compensation Pilot Rate Rider

The Settling Parties agree that the following *uncontested* proposals are reasonable and should be adopted:

- The Non-NEM export compensation retail rate rider (“Non-NEM Export Rate”) should not include any rate components besides generation at this time.
- The Non-NEM Export Rate should include the Marginal Energy Cost (“MEC”) and MGCC, including line losses for both, that was approved in D.21-11-017.

The Settling Parties also identified the following *contested* issues in this proceeding:

- Whether this export rate should be allowed to be applicable to all BEV customers, even those not on the DAHRTP-CEV rate (as proposed by Cal Advocates, with PG&E opposed, with VGIC unopposed).
- Whether revenue neutral adder (“RNA”) should be included in the generation compensation (as proposed by VGIC; with Cal Advocates and PG&E opposing inclusion).
- Whether dual participation can be permitted for this Pilot consistent with the CPUC’s dual participation rules and decisions.

This Non-NEM Export Rate Pilot Settlement Agreement, reached by the Settling Parties, disposes of all such contested issues, through a carefully balanced, integrated compromise, in the manner set forth below:

ii. Scope

The Settling Parties agree that the issue of whether export compensation for other BEV customers, including those on underlying rates other than the DAHRTP CEV rate which is the

sole subject of this docket, is beyond the scope of this second phase of the A.20-10-011 proceeding. The Settling Parties further note that any such future CPUC consideration of other potential export compensations rates, in other CPUC dockets, should benefit by having available both Reports to the CPUC on this Non-NEM Export Rate Pilot's results.

iii. Eligibility

The Settling Parties agree to the following eligibility requirements:

1. This Non-NEM Export Rate Pilot shall only be applicable to Bundled non-NEM customers taking service on PG&E's DAHRTP CEV rate option approved in D.21-11-017. The Settling Parties further agree that participation in the rate approved for this Non-NEM Export Rate Pilot will be solely at the eligible customers' option.
2. In agreeing that only non-NEM customers on the DAHRTP CEV consumption rate shall be eligible for this Pilot at this time, the Settling Parties agree that there could be undesirable consequences, in some instances, if customers were given access to an export rate that could exceed their consumption rate in the same hour.

Although there may eventually be a desire to have export compensation for Non-NEM EV customers on time-of-use ("TOU") or other non-CEV RTP rates, the Settling Parties agree that an export compensation mechanism for EV customers not taking service on the DAHRTP CEV compensation rate is outside the scope of this proceeding and would need to be developed in the future (either as a later phase of this proceeding or in another CPUC rate design proceeding). A major reason the CPUC does not have an adequate record before it in this proceeding to apply this rate rider Pilot to any EV customers beyond Bundled customers on the DAHRTP CEV rate is that compensation mechanisms for other EV customers may differ from the rate design approach used for the DAHRTP CEV rate.

3. As detailed below in Section V.B.x.a., eligibility for receipt of an early participation incentive for this Pilot shall only be afforded to participants who enroll in the Pilot within the first 12 months after the Pilot begins, and shall cease once the ratepayer total incentive cap of \$250,000 is reached, whichever comes sooner. However, any customer eligible for the DAHRTP CEV rate may still enroll in this Pilot even if the cap on the agreed early participation incentives has been reached, or the applicable period for getting the incentive has elapsed, whichever happens first.
4. Participation by any otherwise eligible Unbundled service Non-NEM customer will depend on whether the decision-making body for their Load Serving Entity (“LSE”) (e.g., Community Choice Aggregation (“CCA”) or Direct Access (“DA”) Energy Service Provider (“ESP”)) has decided to participate in PG&E’s DAHRTP CEV rate, as well as this Non-NEM Export Rate Pilot. The Settling Parties hope that at least one of the twelve CCAs within PG&E’s service territory will decide to mirror the DAHRTP CEV rate and also decide to participate in this Non-NEM Export Rate Pilot.

This does not preclude this Non-NEM Export Rate Pilot from being modified to include other components at a later date, either in this proceeding or in another CPUC rate design proceeding.

Limiting eligibility for this Pilot only to Bundled *non-NEM* customers on the DAHRTP CEV rate, by definition, means that a customer taking *NEM* service on the underlying DAHRTP CEV rate shall not be eligible to participate in this Non-NEM Export Rate Pilot, as such customers already receive export compensation through the terms of their NEM rate. Therefore, all NEM and NEM sub-tariff customers are excluded from eligibility for this Pilot, including:

- All customers on PG&E’s NEM 1.0 or 2.0 tariffs including NEMS, NEMEXP, NEMEXP-M, NEM-PS and NEM-MT.

- Customers who are on VNEM and NEMA shall also not be eligible for this Non-NEM Export Rate Pilot.
- Customers who will be on the NEM “Successor Tariff” being developed in Rulemaking (“R.”) 20-08-020.

iii. Revenue Neutral Adder Not Included in Non-NEM Export Rate Pilot

The Settling Parties agree that, for initial implementation, the Revenue Neutral Adder (“RNA”) rate component in the adopted DAHRTP CEV rate should be excluded from the Non-NEM Export Rate Pilot, to ensure that its rate rider is cost-based and does not overvalue exports.⁶ In doing so, the Settling Parties agree in principle with the arguments made in Cal Advocates’ and PG&E’s rebuttal testimony that the RNA represents fixed utility costs that are not reduced when customers export to the grid.

The Settling Parties agree that there may be additional value associated with customers exporting to the grid, such as (but not limited to) MEC aggregated at the sub-LAP level, local Resource Adequacy (“RA”) (beyond what is currently represented by the MGCC) or distribution investment deferral, for which there is no current mechanism to value or capture. The Settling Parties further agree that valuing the benefits and costs as well as determining the mechanisms for capturing those benefits and costs are outside of the scope of this proceeding and should be handled in their respective proceedings (*e.g.*, the RA proceeding for RA value, the Distribution Investment Deferral Framework (“DIDF”) for local distribution deferral value, and the DRIVE Order Instituting Rulemaking (“OIR”) for related value assessments). If the CPUC determines through another such proceeding that there is additional value of customer export beyond what is currently represented by PG&E’s adopted MGCC and MEC, the Settling Parties agree that

⁶ Similar to the DAHRTP CEV consumption rate, customers receiving non-NEM export compensation under this rate rider Pilot will have their generation export compensation vary by hour, tracking with the hourly MEC and MGCC generation rates even if the price is negative (which would result in a generation-related charge and not a credit).

whether compensation for EV export under this pilot tariff should be adjusted to include such additional value, as well as whether other tariff adjustments are necessary to qualify for the additional value (*e.g.*, include an additional performance requirement to qualify for RA value) should be addressed in an appropriate proceeding, which may include reopening this proceeding, should the Commission deem that appropriate.

Although the PG&E VGI Pilots approved in Resolution (“Res.”) E5192 contemplate a distribution export compensation value, there has not been a cost-based analysis to design a proper distribution export rate. The Settling Parties agree that a cost-based analysis would be required to be in evidence before the CPUC could consider such a recommendation for this rate and such an analysis is unlikely to be completed before this Pilot’s rate needs to be developed for the targeted 2023 launch.

The Settling Parties agree to the following eligibility terms for Unbundled service customers served by CCAs or ESPs (*i.e.*, DA providers), on the eligible DAHRTP CEV rate schedule:

1. Unbundled service customers who opt into the eligible DAHRTP CEV rate schedule can participate in the Non-NEM Export Rate Pilot if their CCA or ESP elects to participate and offers the DAHRTP CEV rate for its generation energy rate component.
2. The Settling Parties recognize that CCAs and ESPs may impose other eligibility requirements for their customers to participate in this Non-NEM Export Rate Pilot.

iv. Duration

The Settling Parties agree that the duration of this Non-NEM Export Rate Pilot shall be 36 months after the launch date for this new rate rider, unless extended by the CPUC based on the final Pilot Report Advice Letter and recommendations (discussed herein). As further detailed below in Section V.B.xi., the Settling Parties agree that two measurement and evaluation studies

shall be conducted, covering this Non-NEM Export Rate Pilot results: (1) an Interim Evaluation to be conducted after 12 months of data has been collected for this Pilot; and (2) a Final Evaluation to be conducted after 24 months of data is available from the operations of this Pilot.

The Non-NEM Export Rate Pilot will run for approximately 36 months, starting at the same time as the underlying (non-export) DAHRTP CEV rate, currently expected to be in or about October 2023. This target schedule is subject to change depending on the terms of the Final Decision in this proceeding, as well as the demands of other PG&E Information Technology (IT) projects.

- 1) Summary of Interim Evaluation Report and AL: As detailed below in Section V.B.xi., the Settling Parties agree that PG&E shall file a Tier 2 AL (Tier 2 Interim Evaluation Report AL), expected to be approximately 18 months after the launch of this Pilot as well as the launch of the underlying DAHRTP CEV rate. PG&E will evaluate Dual Participation between the DAHRTP-CEV rates and Emergency Load Reduction Program (“ELRP”) in this Interim Evaluation Report, presuming the data available at that time is adequate. If PG&E determines at that time it is able to mitigate some of the technical difficulties (described in the Dual Participation section of this Agreement, detailed below in Section V.B.ix., PG&E will submit a Tier 2 advice letter requesting to permit limited dual participation on ELRP and the rate rider.
- 2) Summary of Final Evaluation Report and AL: Due to the rapidly evolving nature of the VGI market, the Settling Parties agree that:
 - A recommendation in the first interim report (after 12 months of data) appears to be premature;
 - A recommendation in year 2 (after summer 2025), with additional time to see increased levels of adoption of this pilot rate, is more appropriate as it allows for collection of customer usage response data for two summer seasons; and

- In the second-year evaluation report (i.e., filed at the 30-month mark), PG&E will make a recommendation as to whether the CPUC should either (1) extend this rate rider beyond 36 months to continue to compensate Non-NEM Export Pilot customers with the retail rate rider, either as originally approved or with minor recommended modifications, or (2) end the Non-NEM Export Rate Pilot and replace its rate rider approach with either a market integrated approach or another retail rate-related approach, which would be subject to review in an appropriate Commission proceeding. This recommendation will be developed by PG&E which will consider any factors that may have caused limited participation outside of the export compensation rate itself (e.g., interconnection delays). PG&E will share the results of the study and recommendation with Settling Parties who may comment on the study and recommendation.

v. Enrollment

The Settling Parties agree to the following as it relates to enrollment:

1. Enrollment by customers in the Non-NEM Export Rate Pilot described above in Sections V.B.i. through V.B.iii.
2. Limited early participation incentives to be provided to qualified participants are described below in Section V.B.x.
3. The Settling Parties agree that all aspects the Non-NEM Export Rate Pilot are optional and are subject to Electric Rule 12 (Rule 12), which prohibits customers from requesting more than one rate schedule change in any twelve-month period. Currently, non-NEM CEV customers who are exporting electricity will only have the option of participating in this Pilot at the time it is adopted to obtain export compensation, because there are currently no other non-NEM CEV export rates. However, Rule 12 should apply to

foreclose customers from moving off and on the Non-NEM Export Rate from season to season, as well as moving between different export compensation mechanisms. The Settling Parties agree that a customer's initial enrollment in the Non-NEM Export Rate shall not be considered a rate change for purposes of Rule 12 (*i.e.*, if the customer enrolls on the Non-NEM Export Rate from another rate even though the enrollment on the prior rate occurred within 12 months). Nothing in this clause affects the application of Rule 12 to customer enrollment and de-enrollment in the underlying Schedule BEV DAHRTP rate.

4. To be eligible to receive a ratepayer-funded early participation incentive, Non-NEM Export Rate Pilot participants must enroll in this Pilot within 12 months of the Pilot's launch and must remain in the Pilot for at least 12 months to receive the full incentive payment.
5. The Settling Parties agree that PG&E shall make its best efforts to program this Pilot's Non-NEM Export Rate to be available for enrollment by October 1, 2023. The Non-NEM Export Rate will remain available for the Pilot's 36-month period, unless extended by the Commission when it acts on the Final Evaluation Report AL, as described above in Section V.B.iv.
6. The Settling Parties agree that eligible customers may enroll in the Non-NEM Export Rate Pilot any time during the Pilot's 36-month period. Participants will not be required to enroll at or before the time this Pilot rate is launched, but may enroll by opting into the DAHRTP CEV rate, as well as this Non-NEM Export Rate at any time during Pilot's 36-month period.

vi. Non-NEM Export Rate Rider Pricing

a. MEC

The Settling Parties agree that the MEC for the Non-NEM Export Rate Pilot will use the day-ahead hourly price from the California Independent System Operator (“CAISO”) Day Ahead Market (“DAM”), adjusted for energy line losses determined at the PG&E Default Load Aggregation Point (“DLAP”) as approved by the Commission in D.21-11-017. The issue of MEC methodology and development was uncontested in the parties’ testimony.

b. MGCC

The Settling Parties agree that the MGCC component for the Non-NEM Export Rate Pilot will be an hourly RTP generation component that recovers, on an average forecasted basis over the course of a year, the annual MGCC determined in the main track of PG&E’s 2020 GRC Phase II proceeding, plus a capacity loss factor and a Planning Reserve Margin (“PRM”) factor. The specific calculation of that MGCC component cannot be determined until after the CPUC issues a decision on the joint parties’ uncontested recommendations in the Joint MGCC Study.

c. Revenue Neutral Adder (“RNA”)

The Settling Parties agree to the following definition: the RNA is an additional rate component on top of the Energy and Capacity components that is designed to make the forecasted annual generation revenue, collected on the DAHRTP CEV rate, revenue neutral to the forecasted annual generation component of the base BEV rate schedule to which this Pilot rate rider applies. The Settling Parties agree that while the underlying DAHRTP CEV rate includes an RNA, the Non-NEM Export Rate Pilot should not include the RNA.

vii. Pricing Dissemination

Because the same components that make up the CEV DAHRTP prices make up the components for the Non-NEM Export Rate Pilot’s prices, in the interest of saving ratepayer money and not building redundant systems, the Settling Parties agree that PG&E will leverage

the billing system and the Pricing Tool and Communications Platform approved in D.21-11-017. The cost estimates shown in Table 2 are the incremental costs necessary in the Non-NEM Export Rate Pilot to modify these systems to send out the price signals and bill for export compensation to customers participating in this Pilot.

viii. Revenue Requirement Changes Between GRCs

The Settling Parties agree that revenue requirement changes between GRCs will affect only the RNA in the DAHRTP CEV rate and not the methodologies for calculating the MEC and MGCC components. Therefore, the export compensation for the Non-NEM Export Rate Pilot is not anticipated to change until PG&E's next GRC Phase II.

ix. Dual Participation

The Settling Parties agree that dual participation shall be prohibited between this Pilot's Non-NEM Export Rate and load management approaches or DR programs that are dispatched or otherwise based on day-ahead price signals or have energy-based payments (including ELRP, CESP, PDP, DRAM, and CBP). Dual Participation is also not allowed between this Non-NEM Export Rate Pilot and programs that are dispatched based on day-of conditions such as BIP, or that have day-of options, such as ELRP.

The Settling Parties agree that the issue of Dual Participation between day-ahead RTP rates and day-of Demand Response programs will be considered in the Interim Evaluation Report. PG&E will share the results of the study and recommendations with the Settling Parties, who may comment on the study and recommendation. If PG&E determines it is able to mitigate some of the technical difficulties in doing so, PG&E will submit a Tier 2 advice letter requesting CPUC approval to permit limited dual participation on the day-of option for ELRP and this Pilot to further evaluate impacts, including: (1) isolating *ex-post* and *ex-ante* ELRP RTP load impacts from dually participating customers so they can be correctly attributed to each program, and (2) avoiding double compensation.

This settlement does not modify the previously approved dual participation of customers providing ancillary services to the CAISO.⁷

x. Early Participation Incentives for Eligible Customers in the DAHRTF CEV Non-NEM Export Rate Pilot Rate

Due to the nascency of vehicle to grid applications and the costs to “first movers” participating in this Pilot, the Settling Parties agree that a limited, one-time incentive should be provided to eligible customers who enroll and participate in the Non-NEM Export Rate Pilot.

The Settling Parties agree that the underlying export rate should have a cost-based design, which, at the outset of this Pilot, shall solely use MEC and MGCCs, including line losses for both, as approved in D.21-11-016. (See RNA section of this Agreement in Section V.B.vi.c. above.)

a. Limited Early Participation Incentive

The Settling Parties agree that the limited, one-time early participation incentive shall vary by EVSE size as shown in Table 1.

Table 1: Non-NEM Export Rate Pilot Upfront Incentive by EVSE Size			
EVSE Size	Base EVSE Incentive	School Bus Adder (75%)	School Bus EVSE Incentive
100 kW or lower	\$1,800	\$1,350	\$3,150
Greater than 100 kW	\$3,750	\$2,810	\$6,560

Participants in the Pilot will receive compensation for all energy exported to the grid based on the methodology adopted for the MEC and MGCC rate elements. However, because compensation is based on real-time grid conditions and because participants lack experience with

⁷ D.21-11-017.

forecasting revenues associated with this new rate, the Settling Parties agreed that it would be reasonable to provide participants with an upfront payment. The incentive was designed to provide a similar level of certainty that participants in the Commission-approved ELRP will receive.

The methodology for calculating the Pilot incentive is as follows:

- The difference in ELRP compensation and compensation during the top 60 forecasted hours under the DAHRTP rate times EVSE size times minimum guaranteed paid ELRP hours.
- The top 60 forecasted DAHRTP hours from the last five years equal \$0.99/kWh.
- The two sizes assumed are the currently approved EVSE sizes – 60 kW and 125 kW.
- ELRP is guaranteed to be called between 30 and 60 hours, although it was only called for 14 hours in 2021.
- 100 kW or lower $Incentive = (\$2/kWh - \$1/kWh) * 60 kW * 30 \text{ hours} = \$1,800$.
- Greater than 100 kW $Incentive = (\$2/kWh - \$1/kWh) * 125 kW * 30 \text{ hours} = \$3,750$.

In addition, the Settling Parties agree that it is appropriate to include a modified calculation of the Early Participation Incentive specifically for school buses. This school bus modification is based on the same approach outlined above but would include an additional +75 percent “adder” component.

Notwithstanding the design of the Pilot, the Settling Parties agree that basing the incentive methodology on the ELRP compensation design is not an endorsement of that design and, specifically, does not mean that energy generated during hours in which ELRP is called is worth \$2/kWh.

b. Budget

The Settling Parties agree that the limited, ratepayer-funded early participation incentive shall be capped at a total of \$250,000 dollars, to limit the cost-shift impacts on non-participants (*see* overall Pilot budget provided in Table 2). Up to 25 percent of the total incentive budget will be reserved for EVSEs for school buses. This would support between nine and 19 EVSEs for school buses and between 50 and 104 non-school bus EVSEs, with each EVSE possibly serving multiple vehicles. Participants in the Pilot may have storage onsite; however, because the aim of this Pilot is to understand how CEVs respond to day-ahead price signals, 75 percent of the total incentive budget will be reserved for EVSEs without associated storage (including EVSEs serving school buses). EVSEs with storage onsite will be eligible for up to 25 percent of the incentive budget. However, in all cases, Pilot participants must attest when enrolling in the Pilot that they have enough vehicle storage capacity (and/or onsite storage capacity for EVSEs in the 25 percent onsite storage segment) available to be able to maintain the EVSE's maximum export for at least one hour at some point throughout a typical day to be eligible for the incentive.

The Settling Parties agree to work together to see if an alternate source of non-ratepayer funding can be secured in the future, such as from the State's General Fund. Such funding could potentially be used to offset the costs to non-participants of this Pilot's early participation incentive, increase the Settlement's agreed incentives for participants, offset participant start-up costs, or some combination, to be determined by agreement of parties at the time such alternate, non-ratepayer funding is secured. If an alternate source of non-ratepayer funding is timely secured to provide a larger incentive budget, Settling Parties agree that, because the terms and conditions on any such outside funding are currently unknown, the parties would work together to make a proposal to the CPUC regarding any early participation incentive modifications that might appear warranted at that time. If possible, the Settling Parties will strive to maintain the

above-agreed caps on percentages of incentive budget for EVSEs with storage and EVSEs for school buses should be maintained.

The total incremental budget for this Pilot is estimated to be \$1.42 to 1.52 million, as detailed in Table 2, below. PG&E provides the following information on certain elements of costs for this Pilot. These estimates of incremental cost may not be comprehensive in that other costs might not be comprehensive in that other costs might emerge as being necessary for operating this Pilot.

Table 2: DAHRTP CEV Non-NEM Export Pilot		
Line No.	Task	Estimated Cost to Ratepayers
1	Pricing Engine / Pricing Tool	\$360,000
2	Billing System / Engine	\$400,000 - \$500,000
3	Marketing and Acquisition / Marketing Education and Outreach	\$60,000
4	Measurement & Evaluation	\$200,000
5	Incentives	\$250,000
6	Incremental program management	\$150,000
7	Total	\$1.42 million-\$1.52 million

c. Cost Controls

The Settling Parties agree that participation incentives will only be made available to participants enrolled within the first 12 months of the Pilot. Participants who receive an incentive payment must remain on the rate for a minimum of 12 months, though ideally participants who receive the incentive would remain on the Pilot for its entire duration. To motivate participants to remain on the rate for at least 12 months, the early participation

incentive would be paid in two installments, with the first payment of 70 percent of the total incentive amount after the participant's enrollment has been accepted and installation of eligible equipment and availability of funding has been verified, and the second payment of the remaining 30 percent after 12 months of the participant's enrollment and participation in the Pilot.

It is important to only offer the early participation incentives for a limited time because it will assess whether customer export behavior, load impact and other behavior differed between customers who received an incentive compared to those who did not. Similarly, it is important to study the unenrollment of customers who received an incentive compared to those who did not.

xi. Reporting Metrics Measurement and Evaluation (Interim and Final)

As discussed above in Section V.B.iv., on Measurement and Evaluation Reporting, the Settling Parties agree that:

- The Non-NEM Export Rate Pilot will run for approximately 36 months, starting at the same time as the non-export DAHRTP pilot, on or about October 2023, unless extended by the CPUC after the Final Report. The targeted October 2023 Pilot launch schedule is subject to change depending on Final Decision and other IT projects.
- PG&E will prepare two evaluation reports, the first will be begun after 12 months of data collection and the second after 24 months of data collection, on the same timeline as the Non-NEM Export Rate Pilot. Measurement and Evaluation ("M&E") activities and reporting shall be completed six months following data collection. Thus, PG&E expects to submit its annual evaluation reports 18 and 30 months after implementing this pilot rate. (details of the evaluation are presented in the next section.)
- As stated in the Dual Participation section of this Settlement, PG&E will evaluate Dual Participation between the DAHRTP CEV rates and ELRP in the Interim Evaluation Report, to be published approximately 18 months after the Pilot begins, presuming the

data available at that time is adequate. If PG&E determines at that time it is able to mitigate some of the technical difficulties described above (Dual Participation section), PG&E will submit a Tier 2 advice letter requesting to permit limited dual participation on ELRP and the DAHRTP CEV.

- In the second-year evaluation report (*i.e.*, filed at the 30-month mark), PG&E will make a recommendation as to whether to continue to extend the Pilot and compensate Non-NEM CEV exports as a retail rate as-is, with minor modifications, or end this Pilot rate rider and replace it with the market integrated approach or another retail rate approach. The Settling Parties agree that:
 - A recommendation in the first interim report (after 12 months of data) appears to be premature; and
 - A recommendation in year 2 (after summer 2025), with additional time to see increased levels of adoption of this pilot rate, is more appropriate as it allows for collection of customer usage response data for two summer seasons.
- PG&E shall request Commission action on such Tier 2 advice letter within 90 days of submittal, if possible. However, if the Commission has not acted on that advice letter within 120 days, the Settling Parties agree that PG&E will notify the Commission and all Parties that the Pilot rates will be extended an additional 90 days beyond the Pilots' 36-month duration, which is approximately eight months after the second-year evaluation report. A detailed timeline is presented below:

TABLE 2: DETAILED TIMELINE

	Date
CEV DAHRTP Non-NEM Export Compensation rate rider Pilot Begins	10/1/2023
Pilot End Date	9/30/2026
PG&E Plans to Notify Customers Pilot Ending (Based on Original Date)	8/1/2026
Year 2 Evaluation Report & Recommendation	3/31/2026
CPUC Acts on Evaluation Report	7/29/2026
If CPUC has not acted:	
PG&E Notifies CPUC of Pilot Extension	7/30/2026
90-day Extension to Pilot or New Pilot End Date	12/29/2026
PG&E Notifies Customer of New Pilot End Date	8/29/2026

xii. Evaluation Criteria

- PG&E has already filed an advice letter (Advice Letter 6587-E) at the CPUC which describes the M&E plan for PG&E’s commercial electric vehicle day-ahead, hourly real-time pricing (DAHRTP CEV) rate.
- PG&E conducted a public workshop on March 24, 2022, to discuss and solicit feedback on its proposed DAHRTP CEV M&E plan.
 - Public Advocates, VGIC, and Electrify America participated in this workshop. Other participants include SBUA and Enel X.
 - The filed AL included feedback from workshop participants.
- The Settling Parties agree that PG&E shall increase the scope of AL 6587-E to study the Non-NEM Export Rate concurrently, as proposed by Cal Advocates.
- However, the Measurement and Evaluation study for this Non-NEM Export Rate Pilot shall *exclude* the following items outlined in AL 6587-E:
 - Infrastructure and automation costs;
 - Customer satisfaction, drivers/barriers for adoption, and motivation for future investment; and

- These parameters and other technical considerations are being studied with more use cases (such as back-up power) in the VGI pilots approved by Res.E-5192. Therefore, the evaluation report for the Non-NEM Export Rate Pilot will not re-study those parameters, but will instead, reference the results from the underlying DAHRTP CEV rate.

To facilitate review, the following table summarizes the evaluation parameters from AL 6587-E:

TABLE 3: SUMMARY OF EVALUATION PARAMETERS

	DAHRTP-CEV AL 6587-E	Non-NEM CEV Export Rate Rider Pilot
Load Impact	X	X
Negative Generation Rate Impacts	X (year 1 only)	X
Bill Impact	X	X
Infrastructure and Automation Costs	X	References VGI Pilot
System Benefits	X	X
Dual Participation	X	X
Customer Satisfaction, Drivers/Barriers for Adoption, and Motivation for Future	X	References VGI Pilot
Cost Shift and Revenue Over-Under Collection	X	X
Feasibility of Market-Integrated Approach		TBD based on progress of High DER proceeding

xiii. Other Measurement and Evaluation Terms

1. PG&E will engage qualified vendors to conduct the interim and final measurement and evaluation studies.
2. If any other Load Serving Entities choose to offer programs or tariffs to Unbundled service customers based on rates produced by this Non-NEM Export Rate Pilot, PG&E will make its best efforts to include the results of customer participation in those programs and tariffs in the interim and final evaluations.
2. PG&E will endeavor to share Pilot results and recommendations with the Settling Parties

before filing the second-year evaluation report.

xiv. Cost Recovery Mechanism for the Non-NEM Export Rate Pilot

The Settling Parties further agree that the costs of development, implementation, incentives, and operations of this Non-NEM Export Rate Pilot are incremental to those adopted in D.21-11-017 for the DAHRTP CEV Opt-in Rate for imports.⁸ Therefore, these costs will be tracked together in the same sub-account of the Dynamic and Real Time Pricing Memorandum Account (DRTPMA) for recovery in a future application and testimony.⁹ The costs in this DRTPMA sub-account for the Opt-in Rate and Export Pilot will be recovered through electric distribution rates, as adopted in D.21-11-017, using PG&E's standard distribution allocation factors from all customer classes.¹⁰

PG&E will record in the DRTPMA the actual costs it incurs pursuant to the Commission's orders for the DAHRTP CEV Opt-in Rate authorized in D.21-11-017, and in the forthcoming decision in the 2020 GRC Phase II (A.19-11-019 RTP Track) regarding the Stage 1 Pilots and customer research. As detailed in the A.19-11-019 RTP Track Joint Party Settlement Agreement, all costs recorded to the DRTPMA will be subject to reasonableness review, either through a future single application or proposal and testimony requesting cost recovery submitted by PG&E. PG&E agrees to record costs in the DRTPMA consistent with how costs have been recorded in its Residential Rate Reform Memorandum Account ("RRRMA") established in

⁸ PG&E Rebuttal Testimony, pp. 4-3 to 4-5.

⁹ In the pending GRC Phase II RTP Track Settlement Agreement, the parties have already agreed that the costs for the GRC Phase II Stage 1 RTP Pilots will also be recorded in DRTPMA. Given the need to track the DAHRTP CEV Opt-in Rate's along with the Non-NEM Export Rate Pilot's costs separately from the GRC Phase II Stage 1 RTP Pilot costs, there will be two different subaccounts: (1) for the DAHRTP-CEV Opt-in Rate and Non-NEM Retail Export Pilot), and (2) for the GRC Phase II Stage 1 RTP Pilots.

¹⁰ In the GRC Phase II Settlement Agreement, parties agreed that the costs for the GRC Phase II Stage 1 RTP Pilots will be recovered slightly differently than the DAHRTP CEV opt-in rate costs, in distribution rates from all customers, allocated by the Equal Percent of Total revenue (EPT) allocation method. A.19-11-019, Settlement Agreement in PG&E's 2020 GRC Phase II on Real Time Pricing Issues Including Stage 1 Pilots, pp. 26-27.

D.15-07-001 for the implementation of residential default time of use rates. PG&E can recover the costs recorded to the DRTPMA only after the Commission finds that PG&E has demonstrated in the separate application or testimony that its expenditures were incremental, verifiable, and reasonable, and consistent with the requirements resulting from A.19-11-010 or D.21-11-017, as well as consistent with other relevant Commission rulings and approvals (including, without limitation, plans and activities submitted by PG&E approved through advice filings discussed elsewhere herein).

The cost estimate for this Non-NEM Export Rate Pilot is separate from any expenditures that would be needed for the Wholesale Market-Integrated Pilot that was proposed by PG&E in supplemental testimony and addressed in rebuttal. If the Wholesale Market-Integrated Pilot activities were to move forward, PG&E would need to develop cost estimates for those activities and may request different accounting treatment (*e.g.*, balancing account).

xv. Generation Revenue Over-collection and Under-collection (Revenue Requirement Recovery and Avoiding Double Counting)

The Settling Parties acknowledge that tracking generation costs and revenues associated with the RTP rate is extremely complicated and involves several PG&E balancing accounts. Therefore, the Settling Parties agree that the best course of action for the Non-NEM Export Rates is to track and study generation costs and generation revenues over the course of the Non-NEM Export Rates, with no predefined mitigation or revenue recovery procedure.

PG&E will study generation revenue over-collection and under-collection during the Pilot period, setting out metrics in the Measurement and Evaluation study described above in Section V.B.xi. PG&E's generation revenue over-collection and under-collection study will attempt to differentiate between structural effects (*i.e.*, due solely to enrollment and disenrollment) and rate-related changes in customer energy use. PG&E will track each Pilot customer's load profiles both before and after they began participating in the Pilot rate and compare them to performance under non-RTP time-of-use ("TOU") rates, as well as the

aggregate load of customers not participating in this Pilot. PG&E will identify those elements of the Energy Resource Recovery Account (“ERRA”) balancing account that may not be attributable to an RTP rate and will measure possible double counting of annual energy and capacity costs in the Pilot rate.

If the study results indicate material and systemic generation revenue over-collection or under-collection, PG&E and/or other Settling Parties may file a proposal to modify the Non-NEM Export Rates either during the Pilot, or after its conclusion.

xvi. Information Technology Billing Systems Changes and Timing

PG&E commits to implementing, as soon as practicable, whatever structural changes to PG&E's systems may be necessary to conduct the Pilot agreed upon in this Settlement, including associated external systems for which PG&E is responsible. PG&E advises, and the Settling Parties acknowledge, that to achieve PG&E's goal of timely usability of the systems involved and necessary employee training, any proposed timeline may be modified. The Settling Parties agree that this Settlement Agreement shall not preclude any party's right to solicit action from the Commission to address unreasonable delays in implementation of the structural changes to PG&E systems necessary for the Pilot. Prior to contacting the Commission regarding concerns about the timing of PG&E's implementation of this Pilot rate rider, the Settling Parties agree to meet and confer with PG&E on the status of the Pilot's implementation, discuss options for resolution, and allow PG&E a reasonable time to pursue any viable alternative option.

Section V.B.iv., above sets forth the target date for PG&E to make best efforts to program and make available for enrollment the agreed upon Non-NEM Export Rate Pilot retail rates by October 2023, but if the Commission approves something other than what is included in this Settlement Agreement, roll-out of this Pilot rate rider may take additional time beyond October 2023, and may require revised cost and timing estimates.

xvii. Statement Regarding Rule 21 Issues

The Settling Parties agree that PG&E Electric Rule 21 process changes are beyond the scope of this proceeding; therefore, implementation of the Non-NEM Export Rate Pilot shall abide by the current requirements of PG&E Electric Rule 21. Further, PG&E will work with customers eligible for this Pilot, who submit new Rule 21 export applications for sites with existing Rule 21 one-way, non-export agreements, to consider the customer's prior site-specific studies that may be reused to avoid duplicative costs. Use of the studies may be allowed pursuant to the requirements of Rule 21 based on consideration of then-current conditions and factors.

VI. APPENDICES TO SETTLEMENT

The following lists reference the documents that are being included as appendices and attachments to this Settlement Agreement:

- Appendix A:
 - Attachment 1 – Comparison Exhibit;
- Appendix B:
 - Attachment 1 – Declaration of Erica Brown in Support of PG&E's DAH RTP CEV Non-NEM Export Pilot Settlement's Early Participation Incentive proposal;
 - and


- Attachment 2 – Declaration of Anh Dong in Support of of PG&E’s DAHRTP CEV Non-NEM Export Compensation for Non-NEM Participants – Updated Incremental Pilot Cost Estimates and Schedule.

VII. SETTLEMENT EXECUTION

This Non-NEM Export Rate Pilot Settlement Agreement may be executed in separate counterparts by different Settling Parties hereto and all so executed will be binding and have the same effect as if all the Settling Parties had signed one and the same document. Each such counterpart will be deemed to be an original, but all of which together shall constitute one and the same instrument, notwithstanding that the signatures of all the Settling Parties do not appear on the same page of the RTP Settlement Agreement. This Settlement shall become effective among the Settling Parties on the date the last Settling Party executes this Settlement Agreement, as indicated below. In witness whereof and intending to be legally bound by the Terms and Conditions of this Non-NEM Export Rate Settlement Agreement as stated above, the Settling Parties duly execute this RTP Settlement Agreement on behalf of the Settling Parties that they represent, as follows:

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this DAH RTP CEV Non-NEM Export Compensation Pilot Settlement Agreement.

Public Advocates Office at the California Public Utilities Commission

By:  _____
Title: Deputy Director

Date: June 17, 2022

The undersigned represent that they are authorized to sign on behalf of the Party represented,
for the purposes of this Non-NEM Export Rate Pilot Settlement Agreement.

Pacific Gas and Electric Company (PG&E)


By: 

Title: Executive Vice President, Corporate Affairs

Date: June 17, 2022

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this Non-NEM Export Rate Pilot Settlement Agreement.

Vehicle Grid Integration Council (VGIC)

By: Edward Burgess 

Title: Senior Policy Director

Date: June 17, 2022

AppA-67

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this Non-NEM Export Rate Pilot Settlement Agreement.

ELECTRIFY AMERICA, LLC

By: Bob Sweetin 

Title: Counsel, Electrify America

APPENDIX A
ATTACHMENT A

**APPENDIX A, ATTACHMENT 1
PACIFIC GAS AND ELECTRIC COMPANY**

**-DAHRTP CEV Non-NEM EXPORT COMPENSATION PILOT SETTLEMENT AGREEMENT COMPARISON EXHIBIT SHOWING PARTIES'
PRE-SETTLEMENT POSITIONS**

**APPENDIX A, ATTACHMENT A
PACIFIC GAS AND ELECTRIC COMPANY**

**PG&E'S DAY AHEAD REAL TIME PRICING COMMERCIAL ELECTRIC VEHICLE PROCEEDING (A.20-10-011) SETTLEMENT AGREEMENT COMPARISON EXHIBIT
SHOWING PARTIES' PRE-SETTLEMENT POSITION ON EXPORT COMPENSATION FOR NON-NEM PARTICIPANTS**

Line No.	Issues	PG&E Testimony	Cal Advocates Testimony	Electrify America Testimony	VGIC Testimony
1	Whether PG&E's proposal for a Market Participation Approach is reasonable	As presented in <i>PG&E Supplemental Testimony</i> (3/24/22) pp. 1-2 to 1-11, 2-1 to 2-5, 3-1 to 3-3 <i>PG&E Direct Testimony</i> (4/13/22) pp. 3-6 <i>PG&E Rebuttal Testimony</i> (4/29/22) pp. 1-1 to 1-6	Opposed, <i>Cal Advocates-3, Rebuttal Testimony</i> (4/29/22) pp. 1-1, 1-3 to 1-6	Opposed, <i>Electrify America Answer Testimony</i> (4/29/22) p. 3	Opposed, <i>VGIC Direct Testimony</i> (4/13/22) pp. 3-7, 9-16 <i>VGIC Rebuttal Testimony</i> (4/29/22) pp. 3-4, 8-12
2	Whether PG&E's proposal for a Cost Recovery Mechanism for a Rate Option is reasonable	As presented in <i>PG&E Direct Testimony</i> (4/13/22) pp. 8-10.	Opposed, <i>Cal Advocates-3, Rebuttal Testimony</i> (4/29/22) pp. 1-1 to 1-2; 1-19 to 1-22		
3	Whether a Revenue Neutral Adder Inclusion in Rate and Rate Eligibility is reasonable	As presented in <i>PG&E Rebuttal Testimony</i> (4/29/22) pp. 1-3 to 1-5, 3-2 to 3-3	Unopposed, <i>Cal Advocates-3, Rebuttal Testimony</i> (4/29/22) pp. 1-8 to 1-9		Opposed, <i>VGIC Rebuttal Testimony</i> (4/29/22) pp. 9-10
4	Whether prohibition of Dual Participation for Rate Participants is reasonable	As presented in <i>PG&E Rebuttal Testimony</i> (4/29/22) pp. 2-1 to 2-4	Unopposed, <i>Cal Advocates-3, Rebuttal Testimony</i> (4/29/22) pp. 1-2, 1-14 to 1-18		Opposed, <i>VGIC Direct Testimony</i> (4/13/22) pp. 7-8, 13-14 <i>VGIC Rebuttal Testimony</i> (4/29/22) pp. 10-11
5	Whether a Rate Cutoff and Pilot Designation is reasonable	As presented in <i>PG&E Direct Testimony</i> (4/12/22) pp. 2-5 <i>PG&E Rebuttal Testimony</i> (4/29/22) pp. 1-2 to 1-5	<i>Cal Advocates-3, Rebuttal Testimony</i> (4/29/22) pp. 1-1, 1-6 to 1-8 and 1-22		
6	Whether the Sufficiency of Rule 21 Use is reasonable	As presented in <i>PG&E Supplemental Testimony</i> (3/24/22) pp. 1-9 to 1-10		Opposed, <i>Electrify America Answer Testimony</i> (4/29/22) pp. 2-4	Opposed, <i>VGIC Direct Testimony</i> (4/13/22) pp. 15-17 <i>VGIC Rebuttal Testimony</i> (4/29/22) pp. 4-5, 7

APPENDIX A, ATTACHMENT A
PACIFIC GAS AND ELECTRIC COMPANY

PG&E'S DAY AHEAD REAL TIME PRICING COMMERCIAL ELECTRIC VEHICLE PROCEEDING (A.20-10-011) SETTLEMENT AGREEMENT COMPARISON EXHIBIT
SHOWING PARTIES' PRE-SETTLEMENT POSITIONS ON EXPORT COMPENSATION FOR NON-NEM PARTICIPANTS

7	Whether Participation Incentives for Rate Participants is reasonable	As presented in <i>Exhibits PG&E-27 and PG&E-31</i>			
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APPENDIX B

Attachment 1

**Declaration of Erica Brown in Support of PG&E's
DAHRTTP CEV Non-NEM Export Pilot Settlement's Early
Participation Incentive Proposal**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Approval of its Proposal for a Day-Ahead Real Time and Pilot to Evaluate Customer Understanding and Supporting Technology (U 39 E)

Application No. A.20-10-011
(Filed October 23, 2022)

**DECLARATION OF ERICA BROWN IN SUPPORT OF
PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
DAHRTP CEV NON-NEM EXPORT PILOT
SETTLEMENT'S LIMITED EARLY PARTICIPATION
INCENTIVE**

I, Erica Brown, declare under penalty of perjury under the laws of the State of California that the following is true and correct to the best of my knowledge and belief:

1. I am a Director in the Energy Policy & Procurement department. My responsibilities include developing and analyzing policy proposals on issues that impact energy procurement.

2. PG&E and Settling Parties¹ have reached a mutually acceptable outcome on the program design issues as presented in this phase of Application (A.) 20-10-011 of Pacific Gas and Electric Company (PG&E) for Approval of its Proposals for a Day Ahead Real Time and Pilot to Evaluate Customer Understanding and Supporting Technology (DAHRTP), for Commercial Electric Vehicles (CEV). This Settlement Agreement includes a Non-NEM export compensation rate rider Pilot, that will be available for non-residential customers who take service on the CEV DAHRTP rate.

3. I am responsible for developing the limited early participation incentive that the Settling Parties agreed should be available to eligible participants in the DAHRTP CEV non-NEM export rate rider Pilot, which PG&E now supports, as set forth below.

¹ Pacific Gas and Electric Company (PG&E), Public Advocates Office at the California Public Utilities Commission (Cal Advocates), Vehicle Grid Integration Council (VGIC), and Electrify America, LLC.

4. The Day-ahead Real-time Pricing (DAHRTP) Commercial Electric Vehicle (CEV) Non-NEM Export Pilot (“Pilot” or “the Pilot”) intends to accomplish three things:

- a. To provide learnings about how CEVs respond to day-ahead price signals;
- b. To provide opportunities for customers to reduce their electric fueling costs beyond the benefits of the DAHRTP-CEV rate itself; and
- c. To support grid reliability and decarbonization goals.

Due to the nascency of vehicle to grid applications and the costs to “first movers” participating in this Pilot, a limited, one-time incentive is appropriate for eligible customers who enroll and participate in the DAHRTP-CEV Non-NEM Export Compensation Pilot.

4. The ratepayer funded one-time early participation incentives proposed to be made available to eligible participants in the CEV DAHRTP non-NEM export pilot is outlined in Table 1, below, subject to a total incentive budget of \$250,000. These ratepayer funded early participation incentives for this Pilot shall cease when the total cap of \$250,000 is reached.

EVSE Size	Base EVSE Incentive	School Bus Adder	School Bus EVSE Incentive
100 kW or lower	\$1,800	\$1,350	\$3,150
Greater than 100 kW	\$3,750	\$2,810	\$6,560

5. Participants in the Pilot will receive compensation for energy exported to the grid. However, because compensation is based on real-time grid conditions and because participants lack experience with forecasting revenues associated with this new rate, it would be reasonable to provide participants with an upfront payment. The ratepayer funded early participation incentives the Settling Parties propose be made available to eligible participants is intended to encourage participation by guaranteeing that some or all of participants’ upfront costs will be recovered. Providing an upfront early participation incentive recognizes that participants may otherwise be reluctant to participate because the underlying non-NEM export compensation rate has not yet been implemented and, therefore, revenues from providing export would be difficult

for customers to forecast. Eligible EVSEs may be reluctant to invest in the necessary technology, software, and/or processes to participate in the DAHRTP CEV Non-NEM export compensation Pilot if they are not confident that they will be able to recoup their costs with the export revenues generated. The incentive offered to EVSEs exclusively serving school buses would be higher in recognition of the issues the Vehicle to Grid Integration Council (VGIC) has raised around “make ready” funding availability to school sites and because the seasonal nature of school bus usage may be uniquely well suited to providing generation during a portion of the peak usage months.

6. The total incentive amounts were calculated by forecasting the revenue that an EVSE could expect if the owner participated in the Emergency Load Reduction Program (ELRP) approved in R.20-11-003, which is designed in a way to provide those participants some early certainty about revenues. The methodology used was as follows:

- The difference in ELRP compensation and compensation during the top 60 forecasted hours under the DAHRTP rate times EVSE size times minimum guaranteed paid in ELRP hours.²
- The top 60 forecasted DAHRTP hours from the last five years equal \$0.99/kWh which we have rounded to \$1/kWh for the purpose of this calculation.
- The two sizes assumed are the currently approved EVSE sizes: 60 kW and 125 kW.
- ELRP is guaranteed to be called between 30 and 60 hours, although it was only called for 14 hours in 2021.
- 100 kW or lower $Incentive = (\$2/kWh - \$1/kWh) * 60 kW * 30 \text{ hours} = \$1,800$
- Greater than 100 kW $Incentive = (\$2/kWh - \$1/kWh) * 125 kW * 30 \text{ hours} = \$3,750$
- In addition, it is appropriate to include a modified calculation of the Participation Incentive specifically for school buses. This modification is based on the same

² Notwithstanding the design of the pilot, basing the incentive methodology on the ELRP compensation design is not an endorsement of that design and, specifically, does not mean that energy generated during hours in which ELRP is called is worth \$2/kWh.

approach outlined above but would include an additional +75 percent “adder” component.

The incentive will be paid in two installments: 70 percent upfront and 30 percent after 12-months of participation. Participants who receive the 70 percent upfront incentive payment must remain on the rate for a minimum of 12 months in order to receive the second installment of 30 percent. This feature aims to ensure that participants remain within the Pilot long enough to gather relevant data (i.e., export data for at least one full year, including at least one summer season). It is important to only offer the incentives for a limited time because it will assess whether customer behavior and load impact differed between customers who received an incentive compared to those who did not. Similarly, it is important to study the unenrollment of customers who received an incentive compared to those who did not.

The total ratepayer funded incentive budget is capped at \$250,000, with the following limitations: (1) no more than 25 percent of the budget can provide incentives for EVSEs with storage onsite and (2) no more than 25 percent of the budget can provide the school bus adders. These limitations are intended to ensure a diversity of and enough participants in the pilot. The cap also limits the cost-shift impacts on non-participants. Up to 25 percent of the total incentive budget will be reserved for EVSEs for school buses. This would support between 9 and 19 EVSEs for school buses, leaving the remaining budget to cover between 50 and 104 non-school bus EVSEs (with each EVSE in the Pilot possibly serving multiple commercial electric vehicles). Participants in the Pilot may have storage onsite; however, because the aim of this Pilot is to understand how DAHRTP CEV customers respond to day-ahead price signals and how that relates to their exporting behavior on the Pilot, 75 percent of the total incentive budget will be reserved for EVSEs without associated storage (including EVSEs serving school buses). EVSEs with storage onsite will be eligible for up to 25 percent of the incentive budget. However, in all cases, Pilot participants must attest when enrolling in the Pilot that they have enough vehicle storage capacity in the vehicle battery (or onsite storage capacity for EVSEs in the 25 percent

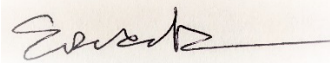
onsite storage segment) available to be able to maintain the EVSE's maximum export for at least one hour at some point throughout a typical day to be eligible for the incentive.

7. The incentive raises costs for non-participating customers because it provides compensation for participants beyond the value of the energy and capacity provided. This is mitigated by an overall pilot incentive cap.

8. PG&E expects the Settling Parties will work together to see if an alternate source of non-ratepayer funding can be secured in the future, such as from the State's General fund. Such funding could be used to offset the costs to non-participants of this Pilot's early participation incentive, increase the Settlement's agreed incentives for participants, offset participant start-up costs, or some combination, to be determined by agreement of parties at the time such alternate, non-ratepayer funding is secured. If an alternate source of non-ratepayer funding is timely secured to provide a larger incentive budget, Settling Parties agree that because the terms and conditions on any such outside funding are currently unknown, the parties would work together to make a proposal to the CPUC regarding any early participation incentive modifications that might appear warranted at that time. If possible, the Settling Parties will strive to maintain the above-agreed caps on percentages of incentive budget for EVSEs with storage and EVSEs for school buses should be maintained.

9. I declare under penalty of perjury under the laws of the State of California that the statements made above are true and correct to the best of my knowledge and belief.

Executed this 17 day of June, 2022 at San Francisco, California



Erica Brown
Director, Energy Policy Analysis & Design

APPENDIX B

Attachment 2

**Declaration of Anh Dong in Support of PG&E's DAH RTP
CEV Non-NEM Export Compensation for Non-NEM
Participation – Updated Incremental Pilot Cost Estimates
and Schedule**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Approval of its Proposal for a Day-Ahead Real Time and Pilot to Evaluate Customer Understanding and Supporting Technology (U 39 E)

Application No. A.20-10-011
(Filed October 23, 2020)

**DECLARATION OF ANH DONG IN SUPPORT OF
PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
DAY-AHEAD REAL TIME PRICING COMMERCIAL
ELECTRIC VEHICLE PROCEEDING (APPLICATION
A.20-10-011) ON EXPORT COMPENSATION FOR
NON-NEM PARTICIPANTS--UPDATED INCREMENTAL
PILOT COST ESTIMATES AND SCHEDULE**

I, Anh Dong, declare under penalty of perjury under the laws of the State of California that the following is true and correct to the best of my knowledge and belief:

1. I am a Senior Manager in the Pricing Products Department. My responsibilities include defining and implementing Information Technology (IT) solutions to build rate plans, helping customers better understand and manage their energy use and bills.

2. PG&E and Settling Parties¹ have reached a mutually acceptable outcome on the program design issues as presented in this phase of Application (A.) 20-10-011 of Pacific Gas and Electric Company (PG&E) for Approval of its Proposals for a Day Ahead Real Time and Pilot to Evaluate Customer Understanding and Supporting Technology (DAHRTP), for Commercial Electric Vehicles (CEV). This Settlement Agreement includes a Non-NEM export compensation Pilot rate rider for eligible customers on the DAHRTP CEV rate.

3. I am responsible for developing PG&E's estimated pilot costs shown in PG&E rebuttal testimony, Exhibit PG&E-4. I would like to correct an error in Table 4-2 of Exhibit

¹ Pacific Gas and Electric Company (PG&E), Public Advocates Office at the California Public Utilities Commission (Cal Advocates), Vehicle Grid Integration Council (VGIC), and Electrify America, LLC.

PG&E-4, where the total line is incorrect. The corrected total should be \$1.02-1.12 million and not \$1.02 - \$1.03 million, bolded in line 5 below:

TABLE 1

Line No.	Task	Estimated Cost to Ratepayers (from rebuttal)	Estimated Cost to Ratepayers
1	Pricing Engine / Pricing Tool	\$360,000	\$360,000
2	Billing System / Engine	\$400,000 - \$500,000	\$400,000 - \$500,000
3	Marketing and Acquisition / Marketing Education and Outreach	\$60,000	\$60,000
4	Measurement & Evaluation	\$200,000	\$200,000
5	Total	\$1.02 million-\$1.03 million	\$1.02 million- \$1.12 million

4. Incentives for Non-NEM retail rate export compensation are the product of settlement and were not proposed in PG&E's opening testimony. Based on Ms. Brown's declaration of June 17, 2022, I have added the cost of incentives and incremental program management costs to administer the incentives to my previous Pilot cost estimates in my rebuttal for the Non-NEM export compensation for customers on the DAHRTP CEV rate. Incremental program management is needed because there are different levels of incentives earmarked for different types EVSEs (for example, those without on-site storage, school buses). In addition, because incentives will be paid out in two installments, a program manager will also need to track customers' enrollment and ensure payment after the customer has completed one year of enrollment. I have not made any other changes to my cost estimates.

The following four categories of costs will be recorded to the Dynamic and Real Time Pricing Memorandum Account (DRTPMA) and are estimated as follows:

TABLE 2

Line No.	Task	Estimated Cost to Ratepayers (from rebuttal)	Estimated Cost to Ratepayers
1	Pricing Engine / Pricing Tool	\$360,000	\$360,000
2	Billing System / Engine	\$400,000 - \$500,000	\$400,000 - \$500,000
3	Marketing and Acquisition / Marketing Education and Outreach	\$60,000	\$60,000
4	Measurement & Evaluation	\$200,000	\$200,000
5	Incentives	0	\$250,000
6	Incremental program management	0	\$150,000
7	Total	\$1.02 million-\$1.12 million	\$1.42 million-\$1.52 million

7. The costs presented in Table 1 here are incremental to the costs approved in PG&E's initial DAHRTP CEV Decision (D.21-11-017). All actual costs for the Pilot, including costs that have not been estimated in Table 1, will be tracked in the Dynamic and Real Time Pricing Memorandum Account (DRTPMA) for recovery in a future application and testimony, and recovered pursuant to the Settlement Agreement's terms as described in Section V. B., Budget. These estimates of incremental cost in Table 1 above may not be comprehensive in that other costs might later emerge as being necessary and reasonable for operating the Pilot agreed to in the Settlement. The above estimates assume adoption of the Settlement Agreement's Pilot in its entirety without modification. All costs will be recovered through electric distribution rates as adopted in D.21-11-017 using PG&E's standard distribution allocation factors from all customers

8. I am responsible for developing PG&E's estimated schedule contained in this declaration for the DAHRTP CEV Non-NEM export rate. The estimated schedule shown below is based on the contents of the Settlement Agreement and reflects PG&E's best current estimate.

TABLE 2: DETAILED TIMELINE

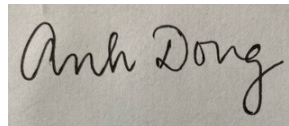
	Date
CEV DAHRTP Non-NEM Export Compensation rate rider Pilot Begins	10/1/2023
Pilot End Date	9/30/2026
PG&E Plans to Notify Customers Pilot Ending (Based on Original Date)	8/1/2026
Year 2 Evaluation Report & Recommendation	3/31/2026
CPUC Acts on Evaluation Report	7/29/2026
If CPUC has not acted:	
PG&E Notifies CPUC of Pilot Extension	7/30/2026
90-day Extension to Pilot or New Pilot End Date	12/29/2026
PG&E Notifies Customer of New Pilot End Date	8/29/2026

9. The schedule for the Pilot is the product of settlement and was not proposed in PG&E's rebuttal testimony.

10. The schedule for the Measurement and Evaluation reports are based on PG&E's Advice Letter 6587-E.

11. I declare under penalty of perjury under the laws of the State of California that the statements made above are true and correct to the best of my knowledge and belief.

Executed this 17th day of June, 2022 at San Francisco, California



Anh Dong
Senior Manager, Pricing Products