2023 Semi-Annual Business and Agriculture Rate Filings, Tools and Transitions

Hello. Thank you for joining us today at the 2023 Semi-Annual Business and Agricultural Rate Filings, Tools, and Transitions webinar for our business and ag customers.

So let's go ahead and dive right in. We have a lot of content today.

So our agenda today-- we are going to be very briefly reviewing logistics and safety. Then we're going to dive right in to the gas and electric rate pricing changes and adjustments due to different filings, our net energy metering versus the new net billing that recently went into effect, customer tools, and then agricultural time of use rates transition reminder.

So very briefly, I just want to review the logistics of Teams Live. And with that, please know that all attendees are on mute. For audio issues, if you're experiencing anything, you can let us know but, typically, if you log out and log back in, it will fix those issues. Also, if you would like to receive a copy of the recording and a PDF copy of the presentation with questions and answers embedded in then, enter your email in the Question and Answer section. It will not be published to the wider audience. And we'll go ahead and be sure to send you a copy. Again, please enter your email and then, that way, you can receive a copy of the recording and the presentation with the question and answers. Again, question answers in the Question and Answer section-- if we are not able to answer your question during the live event, it will be responded to and sent out as part of the deck afterwards. If you have any questions that's specific to your business, please include your name and contact information. It won't be posted for the wider audience, and we'll be sure to forward that to the appropriate person in order to get your response.

Very quickly, please be sure that you are in a safe environment at this point. If you need to address a medical emergency, any sort of fire, earthquake, anything that happens, please go and handle what you need to handle. If you are alone and you need assistance, please put that in the Q&A section, and we will do our best to assist you if that is what's needed. And so, again, please be very aware of your surroundings and be sure to keep yourself in a safe environment as possible.

Now I'd like to introduce Ben and Katia, who will be going over our electric and gas rates.

Thanks, Jeannie, and hi everyone. This is Ben Kolnowski. I manage our electric rates team at PG&E. Thanks for joining today. Before we dig into the slides, I just want to highlight that everything we're presenting in this rates forecast is based on the latest information presented in the given proceedings.

There are a number of pending proceedings right now which will be impactful to rates. So there's a wide range of uncertainty in these forecasts that we're showing. That insert includes both what the commission ultimately approves in a given proceeding as well as when it's approved to go into rates. So with that, we will begin by walking through key rate change proceedings for electric and gas, and then we will cover near rate change calendars for both electric and gas going through the end of 2023, and click into the January 1, 2023 rate change that just occurred. So for electric, looking at the proceedings that we're expecting to implement throughout the remainder of 2023, we have five proceedings. The first is the 2023 general rate case wildfire insurance settlement. A final decision was actually just issued on this proceeding last Thursday, and it carves out the wildfire insurance-related request from the 2023 general rate case for approval. And it results in an electric revenue requirement of about $400 million. So given that it was just approved last week, we expect to implement this in rates in March of 2023. Numbers two, three, and four on our list are the wildfire mitigation and catastrophic event memorandum account proceedings, or WMCE proceedings. These proceedings request recovery of recorded costs related to wildfire mitigation and emergency response efforts. So number two is the 2020 WMCE proceeding. This is requesting recovery of recorded costs from 2017 through 2019. And proposed decisions are on the CPUC voting agenda for the February 2 voting meeting. So if the proceedings are approved at that time, this would go into rates on March 1. Number three is the 2021 WMCE proceeding and this is requesting recovery of costs all the way through 2020. And PG&E requested that the amounts in this proceeding be amortized over two years due to the size of the request. We do not yet have a proposed decision, so we're currently expecting one to be issued in time for approval and implementation in June of 2023. Fourth on the list is the 2022 WMCE proceeding. This includes costs all the way through 2021. And this proceeding was actually just submitted in December of 2022, so it's pretty early on for the proceeding. However, as part of the application, PG&E sought what's called interim cost recovery. And this is a request that allows PG&E to begin recovering a portion of the request prior to final decision in the overall proceeding to amortize the amounts over a longer period of time as well as avoid delays and cost recovery. So as part of this interim cost request, PG&E sought to implement a portion of the total revenue requirement request in rates in June of 2023. So we'll be keeping a close eye on that proceeding over the next months to see if that interim cost recovery is approved in time. And then, finally in the list, number five, we have the 2023 general rate case, or GRC. This proceeding was submitted back in June of 2021, and there's been a number of updates to it since. The latest update was in December 2022 as part of the reply brief process within that proceeding. And the forecast that we'll be presenting in later slides reflects that latest update request. And the scoping memo on this proceeding has a proposed decision being issued in the second quarter of 2023 and a final decision in the third quarter, so our current expected implementation date is September 2023. But, again, the amounts that are ultimately approved as well as the timing will be subject to when those decisions are issued and eventually approved. So, with that, I'll hand it over to Katia to cover the gas proceedings that I didn't already touch on. Thank you, Ben. I'm Katia Sokoloff, and I manage the Gas

Rates Group. And a lot of the proceedings have a crossover into gas, so I'm just going to go over the two proceedings, number four and number five, that Ben did not touch upon. So number four is the track two of the 2023 general rate case, and that is a recovery of the recorded costs from 2021. And it will be implemented probably about the same time as when the general rate case gets implemented, which would be September. The next one is the 2023 gas transmission and storage cost allocation and rate design. This used to be known as GT&S, and it was a rate design and cost allocation proceeding. Also, it was a revenue requirement request. In the 2023 GRC, those revenues have been moved into that case. So what this case does is it only allocates those dollars that are associated with transmission and storage and does rate design. We are currently meeting with certain parties to see if we can settle any portions of it. Some of the requests that we have is we are updating a sales forecast in this proceeding. We are also updating the local transmission study, and there's some inventory management that we are moving out of backbone and into end user rates. If the settlement does not go through, we will then be moving into hearings sometime in February. And with that, I will pass it back to Ben.

Thank you. So the next two slides-- we will cover the electric rate change calendar. This one presents a rate forecast through the end of 2023, and then the following slide, I'll do a brief click into the January 1 rate change. So before I dive into the content here, I just wanted to ground everyone on this slide. This slide presents system average rates for bundled as well as direct access and CCA customers for each rate change anticipated throughout 2023, along with the key drivers for the rate change. And the drivers that are approved by the commission are shown in blue, while the ones that are still pending are shown in red. So as you look at this calendar, you can see that for all of the forward-looking rate changes, there is a lot of red pending proceedings, which highlights the uncertainty I was alluding to previously in the forecast. And just a reminder that uncertainty is there and that what we're presenting here, in terms of the numbers, are based on the latest as-filed amounts in the pending proceedings. So, finally, the direct access and CCA average rates that are shown here are for PG&E provided services only. So they exclude the generation rate component, which is supplied by other service providers. So diving into the content, beginning with the January 1 rate change, there's a number of drivers called out on the slide. I will just highlight a few of them. These include incremental insurance and vegetation management costs, the implementation of the final decision in the 2023 cost of capital proceeding, our annual update to the transmission revenue requirement, which occurs on January 1 of each year, and then, finally, the implementation of the 2023 energy resource and recovery account, or ERRA forecast, which is the proceeding that sets our generation and PCI rates, as well as our sales forecast for 2023. So we can see that, as a result of this rate change, the system average bundled rates increased by about 3.3%, while the average direct access and CCA rates decreased by about 6%. The main driver for that difference there is due to an increase in generation rates and a decrease in PCI rates as a result of the 2023 ERRA forecast proceeding because of higher market prices for electricity. Looking ahead to the remainder of 2023, the next anticipated rate change is in March. And in this March rate change, we have the conclusion of a refund associated with the Department of Water Resources bond charge. We have our annual update to one of the transmission-related balancing accounts. And then we have a number of the proceedings that I covered on the previous slide. And while the 2023 GRC insurance settlement here is shown in red, it was actually approved last Thursday. So that is now approved to go into rates, as I mentioned previously. So if all of these are approved for the March rate change, we would see a bundled increase of just over a cent per kilowatt hour, or about 3.7%, and a direct access and CCA increase of about 6.6% or, again, about $0.01 per kilowatt hour. For the June rate change, which would be our next rate change after March, we have the completion of recovery from the 2018 catastrophic events memorandum account, as well as the completion of a tax adjustment. Both of these were implemented in June of 2020 last year for a 12-month period. And then we also have the pending 2021 and 2022 WMCE proceedings that I covered previously. So if all of these pending proceeds are approved, we'd see an increase of about 1.7 cents. And that translates to about 6% for bundled in about 11% for direct access and CCA, again, because the generation rate component is excluded. So, finally, looking to the September rate change, this rate changes based on the 2023 GRC request. This is our current estimated date for implementation of the GRC based on scoping memo, but again, the proceedings are still pending, so it's unclear the final amounts that will be approved as well as when it will ultimately be approved to go into rates.

What we're showing here, there's two components driving the rate increase. And we can see that the rate increase for the September, based on the as-filed amounts, is about 5.4 cents per kilowatt hour. There's two components driving it. First, there's an increase related to PG&E's request for the 2023 test year. And then, second, there's an increase related to a delay in the issuance of a final decision in this proceeding. So regarding that first part, if the commission approves an amount lower than what's requested, it will ultimately reduce the rate impact upon implementation. And then, regarding the second part, the final decision in the GRC will approve a revenue requirement that dates back to January 1 of 2023. But because there's been delays in the proceeding, that revenue requirement will not actually be effective in this forecast until September 1. So because there's a delay in the undercollection, it accumulates in the balancing accounts and, ultimately, the commission's likely to direct PG&E as how to recover this undercollection from customers over a certain period of time. Right now, the forecast is assuming that undercollection will be recovered over 16 months from September 2023 through December 2024. However, if we're directed to recover that over a longer period of time, that would reduce the rate impact upon implementation, but it would remain in rates for longer. So the size of the undercollection will vary depending on what's approved in the final decision. So just to hit this home one more time that the rate impact from the pending GRC is still very much in flux. We won't have a great sense of what that rate impact will be until we receive that final decision in Q3 of this year, according to the schedule. OK, moving on to the next slide, we have just a click in to the January 1 rate change. So on the left columns here, we're presenting the impacts by customer class for bundle customers and, on the right side, for direct access and CCA customers. And you can see, all the way at the bottom, we see the average system rate impact. So that shows the 3.3% for bundled and the negative 6.1% for direct access and CCA that I mentioned before. So this is here for reference. The slide deck will be distributed following the meeting, so you can see the different rate impacts for the different customer classes. With that, I'll pass it back over to Katia to cover gas.

Thanks Ben. All right, so similar calendar that we saw on electric, we have the same one on gas. In January, we had our annual gas true-up, and rates pretty much-- our transportation rates went down. What I'm showing on this slide is just the transportation rates for G-NR1, G-NR2, industrial distribution, and industrial transmission. The next slide will have more detail with other customer classes. So one of the reasons our rates went down is a few programs ended, such as WEMA. We also had another late implementation with the 2020 GRC, and that undercollection ended. And then, with the end of the 2019 GT&S cycle, there were some balancing accounts that were associated with those programs, and those dollars were not spent. Therefore, they were returned to customers. Moving forward to August, we have a pending rate case, which is the wildfire mitigation catastrophic event that we discussed in the previous slide. And if those get voted out in February, we will be having another rate change in August. The other for sure item in August will be the 2011 and 2014 GT&S update. We had costs that were being collected for 2022, and that will come to an end in August. And then similar to electric, we have the GRC implementation. And this is the ceiling. This is what we filed. This was our ask. Historically, we have not received our filed positions, so most likely, this will be a smaller percentage change than we are currently showing. But this is what was filed. And we also have an undercollection that we are collecting over 16 months in this forecast. But if the commission orders us to have a longer amortization period, that also will impact the percentages. And with that, I will move to the next slide.

So this is showing our proposed January 1 rate change, and it has our bundled customers, which procure gas from PG&E, and then it has our transport-only and our noncore, noncovered entities. As I had mentioned in the previous slide, we had transportation rate decreases, which impacted the majority of the customers. And currently, when we are forecasting what we believe the 2023 procurement rate, compared to what actually bundled customers paid, we are seeing a decrease.

If we can move to the next slide. However, currently, in the short-term, when we are looking at winter prices and comparing it to last winter, we are seeing an increase. But when we move out of the winter months, we should be seeing decreases. And, with that, I will be turning over the presentation to Alina.

Thank you. Thanks. Hi my name is Alina Zohrabian, and I work in pricing products team, focusing on NEM and the new net billing tariff.

So the net billing tariff decision, which is the decision number 22-12-056, was adopted on December 15, 2022. This decision closed NEM2 tariffs 120 days after its adoption, which would be April 14, 2023. That's the last day that the NEM2 tariff is available. And any customer applying after that date would be considered a net billing customer, but would be temporarily billed on NEM2. And the commission gave 12 months for residential customers to be billed on the net billings and, basically, 18 months for residential customers to be billed on net billing. So these customers are going to be temporarily billed on NEM2 until the billing is able to bill them on the net billing tariff. This decision also ordered the utilities to submit their proposed net billing tariffs. So at the end of this month, we will be submitting the proposed net billing tariffs. And because the tariff is currently, obviously, not submitted and therefore not approved, there are certain things that the commission told us in this decision that are clear that we are communicating to you, and there will be things that we would be proposing and, therefore, until it's approved, we would not know the answer to some of your questions. So we are providing the link to the decision, and the decision is over 200 pages, but we are also providing the link to the CPUC fact sheet. And that's a short summary of what the decision is communicating.

So in this slide, we wanted to compare the key elements of the new net billing tariff with the original NEM and the current NEM2 tariff. So as far as the required rate, NEM customers could be on any applicable rate. NEM2 customers had to be on any time of use applicable rate. But for net billing customers, there's only currently one residential rate, which is called E-ELEC. So all residential customers have to take this rate. This rate has a monthly fixed charge of about $15, but the nonresidential customers can be on any open and applicable time of use rate. As far as legacy treatment comparison, NEM and NEM2 customers have 20 years on each of their tariffs. The net billing customers have 9 years.

The meter interval requirements-- basically, there was none for the NEM customers or NEM2. Because the way the nonbypassable charges were calculated had to be based on meter interval, the interval for residential was one hour and for nonres is 15 minutes. But for the new net billing tariff, both res and nonres have to be on a 15-minute intervals. As far as the system size and limitation, there was an upper cap of 1 megawatt for NEM customers. On NEM2, they lifted that cap but, obviously, kept the requirement that the production for the generation in a year had to be equal to the 12 months of usage for the customer. And we allowed a slight 10% oversizing for smaller customers under NEM2, but for larger customers, basically, the production and usage has to match. For the new net billing tariff, customers are allowed to oversize 50%, but in order to do so, they have to file an application. And one of the conditions is that the load needs to materialize within 12 months of the PTO, or permission to operate. As far as credits for exports, NEM customers got credit at retail rates. NEM2 customers-- they got credit that's retail rates, but they had to pay their nonbypassable charges per meter intervals, so they got a little less credit. For the net billing tariffs, the whole structure of the crediting is based on the CPUC-developed Avoidance Cost Calculator. So it's a totally different concept. And, basically, for the first five years of the program, values are locked in for nine years based on calendar year interconnection. And the value for the Avoided Cost Calculator that the CPUC developed basically varies by hour, by month, and are different for weekdays, weekends, and holidays. So you can imagine this massive spreadsheet, and we will each-- will be posting this in an external website so customers can see the export value.

Additional export credit, or Avoided Cost Calculator, or ACC Plus-- basically, NEM and NEM2 customers did not have this. This is an extra credit for eligible residential customers who interconnect within the first five years of the net billing tariff. And they would lock in this additional credit, which is actually a fixed number, for nine years. The low income customers would get a slightly higher adder or credit, and this credit decreases annually by 20% for eligible customers interconnecting in a given calendar year. So what it means is, for example, if a customer interconnects in 2023, they would get the full value of their additional credit, and they would lock it in for nine years. If a customer interconnects in 2024, they would get 20% less than the full value, but then they would lock that for nine years. And it would go on like that-- would decrease every year for the first five years of the net billing tariff.

Going to the next slide

--comparing the payment-- the residential and small-medium business for NEM and NEM2 and also into the annual payment and only large nonresidential customers paid their bills every month for the net billing tariff. All customers have to pay their charges every month. As far as the true-up period, it's still 12 months and nothing has changed. For NEM customers on true-up, export credits offset charges, but not the minimum bill. For NEM2 customers, exports credits offset charges in any month, but not the minimum bill and not the nonbypassable charges. And for the net billing tariff, export credits offset charges in any month, but not the nonbypassable charges and not the fixed charges. As far as kilowatt hour netting, basically, NEM customers were netting of import and export. NEM2 customers-- there was interval netting of imports and exports because of the way the nonbypassable charges were calculated. But for the net billing tariff, there is no netting of imports and exports. So what does that mean? That means each meter has two channels. One measures the usage from the grid, which is the import channel, and one measures the exports to the grid, which is the export channel. So these two channels are basically measuring electricity and are separate from each other in the net billing tariff. You get charged based on your import channel and you get credited based on your export channels. We are not netting those two values together. As far as nonbypassable charges, for NEM customers, they were charged only if net charges are greater than 0. For NEM2, they were charged on positive net usage. And for net billing tariffs, they're charged for all of the usage.

And for CARE and FERA, for NEM and NEM2 customers, the discount for CARE and FERA applied to the retail export compensation rate. But for net building tariff, the discount will not be applied to the retail compensation rate.

So now we're going to talk about the NEM expiration versus the Solar Legacy TOU rate. And I don't know if you guys remember, but the Solar Legacy TOU-- basically, there was a commission decision that allowed solar customers that were eligible to stay on their legacy rates. And by saying legacy rates, we are referring to the rate that had the peak period between 12 and 6 versus the new rates that have their peak period between 4 and 9.

So we're going to review these two Q&A. How is my NEM expiration date different from the Solar Legacy TOU Period expiration date? The NEM tariffs, both NEM and NEM2, allow a customer to stay on NEM for 20 years from the permission to operate date. This has nothing to do with whether a customer qualifies for Solar Legacy TOU Period or not. So NEM expiration and the TOU Legacy Period expiration are two different things. What happens when I reach my Solar Legacy TOU Period expiration date? You will no longer be eligible to continue enrollment on the legacy rate. At that time, you can choose an applicable, open nonpresidential-- the B rates or the AG rates, whichever one is applicable to you. Or PG&E will transition you to an applicable rate on the following deadlines. For commercial and industrial customers, it would be the November after your expiration date. For agricultural customers, it would be March after your expiration date. Thank you. I'm going to hand it to the next presenter.

Thank you. Thank you, Alina. My name is Wayne Cho. I am a product manager on the rate tools team. So now we're going to dive into some of the awesome tools that we have online to really help you get insights into your energy usage and save money.

If you have a pge.com account, this will look very familiar. On the left side of the page, you have your Account Balance and access to our billing tools. Our focus today is really what's on the right side of the page. You have access to tools that can help you understand your business's energy usage and opportunities to really save money. These tools are a part of our Business Energy Checkup platform. We have tools to help you compare your current rate plan with other rate plans that you are eligible for to really ensure that you are on the lowest cost rate plan. Then, based on that information, if necessary, you could change your rate plan. You can also view historical energy usage and cost data. And, lastly there, there's a tool to help you compare your current and previous month's bills. Clicking on any of these links on this page will take you to our Business Energy Checkup portal. So let's take a closer look at each of these tools.

Cost and Usage Trends tool really allows you to easily view your energy usage and costs over a period of time. You have the ability to quickly select a time period for the chart that you see there. You can select from daily, weekly, monthly, yearly, for example. But you also have the option to select a specific date, custom date range that you're interested in as well. You can easily switch views to focus on whether it be your electricity costs or electricity usage. And, for our gas customers, you can also view your gas usage and cost. One of the really cool features that I always like to kind of throw out there is that by moving your mouse over one of the bars on the chart, you'll see a rollover window. A rollover window appears with really specific details as to the usage and costs for that particular period. It really breaks it down and gives you that detailed information. Now we have Compare Bills, which is next. For those of you that find yourself frequently comparing your current bill with the previous month's bill to see how your costs and usages changed, this is really the tool that's for you. This tool basically allows you to compare a bill with the previous months bill, or you can compare the bill to last year's bill, if you're looking for that yearly that yearly outlook of change within the same time period. This tool breaks down the key changes that's impacting the cost. Just quickly, from this example, we can see that your current bill is $57 lower than the previous month's bill. And then, over on the right of the page, we display a summary of the key changes driving the change in cost when you click on that Details link. Next, we have a Rate Analysis. I know a lot of us are always wondering, are we currently on the best rate plan? This is where you can really get that insight as to whether you are or not on the best rate plan. The Rate Analysis tool allows you to see how your current rate compares to other rate plans that you're eligible for. Behind the scenes, what this tool is really doing is that it's taking your actual energy usage for the past 12 months to calculate the price of the usage under each of the rate plans that you're eligible for. In this example, the B6 rate plan is showing up as a better rate that would, in this particular case, save this customer $45. Clicking on the Other Rate Plans link at the bottom there, you're able to see other rate plans that you're eligible for and the projected costs for each of those other eligible rate plans. One thing that I do want to mention-- there are some limitations with the rate analysis tool. For one, customer must have at least three months of usage data for the analysis to work. And then, secondly, there's a small segment of customers that currently don't have access to Rate Analysis.

Any customers that are complex NEM, that's currently not supported, and customers that have multiple service points for a service agreement. However, I do want to mention that we're working hard really to unblock these customers so that they can take advantage of Rate Analysis.

On the next slide, if you notice, in Rate Analysis, there's this Learn More link. Click on Learn More. We'll present you with a detailed explanation and comparison of the rates. Basically, here, you'll see an overview of the rate plan. And, additionally, there's a chart showing a month-to-month comparison between the two rate plans, your current rate plan and whichever rate plan that you selected in that dropdown. The Rate Analysis-- as you can see, it's a really great tool, but also it only runs the analysis against a single service agreement. You can easily select specific service agreements right there in the upper-right corner in that dropdown box there. However, we do know that there are many businesses that have more than one service agreement. So wouldn't it be great if we have a tool that can run this analysis across all service agreements at the same time? And this is where Batch Rate Analysis comes in on the next slide here.

Yep, thank you. Batch Rate Analysis basically does the same thing as the Rate Analysis tool that we just talked about, but it analyzes all of your service agreements at the same time. Just quickly, at the top, you see that we have information on the potential savings of all of your service agreement. You can see total number of agreements that we analyzed. I mentioned earlier, there are some agreements that we can't analyze. Like I said, you need at least three months of usage data, and we currently don't analyze gas service agreements. And then, lastly, we show you a summary of the service agreements that have potential savings. You can see here, from the screenshot, there are 95 service agreements with a better rate for savings of $198,000. Quickly, in the second section, you have the ability to filter results and target specific a savings profile. So, for example, only show me service agreements where I save more than $100. You can also upload a specific list of service agreements using a CSV or PDF file. And, lastly, you can export the results to a file as well. Next, so now we talk about the rate analysis-- analyzing your current rates. Next, we have the Rate Simulator. And using the Rate Simulator, you can really see which rate plan is best if you made some changes to your energy usage or demand. The Rate Simulator comes in two flavors. We have a General Rate Simulator and an Advanced Rate Simulator. And the General Rate Simulator is targeted at users that want to run a quick and simple simulation. There's an intuitive UI that allows the user to easily define desired adjustments for the simulation. You basically select this desired TOU period and modify the energy usage for. You could increase, decrease, or shift energy usage to another period. The adjustments are applied and then simulated against the past 12 months of usage data. This tool supports up to three adjustments. So, for example, I can create a simulation based on reducing on-peak usage by 10% and also shifting some of my part peak usage to off-peak. Lastly, I do want to mention that the simulation usage adjustments made for peak day events that you could adjust as well. Now quickly onto the Advanced Rate Simulator. This is targeted for our power users. Those who want to make more targeted, more tailored user and usage and demand adjustments, one of the biggest additions with the tariff from the General Rate Simulator is that you see a table there detailing the actual usage over the targeted 12-month period. So in addition to defining bulk changes to the monthly usage values, the user can choose to edit the tables manually to target specific changes for each of those months to really create that tailored simulation. The user can also customize specific characteristics of their SA. They can change the voltage class, primary/secondary transmission. They can also customize their solar choice contribution percentage. You can customize the number of PDP event days for the simulation over the 12 months. And you can also change the capacity reservation limit. I do want to call out that the user is able with the events to customize the 12 month period to simulate against, whereas with the General Rate Simulator, it automatically simulates against the past 12 months of usage data. So, as you can see, the Advanced Rate Simulator really helps you answer some of those more tailored what-if-type energy usage questions. And then, last but not least, so now that you've had the opportunity to run the Rate Analysis, run the Rate Simulator, we've made it really easy for you to manage and change your rate. Next slide. You can get to this page by clicking on the Manage Your Rate Plan link from the dashboard or the Change Your Rate Plan link on the Rate Analysis page. And here, you'll see all of the service agreements that are on your account, and to change your rate plan, it's as easy as just clicking that Change Rate link that you see for each of the service agreements listed. And then that will take you directly to the next slide, where you can see your current rate plan and all of the other rate plans that you're eligible for. So then, from here, it's just as easy as selecting your desired rate plan and then clicking Next to review and submit your request. So that was a really quick look at all of the powerful tools that are available to you on pge.com to view and manage your energy use and cost. And now with that, I'll hand it back to Jeannie. Thank you so much, Wayne, I really appreciate that. And now I'd like to introduce Scott, who'll be discussing the agricultural time of use. And just to respect everyone's time, if you do not have an agricultural account and may not be experiencing this, you are welcome to leave the call at this time. But please make sure that you have submitted your email through the Q&A if you would like a copy of the deck, the question and answers embedded in that DECK and also a link to the recording. All right, Scott, take it away. Thanks, Jeannie. Good morning and thanks for sticking around till the end. My name is Scott Bond, ag and food processing account manager. I'll be talking about the ag time of use rate transition and briefly explain some of the changes to ag time of use. As you hopefully know by now, starting in 2019, California utilities began the transition to new time of use periods. Responding to a significant increase in solar generation and the need to support a cleaner energy mix, peak hours have moved from the afternoon to early evenings. While the transition began in 2019, it continues for customers who were previously ineligible to transition because either they didn't have an interval meter, they didn't have 12 months of interval meter data, or qualifying legacy solar customers. So each year, we transitioned newly eligible ag customers in March and other business customers in November. Next slide.

So this slide shows some of the key time of use changes for the ag segments. Some of those changes shown are-- summer is four months, not six. Ag only has peak and off-peak periods, no partial peak anymore. Peak hours are 5:00 to 8:00 PM, seven days a week, 365 days a year. And while ag time of use periods are the same year-round, prices still change for summer and winter. The last to point out is that there are no daylight savings time adjustments that used to happen twice a year. Next slide.

So this slide shows the four ag rates and some of the key elements that distinguish each rate. While I won't read each slide for you, I want to explain some of the elements here. So we now use measured demand instead of connected load. And 35 kilowatts is roughly the threshold between small services and medium and large services. We also use operating hours to help us choose the best rate for ag customers. 1,300 annual operating hours is the rough cutoff between AG-A1 and AG-A2, while 1,500 hours is the rough cutoff between AG-B and AG-C. And I say roughly as it's based on system-wide averages, not a hard cutoff. For example, in general, services with less than 1,500 annual operating hours may do better on AG-B than on AG-C. Lastly, we have what is called the Demand Charge Rate Limiter for AG-C customers. This feature puts a cap on bill charges and provides protection from infrequent spikes in demand such as pump testing for ag wells, where there may be high demand but very little usage. So customers will automatically receive a credit on their bill when their charges exceed the calculated Demand Charge Rate Limiter. Next slide.

On this slide is a decision flow chart using the rate elements that we discussed on the prior slide. It simply shows which rates may be best for customers based on measured demand and operating hours.

Next slide. The last topic that I'm going to cover today is our AG Flex Rate option, or AG-F. Our legacy time of use had weekends, where peak charges didn't apply, so ag customers could irrigate, for example, on weekends and pay less. The new AG-F option gives ag customers a virtual weekend, avoiding peak periods. AG-F has three options that customers can choose from, two that provide 69 continuous hours of off-peak pricing and one that provides 45 hours twice a week. Keep in mind that AG-F peak prices are a little higher than peak prices on the base rate rates. But if customers can restrict operations or pumping to the off-peak periods, AG-F may be a good fit. Back to you, Jeannie.

Thank you so much for that, Scott. And thank you all for attending today. I really appreciate you taking this time out of your schedule. And once again, please, if you'd like a copy of this deck along with the question and answers, even those that were not published, we will be taking our time to respond accurately to those. And we will have those along with the deck and a link to the recording sent out to you. So please take this opportunity, if you haven't yet, to enter in your email address into the Q&A section. And we'll be sure to get this out to you as soon as we can get a link to that recording. So it may take a few days, but we will get it out to you as soon as it's available. Thank you again.