

PACIFIC GAS AND ELECTRIC COMPANY

**Moderator: Denise Lee
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OPERATOR: This is Conference # 7550389

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

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And, finally, should you need technical assistance, as a best practice, we suggest you first refresh your browser. If that does not resolve the issue, please 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 Sandy Burns. Sandy, the floor is yours.

Sandy Burns: Thank you. So, this is Sandy Burns. And I am joined by a team of people who are going to help with this webinar. So – and I'm in the Structured Energy Transactions group in the Energy Procurement organization, and we are running the RFO.

So, turning to the agenda, which should be the next slide. So, I'm going to take care of an introduction, which includes a lot of housekeeping items and administrative items. Then I'm going to turn it over to (Mene Damadoren) in

our Grid Integration and Innovation group to talk about the distribution service that we're looking for.

Then I'll come back and give you an overview of the solicitation and what kind of (research) are eligible, the term sheets, the customer engagement support we're offering to energy efficiency and the evaluation methodology for this RFO. After that, I will turn it over to Denise Lee to talk about to talk about the nuts and bolts of submitting an offer using our offer form. After that, we will have an intermission while we develop answers to the Q&A.

So, turning to a bunch of the housekeeping items on the next slide. We're not going to take questions during the presentation, but we'll save to them end. But, as you think of them during the presentation, you should email questions to the IDER RFO mailbox at iderrfo@pge.com.

We're also going to post a list of attendees on PG&E's website. So, if you don't want your name or your company published, please send an email to us by tomorrow at 5:00 p.m. And we will be posting a recording of the webinar on PG&E's website within a few days.

So, just as a disclaimer, this presentation is intended to provide a summary of the information and requirements set forth in the RFO materials. But, you really should read all of the documents. And to the extent there are any inconsistencies between the summary information that's presented here and the requirements in the RFO materials, the RFO materials govern.

OK. So, everything you need to know should be on the RFO website, including the RFO materials, detailed instructions for submitting an offer. And we also post regular updated announcements. And if you have any questions or communications, you should during them to our – either our RFO mailbox and also copy the independent evaluator who, for this RFO, is Alan Taylor of Sedway Consulting.

So, the independent evaluator is monitoring our solicitation. And the primary function of the RFO is to make sure that our RFO process is fair and that we treat all participants equally. He also monitors or evaluates to make sure

we've implemented the methodology as we've described in our RFO materials and that we treat everyone consistently.

And at the end of the process, he reports on the RFO and the proposed transactions to the PC when we file them for CPC approval. And the IE can – reviews everything. He sees all the (upper) data and the communications with participants. And, again, for this RFO, it's Alan Taylor of Sedway Consulting.

So, how did we get to this point? So, it's been a fairly length process. It started with the IDER decision in December 2016, which established requirements for the (idle use) to implement incentive pilot. And originally in June of 2017, we submitted an advice letter to the PUC requesting approval of a pilot at the Rincon substation, which is in Sta. Rosa.

And, then, in November, we requested a delay in consideration of that advice letter due to the fires in Sta. Rosa that affected basically the location of where the project would be located because we didn't know kind of what the status of the equipment was there or what the need was need anymore.

So, in December of last year, the commission issued a resolution on all three utility pilots and directed PG&E to file a supplemental advice letter in May of this year providing our explanation of our decision to cancel the Rincon project, detailed learnings from that and a proposal for a pilot at another location.

So, that's what we did in May of this year. We proposed a new candidate project at Gonzales, which is what we're here talking about today. Between May and now, we had a DPAG meeting – Distribution Planning Advisory Group meeting – to discuss the Gonzales location. And, then, in October, the commission issued Resolution E-4956 approving our pilot at Gonzales.

So – and, then, pursuant to that pilot, we shared our documents to the Energy Division and, then, we issued the RFO yesterday, and we're having the bidder's webinar today. So, with that, I will turn the next phase of this over to (Mene) – wait. Sorry. We have one more.

OK. So, here is the – so, here is the RFO schedule. So, the commission has directed us to complete the RFO and file our proposed contracts within six months. So, this schedule is driven by the April 25 deadline, which is six months from the October 25 resolution.

So, we're having the webinar today. You have one month to submit your offers to PG&E via PowerAdvocate on December 13. Then you also have to send a flash drive to the IE for him to receive them by December 14. And, then, a month later, by January 14, our goal is to have a shortlist and to notify participants that they have been shortlisted or not and begin negotiations.

And, then, between January and April, we will do our negotiations, execute transactions if they're cost effective and file them at the commission for approval. So, now, I am ready to turn it over to (Mene) to talk about the actual need and the products that we're looking for in Gonzales.

(Mene Damadoren): Thank you, Sandy, for that great overview. I'm here to go over the project that we selected. So, the PG&E has selected the Gonzales substation in Monterey County. And the map (inaudible) that in the map where the location is.

We do have two banks – transformer banks on that – in that substation that has been projected to experience an overload to higher demand. And both of these needs – grid needs must be met in order to defer the planned investment. Traditional wired alternative would be to replace the substation transformer bank.

In the next few slides, I am going to go over in detail what's going on with these banks. So, the first one here is Gonzales Bank Three. And a quick location overview – the map on the right – the little triangle there is actually the substation. And there are two feeders from that substation.

The tiny blue is one of the feeders and the yellow is the second feeder. We do have two feeders. And the normal operating capacity of the bank is 6.6 megawatts. And this area has a summer – it is a summer peaking area due to temperature. And I'll go over details of the analysis down in the next few slides.

So, the next slide here – all right. I know this is a busy slide and a pretty one too. I am going to go in detail on these beautiful curves you see. We did a lot of analysis. We did the – we did look at the distribution planning in the next – you know, planning in the next three years and came up with – looked at our load forecasting for the next five years.

And this is actually the peak year. And what you are seeing is the load profile for the summer months. The curve on the left – or the Y axis actually shows the load, and the X axis shows the hour. And I have zoomed in – it is actually a 24-hour load profile – just to show where peak is occurring.

As you can see, the peak does occur in the evening, and it's a temperature-driven summer peak. And I have not included the other months, just the summer months. And as you can see, the one in purple is for the month of August. And it is going about the red horizontal line which is actually the capacity of the bank, which is 6.6 megawatts.

And that's where the need has been identified. And we have seen that it's about 0.5 megawatt based on an analysis. And the nice red block that you see there, the two arrows on – besides both of the peaking area – is actually the duration of when the distributed energy resources need would be.

And the orange line there is just to give a block of time when there is going to be a restriction on the net loading so that it does not overload the banks due to activities such as charging or load shifting during that time. And down below in the table is a summary of all the analyses done. These – we did look at various data. We did look at the load forecast. We did look at the (scatter) data, weather data and arrived at these numbers or the requirements.

So, as you can see, the distribution capacity need for this particular Bank Three is 0.5 megawatts. And the month is – sorry – go back to (inaudible) – is June through September. I'm (now ready for the next) (inaudible). And the duration is from 5:00 p.m. to 9:00 p.m. The delivery days are weekdays Monday through Friday. And the number of days that we are seeing the need is 12. And the net loading restriction hours are from 3:00 p.m. to 10:00 p.m., which is indicated in the yellow arrow.

Now, the next slide. I would like to show the customer composition. The customer composition served by this bank is listed down in the table. As you can see, there is residential, commercial, industrial, agriculture and other sectors. And the data that's down there is pictured – in the picture here or the graphical pie chart representation of that data.

What you see there is the residential areas has about – consist of 88 percent. However, the peak demand from this sector is only 13 percent simply because that a larger population doesn't mean they are the ones creating the peak. But, that's what I wanted to (show you).

So, moving on to the next bank, the Gonzales Bank Four. There is a slight delay. Just bear with us. All right. Bank Four here – again, the graph on – or the map on the right shows two feeders. One is in green and the other is in blue. And the bank itself has two feeders, as I mentioned. And the normal capacity of this bank is 15.84. And we have noticed that there is – this is also summer peaking area. And I can go over the details in the next slide.

Thank you. All right. Just like we had seen in the other, Bank Three, if you remember, it was actually an evening peak we noticed in that bank whereas here we see a morning peak. And the graph is very familiar to what we have seen. It shows the load on the Y axis and the hours on the X axis. And here, I've shown both – I've included May just to show that there was no overloading going on in the month of May.

And, so, June through September as the other pretty curve there. Our load profile – again, 24-hour load profile. And it's a zoomed-in view from 5:00 a.m. to midnight. And the red arrows indicate – again, before I jump to the arrows, that means to say that the need here was 1.5 megawatts based on the overloading. And the normal capacity of this particular bank is 15.84 megawatts. And we noticed that it's – there is an overloading that's going to happen as is forecasted.

And the time duration is from 8:00 to 12:00 p.m. And as you can see, the curves actually cross the capacity around 7:00 a.m. based on the forecast. However, the (scatter) data that we looked at showed that there is a peak

occurring already between 8:00 and 12:00. Hence, we made an engineering judgment to decide the block of time that the need is going to occur is between 8:00 and 12:00 p.m.

And unlike the other bank, we also noticed that there is some summer weekend going on. And, hence, we decided this particular bank would need delivery days not just the weekdays but also every days of the week. All this is summarized in the requirements that's available in the term sheet and the RFO documents that Sandy has put together, again, summarizing the table, summarizing all that I just mentioned.

We can move on to the next slide which, again, shows us the customer composition served by the bank. The table below, again, is the customer sector. And the pie charts display the same information in a graphical format. And as you can see, the residential customers are (58) percent. However, their usage is very little or their peak demand is very little. The biggest – you know, the big demand is coming through the agriculture sector. That's it. Thank you, Sandy. (You can take over).

Sandy Burns: OK. So, we're going to go to the solicitation overview. And I'm going to just give you an overview of the RFO design and (to roll) other factors. So – and for those of you who participated in our DRP demo C or demo D, the structure of the RFO will look very similar.

So, we are procuring distribution capacity only for distribution deferral. We are not purchasing any other products like resource adequacy or energy or (REQ). Those remains yours to do with as you wish. So, we are looking – all the offers are for a five-year delivery term with an initial delivery date of June 1, 2021.

So, we are looking for a total of half a megawatt on Gonzales Bank Three and 1.5 megawatts on Gonzales Bank Four. So, the minimum size at either bank is 250 kilowatts – I mean – yes, 250 kilowatts. The maximum size on Bank Three would have half a megawatt or the full need, and the maximum on Bank Four would be 1.5 megawatts.

And we're looking for you to provide offers in increments of 250 kilowatts. And they should be the same amount for all delivery months and delivery hours and for the length of the delivery term. So, there is no limit on how many offers you can submit. And to the extent that you are able, we encourage you to submit at least one offer that addresses the entire combined need at both banks because we need to fill the need on both banks in order for us to defer the substation upgrade.

So, turning to what kinds of projects are eligible to bid, it can be any distributed energy resource, distributed generation, energy storage, energy efficiency demand response, electric vehicles. So – and you can be either front of the meter or behind the meter. You can offer one technology or a portfolio of technologies.

And if you are offering a portfolio, we are asking that you identify the breakdown of the portfolio by technology. And you can offer one resource or an aggregation of resources. In terms of measurement and verification, we are asking that you submit an MMB plan with your offer. And we – this is probably more an issue for behind-the-meter projects, but they could require a customized approach.

OK. So, in terms of interconnection, you must connect to one of the specified lines or feeders that are fed from the Gonzales bank. So, we are not requiring any particular status in the interconnection process. But, we do want you to demonstrate that you can meet the online date of June 2021.

So – and we do address the issue of we don't want to either double count megawatts that are already there or double pay for megawatts that are already there. So, you need to be fully or partially incremental to our existing programs and tariffs. So, your offer – you have to demonstrate or respond to questions in Appendix B5 on how your offer is incremental.

And there are basically two tests that I'm going to get into on the next page that were adopted in either decision. The first one is called Method Four. And you're basically – it's a demonstration that the resource is not already sourced through another program or tariffs. And, then, Method Five is if the

resource is already sourced through an existing program or tariffs, that it's an incremental service that we're not already getting.

And energy efficiency may choose to have their offer evaluated on a pilot basis that we're using for the first time. They can demonstrate that they are fully incremental by filling out the detailed Appendix 5 or they can choose to have it evaluated based on a pre-specified overlap incrementality factor of 15 percent, which would mean we – you don't have to demonstrate your incremental but where you will simply assume that 15 percent of your megawatt hours would have occurred anyway.

So, the next slide just gives some examples of how we apply the incrementality rules. So, fully incremental resources are not already sourced through another program or tariff. And these are – these are examples. It could be a new program, a new EE technology that we're not already doing, or it could be an add-on to an existing resource such as the addition of dispatchable storage to an existing PV resource.

And on the other end of the spectrum like not incremental at all, if you are wholly sourced through another program or tariff and you're not providing any additional service such as a rooftop PV that's already compensated under them or an existing resource compensated under (SGEV) that's not offering any additional service such dispatchability.

OK. So, let's turn to the term sheet. So, the term sheet lays out at a high level the obligations you have under this program. So, the product you're providing is distribution service in accordance with the operating parameters. So, you would be committed to decrease load or increase generation, for example, during like on the Gonzales (inaudible) (it's a) 5:00 to 9:00 p.m. period that (Mene) mentioned.

That also includes a limitation on how many times we would call you. So, you are committed to be available to reduce load between 5:00 p.m. and 9:00 p.m. 12 times a year during June through September for Bank Three. You are free to monetize other revenue streams and you are free to operate the resource how you want outside of the restricted periods.

So, again – so, you are committing to provide the megawatts that you've offered. Again, you can sell excess to somebody else, do with it what you will – sell other attributes to other parties. And, then, we will instruct you – so, this – ignore the reference to hosting capacity on this slide.

We're buying load capacity or load reduction. So, we will tell you by 8:00 a.m. the day before whether we need you in the – in the time period, using five to nine in this example. So, at 8:00 a.m. the day before, we will tell you whether we need you. And if not, you're free to use your resource how you want. You will have to have the appropriate equipment so we can see your performance and whether you complied.

OK. And, then, turning to the next page. So, how are we going to pay you? So, this is a reliability product. So, it is really critical that you deliver when we call upon you and that you are available to reduce load during those time periods.

So, for dispatchable resources, we have a fixed and a variable price. For non-dispatchable resources, we have a fixed price only. So, the (full) (inaudible) complicated, but it's really not. So, your fixed payment in any month is basically your contract capacity times your contract price. And, then, that is adjusted based on whether or not you delivered when we called upon you.

So, if you delivered 100 percent of the time, then your delivered services factor would be 1.0 in the table and you would get the full payment. Once you drop below 90 percent in any given month, you see that there is a fairly substantial reduction in your payment.

So, you are going to get basically an adjustment of 50 percent if you drop below – if you're below 80 and 90 percent. If you are below 75 percent, you are going to face either a zero payment or you will actually owe us money because, really, in those 12 days, you just really need to be there or there are financial consequences.

OK. So, on the next page, this slide is focused on – more on behind-the-meter projects. So, you as a seller are solely responsible for making sure you have acquired customers. You can remove or replace customers in the program as

long as that's done safely and it meets the other requirements like they have to still be in the same location and they have to (accept the) incrementality criteria.

Any marketing materials that reference PG&E are subject to written approval by PG&E. And, essentially, you are responsible for all the marketing activities provided in the case of energy efficiency there may be some customer acquisition supports available.

OK. So, turning to the next page, performance assurance. We are expecting all bidders to post project development security (and we ask to five days) after we execute the agreement. And it's \$40 a kilowatt for all new resources and \$25 a kilowatt for existing resources.

And that is really to ensure that you are committed to coming online and that basically you're committed to coming online by June 2021. And if you don't meet that online date, you are subject to losing that money. And, then, during the delivery term, we also will hold money to ensure that you perform during the course of the delivery term. And in the event that there is a (inaudible) default, either part – the non-defaulting part will owe – will collect from the defaulting party the performance assurance.

OK. So, finally, we have a few more contractual terms. So, these contracts are subject to commission approval. So, if CPC approval has not occurred within six months from when we file it, then either party may terminate the agreement and walk away with no fault.

Delivery cannot occur, obviously, until the parties have constructed and provided certification that it's commercial operable and safe. We have a requirement to pass an initial performance test demonstrating that you are capable of delivering, if it's behind the meter, that you provide us with the site – a list of sites and customers and we verify them and, finally, that you've provided delivery terms to carry.

OK. And, then, events of default. So, there is basically – there's events of default if you don't comply with the requirements of the contract. And that would include prior to start of the – of delivery failure to meet two critical

milestones and, obviously, failure to meet the initial delivery date of June 2021.

We also have a requirement that you deliver at least 75 percent of what was promised in any calendar year. If not, that's an event of default. If a performance test shows that you are not even capable of providing less than 85 percent or at least 85 percent, that's an event of default. And, then, if you don't operate in accordance with the restricted periods for more than three days per year, that is also an event of default.

OK. And then, finally, for energy efficiency, we are kind of piloting a program to offer some support in acquiring customers. And, so, we're not charging for it. But, we expect to see a lower price if you opt for the services. So, you are required to offer us a bid with and without customer engagement support.

And we – you might – you can choose basically co-branding, (inaudible) marketing and outreach or some data access. So, we are looking for a description of the services you are seeking. And we would expect a lower price as part of that offer. And we would not start any of the support until we have an executed and approved agreement.

OK. So, I think – OK. One more section on evaluation. So, when you submit your offers, what happens? So, our – we look at both quantitative and qualitative factors. So, the biggest driver is really the cost of the offer relative to the benefit of deferring the substation investment.

So, you know, we're looking at, in terms of cost, contract payment, any customer engagement support and administrative cost associated with managing the offer. And, then, on the qualitative side, we look at several things. The key is project viability. We want to know that you're capable of bringing your project online and operating it during the delivery term because this is – we are doing this for reliability. So, we do really care that you're viable.

We also will look at whether you can provide the full need. We might look at technology and counterparty concentration, supply chain responsibility,

safety. And one other thing that's not on here – in compliance with the PC resolution, we are allowing non-renewable distributed energy resources to bid. But, we do have a qualitative preference for renewable products. OK. So, with that, I'm going to turn it over to Denise Lee, who is going to talk about how you submit an offer.

Denise Lee:

Hi. So, my name is Denise Lee. I am on the Structured Energy transactions team. I'm going to go through the offer submittal process with you. So, all offers should be submitted through PowerAdvocate. There is a link located both on this webinar deck and also in our RFO website, which is pge.com/rfo/ider. I would highly recommend that you register well in advance of the offer due date, which is December at 1:00 p.m. Pacific Time, which is about a month from now.

In addition to submitting via PowerAdvocate, it's also a requirement to submit a USB flash drive of the offer to our IE no later than December 14, 2018 to the address listed here. This date of December 14 is the date that he should be receiving it. So, you may – it may be required that you overnight ship it. PG&E will not consider offers that are received past these deadlines.

So, with the initial offer submission package, we are requiring the documents listed here. These are the documents that are required for the initial submission on the – that's due on the 13th. So, with that offer, you should include an intro letter, which would be in Microsoft Word; the offer form, which would be in Excel; the supplemental RFO appendix document, which is Appendix B, and that should be submitted as a PDF; a redline of the term sheet.

It's not listed on here, but please send that as a Word doc, as well as interconnection studies, if applicable. There are additional (Appendix C) documents that are listed on the website. But, those are applicable upon shortlist if you get to that point.

So, now, we'll go through the actual offer form just to walk you step by step of what it looks like. There are multiple tabs within the offer form including instructions, a validation worksheet, participant information, project

information, pricing, gen profile, supply chain responsibility and a (file main tab).

So, once you open the offer form, you should see kind of a top bar that says “Enable macros” or “Enable content.” It’s very important that you click on that before you start entering any input within the offer form because there are macros embedded. So, we want to make sure that those are enabled.

The Instruction tab provides clear directions on completing the form. Please be sure to go through that before filling it out. Also, be sure to submit the form in .xlsb format. No other formats will be accepted. Each cell within the offer form that needs to be filled out will be highlighted in yellow.

And once completed, the yellow background will disappear. There are some cells that will be grayed out. And that’s because they’re all calculated cells. So, you don’t have to worry about those. Within each tab, there will be the word “Complete” when all of the highlighted cells have been entered. Just make sure to go through all of the tabs and make sure that it says “Complete” on top before you submit.

So, within the Validation tab, it will kind of – I’d highly recommend going to this tab before you submit. This will be a good indication that none of the inputs are missing for the required fields. So, just be sure to go check that before you submit the offer form to us.

So, here, we have the Project Information tab. With that, we would want – there’s several fields. The (vehicle) entity name and locational information is required. And I think what’s important to highlight also is the authorized contact. You need to list at least one authorized contact. This contact will be the point person for our main communication for shortlist status. Any updates we will really just include whoever is listed for contact here.

Also, be sure to complete the owners of participant entity or project. If there are multiple listed, the total should add up to 100 percent ownership. I would also – please be sure to read through the attestation. Some of these are new and specific to this RFO. So, (inaudible) concentration (inaudible).

Male: Please mute – please mute your phone.

Female: They should all be muted automatically (inaudible).

Operator: All the phone lines are muted except for your line.

Denise Lee: OK. Sorry for the interruption we are having. OK. So, I'm going to move on to the offer form project information. The offer form project information has a tab that includes the project name. One project name represents one agreement that can be executed between you and PG&E.

So, really what this tells us is if an offer is mutually exclusive or not, an offer with a single project name means that any variation under that you would only be able to sign one contract with us. Offers with different project names would indicate to us that if both offers were selected for shortlist, that you could essentially sign contracts with both of them. So, it's really important for us that that's clear and indicated within this tab.

So, I'm going to move on to the rest of the Project Information section and I'll just go through this from top to bottom. So, the first page, you're going to indicate whether or not the offer – whether this offer is for Gonzales Three or Gonzales Four. If it's for Gonzales Three or Four, they should be – there should be a separate offer form submitted.

Moving down to number two. We want you to select the feeder connection and enter the capacity there. There is a dropdown for the selection. For example, listed here – Gonzales Three. There is a zero, 250- or 500-kilowatt selection option. Moving down to number three, this is where you would specify the technology or technology types and enter the capacity as well.

The capacity entered in this section should match that capacity that was indicated in the section above in number two. And, then, moving down to number four, this is only applicable if the technology selected above is EE. This section indicates to us what the appropriate incrementality evaluation option should be, whether it's the 15-percent overlap factor or a custom selection.

So, here, I'm going to quickly go through the Pricing tab. Up top, the customer acquisition options are applicable only for EE. So, if you do end up selecting "Yes" for any of the three customer acquisition options, it is a requirement that you also submit an additional offer with pricing to show the pricing with no customer acquisition support as well. So, just repeat that, if you are selecting PG&E co-branding or co-branding, marketing and outreach or data access, you will also need to submit one with the option of no and show that pricing as well.

OK. So, the last tab is the File Name tab. This should be filled out last because the inputs that generate the file name pulls from inputs that are in previous tabs. So, just make sure to fill this out last. What this is is once you click the "Generate File Name," it will automatically pull up what we want you to name the actual file when you submit the offer to us.

So, it's really important that whatever file name is generated here is what – how you save your document. In the event that you do submit a price refresh, you will need to repeat this step and submit an updated offer with a new generated file name.

So, with that, I'm going to go through some of the key takeaways for the offer form. So, enable macros in the Excel file. Submit separate offer form for each offer. Ensure the file name is the same as the pre-populated offer ID. Be clear about what offer is submitted with each Excel file. Pay attention to units, i.e., kilowatt versus megawatt. Be sure all fields are filled out completely and check the Validation tab to confirm this. And data contained in the offer form must be consistent with contract value

So, we're going to take a quick intermission and check the mailbox to see if we got any questions. If you do have questions, feel free to email us now at iderf@pge.com. We'll put you on a hold while we sift through those. And just (stand tight).

Operator: One moment while I transfer you.

Denise Lee: Hi. So, we are back. Thank you for holding. We received your questions. And we'll just go through the list. Keep in mind that we will be post the questions and answers on our website within the next few days.

So, I'll start with the first. "Is this presentation available for download?" Not yet. It will be. I will post it to the website by tomorrow close of business. And, then, the audio and transcript will also be posted as well as the attendee list. So, just as a reminder, for those attendees who don't want their name or their company listed on the website, please email me by close of business so that I do not include you.

OK. The second question. "Could PG&E make the forecast need and hourly or sub-hourly load data available for bidders to utilize in a performance modelling?"

Sandy Burns: So, I think that question is related to what we have in Appendix F on the website. So, there are some hourly load data for the region in Appendix F that is posted – Appendix F to the protocol.

Denise Lee: OK. So, the next question. "Since the forecast need is different for different hours and months, why is PG&E requiring the same capacity for all periods? This will increase cost."

Sandy Burns: So, we are not – I mean we have tried to come up with something that's fairly straightforward and understandable and that gets us to our need. So, what – (this is about) summer peaking needs. And, so, we're not requiring the same amount every month. We're requiring the same amount from June through September over a four-hour period.

So, you know, maybe at some point, we can be a little finer by – in the future by saying maybe we have a slightly lower need in like our five to six, four to six to seven. But, the forecast isn't really perfect. So, we're five- to four-hour block. And it might be that our forecast shows we need a little bit less than one hour.

But, we're also trying to account for the fact that the peak could move a little bit from one hour to the next. So, this is a balance between kind of

minimizing the need that – the requirements and ensuring that we have enough to meet our need.

Denise Lee: OK. Thank you. OK. Question number four. “Would PG&E use the technology neutral pro forma contract that is being developed?”

Sandy Burns: And the answer to that is yes. So, we are planning to file that technology neutral pro forma on November 21. And at that point, we will post it on our website as well. So, if you are shortlisted, we will ask you to mark up that technology neutral pro forma as a starting point for negotiations.

And the intent of the term sheet summary was to conform it to the technology neutral pro forma. So, the intent was not to make this any stricter than what’s in the technology neutral pro forma.

Denise Lee: OK. Question number five. “We’re a distributor of solar panel inverter (racking CPUP certified women-owned, GoldelGateSolarTech.com). Can we offer only materials?”

Sandy Burns: The answer to that question is no. We are looking for a complete solution. And we would expect you to partner with somebody else to offer us that complete package. So – and we don’t really pair up people. But, that is one thing you might benefit from looking at the attendee list. So, we do make the attendee list public. And, so, you people can see as well who is out there and interested and possibly identify if there’s any partnering opportunities.

Denise Lee: Number six. “EE is considered a separate offering and there are customer acquisition services available from PG&E if requested. Are the same services available to the bidder for demand response or other customer acquisition-focused proposals?”

Sandy Burns: So, the answer is for this RFO, no. We are piloting it here. You know, if it is successful, we may expand the offering to other behind-the-meter technologies in future solicitations.

Denise Lee: OK. Thank you. So, question number nine. “Can you please provide a rough estimate or representative dollar amount for the compensation provided by PG&E to the bid submitter?”

Male: So, this question just came in. So, I’m just going – we’re just going to put it on hold for (just a minute).

Sandy Burns: No. I think we can answer it.

Male: Yes.

Sandy Burns: So, I think the answer is no. That is – we expect you to offer a competitive price. So, you bid the contract price that you believe will be the winning offer. In this RFO, we have not published kind of the benchmark price or the cap on cost effectiveness so that you’re basically – we haven’t published the cap that you are trying to get under in order to be cost effective.

Denise Lee: OK. So, I guess the last question. “I know that for recent OCEI procurement, PG&E provided some sites for development in proximity to the substation. Can PG&E provide a similar option here or do bidders need to have site control for any/all resources to be developed?”

Sandy Burns: So, that question is referring to our Oakland Clean Energy Initiative RFO. And in that initiative, we were seeking utility-owned projects to be conducted at our substation. So, in this RFO, we are not seeking any utility ownership offers. We are seeking solely third party bids.

And part of the purpose of this pilot is to test kind of third party offers and with an incentive and whether that changes our procurement. So, we’re only seeking third party offers and we are – that will be an offer that’s owned and operated by you on your site. So, we’re not making sites available.

That said, we are not requiring site control in order to bid. You can bid and describe your project and where you’re going to locate it without having site control. And, then, we would expect you to get site control and other things like interconnection after the contract is signed to ensure that you can come online on time.

Denise Lee: Thank you, Sandy, for answering those questions. If anyone on the line has questions now or throughout the solicitation process, please email us at any time at iderf@pge.com. Like I said, we will post the Q&A on the website. Expect that within the next week. And thank you, everyone, for attending.

Operator: Thanks to all of our participants for joining us today. We hope you found this webcast presentation informative. This concludes our webcast. You may now disconnect. Have a good day.

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