

PACIFIC GAS AND ELECTRIC COMPANY

**Moderator: Denise Lee
December 19, 2019
10:00 a.m. PT**

OPERATOR: This is Conference # 4651619

(Nicholas): Hello, and welcome to today's webcast. My name is (Nicholas), and I'll be your event specialist.

All lines have been placed on mute to prevent any background noise. Please note that today's webcast is being recorded. Click the button in the lower right-hand corner of your screen to view the presentation in full screen. Press the "Escape" key on your keyboard to return to original view.

For optimal participation, please disable your pop-up blockers at this time. If you should have any issues with visual or audio during the presentation, first try refreshing your browser by pressing "F5" on your keyboard. If you need further assistance, click on the support option in the upper right-hand corner of your screen for online troubleshooting.

It is now my pleasure to turn today's program over to Denise Lee. The floor is yours.

Denise Lee: Thank you. So my name is Denise Lee. And I, along with my colleague, (Michael Blovlet), are PG&E's lead for PG&E's December 2019 Bundled RPS Energy Sale Solicitation, also known as the short-term REC sale solicitation.

I want to welcome everybody to today's webinar. The purpose of today's webinar is to provide an overview of the short-term REC sale solicitation that was launched earlier this week on December 16th.

So there will be a Q&A session at the end of the presentation. If you have any questions throughout this webinar, please send them to our mailbox, shorttermrecsales@pge.com, as shown on this slide. Once we finish the presentation, there'll be a brief intermission and during that time, PG&E will collect and review all the questions that were submitted to the solicitation mailbox.

Depending on the number and complexity of the questions, we may not address all of the questions during the Q&A portion of the webinar, but we will compile a document with a full list of questions that are asked. And we'll post that document to the solicitation website shortly after the presentation, potentially, maybe a few days after, but as soon as possible.

If we don't get your question during the webinar, again, feel free to reference that document on the website. And, finally, we are recording this webinar and the slides and audio file, which will also be posted shortly after this presentation.

I'll go over a quick overview of today's agenda. So, today, we'll be discussing the product that PG&E is soliciting to sell. And then I'll give a brief overview of our short-form confirmation, which is the form of agreement used for these transactions under the EEI master agreement.

And then lastly, I will – I will discuss, at a high level, how bids are evaluated. Then I'll pass it over to (Michael) who will be taking us through the bid submittal process and the bid form.

This presentation is meant to be a summary-level presentation. We won't be going through all of the detail or the information for the entire solicitation but focusing mainly on the highlights that govern the solicitation.

So to the extent that there are any conflicts between what's discussed here and what's in our solicitation materials in the website, the solicitation materials

will govern. We highly encourage that every potential bidder carefully reviews the protocol and the agreement, which is posted on our solicitation website as attachment B, and be sure to review it in its entirety and ask any clarifying questions prior to submitting your bid.

So moving on to the solicitation overview. So for the December short-term REC sale solicitation, PG&E is selling a bundled renewable portfolio standard or RPS-eligible energy and corresponding renewable energy credits (inaudible) pursuant to a confirmation.

The price of the transaction will be the day-ahead index at the applicable trading hub, to be specified by PG&E as a scheduling coordinator, as well as the REC price, which is the fixed price specified by the buyer.

Since PG&E is selling from a portfolio of resources, the location of the energy deliveries will be at MP15, FP15 or the VP26 trading hub as specified by PG&E of the seller. Sales associated with the energy will be generated in 2020 (to the delivery) term, and confirmations will be executed under an EEI master agreement.

I'll go over the solicitation schedule. We're moving pretty quickly here. The solicitation was issued earlier this week on December 16th, and today is the participant's webinar, December 19th.

The deadline for participants to submit their bids is January 14th, 2020 at 1:00 p.m. through Power Advocate, so we are allowing some time for the holiday schedule here. And then PG&E will notify qualified bidders of their status on January 17th, 2020. And we expect to execute all agreements, which are subject to CPUC approval as provided in the agreement by January 31st, 2020.

All of the confirms that may result from the solicitation will be filed under a tier one advice letter and are subject to CPUC approval, and that tier-one advice letter will be filed no later than 60 days post execution.

So we do have an independent evaluator that will be monitoring all activity in the solicitation. The IEs are tasked with valuing – or a valuation process and

ensuring that we use the methodology prescribed in the solicitation protocol and to ensure that there is fair and equitable treatment among all potential bidders.

The IE is also responsible for the IE report, which will be produced at the end of the solicitation, and the IE will be included in all communications with the counterparty and PG&E.

So IE for this station is Lewis Hashimoto, and his email is arroyosecoconsulting@gmail.com Just a friendly reminder to include him on all correspondences for questions or any emails pertaining to this solicitation. Now, I will go over the EEI confirm.

So one thing that I wanted to point out here is that an EEI master agreement is not a requirement at time of the bid submittals. However bid – bidders are required to have one in place prior to execution.

If you do not have an EEI master agreement in place with the PG&E at this time, I highly recommend that you reach out to us immediately or as soon as possible to get one in place.

PG&E has a strong preference for standardized agreements with minimal to – or no changes, and the sections that we limit for modifications are listed in the three bullets here; that's the quantity, the green attributes price and the credit terms.

Any proposed edits or modifications to our short-form should be reflected in the confirm submitted as part of the bid package, as I stated earlier, which is due on January 17th – sorry – January 14th at 1:00 p.m.

So the products delivery – energy deliveries will begin upon CPUC approval being final and non-appealable. PG&E or a third-party designated by PG&E will be the scheduling coordinator.

Energy will be delivered at the – at the location specified, at the sellers' discretion, as I had mentioned earlier. And the (inaudible) attributes, PG&E will transfer to the buyer the (reader) certificate associated with the delivered

energy within 25 business days, following the occurrence of both the deposit of the (Regis) certificate into PG&E's (Regis) account for the applicable energy delivery month, as well as the buyers' payment of the monthly cash settlement amount.

So here I'll go over the monthly cash settlement amount. It's a pretty simple calculation, which is the sum of A plus B, minus B. A is the price of the energy multiplied by the quantity of energy plus B, which would be the price of the green attributes price as specified by the buyer and the quantity and then subtracting out, again, B, which is, as you can see identical to A, and that's just the energy price multiplied by the quantity of energy delivery within that hour.

All right, evaluation methodology. So PG&E is evaluating primarily on price, and actually just to specify here, it – for the December short-term REC sale solicitation, it is – will base – be based off of total revenue per our 2018 RPS plan. PG&E may also incorporate qualitative criteria, which would include counterparty credit worthiness, the extent of (redlines) within the agreement submitted as attachment via the confirm, via concentration, existence of an acceptable EEI master agreement between PG&E and the participants, as well as previous commercial experience with the counterparty.

And with that, I'm going to hand it off to my colleague, (Michael), to go over the bud submittal process and the bid form.

(Michael Blovlet): Hi. This is (Michael Blovlet), and I'll be providing an overview of the bid submittal process and the bid form used to submit bids.

The online platform Power Advocate is where all bids must be submitted. Participants must register and subsequently be accepted in order to submit bids in the solicitation. Please register through Power Advocate at the link provided on the slide to do – and do so well in advance of the bid due date of January 14th 2020 at 1:00 p.m. to account for any technical issues that may arise.

All of the bid documents provided on PG&E solicitation website must be completed and included with each Power Advocate bid submission.

Participation in the solicitation requires that all confidentiality obligations are met, as specified in section five of the solicitation protocol.

PG&E will only consider bids that are complete and conforming bids submitted by the submittal deadline. Also, please note that PG&E will only accept one bid form per counterparty. Now I'll go over the required bid submission forms. Each participant must submit their bid package in the format as specified in the December 2019 bundled RPS energy sales solicitation protocol.

A fully completed bid form attachment A must be submitted in Excel format, and PG&E requires participants to agree to the non-disclosure and confidentiality provisions attestation and the bid form. The short-form confirmation, attachment B, must be submitted if the participant is proposing edits or modifications.

All participants are required to provide documentation showing active entity legal status from either the California secretary of state or joint powers authority. And PG&E will accept a webpage screenshot that verifies the participant or end user counterparty's active legal status from either the California secretary of state or (GPA) websites, whichever is applicable.

So our bid form requires that macros are enabled so make sure to enable this feature when opening the bid form. Also, please make sure to save and submit the form in Microsoft Excel SD format as no other formats will be accepted.

The cells highlighted in yellow are participant inputs, and all 36 yellow cells must be filled out for the form to be complete, which will be displayed at the top of the bid form as seen in the screenshot at the bottom of the slide.

Please visit PG&E's RFO website at www.pge/rfo, and go to the December 2019 bundled RPS energy sales solicitation page, which provides everything you need to submit a bid including all of the solicitation documents, as well as the solicitation schedule.

As mentioned previously, all communications throughout the solicitation, including the Q&A portion of this webinar should be directed to shorttermrecreales@pge.com, with a copy sent to the independent evaluator at arroyosecoconsulting@gmail.com

So with that, we will now transition to the intermission while questions are received and reviewed, and we will follow up with answers shortly thereafter.

(Nicholas): Operator, you may now transfer our lines into the sub-conference.

Denise Lee: Thank you, everyone, for waiting, and welcome back. We will be going over the Q&A portion of the presentation. So we only got one question today. And just as a reminder, if you have any questions throughout the solicitation process, feel free to email us at shorttermrecreales@pge.com anytime.

So the question that we received is, "Are any of the resources offered in the long-term solicitation being offered for the short-term?" And I think what they're referring to is the long-term REC sale solicitation here.

So our response is while the long-term solicitation is resource specific, the short-term REC sale solicitation is not. If there is overlap, this solicitation is only for 2020 deliver delivery, while the long-term REC sale solicitation is for 2021 through 2013.

So we don't anticipate there being any issues there. And like I said, if you have any questions throughout this process, email our mailbox at shorttermrecreales@pge.com, with a copy to the independent evaluator.

And thank you all for your time, and we look forward to your participation. Thank you.

(Nicholas): Thank you for joining us. We hope you found today's presentation informative. This concludes our webcast. You may now disconnect. Have a great day.

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