

**PACIFIC GAS AND ELECTRIC COMPANY**

**Moderator: Denise Lee**

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This is Conference #: 7164665

Operator: Ladies and gentlemen, welcome to today's webcast. My name is (Carmen) and I will be your event specialist. All lines have been placed on mute to prevent any background noise. Please note today's webcast is being recorded.

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

Diana Pollayil: Thank you. Hello, everyone. I work on the commercial procurement team for the Solar in Disadvantaged Communities Program and I want to welcome you to today's bidder's webinar.

Moving on to the agenda, you'll be hearing from Amanda Villar, our policy lead, as we overview the program and offer form. Then, we'll go through an overview of the solicitation, eligibility and Power Purchase Agreement (PPA). Additionally, Denise Lee will discuss the offer evaluation methodology. And then, we'll have an overview of the interconnection process.

Once we finish the presentation, we'll have a break and, during that time, we'll collect questions submitted to our Request for Offers (RFO) mailbox, [DACprocurement@pge.com](mailto:DACprocurement@pge.com). Once we've gathered all the questions, we'll have a Q&A session at the very end of the presentation.

The purpose of this webinar is to give you information on the Solar in Disadvantaged Communities Program. There are two programs under this umbrella; the Disadvantaged Community Green Tariff, which we refer to as DAC-GT for short; and the Community Solar Green Tariff, CS-GT for short. Please note that we will not be covering any other procurement programs in this webinar.

I want to highlight for you all that we have an independent evaluator (IE) that will be monitoring all the activity in this RFO. The IE is tasked with monitoring the evaluation process and ensuring that we use methodology that's described in the solicitation protocol.

It's the IE's responsibility to report on the process and proposed transactions to the California Public Utility Commission (CPUC) when we file PPAs for CPUC approval. The IE may review all offer data in addition to communications with participants. Our independent evaluator here is Arroyo Seco Consulting and the contact information for Lewis Hashimoto is located on this slide and is also on our web site.

If you have any questions throughout the presentation, please send them to [DACprocurement@pge.com](mailto:DACprocurement@pge.com) and we'll collect them for the Q&A session at the end. Depending on the number of questions, we may not get to all of them during the Q&A portion of the webinar. A full Q&A will be posted to the DAC website within a few days of this webinar. So, if we don't get to your question during the webinar, it will be included in the Q&A on the website.

Also, please note that we will be posting a list of all the attendees on our website, as well as these webinar slides. If you don't want your name or company published, please send an e-mail to the [DACprocurement@pge.com](mailto:DACprocurement@pge.com) mailbox by the end of day on Friday, March 13. Please note that the slides and (IE) portion of this webinar will also be posted to the website.

Please note that this presentation is meant to be summary-level only. We will not be getting into all the detailed information of the program, but we'll be presenting on the main highlights governing the solicitation and some of the unique components.

To the extent that there are any conflicts between what's discussed during this presentation and the RFO materials, the RFO materials will govern. We highly encourage everyone to read the protocol and review the PPA documents prior to submitting an offer.

If you have any questions on any of the solicitation documents, we encourage you to reach out to us and get clarification before you submit your offer. Please note some information received in the solicitation is required to be submitted to the CPUC and some information is made public as well as required by the CPUC. By participating in this solicitation, you are giving PG&E authorization to disclose the bulleted items that you see on the slide here [slide 7].

And now that we've set the stage for this webinar, I'll hand it over to Amanda for the program overview.

Amanda Villar: Thank you, Diana. The DAC-GT and CS-GT programs are under the umbrella of the Solar in Disadvantaged Communities Program which outlines two related, but distinct programs.

Implementing directives from Assembly Bill 327, the California Public Utility Commission issued Decision 18-06-027, which directed the Investor Owned Utilities (IOUs) to procure under two new programs designed to promote the installation of renewable generation in disadvantaged communities.

The Disadvantaged Communities Green Tariff Program offers a 20 percent bill credit to CARE and FERA-eligible residential customers to obtain 100 percent solar power through PG&E from a pool of solar resources in our service territory. In total, PG&E has a current program cap of 54.82 megawatts.

The Community Solar Green Tariff Program offers a 20 percent bill credit to residential customers to participate in a single in-front-of-the-meter solar project located within five miles of the customer's community.

The main difference between the two programs lies with this program and its focus on community. You will further learn about the community aspect of this program in the next section. PG&E's program cap for the Community Solar Green Tariff Program is 14.2 megawatts.

Now, what is a DAC? How are these communities defined? Communities are identified by using the California Environmental Protection Agency's release version 3.0 of the California Communities Environmental Health Training Tool, also known as CalEnviroScreen.

CalEnviroScreen identified California communities by census track that are disproportionately burdened by and vulnerable to multiple sources of pollution. As defined by the decision, a disadvantaged community is a community identified by using the CalEnviroScreen 3.0 as among the top 25 percent of communities state-wide, along with 22 census tracks in the highest 5 percent CalEnviroScreen pollution burden that do not have an overall CalEnviroScreen score because of unrealistic socioeconomic or health data.

There are an additional eight San Joaquin Valley (SJV) pilot communities in PG&E service territory that are also eligible for both DAC-GT and CS-GT program participation. We have a helpful appendix on our procurement webpage, [www.pge.com/dacrfo](http://www.pge.com/dacrfo), which lists all eligible DACs and San Joaquin Valley pilot community census tracks in our service territory.

Now, I'll hand it back to Diana for a solicitation overview.

Diana Pollayil: Thank you, Amanda. For this solicitation, PG&E has a procurement target of 20 megawatts for DAC-GT and 14.2 megawatts for CS-GT. Only new generation solar facilities are eligible.

Also, please note that we will not be entertaining any storage-related offers in the solicitation and we'll select only from eligible offers. Any remaining

capacity after the solicitation will be made available in the Fall 2020 solicitation for these programs.

Slide 13, we have the schedule. As you can see, the solicitation launched on March 5 and we're having the webinar now. On April 20, offers will be due by 1 p.m. Pacific Standard Time. By June 15, PG&E will be notifying selected and waitlisted participants of their status.

On June 22, participants that wish to continue will need to submit signed PPAs and required documentation through PowerAdvocate. September 15, is the target date for execution of contracts and October 15 is the target for filing an advice letter for CPUC approval.

Turning now to the eligibility criteria, projects must be solar, sized 0.5 to 20 megawatts for DAC-GT or less than or equal to 4.26 megawatts for CS-GT. In terms of location, for DAC-GT, projects must be located in a top 25 percent DAC, including eligible San Joaquin Valley pilot communities that are in a top 25 percent DAC.

For CS-GT, projects must be located in the top 25 percent DAC or in an eligible San Joaquin Valley pilot community even if it is not considered a top 25 percent DAC. Please see Appendix H on our DAC website for a list of eligible DAC communities and San Joaquin Valley pilot communities.

As mentioned earlier, the project must be a new generating facility and, in terms of interconnection, it must have either an executed interconnection agreement or have a phase two interconnection study or equivalent. Projects can have interconnections to PG&E's distribution or transmission system.

Continuing on with eligibility, the project can have full or partial capacity deliverability status or it can be energy only. Projects have 36 months to achieve commercial operation with a six-month permitted extension.

Participants can elect a 10-, 15- or 20-year contract term. Transactions can only be full buy/sell. Excess sale arrangements are not permitted under this program. At least one member of the development team must have completed or begun construction on a project of similar technology and capacity.

Please note that roles, such as finance, sales, legal or counsel do not qualify as direct participant involvement and, therefore, do not satisfy this developer experience requirement. Also, the participant must demonstrate that they have site control for the projects.

Regarding deliverability, PG&E does not require nor does it have a bid preference for deliverability. Projects may bid at energy only, partial deliverability or full capacity deliverability. If a project does bid in as partial or fully deliverable, it must meet the deliverability date selected or face penalties or defaults under the PPA.

Projects bidding at fully or partially deliverable must provide documentation that the project has received SCDS or PCDS or is in the phase two process of the deliverability study. Please note that an application for the CAISO's annual deliverability assessment does not qualify unless the project has a deliverability finding at the time of offer submittal.

Here we have some CS-GT specific eligibility requirements. The CS-GT program is predicated on involvement from the communities. And, as such, sponsorship is required from a community-based organization or a local government entity.

A letter of commitment from the sponsor is required and to include the following you see here – demonstration of substantial interest of the community, the estimated number of subscribers, a preliminary plan to conduct outreach and recruit subscribers and siting preferences.

CS-GT projects must also fulfill workforce development and job training requirements. These are outlined in the workforce development attestation and affidavit. This includes plans of how the participant will utilize the local workforce and job training in the development and construction phase of the project.

We want to turn now to a few items for a customer enrollment in CS-GT, which may come into consideration when siting your project. For projects located in a top 25 percent DAC, customers who enroll must be within five

miles of the project. And if the project is in a San Joaquin Valley pilot community, customers who enroll must be within 40 miles of the project. There is also a provision in the PPA that relates to customer enrollment, which we will cover in the next section of our slides.

And here we have a list of interested sponsors. This list is also available on our web site. Please note that if you have any sponsor-related questions, please reach out to [localgreenfavorite@pte.com](mailto:localgreenfavorite@pte.com) or you can also visit the web site on the screen here.

And now, we'll be turning to the power purchase agreement or PPA for short. Please note that the PPA is on our web site as Appendix B in its entirety and we encourage all participants to review it carefully. Please note that the terms and conditions are non-negotiable.

For CSGT projects, 25 percent of the project's capacity must be subscribed by eligible low-income residents prior to permission to operate. Please note that initial energy delivery date will be withheld until subscriber requirements are met. The seller must also deliver all products to PG&E which is all the energy pursued by the facility plus all the renewable attributes associated with the facility.

As mentioned earlier, commercial operation must declare within 36 months of the effective date. Please note that any failure to meet the GCOD after permitted extension is an event of default, which allows PG&E to terminate the PPA and collect any related damages.

The effective date is the date on which all conditions precedent have been met. Please see Section 2.5A of the PPA for a full list. It includes providing the documentation listed here prior to execution.

And moving on to security requirements, the PPA requires the participant to post collateral in the form of cash or letter of credit in the following amounts. In the event that a project should fail to come online, the project development security will be retained by PG&E. Delivery term security is held throughout the delivery term. Another item of note here is that facilities must be in

compliance with a Green-e Energy National Standard. PG&E encourages new resources to apply for precertification.

The seller must agree to a minimum quantity for the guaranteed energy production, or GEP, from the project. Failure to meet GEP may result in damages or an event of default. For curtailment, please note that sellers must curtail energy deliveries in response to curtailment orders from the CAISO or PG&E. And we encourage you to review the curtailment section of the PPA.

Sellers are also required to have systems in place to respond to electronic signals to curtail energy. And now, I'll hand it over to Denise to review the evaluation methodology.

Denise Lee: Thank you, Diana. So, the evaluation methodology, once we receive offers on April 20, which is the offer submittal deadline, PG&E will complete an initial screen of all the information received to ensure that we're evaluating all offers that meet the baseline level of requirements to be deemed as eligible as part of the solicitation.

I encourage all of participants to really review the eligibility requirements summarized in the table within the solicitation overview section of this webinar as well as our protocol, which will be posted on the web site, to ensure that you all meet the requirements prior to submitting an offer as we will not evaluate offers that do not meet the requirements.

As far as the actual evaluation, once we do the initial pass/fail screen, PG&E will apply at least cost that fit evaluation methodology when reviewing the offer. This calculation takes into account offer cost and market value.

So, at a high level, the offer cost will include contract price, the transmission network, upgrade cost, as well as the integration cost. I really encourage you guys to pay attention to the offer form specifically infection – the products description tab within the offer form to really fill in that P&U cost because that is a refundable cost that a seller expects for the upgrade cost. Anything that is in excess of that, you know, PG&E has termination rights, so make sure to really pay attention to that section there.

Benefits at a high level were described here as well, which are the energy and capacity benefits to PG&E. And then, one important thing to note specific to the solicitation is an additional 10 percent benefit, which will be applied to the final valuation number for projects that meet at least one of the criteria summarized below. And I'll kind of walk through those different criteria.

So, the first one is, if your project is located in a top 5 percent DAC, using the CalEnviroScreen tool – 3.0 tool – or is located in a San Joaquin pilot community, you'll – you'd qualify to receive a 10 percent benefit.

Additionally, if your project leverages other government funding such as a grant within the community services department for California, you will also qualify. And then, lastly, projects that provide evidence for support or endorsement from programs such as (transform the climate) communities or other local initiatives will also qualify. One thing to note is that the 10 percent benefit is only applicable to the CSGT or Community Solar GT program.

Lastly, PG&E does take into consideration qualitative factors within our valuation process and that will include project viability or (sale) interconnection, site control assessment, as well as the developer experience. And all of that information should be provided in the offer submittal package that you guys provide to us. So, with that, we will go over the offer submittal process and offer form.

Amanda Villar: Thank you, Denise. Offers must be submitted via the online platform at the PowerAdvocate web site listed here. Registration is required in order to submit an offer. You can register through the PowerAdvocate site at this link displayed on the screen which you may also find posted on our PG&E Solar and Disadvantaged Communities web site.

The offer submittal deadline is at 1 p.m. on Monday, April 20. PowerAdvocate will not accept offers beyond the 1 p.m. deadline. PG&E strongly encourages you to register well in advance of the offer due date and will only consider offers that, as of the submittal deadline, are complete and conforming offers.

Offer submissions that are missing any of the required documents outlined in this section will not be accepted. Only correction of clear administrative errors will be allowable to this offer form after it is submitted.

PG&E reserves the right to reject any offer if the offer form has a substantial number of errors. By submitting an offer into this RSO, each participant is required to abide by the confidentiality obligation specified in the protocol.

The following are some keys to a successful proposal. Sellers may choose to bid a single project with up to four variations. Variations include size, delivery term, fixed price versus escalating price and full or partial capacity deliverability status versus energy only.

Be sure to submit a completely competitively priced offer. Price refreshes are not allowed. Also, be sure to submit a complete offer including your most recent interconnection study or agreement as applicable.

The DAC protocol outlines the documents required as part of the offer package and specifies the format for each. Required documents for the offer submission are listed here and include the offer form; PPA cover sheet and appendix; site control questionnaire and attestation; acknowledgement and commitment of site owner, if applicable; demonstration of developer experience; interconnection studies; single – and single line diagram.

For the CSGT program, some additional requirements documents include the sponsor letter of commitment and workforce development plan. Please confirm that your documents are in the specified Excel PDF or Word format prior to submitting your offer package.

The RFO web site for the Solar and Disadvantaged Community solicitation provides all necessary documents and instructions to submit an offer into the solicitation. Please take a moment to note these two e-mails.

All communications must be directed to [dacprocurement@pge.com](mailto:dacprocurement@pge.com) and be sure to copy the independent evaluator at [arroyosecoconsulting@gmail.com](mailto:arroyosecoconsulting@gmail.com) on any correspondents. These are also listed on our procurement webpage and also a copy of these slides will be posted on that webpage in a week.

The offer form is structured with the following tabs. We will go through the majority of these in subsequent slides. The tabs displayed at the bottom of the screen are shown as they appear on the offer form.

Let's start first with the instructions tab. We went to emphasize the importance of enabling macros. Before you start, many of the cells within the offer form are linked and will display an error message or will lock the cell entirely if macros are not enabled.

Again, please be sure to enable macros when opening the form and before any entries are made. Please save and submit the form in Microsoft Excel Binary ending in .xlsb format. Each cell with the yellow background must be filled out. Once complete, the yellow background will disappear.

Once all the yellow fields have been completed, the word "Complete" will show at the top of each page. Prior to submitting your offer form, please double check to ensure the word "Complete" appears at the top of each page. There is also a validation tab that will show the status of each page and whether the form in its entirety is complete.

Please include at least one authorized contact in the developer information section. Note that the contact listed will be copied in e-mail communications with PG&E. In the counterparty section of this tab, the legal entity entered should be the legal name that will be signing the PPA if the project were to be selected.

The tab also requires evidence that one member of the development team has completed at least one similar project at similar technology and capacity. Specific role and contribution of that team member on the submitted project should be included in the outline including links to project information submitted in Microsoft Word.

The developer experience tab also includes several attestations and affirmations specific to this RFO. Please be sure to read through each of these including agreeing to the terms of the solicitation protocol that are a duly authorized representative of participant.

All information presented in the offer form and in the response to the DAC solicitation are true and correct, that you have read and understand and are able to perform all obligations under the PPA and protocol and have the capability to comply with the PPA.

The product description tab will allow you to detail the specifics of your project. Please note that the number of inputs required is listed on the top of the page circled here for reference at the top. As the required yellow tabs completed, the number of missing inputs listed at the top of the screen will go down. Once every cell has been completed, this section will show “Complete”.

A couple of fields that we want to highlight on the product description tab are shown here. If partial or full capacity deliverability are selected, be sure to fill in the deliverability date based on your interconnection documentation. Additionally, please be sure to fill in interconnection details in the required electrical interconnection section.

On the energy pricing tab, select either “Fixed” or “Escalating” for the pricing type. Fixed pricing requires inputting only the first-year price, while escalating pricing requires first year and annual escalating rate. Note that grayed-out cells will automatically populate after the calculate is run on the generation tab profile.

This tab asks the participant to provide a generation profile forecast of the project’s average day net output energy product stated in megawatts by hour, by month and by year. Once you have entered the generation profile, hit the green “Calculate” button and this will populate dependent fields in other tabs.

Last is the filename tab, which is a new addition to the offer form. Please carefully follow the instructions on this tab to create a unique filename for each offer form filed to be submitted. The filename should be generated after you have finalized the rest of the form and just prior to actual submission. And that completes the offer submittal process and offer form section.

Now, we'll go through interconnection. Interconnection requests are governed by PG&E's wholesale distribution tariff, the CAISO's tariff or PG&E's Rule 21 tariff. Please note that Rule 21 is not applicable for this RFO.

The wholesale distribution tariff is applicable for projects connecting to lines under 52B and the CAISO tariff is applicable for connections to lines 62B or above. Within these tariffs, there are three different study processes – fast track, independent study and cluster.

Projects eligible for fast track can pass the basic screen of an initial review. However, a supplemental review may be required if the basic screen did not provide enough detail. A pass of either (a day's) review is equivalent to a phase two study.

Projects that are not eligible for fast track or do not pass supplemental review can be studied under the independent study process. In this process, a system impact study is equivalent to a phase two.

If additional scope, detail and (cause NTR desired), a facility study can also be performed. Under the CAISO's independent study process, the system impact study and facility study are performed at the same time. Cluster studies are performed in two phases, and just to reiterate, as mentioned previously, the solicitation required of phase two or equivalent study at the time of offer submittal.

And this next slide, it summarizes the timelines for the three different study processes which can take between one month (for passing) the initial review up to a couple of years for the CAISO cluster phase two study process. (Area) connection agreement, negotiation and execution typically take about four months.

And this concludes the end of our presentation. We'll take an intermission here and gather some of the questions that come – have come in to the [dacprocurement@pge.com](mailto:dacprocurement@pge.com) mailbox. If you have any additional questions, please e-mail them now. When we return, we'll go through those questions and answers.

Operator: OK. (Inaudible).

Amanda Villar: All right. Welcome back, everyone. Thank you for holding so patiently. We received a great number of questions, so thank you for sending those in during the presentation and then, of course, concluding during this intermission. We'll go over as many of those as we can right now.

So, the first one is why is there no training requirement for the DAC Green Tariff program. As mentioned in the beginning of the webinar, the Community Solar Green Tariff program focuses on community (audio gap) nor would you fill out a workforce development plan attestation.

There also were a few questions in regards to the bankruptcy, so in regard to bankruptcy and the PPA for the program have been updated with the program bankruptcy language. And this is posted on our solar and DAC webpage – procurement webpage.

We have also received a few questions about the 10 percent benefit and if there – if this applies to multiple situations. So, again, the 10 percent benefit is only applicable to the Community Solar Green Tariff program and you can reference the evaluation methodology on slide 28 when the slides are posted.

Additionally, related to the benefits, the Community Solar Green Tariff program's 10 percent benefit offers are only applied to offers within the three criteria listed on that slide. PG&E may consider disabled veterans, certified businesses in our qualitative analysis and (all this cost best fit) methodology.

Additionally, if there are questions surrounding specific to customer subscriptions and enrollments, for example, locational requirements for the subscribers, we will also be posting these answers in further detail on our FAQs, so stay tuned for that to be posted on the DAC procurement webpage.

Another question – does PG&E have a preference for the delivery term? No, we do not have a preference. We accept 10-, 15- or 20-year term agreement for the PPA. Additionally, we received questions related to least cost best fit

and interconnection specifically. These questions we will be posting answers to in the FAQ document on the DAC procurement webpage.

And any further questions that pertain to evaluation of the community sponsor outreach plan and the workforce development plan required documents for the Community Solar Green Tariff program, we will post in our FAQ specifics on how we will address the valuation of those two documents.

Another specific question is will PG&E provide scheduling coordinator services for the DAC project? PG&E is the scheduling coordinator for both of the DAC programs. PG&E's least best fit formula includes congestion impacts – are there congestion maps available to help CSG developers assess congestion for their projects? How will PG&E assess this factor? This specific question we'll address in our FAQ that will be posted on the webpage.

And that is all of the questions that we received in the inbox. If you all have any further questions, again, you can reach out to [dacprocurement@pge.com](mailto:dacprocurement@pge.com) and send those over to us and we will make sure to address those via e-mail and then additionally include them in that FAQ we'll be posting later in the week.

Thank you all for joining our webinar. We look forward to your participation.

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