



June 3, 2026

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

**PCE Supplemental Advice Letter 48-E-A**

**RE: SUPPLEMENT TO ADVICE LETTER 48-E CLARIFYING THE FUNDING SOURCE FOR PENINSULA CLEAN ENERGY AUTHORITY'S 2026 BUDGET REQUEST AND MARKETING, EDUCATION AND OUTREACH PLAN FOR THE DISADVANTAGED COMMUNITIES GREEN TARIFF PROGRAM**

**PURPOSE**

Peninsula Clean Energy Authority ("PCE") hereby submits to the California Public Utilities Commission ("Commission" or "CPUC") this supplemental advice letter ("AL") to clarify the funding source of its annual program budget and marketing, education and outreach ("ME&O") plan for the Disadvantaged Community Green Tariff ("DAC-GT") program for program year ("PY") 2027.

**TIER DESIGNATION**

Pursuant to General Order ("GO") 96-B, Energy Industry Rule 5.2, and Ordering Paragraph ("OP") 3 of Resolution E-5125, this AL is submitted with a Tier 2 designation.

**SUPPLEMENTAL FILING**

Commission Decision ("D.")18-06-027 established the DAC-GT program in 2018, with funding through both Greenhouse Gas ("GHG") Auction Revenue and Public Purpose Program ("PPP") funds. On September 19, 2025, AB 1207 was signed into law which introduced changes to Public Utilities Code Section 748.5 including rendering inoperative as of July 1, 2026, the Commission's authority to allocate up to 15 percent of GHG Auction Revenue to clean energy and energy efficiency projects. Per AB 1207 (Irwin), Stats. 2025, Ch. 117, 100% of DAC-GT and/or CSGT program costs will be recovered from PPP funds starting July 1, 2026.

**EFFECTIVE DATE**

Pursuant to General Order 96-B and General Rule 7.5.1, PCE requests that this supplemental AL maintain the previous effective date of May 1, 2026, which was 30 calendar days from the original submission.

## **BACKGROUND**

On June 22, 2018, the Commission issued Decision (“D.”) 18-06-027 adopting three new programs to promote the installation of renewable generation among residential customers in disadvantaged communities (“DACs”),<sup>1</sup> as directed by the California Legislature in Assembly Bill (“AB”) 327.<sup>2</sup> The three programs include the DAC Single Family Solar Homes (“DAC-SASH”) program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC-GT and the Community Solar Green Tariff (“CSGT”) programs, are community solar programs that offer 100% renewable energy to residential customers and provide a 20% discount on the electricity portion of the customers’ bills.

Pursuant to D.18-06-027, Community Choice Aggregators (“CCAs”) may also develop and implement their own DAC-GT and CSGT programs.<sup>3</sup> D.18-06-027 provides that CCAs must submit a Tier 3 AL to implement the CCA DAC-GT and CSGT programs (“Implementation AL”).<sup>4</sup> Accordingly, PCE submitted its Tier 3 Implementation AL on December 22, 2020 to create DAC-GT and CSGT programs (PCE AL 11-E). On April 15, 2021, the Commission issued Resolution E-5124, which approved PCE’s DAC-GT and CSGT Implementation AL with modifications.<sup>5</sup>

Resolution E-4999 from May 2019 approved the investor-owned utilities’ (“IOUs”) implementation ALs for the DAC-GT and CSGT program and established the budgeting procedures and timelines for the programs. The Resolution determines that annual program budgets and ME&O plans must be filed by February 1 of each year.<sup>6</sup> It further elaborated that program administrators must forecast budgets for the upcoming PY and reconcile costs for the previous PY in the annual submissions.<sup>7</sup>

Per D.18-06-027, the budget requirements outlined in Resolution E-4999 apply to CCA program administrators as well. The submission and approval of this budget AL is the prerequisite to having the DAC-GT budget be included in the IOU’s Energy Resource Recovery Account (“ERRA”) forecast in June of each year. The ERRA forecast in turn is the vehicle to request cost recovery for the program. Upon approval of the ERRA forecast, PG&E will transfer DAC-GT program funds to PCE as determined in Resolution E-5124.<sup>8</sup>

Finally, on June 7, 2024, The Commission issued D.24-05-065 which made several modifications to the DAC-GT and CSGT programs. The Decision discontinued the CSGT programs, and any program capacity was consolidated into the DAC-GT program.<sup>9</sup> The Decision also allocated additional DAC-

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<sup>1</sup> DACs are defined under D.18-06-027 as communities that are identified in the CalEnviroScreen 3.0 as among the top 25 percent of census tracts statewide, plus the census tracts in the highest five percent of CalEnviroScreen’s Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. Resolution E-4999 clarified that Program Administrators must submit a Tier 1 AL to update program eligibility rules within 30 days of a new release of the CalEnviroScreen tool. PCE satisfied this requirement by submitting PCE AL 18-E on November 12, 2021, reflecting the release of CalEnviroScreen 4.0.

<sup>2</sup> AB 327 (Perea), Stats. 2013, ch 611.

<sup>3</sup> D.18-06-027 at 104 (OP 17).

<sup>4</sup> *Id.*

<sup>5</sup> Resolution E-5124 at 32 (OP 1).

<sup>6</sup> Resolution E-4999, OP 2

<sup>7</sup> *Id.*, OP 4

<sup>8</sup> Resolution E-5124, p.10

<sup>9</sup> D.24-05-065, Conclusion of Law #20

GT program capacity. As a result of these two modifications, PCE's DAC-GT program capacity increased from 3.37 MW to 6.008 MW. Further, the deadline for the annual budget AL was moved to April 1.<sup>10</sup>

## **CONCLUSION**

PCE respectfully requests that the Commission approve PCE's AL 48-E as supplemented by information from this supplemental AL 48-E-A..

## **NOTICE**

A copy of this supplemental AL is being served on the consolidated, official Commission service list for Application (“A.”) 22-05-022.

For changes to this service list, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

## **CORRESPONDENCE**

For questions regarding this supplemental AL, please contact Steve Campbell by electronic mail at [scampbell@peninsulacleanenergy.com](mailto:scampbell@peninsulacleanenergy.com)

*/s/ Steve Campbell*

Steve Campbell  
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Peninsula Clean Energy Authority

cc: Service List: A.22-05-022

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<sup>10</sup> D.24-05-065, p.170, OP 3

## Appendix A

# **2026 Budget Request for the Disadvantaged Communities Green Tariff (DAC-GT) Program**

Proposed by Peninsula Clean Energy Authority

June 1, 2026



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## 1. BACKGROUND

Peninsula Clean Energy (“PCE”) is a program administrator (PA) of the Disadvantaged Communities (DAC) Green Tariff (“DAC-GT”) program. Per Resolution E-4999 and D.24-05-065<sup>11</sup>, PAs must develop annual budget requests by April 1 of each year to provide budget forecasts for the upcoming program year (“PY”) and a budget reconciliation for the previous PY. Budgets must include the following line items:<sup>12</sup>

1. Generation cost delta<sup>13</sup> if any;
2. 20% bill discount for participating customers;
3. Program administration costs, including:
  - a. Program management
  - b. Information technology (“IT”)
  - c. Billing operations
  - d. Regulatory compliance; and
  - e. Procurement;
4. Marketing, education, and outreach (“ME&O”) costs.

In addition to budget details, annual program budget submissions must also include the following program capacity and customer enrollment numbers:

1. Existing program capacity at the close of the previous PY;
2. Forecasted program capacity in the upcoming PY;
3. Customers served at the close of the previous PY; and
4. Forecasted customer enrollment for the upcoming PY.

## 2. BUDGET FORECAST FOR PY 2027

For PY 2027, PCE forecasts a total budget of \$2,314,520 for the DAC-GT program. A detailed budget forecast is shown below.

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<sup>11</sup> OP 2 of D.24-05-065 discontinues the CS-GT program and directs program administrators to transfer remaining capacity, customers, and programs into the DAC-GT program. OP 3 of D.24-05-065 makes several modifications to the DAC-GT program, which are reflected in this budget submission.

<sup>12</sup> Resolution E-4999 at 67 (Ordering Paragraph (“OP”) 2). A detailed description of each budget line item can be found in PCE’s Implementation Plansubmitted in Appendix A to PCE Advice Letter 11-E submitted on December 22, 2020.

<sup>13</sup> Resolution E-4999 establishes that *above market* generation costs should include net renewable resource costs in excess of the otherwise applicable class average generation rate that will be used to calculate the customers’ bills. In conversations with the California Public Utility Commission’s (“Commission”) Energy Division after the release of Resolution E-4999, it was clarified that this budget line item is intended to cover both a potential higher, as well as lower, cost of the DAC-GT/CSGT resources than the otherwise applicable class average generation rate. Hence, the term is updated to state the “*Delta of generation costs* between the DAC-GT/CSGT resources and the otherwise applicable class average generation rate.”

*Figure 1: Budget Forecast for PY 2027*

Tab	Category	2027 Forecast
1	Generation Cost Delta	\$ 1,291,353
2	20% Bill Discount	\$ 818,916
<b>Program Administration</b>		
3a	Program Management	\$ 101,974
3b	Information Technology	\$ 1,370
3c	Billing Operations	\$ 37,120
3d	Regulatory Compliance	\$ 11,372
3e	Procurement	\$ 49,993
<b>Subtotal Program Administration</b>		<b>\$ 201,828</b>
4	Marketing, Education & Outreach	\$ 2,423
<b>Total Budget Forecast PY 2027</b>		<b>\$ 2,314,520</b>

PCE provides a brief description of each of the budget line items below.

### **Generation Cost Delta**

PCE currently uses a 3 MW solar-only dedicated resource (the “Dos Palos” project) and a 3 MW interim resource to fulfill PCE’s total DAC-GT program capacity of 6.008 MW.<sup>14</sup> PCE expects to continue using this resource mix in the 2027 PY. While PCE launched a Request for Offer (RFO) for a new dedicated DAC-GT resource in November 2025, the new dedicated resource is not expected to come online until PY 2028.

PCE calculates the generation cost delta as the difference between the energy costs of the DAC-GT solar energy projects (both interim and dedicated resources) and PCE’s average energy cost of its EcoPlus product.

### **20% Bill Discount**

As directed in Resolution E-5124, PCE’s 2027 forecasted bill discount costs include both the generation portion of the electric bill as set by PCE as well as the delivery portion of the electric bill as set by Pacific Gas and Electric Company (“PG&E”).

### **Program Administration Costs**

Program management costs include program development and management, budgeting, and reporting. IT costs include the costs to develop program tools and update existing systems to accommodate program enrollment. Billing operations staff oversees customer enrollment and management, as well as bill discount management. Regulatory compliance covers the cost for regulatory management and filings with the Commission. Procurement covers the cost to procure and manage the dedicated and interim resource contracts, as well as annual renewable energy credit retirement and compliance.

### **Marketing, Education, and Outreach (ME&O)**

PCE submits a marketing, education and outreach (ME&O) plan for PY 2027 as Appendix B to this advice letter. As further described therein, PCE is planning on conducting limited marketing in

<sup>14</sup> Decision 24-05-065 approved an expansion of PCE’s DAC-GT program capacity and transferred unused CS-GT capacity into PCE’s DAC-GT program. See D.24-05-065 at p.138. PCE’s DAC-GT program now has a total capacity of 6.008MW

PY 2027 as the program is fully subscribed. The limited ME&O costs included in this budget forecast are for developing materials and collaterals for program participants.

**CCA Integration Costs**

On March 2, 2023, PG&E submitted Advice Letter 6872-E requesting that the CPUC approve a tariff modification to allow PGE to record CCA integration costs directly to PG&E’s subaccount, instead of the CCAs seeking cost recovery. Therefore, PCE does not include the CCA integration cost in its 2027 budget forecast.

**3. BUDGET RECONCILIATION FOR PY 2025**

PCE submitted a budget forecast for PY 2025 in Advice Letter 35-E on July 8, 2024. The table below shows the forecasted costs for 2025 compared to actual costs, resulting in true ups per line item.

*Figure 2: Budget Reconciliation for PY 2025*

Tab	Category	2025 Forecast	2025 Actual	2025 True-up
1	Generation Cost Delta	\$ 228,154	\$ 864,594	\$ (636,440)
2	20% Bill Discount	\$ 817,503	\$ 818,227	\$ (724)
<b>Program Administration</b>				
3a	Program Management	\$ 4,641	\$ 45,457	\$ (40,816)
3b	Information Technology	\$ 10,800	\$ 1,242	\$ 9,558
3c	Billing Operations	\$ 6,088	\$ 20,582	\$ (14,494)
3d	Regulatory Compliance	\$ 36,022	\$ 58,496	\$ (22,475)
3e	Procurement	\$ 13,865	\$ 59,846	\$ (45,981)
<b>Subtotal Program Administration</b>		<b>\$ 71,416</b>	<b>\$ 185,624</b>	<b>\$ (114,208)</b>
4	Marketing, Education & Outreach	\$ 15,087	\$ 2,238	\$ 12,848
<b>Total</b>		<b>\$ 1,132,160</b>	<b>\$ 1,870,684</b>	<b>\$ (738,524)</b>

**4. BUDGET CAPS**

Resolution E-4999 established a budget cap of 10% of the total program budget for program administration costs and a budget cap of 4% of the total program budget for ME&O costs.<sup>15</sup> The Commission recognized that standing up the DAC-GT program may cause program administrators to exceed the established cost caps and established a process to request additional administrative funding in the Annual Budget Advice Letter (ABAL).<sup>16</sup> PCE does not exceed the established budget caps as shown below in Figure 3.

*Figure 3: Program Administration and ME&O Budget Caps*

	2025	2027
Program Administration	9.92%	8.72%
Marketing, Education & Outreach	1.33%	0.12%

<sup>15</sup> Resolution E-4999, p.27

<sup>16</sup> Resolution E-5125, p.7.

**5. 2026 BUDGET REQUEST**

Based on the budget forecast for PY 2027 presented in Section 2 and the budget reconciliation for PY 2025 presented in section 3, PCE is requesting a total budget of \$3,053,044 for the DAC-GT program.

*Figure 4: Budget Request for PY 2026*

	<b>2026 Budget</b>
<b>Budget Forecast for 2027</b>	\$ 2,314,520
<b>Budget Carryover/ Debit from 2025</b>	\$ (738,524)
<b>Total 2026 Budget Request</b>	<b>\$ 3,053,044</b>

**6. PROGRAM CAPACITY AND ENROLLMENT NUMBERS**

At the end of PY 2025, PCE’s DAC-GT program had a program capacity of 6.008 MW with 3 MW served by the dedicated Dos Palos solar resource and 3 MW served by an interim resource. PCE expects the same program capacity at the beginning of PY 2027.

PCE had 2,660 customers enrolled under its DAC-GT program at the end of PY 2025. PCE expects enrollment numbers to remain constant and forecasts the same customer enrollment number for the beginning of the 2027 PY.