

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



May 23, 2019

**Advice Letter 5478-E**

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**SUBJECT: Establish a Tree Mortality Non-bypassable Charge Balancing Account, Review Tree Mortality Costs Recorded to the Memorandum Accounts, Describe Tree Mortality Non-bypassable Rate Design and Implementation Plan, and Detail Resource Adequacy Sales Framework and Protocols for Tree Mortality Contracts in Compliance with Decision 18-12-003**

Dear Mr. Jacobson:

Advice Letter 5478-E is effective as of March 21, 2019.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division

February 19, 2019

**Advice 5478-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Establish a Tree Mortality Non-bypassable Charge Balancing Account, Review Tree Mortality Costs Recorded to the Memorandum Accounts, Describe Tree Mortality Non-bypassable Rate Design and Implementation Plan, and Detail Resource Adequacy Sales Framework and Protocols for Tree Mortality Contracts in Compliance with Decision 18-12-003**

**Purpose**

In compliance with Decision (D.)18-12-003, Ordering Paragraph (OP) 11, Pacific Gas and Electric Company (PG&E) hereby submits its Tree Mortality Non-bypassable (TM NBC) rate design and implementation plan for implementing the TM NBC. Also, pursuant to OP 9, PG&E is requesting the establishment of a Tree Mortality Non-bypassable Charge Balancing Account (TMNBCBA) and review of the costs recorded to the BioRAM Memorandum Account (BioRAMMA) and Senate Bill (SB) 859 Biomass Memorandum Account (BioMASSMA).<sup>1</sup> Lastly, pursuant to OP 5, PG&E presents its Resource Adequacy (RA) sales framework and protocols to monetize the capacity value associated with the Tree Mortality (TM) contracts.

**Background**

On October 30, 2015, Governor Edmund G. Brown, Jr. issued a Proclamation of a State of Emergency (“Proclamation”) to address the tree mortality crisis in California.<sup>2</sup> In response to the Proclamation, on March 17, 2016, the California Public Utilities Commission (Commission or CPUC) issued Resolution E-4770 (“BioRAM 1 Resolution”), requiring the investor-owned utilities (IOU) enter into contracts to purchase its share of at least 50 megawatts (MW) of generating capacity collectively from biomass generation facilities that use prescribed levels of high-hazard zone (HHZ) material as feedstock and use the Renewable Auction Mechanism (RAM) solicitation

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<sup>1</sup> The BioRAMMA and the BioMASSMA were submitted in Advice Letters 4954-E and 4954-E-A on November 14, 2016 and approved effective on December 16, 2016.

<sup>2</sup> [http://www.fire.ca.gov/treetaskforce/downloads/library/CPUC\\_procurement.pdf](http://www.fire.ca.gov/treetaskforce/downloads/library/CPUC_procurement.pdf)

procedures to procure the contracts. This procurement of biomass energy using RAM procedures was also known as BioRAM.

On August 30, 2016, the California Legislature passed SB 859 and the governor signed it into law on September 14, 2016.<sup>3</sup> SB 859 required electrical corporations to procure their respective shares of 125 MW from existing biomass facilities using prescribed amounts of dead and dying trees located in HHZ as feedstock, for 5-year contractual commitments. SB 859, as codified in Section 399.20.03(f) of the Public Utilities Code, required that the procurement costs to satisfy this requirement be recovered from all customers on a non-bypassable basis.

On October 21, 2016, the Commission issued Resolution E-4805 (“BioRAM 2 Resolution”) to implement the requirements of SB 859. The BioRAM 2 Resolution required the IOUs to track electric procurement costs associated with power purchase agreements executed to comply with BioRAM 1 Resolution and the BioRAM 2 Resolution. The BioRAM 2 Resolution also required the Joint IOUs to file applications to establish a TM NBC within 30 days. On November 14, 2016, the Joint IOUs filed an application setting forth their proposal for a TM NBC.<sup>4</sup>

On December 21, 2018, the Commission issued D.18-12-003 establishing a non-bypassable charge for costs associated with TM biomass energy procurement. As stated in D.18-12-003, the TM NBC will recover the net costs of the TM-related biomass energy procurement and will exclude revenue received by the IOUs through sales of energy and ancillary services, the value of Renewable Energy Credits (“RECs”) as determined by the sale of these credits in the marketplace (or a benchmark value if such sales are impossible) and the value of RA capacity as determined through utility sales of the capacity (or a benchmark value if such sales are impossible).<sup>5</sup> OP 1 of D.18-12-003 defines the formula for calculating the net capacity costs as: (Fixed Costs + Variable Costs) – ((Energy Revenue) + (Ancillary Service Revenue, if any) + (Resource Adequacy Revenue, if any) + (Renewable Energy Credit Revenue, if any)).

D.18-12-003 also found that the term of the TM NBC for each IOU shall end at the end of the Energy Resource Recovery Account (ERRA) forecast period following the expiration of the last TM contract for each IOU thus allowing for the TM NBC to continue past 2022 if some of the contracts are renewed pursuant to SB 901.<sup>6</sup>

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<sup>3</sup> [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB859](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB859)

<sup>4</sup> Application (“A.”) 16-11-005.

<sup>5</sup> D.18-12-003, p. 22

<sup>6</sup> SB 901 (Stats. 2018, Ch. 626) added Section 8388 to the Public Utilities Code, which mandates that counterparties to the TM contracts seek to renew the contracts, except for those contracts with facilities located in federal severe or extreme nonattainment areas for particulate matter or ozone.

### **Rate Design and Implementation Plan**

D.18-12-003, OP 9, approves recovery of the TM NBC through the Public Purpose Program (PPP) charge. As noted in D.18-12-003, parties did not dispute that the PPP is the appropriate vehicle for collecting the TM NBC, and the Commission approved the 12-month coincident peak demand as the basis for revenue allocation, set on a per kilowatt-hour (kWh) basis for each customer group.<sup>7</sup> The resulting TM NBC will then be added to the other components of the PPP rate for billing. PG&E's implementation plan for TM NBC is to include the request in the 2020 ERRA Forecast Application and Testimony, which will forecast the TM NBC costs for 2020 and include amortization of the end-of-year balance in the TMNBCBA, for rates effective January 1, 2020.<sup>8</sup>

To implement the TM NBC, several steps are required, including:

- (1) establish the new TMNBCBA (OP 9);
- (2) Commission review and approval of the costs recorded to the BioMASSMA and the BioRAMMA (OP 9);
- (3) upon approval, transfer the balance in the BioMASSMA and BioRAMMA to the TMNBCBA (OP 9);
- (4) establish the value of the RECs already delivered since these RECs cannot be offered for sale as bundled, Portfolio Content Category ("PCC") 1 RECS by imputing a value using an administrative benchmark price of \$15.04 per megawatt-hour ("MWh") and deduct this value from the total costs assigned to ratepayers; (OP3);
- (5) establish the RA capacity value for RA capacity that cannot be sold due to expiration but that was used for compliance by imputing a value using the RA adder established by D.18-10-019 in the Power Charge Indifference Adjustment (PCIA) proceeding (OP 5); deduct this value from the costs assigned to ratepayers; (OP 5);<sup>9</sup>
- (6) determine the net costs to be transferred and values to be recorded to the TMNBCBA from items 3, 4, and 5 above which will be collected from customers and amortize the net cost in the TM NBC rate.

In this advice letter, PG&E requests to implement steps 1 through 3. That is, PG&E is requesting to: (1) establish the TMNBCBA, (2) have the Commission review and approve the costs recorded to the BioMASSMA and BioRAMMA, and (3) upon approval, transfer the balance in the memo accounts to the TMNBCBA.

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<sup>7</sup> D.18-12-003, pp. 20 – 21.

<sup>8</sup> PG&E's 2020 ERRA Forecast Application and Testimony will be filed on or before June 3, 2019.

<sup>9</sup> RA that was delivered by the TM contracts in the past, was offered for sale, but which was not sold due to the lack of bids and was not used by the IOU for compliance is to receive no value in the TM NBC. See D.18-10-019 (OP 5).

Steps 4 and 5, valuing the RECs that cannot be sold and valuing RA used for compliance will be implemented consistent with the proposed Electric Preliminary Statement for the TMNBCBA after the Commission has approved the establishment of the TMNBCBA. With respect to step 6, PG&E will make its formal rate request in its 2020 ERRA Forecast Application, including amortization of the balance in the TMNBCBA, for rates effective January 1, 2020.

PG&E's new TMNBCBA preliminary statement is discussed in more detail below. PG&E's request to retire the BioMASSMA and BioRAMMA upon approval of the costs and transfer of the balances in these accounts to the TMNBCBA is also discussed here.

With respect to the review of the BioMASSMA and BioRAMMA entries, PG&E has included detailed subledgers and supporting workpapers for both the BioMASSMA and the BioRAMMA as confidential Appendix A. A summary of the net costs recorded in these accounts through the January 2019 business close are included in Table 1 and Table 2, below.

**TABLE 1**  
**BIORAM MEMO ACCOUNT**  
**ENTRIES NOVEMBER 1, 2017 – JANUARY 30, 2019**

BioRAM Memorandum Account (BioRAMMA)								
Description	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
BioRAMMA Monthly Activity	\$ 737,771	\$ 5,037,955	\$ (2,940,969)	\$ 806,283	\$ 1,275,353	\$ (43,914)	\$ 270,128	\$ 1,641,900
Interest	372	3,474	5,135	4,302	6,045	7,780	8,391	10,148
BioRAMMA Beginning Balance		738,143	5,779,572	2,843,738	3,654,323	4,935,720	4,899,587	5,178,105
BioRAMMA Ending Balance	\$ 738,143	\$ 5,779,572	\$ 2,843,738	\$ 3,654,323	\$ 4,935,720	\$ 4,899,587	\$ 5,178,105	\$ 6,830,154
Description	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Total
BioRAMMA Monthly Activity	\$ 61,090	\$ 523,371	\$ 301,478	\$ 775,989	\$ 687,025	\$ 183,937	\$ 966,441	\$10,283,838
Interest	11,892	12,658	13,409	14,859	17,110	19,071	20,864	155,511
BioRAMMA Beginning Balance	6,830,154	6,903,136	7,439,165	7,754,052	8,544,900	9,249,035	9,452,044	10,439,349
BioRAMMA Ending Balance	\$ 6,903,136	\$ 7,439,165	\$ 7,754,052	\$ 8,544,900	\$ 9,249,035	\$ 9,452,044	\$10,439,349	\$10,439,349

**TABLE 2**  
**BIOMASS MEMO ACCOUNT**  
**ENTRIES NOVEMBER 1, 2017 – JANUARY 30, 2019**

BioMASS Memorandum Account (BioMassMA)								
Description	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>BioMASSMA Monthly Activity</b>	\$ 372,955	\$ (15,046)	\$ 5,371,307	\$ 2,475,204	\$ 2,190,637	\$ 1,380,348	\$ 1,804,404	\$ 3,350,458
Interest	188	390	3,628	9,237	13,116	17,594	21,203	25,917
<b>BioMASSMA Beginning Balance</b>		373,143	358,486	5,733,421	8,217,862	10,421,615	11,819,557	13,645,164
<b>BioMASSMA Ending Balance</b>	\$ 373,143	\$ 358,486	\$ 5,733,421	\$ 8,217,862	\$ 10,421,615	\$ 11,819,557	\$ 13,645,164	\$ 17,021,539
Description	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Total
<b>BioMASSMA Monthly Activity</b>	\$ 1,128,701	\$ 1,407,510	\$ 2,392,802	\$ 2,124,098	\$ 2,707,942	\$ 2,058,836	\$ 2,418,427	\$31,168,582
Interest	30,482	33,363	36,778	42,182	49,225	57,175	63,630	404,106
<b>BioMASSMA Beginning Balance</b>	17,021,539	18,180,722	19,621,594	22,051,175	24,217,455	26,974,622	29,090,633	31,572,689
<b>BioMASSMA Ending Balance</b>	\$ 18,180,722	\$ 19,621,594	\$ 22,051,175	\$ 24,217,455	\$ 26,974,622	\$ 29,090,633	\$ 31,572,689	\$ 31,572,689

Net costs associated with the TM contracts will continue to be recorded to the memo accounts until the new TMNBCBA preliminary statement is approved. Thus, depending on the timing of approval of this advice letter, there could be 1 to 3 additional months of memo account entries to include in the balances shown in Tables 1 and 2 above. PG&E proposes to submit these additional memo account monthly entries along with the final net costs to be transferred to the TMNBCBA in a Tier 1 advice letter, submitted 15 days after the approval of this advice letter.

With respect to the historical REC attributes that cannot be sold as PCC1 RECs, as noted above and consistent with D.18-12-003, PG&E will value these RECs at \$15.04 per MWh and record that entry to the TMNBCBA, Line 5.e, once the Commission approves the new preliminary statement.<sup>10</sup> Similarly, with respect to the historical RA capacity value that was offered for sale, not sold, and then used by PG&E for compliance purposes, PG&E will record that value on Line 5.f when the new TMNBCBA

<sup>10</sup> D.18-12-003 (OP 3). PG&E notes that it did not have any TM RECs that were offered for sale in the past, not sold, and then used by the IOU for compliance purposes, although any such RECs would have also received a value of \$15.04 pursuant to OP 3.

has been approved by the Commission.<sup>11</sup> PG&E notes that, consistent with its BioMASSMA and BioRAMMA preliminary statements, it sought to sell all of the historic RA value from the TM contracts in monthly e-solicitations.

PG&E estimates the value of RECs to be recorded in the TMNBCBA through the January business close is \$8.84 million, which is based on actual MWh delivered through January 2019 multiplied by the \$15.04 market value established in D.18-12-003.<sup>12</sup> PG&E will update this value to capture any additional value for REC deliveries not able to be offered for sale (e.g., REC generation by the TM contracts until deliveries under new sales contracts begin pursuant to the requirement that PG&E offer these RECs for sale) once the TMNBCBA has been approved.

Similarly, PG&E estimates the value of the RA that was unsold but used for compliance purposes in September and October with a total value of \$169,014, which is based on the lesser of the TM contract quantity and the respective unit's net qualifying capacity for any given month, times the RA Adder market price benchmark value established in D.18-12-003.<sup>13</sup> PG&E intends to continue to follow its interim protocol to sell the RA value from the TM contracts in each month through e-solicitations until deliveries begin under any new RA sales contract executed pursuant to the framework described in detail at Appendix C to this advice letter. PG&E will credit the value realized, if any, from continuing monthly solicitations of the TM RA to the TMNBCBA once it has been approved. The value of the historic TM RA used by PG&E for its own compliance purposes will not change but there may be incremental value to be recorded beyond January if the unsold capacity is used for compliance in the interim period preceding the approval of the TMNBCBA, while the memo accounts are still effective. PG&E would detail this incremental capacity value, if any, in the Tier 1 advice letter and indicate the final memo account balances to be transferred.

Detailed calculations showing the REC and RA valuation for the historical period are included in the Appendix A, confidential workpapers.

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<sup>11</sup> *Id.* (OP 5). 4<sup>th</sup> bullet: "Use the benchmark value for RA (also referred to as an "RA Adder") established by the decisions issued in the Power Charge Indifference Adjustment proceeding (Rulemaking 17-06-026) to value the RA capacity associated with the TM contracts . . ." The decision in the PCIA OIR D.18-10-019 and OP 3 of that decision states "for 2019 RA Adder only, the Energy Division shall use the weighted average system and local RA prices in the most recent annual RA report." The most recent RA report was published in August 2018 and Table 6, shows a weighted average price for 2018 of \$2.58/kW-month and for 2019 of \$3.09/kW-month.

<sup>12</sup> *Id.* (OP 3)

<sup>13</sup> *Id.* (OP 5). In September, the MW value used was 60.19 MW and in October, the MW value used was 1 day of 62.9 MWs, and 3 days for 34 MWs. Total value for September was \$155,290 and the total value for October was \$13,724. (Daily RA Adder for 2018 is \$83.23/MW-Day (\$2.58/KW-Month))

In summary, the net costs recorded through January in the two existing memo accounts totals \$42.0 million. This net cost will be offset by the REC value of \$8.84 million and the RA value used for compliance of \$0.17 million, estimated as of the January accounting close, which will be recorded to the TMNBCBA upon approval of the advice letter. Thus, the total net costs expected to be recorded the new TMNBCBA through January accounting close is \$33 million.<sup>14</sup>

The formal proposal for the rate design will be made in PG&E's Prepared Testimony, 2020 ERRRA Forecast application, and will include amortization of the amounts transferred to the TMNBCBA, with an updated forecast of the expected end-of-year balance in the TMNBCBA.

### **New TMNBCBA Preliminary Statement and Retirement of BioRAMMA and BioMASSMA Preliminary Statements**

#### **A. Tree Mortality Non-bypassable Charge Balancing Account - Electric Preliminary Statement Part HW**

The TMNBCBA preliminary statement is included as Appendix B to this advice letter. As described above, the TM NBC will recover the net costs of the TM-related biomass energy procurement and will exclude revenue received by the IOUs through sales of energy and ancillary services, the value of RECs as determined by the sale of these credits in the marketplace (or a benchmark value if such sales are impossible) and the value of the RA capacity as determined through utility sales of the capacity (or a benchmark value if such sales are impossible or if unsold RA is used in the future by PG&E for compliance, as described in more detail in Appendix C). In addition to billed revenue from customers, the line items included in the balancing account reflect the cost and revenue entries described above associated with determining the net costs for the contracts.

#### **B. Retire BioRAMMA and BioMASSMA – Electric Preliminary Statements Part GW and GX**

PG&E requests that these two memo accounts be retired upon approval of the transfer of the costs to the TMNBCBA.

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<sup>14</sup> \$33.0 million is derived from \$42.0 million subtracting \$8.8 million (REC value) and \$0.2 million (RA value). As noted above, incremental values for months beyond January will be submitted via a Tier 1 advice letter upon approval of this advice letter.



### **Resource Adequacy Sales Framework**

As required by OP 5 of D.18-12-003, PG&E is including the details of its RA sales framework and protocols in this advice letter as Appendix C.

As described in detail in Appendix C, PG&E proposes to issue one solicitation to sell the remaining delivery term of the RA associated with PG&E's current TM contracts upon approval of this advice letter and approval by the U.S. Bankruptcy Court, as required. PG&E intends to seek agreement with eligible biomass counterparties to modify the existing TM PPAs as directed in Resolution E-4977, including provisions related to representations and warranties and events of default related to bankruptcy. In the meantime, PG&E intends to proceed with the sales activity described herein. Under the Unit Specific RA Confirmation of Agreement ("Confirmation") in Appendix D described herein, any relevant TM PPA modifications due to Resolution E-4977 will be paralleled in sales contracts as necessary or resolved through early termination of the sales contract.

PG&E will utilize its authorized Procurement Processes and Methods from the CPUC-approved 2014 Bundled Procurement Plan ("BPP") to facilitate the solicitation and sales transactions. In addition, PG&E will consult with its Procurement Review Group, as required in the BPP, for transactions with delivery terms greater than three months and will engage an Independent Evaluator ("IE") to demonstrate that the solicitation process is fair, open, and transparent. The Confirmation in Appendix D will be used to facilitate any resulting TM RA transactions. The Confirmation will be updated to reflect the appropriate credit considerations for the Buyer(s) and any additional negotiated terms. PG&E will submit a Tier 1 advice letter, including the IE Report and any executed confirmations resulting from the solicitation, or, alternatively, to inform the Commission and stakeholders that the offered RA was not sold.

The recent BPP revisions that PG&E submitted in its Advice 5473-E on January 25, 2019 included a new Appendix S ("Sales Framework") defining various procurement activities, including the sale of RA Product. Appendix S of PG&E's BPP will not apply to the sale of the RA associated with PG&E's TM PPAs.

A number of existing TM contracts and potentially other eligible biomass generation contract are eligible for extension pursuant to SB 901 and Resolution E-4977. The RA capacity associated with any SB 901 extension of PG&E's TM contracts will be offered for sale expeditiously following the execution of such contract or contracts in a separate, subsequent solicitation as set forth in Appendix C.

### **Renewable Energy Credit Sales Framework**

As required by OP 3 of D.18-12-003, PG&E will include its sales framework for selling the RECs associated with the TM contracts in its final, conforming 2018 RPS Plan and

would launch that solicitation following acceptance of the final, conforming 2018 RPS Plan.

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than March 11, 2019, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-3582  
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

**Effective Date**

PG&E requests that this Tier 2 advice letter become effective on regular notice, March 21, 2019, which is 30 calendar days after the date of submittal

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A. 16-11-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

\_\_\_\_\_/S/

Erik Jacobson  
Director, Regulatory Relations

Attachments: Confidential Appendix A – BioRAMMA and BioMASSMA Workpapers  
Public Appendix B – Tariff Revisions  
Confidential Appendix C – RA Sales Framework and Protocols  
Public Appendix D – Unit Specific RA Confirmation of Agreement  
Public Appendix E – Declarations of Donna L. Barry and Alice Gong in Support of Confidential Treatment of Appendices A and C

cc: Service List for A.16-11-005



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Yvonne Yang

Phone #: (415)973-2094

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: Yvonne.Yang@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5478-E

Tier Designation: 2

Subject of AL: Establish a Tree Mortality Non-bypassable Charge Balancing Account, Review Tree Mortality Costs Recorded to the Memorandum Accounts, Describe Tree Mortality Non-bypassable Rate Design and Implementation Plan, and Detail Resource Adequacy Sales Framework and Protocols for Tree Mortality Contracts in Compliance with Decision 18-12-003

Keywords (choose from CPUC listing): Compliance

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.18-12-003

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Donna Barry, DLBf@pge.com,(415)973-5707 & Alice Gong, AxL3@pge.com

Resolution required?  Yes  No

Requested effective date: 3/21/19

No. of tariff sheets: 4

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: New Electric Preliminary Statement HW - Tree Mortality Non-Bypassable Charge Balancing Account

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: District of Columbia Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Clear Form

Advice 5478-E  
February 19, 2019

**Confidential Appendix A**

**BioRAMMA and BioMASSMA Workpapers**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
43696-E	ELECTRIC PRELIMINARY STATEMENT PART HW TREE MORTALITY NON-BYPASSABLE CHARGE BALANCING ACCOUNT Sheet 1	
43697-E	ELECTRIC PRELIMINARY STATEMENT PART HW TREE MORTALITY NON-BYPASSABLE CHARGE BALANCING ACCOUNT Sheet 2	
43698-E	ELECTRIC TABLE OF CONTENTS Sheet 1	43642-E*
43699-E	ELECTRIC TABLE OF CONTENTS Sheet 17	43686-E



**ELECTRIC PRELIMINARY STATEMENT PART HW**  
**TREE MORTALITY NON-BYPASSABLE CHARGE BALANCING ACCOUNT**

Sheet 1

(N)  
(N)

HW. TREE MORTALITY NON-BYPASSABLE CHARGE BALANCING ACCOUNT (TMNBCBA)

(N)

1. PURPOSE: The purpose of the Tree Mortality Non-bypassable Charge Balancing account (TMNBCBA) is to record and recover the net costs of tree mortality-related procurement contracts in compliance with Senate Bill (SB) 859, and Resolution E-4770 and E-4805 as defined in Decision 18-12-003.
2. APPLICABILITY: The TMNBCBA applies to all customer classes, except for those specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balance in this account will be determined through the Annual Electric True-up advice letter process or as determined by the Commission.
4. RATES: The TMNBCBA is collected as part of the non-bypassable public purpose program rates set forth in each rate schedule. The TMNBC rates is set forth in electric Preliminary Statement Part I.
5. ACCOUNTING PROCEDURE: The following entries will be made each month, or as applicable.
  - a) A debit entry equal to the actual procurement costs;
  - b) A credit entry equal to the energy and ancillary services revenue;
  - c) A credit entry equal to revenues received from the sale of Resource Adequacy (RA) capacity products;
  - d) A credit entry equal to revenues received from the sale of Renewable Energy Credits (RECs);
  - e) A credit entry equal to imputed revenues for unsold product content category 1 (PCC1) RECs for the historical period (prior to the Commission-approved effective date of future solicitation results required in D.18-12-003, OP 3), determined using the administrative Market Price Benchmark (MPB) of \$15.04/megawatt hour (MWh) multiplied by the historical MWh banked as PCC1 RECs. A corresponding debit entry equal to imputed costs for RECs is recorded in Energy Resource Recovery Account (ERRA);

(N)

(Continued)

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**Robert S. Kenney**  
Vice President, Regulatory Affairs

Submitted  
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February 19, 2019





**ELECTRIC PRELIMINARY STATEMENT PART HW**  
**TREE MORTALITY NON-BYPASSABLE CHARGE BALANCING ACCOUNT**

Sheet 2

(N)  
(N)

HW. TREE MORTALITY NON-BYPASSABLE CHARGE BALANCING ACCOUNT (TMNBCBA)

(N)

5. ACCOUNTING PROCEDURE: (Cont'd)

- f) A credit entry equal to imputed revenues for unsold RA for the historical period (prior to the Commission-approved effective date of future solicitation results required in D.18-12-003, OP 5), used by PG&E for compliance, determined using the most current Commission-adopted RA MPB multiplied by the megawatt (MW) quantity used for compliance. A corresponding debit entry equal to imputed costs for RA is recorded in ERRA;
- g) A credit entry equal to imputed revenues for unsold RA on or after the Commission-approved effective date of the first solicitation results required in OP 5, used by PG&E for compliance, determined using the most current Commission-adopted RA MPB multiplied by the MW quantity used for compliance. A corresponding debit entry equal to imputed costs for RA is recorded in ERRA;
- h) A credit entry equal to the billed revenues associated with TM NBC rate component;
- i) A debit or credit entry to transfer the balance to or from another account, as authorized by the Commission;
- j) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)

(Continued)

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**Confidential Appendix C**

**RA Sales Framework and Protocols**

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## **Public Appendix D**

### **Unit Specific RA Confirmation of Agreement**

**MASTER POWER PURCHASE AND SALE AGREEMENT  
RESOURCE ADEQUACY CONFIRMATION LETTER  
BETWEEN  
[PARTY A NAME] (“PARTY A”)  
AND  
[PARTY B NAME] (“PARTY B”)**

This confirmation letter (“Confirmation”) confirms the Transaction between Party A and Party B, which becomes effective on the date fully executed by both Parties (the “Confirmation Effective Date”), in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in this Confirmation. This Transaction is governed by the Master Power Purchase and Sale Agreement between the Parties, effective as of [Date of EEI Master between Parties], together with the Cover Sheet, [the Collateral Annex and Paragraph 10 to the Collateral Annex,] and any other annexes thereto (collectively, as amended, restated, supplemented, or otherwise modified from time to time, the “Master Agreement”). The Master Agreement and this Confirmation are collectively referred to herein as the “Agreement”. Capitalized terms used but not otherwise defined in this Confirmation, have the meanings specified for such terms in the Master Agreement or the Tariff (defined below), as applicable. Section references herein are to this Confirmation unless otherwise noted.

**ARTICLE 1  
TRANSACTION TERMS**

**Buyer:** Party [A/B]

**Seller:** Party [A/B]

**Product:** The Product is the Capacity Attributes of the Unit. The Product does not include any right to the energy or ancillary services of the Unit.

**Delivery Period:** [Begin Date] through [End Date], inclusive.

**Contract Quantity and Price:** The Contract Quantity and Price for each day of each Showing Month during the Delivery Period shall be set forth in Appendix B.

**ARTICLE 2  
DELIVERY OBLIGATIONS AND ADJUSTMENTS**

**2.1 Unit Specific RA Product**

- (a) Seller’s obligation to deliver the Contract Quantity of Product for each day included in the Delivery Period is contingent on the capabilities of the Unit. The CPUC, CAISO, other Governmental Authority or Person having jurisdiction over Capacity Attributes may increase or decrease the amount of Capacity Attributes that may be calculated or derived from the Unit. Subject to the terms of this Agreement, (i) Seller is obligated to sell and deliver and (ii) Buyer is obligated to purchase and receive, the Capacity Attributes of the Product from the Unit whenever such

Capacity Attributes are capable of being generated from the Unit, subject to the Contract Quantity restrictions in Appendix B.

- (b) Notwithstanding Section 5.1, the Parties agree that the Contract Price for the Product shall not change if the attributes or characteristics of the Capacity Attributes are further applied, defined, or identified during the Delivery Period.

## **2.2 CPUC Approval**

Subject to Article 1, the Delivery Period shall not commence until CPUC Approval has been obtained. CPUC Approval must be obtained on or before sixty (60) days from the date on which Buyer files this Agreement with the CPUC seeking CPUC Approval. If CPUC Approval has not been obtained by this date, or if the CPUC rejects this Agreement through a final and non-appealable order, then either Party may terminate this Agreement effective upon notice to the other Party. Neither Party shall have any obligation or liability to the other, including for a Termination Payment or otherwise, by reason of such termination.

## **2.3 Seller To Confirm Unit**

Seller shall confirm the Unit, its Product characteristics and Contract Quantity available by providing Buyer with the specific Unit information listed in Appendix C no later than fifteen (15) calendar days before the relevant deadlines for the corresponding Compliance Showings applicable to the relevant Showing Month.

## **2.4 Delivery of Product**

- (a) Seller shall provide Buyer with the Contract Quantity of Product for each day during the Delivery Period consistent with the following, if the Unit is not on a planned Outage pursuant to Section 2.5:
  - (i) Seller shall, on a timely basis with respect to each applicable Showing Month, submit, or cause the Unit's Scheduling Coordinator to submit, Supply Plans in accordance with the Tariff to identify and confirm the Product provided to Buyer for each day of such Showing Month that is included in the Delivery Period so that the amount of Product identified and confirmed for each such day of such Showing Month equals the Contract Quantity for such day of such Showing Month.
  - (ii) Seller will be deemed to have delivered the Product on each day to the extent that Buyer receives credit from CAISO for such day for Product identified and confirmed in the Supply Plan submitted for the Unit.
  - (iii) Hold-Back Capacity, if any, is deemed Contract Quantity delivered.
- (b) In accordance with Section 2.3 and subject to Article 7, Seller shall to the extent required by CAISO or CPUC rules cause the information listed in Appendix C to be completed and included in all applicable Supply Plans and shall cause all Supply

Plans to be filed in conformance with the requirements of the CPUC Filing Guide and the Tariff. In addition, if during the Delivery Period, there are changes to the information included in Appendix C, the Parties agree to communicate such changes to each other promptly.

## **2.5 Planned Outages**

The Unit may conduct planned Outages during the months of February through April, October and November. Seller shall not provide Buyer with the Contract Quantity nor Substitute Capacity for the entire Showing Month in the Delivery Period with a planned Outage, and Seller is not liable for damages nor required to indemnify Buyer for penalties, fines or costs in Sections 2.6 and 2.7. Buyer will not be responsible for any Monthly Payment pursuant to Section 3.1 for the Showing Month with a planned Outage.

Seller will provide notice to Buyer of a non-binding preliminary Outage schedule no later than the first Business Day after July 31<sup>st</sup> of each year for the following calendar year for the months that the unit may conduct planned Outages. Seller will confirm, no later than sixty (60) days before the first day of the Showing Month, any Outages occurring in the afore-mentioned month which have been submitted to CAISO.

## **2.6 Damages for Failure to Provide Capacity**

Subject to Section 2.1, if Seller fails to deliver any portion of the Contract Quantity capable of being produced by the Unit to Buyer for any day during the Delivery Period in accordance with Section 2.4 then with respect to each Showing Month, Seller shall pay to Buyer at the time set forth in Article Six of the Master Agreement, the following damages in lieu of damages specified in Section 4.1 of the Master Agreement:

for each applicable day during the Showing Month included in the Delivery Period, in which the Buyer's Monthly Payment has been received by Seller in accordance with Section 3.1 of this Confirmation only, the amount equal to (w) the applicable Contract Price, or in the event that more than one Contract Price is specified for the same Showing Month, the weighted average of all applicable prices and Contract Quantities for that Showing Month, divided by (x) the number of days included in the Showing Month multiplied by (y) the amount of Contract Quantity not delivered by Seller on such day, multiplied by (z) 1,000 kW per MW.

## **2.7 Indemnities for Failure to Deliver Contract Quantity**

- (a) Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or CAISO resulting from any of the following:
  - (i) Seller's failure to deliver any portion of the Contract Quantity of Product for any portion of the Delivery Period and such failure results in the imposition of penalties, fines or costs assessed against Buyer; or



- (ii) A Unit’s Scheduling Coordinator’s failure to timely or accurately submit Supply Plans that identify Buyer’s right to the Contract Quantity purchased hereunder for each day of the Delivery Period.
- (b) With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties, fines, and costs.

**2.8 Buyer’s Re-Sale of Product**

- (a) Buyer may re-sell all or a portion of the Product purchased under this Agreement (“Resold Product”); provided that such re-sell right does not include the ability to offer any portion of Product into the CSP. If Buyer re-sells Resold Product, Seller agrees, and agrees to cause the Unit’s Scheduling Coordinator, to follow Buyer’s instructions with respect to providing such Resold Product to subsequent purchasers of such Resold Product to the extent such instructions are consistent with Seller’s obligations under this Agreement. Seller further agrees, and agrees to cause the Unit’s Scheduling Coordinator, to take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Resold Product in a manner consistent with Buyer’s rights under this Agreement. If Buyer incurs any liability to any purchaser of such Resold Product due to the failure of Seller or the Unit’s Scheduling Coordinator to comply with the terms of this Agreement, then Seller shall be liable to Buyer for any liabilities Seller would have incurred under this Agreement if Buyer had not resold the Product, including without limitation, pursuant to Sections 2.6 and 2.7.
- (b) If Buyer exercises its right to re-sell the Resold Product, Buyer shall notify Seller in writing that such sale has occurred and such notice shall include the information described in Appendix D no later than two (2) Business Days before the deadline for the Compliance Showings applicable to the relevant Showing Month. Buyer shall notify Seller of any subsequent changes or further resale of the Resold Product, and such notice shall include all updates to the information in Appendix D in accordance with the deadlines described in this Section 2.8(b).

**ARTICLE 3**  
**PAYMENT**

**3.1 Monthly Payment**

**[For Payment in Arrears]** In accordance with the terms of Article Six of the Master Agreement, Buyer shall make a payment (a “Monthly Payment”) to Seller, for the applicable Showing Month, as follows:

$$\text{Monthly Payment} = Q \times P \times CF$$

where:

- Q = The quantity of Product delivered by Seller to Buyer pursuant to and consistent with Section 2.4 for the Showing Month
- P = The Contract Price for the Showing Month, expressed in dollars per kW-month
- CF = The conversion factor equal to 1,000 kW per MW

The Monthly Payment calculation shall be rounded to two decimal places. Pursuant to Section 2.5, no Monthly Payment is due for Showing Months in which a confirmed planned Outage occurs.

**[For Prepayment]** After CPUC Approval has been obtained in accordance with Section 2.2, Buyer shall make a payment (a “Monthly Payment”) to Seller, for the applicable Showing Month, as follows:

$$\text{Monthly Payment} = Q \times P \times CF$$

where:

- Q = The quantity of Product to be delivered by Seller to Buyer pursuant to and consistent with Section 2.4 for the Showing Month
- P = The Contract Price for the Showing Month, expressed in dollars per kW-month
- CF = The conversion factor equal to 1,000 kW per MW

The Monthly Payment calculation shall be rounded to two decimal places. Payment shall be paid by Buyer and received by Seller no later than sixty (60) calendar days prior to the applicable Showing Month. If the Confirmation Effective Date is entered into within sixty (60) calendar days of the applicable Showing Month, the Monthly Payment shall be made by Buyer and received by Seller within five (5) Business days of the relevant Confirmation effective date. Pursuant to Section 2.5, no Monthly Payment is due for Showing Months in which a confirmed planned Outage occurs.

### **3.2 Allocation of Other Payments and Costs**

- (a) Seller is entitled to retain any revenues it may receive from, and shall pay all costs charged by, CAISO or any other third party with respect to the Unit for (i) start-up, shutdown, and minimum load costs, (ii) capacity revenue for ancillary services, (iii) energy sales, (iv) revenue for flexible ramping product, and (v) any revenues for black start or reactive power services. All Seller revenues described in this Section 3.2(a) and received by Buyer or a purchaser of Resold Product must be remitted to Seller and Buyer shall pay such revenues to Seller if received by Buyer or if a purchaser of Resold Product fails to remit those revenues to Seller. If Buyer fails to pay such revenues to Seller, Seller may recoup any amounts owing to it for such revenues against any future amounts it may owe to Buyer pursuant to Article Six of the Master Agreement. Seller shall indemnify, defend and hold Buyer harmless from and against all liabilities, damages, claims, losses, costs or expenses (including, without limitation, attorneys’ fees) incurred by or brought against Buyer in connection with Environmental Costs.

- (b) In order to verify the accuracy of such revenues, Buyer has the right, at its sole expense and during normal working hours after reasonable prior notice, to hire an independent third party reasonably acceptable to Seller to audit any documents, records or data of Seller associated with the Contract Quantity and in accordance with Section 3.1 of this Confirmation and Article Six of the Master Agreement.
- (c) If CAISO or CPUC develops a centralized capacity market, Buyer will have exclusive rights to tell the Seller or the Unit's Scheduling Coordinator to offer, bid, or otherwise submit the applicable Contract Quantity of Product for each day during the Delivery Period provided to Buyer pursuant to this Agreement for re-sale in such market, and retain and receive any and all related revenues.
- (d) Buyer and Seller agree that the Unit is subject to the terms of the Availability Standards, Non-Availability Charges, and Availability Incentive Payments as contemplated under Section 40.9 of the Tariff. Any Availability Incentive Payments or Non-Availability Charges are for the account, or are the responsibility of, the Seller, as applicable.

**ARTICLE 4**  
**CAISO OFFER REQUIREMENTS**

Seller is responsible for, as applicable, scheduling or causing the applicable Unit's Scheduling Coordinator to schedule with, or make available to, CAISO the Product delivered to Buyer for each day during the Delivery Period in compliance with the Tariff, and performing all, or causing the Unit's Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the Product sold hereunder. Buyer is not liable for the failure of Seller or the failure of any Unit's Scheduling Coordinator, owner, or operator to comply with such Tariff provisions or any penalties or fines imposed on Seller or the Unit's Scheduling Coordinator (unless Seller is the Scheduling Coordinator), owner, or operator for such noncompliance.

**ARTICLE 5**  
**OTHER BUYER AND SELLER COVENANTS**

**5.1 Seller's and Buyer's Duty to Take Action to Allow the Utilization of the Product**

Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Contract Quantity on each day during the Delivery Period for the sole benefit of Buyer or any applicable subsequent purchaser pursuant to Section 2.8. The Parties shall agree upon reasonable changes to this Confirmation necessary to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, CAISO or other Governmental Body having jurisdiction to administer Compliance Obligations.

**5.2 Representations, Warranties and Covenants**

- (a) Seller represents and warrants to Buyer throughout the Delivery Period that:

- (i) no portion of the Contract Quantity for any day during the Delivery Period has been committed by Seller to any third party in order to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets;
  - (ii) the Unit is connected to the CAISO controlled grid, is within the CAISO control area, and is under the control of CAISO;
  - (iii) each Unit's Scheduling Coordinator, owner and operator is obligated to comply with applicable laws, including the Tariff, relating to the Product;
  - (iv) if Seller is the owner of the Unit, the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned or transferred for the Unit for each day included in the Delivery Period does not exceed the Unit NQC and, if applicable, the Unit EFC, for that Unit; and
  - (v) Seller has notified either the Scheduling Coordinator of the Unit or the entity from which Seller purchased the Product of the fact that Seller has transferred the Contract Quantity for each day of the Delivery Period to Buyer.
- (b) Seller represents and warrants to Buyer as of the date of the relevant Compliance Showing, that Seller owns or has the exclusive right to the Product sold under this Agreement from the Unit;
- (c) Seller covenants as follows:
- (i) Seller shall, upon request, furnish Buyer, CAISO, CPUC or other applicable Governmental Body evidence that its representation made in Section 5.2(c) is true and correct; and
  - (ii) Seller shall not, and shall cause the Unit's Scheduling Coordinator to not, offer any portion of the Contract Quantity for any day during the Delivery Period to CAISO as CPM Capacity. However, if CAISO designates any portion of the Contract Capacity as CPM Capacity, then Seller shall, and shall cause the Unit's Scheduling Coordinator to promptly (and in any event within one (1) Business Day of the time Seller receives notification from CAISO) notify Buyer if CAISO designates any portion of the Contract Quantity for any day during the Delivery Period as CPM Capacity and, if CAISO makes such a designation, shall, and shall cause the Unit's Scheduling Coordinator to not accept any such designation by CAISO unless and until Buyer has agreed to accept such designation.
- (d) Each Party covenants to the other Party throughout the Delivery Period to comply with the Tariff, relating to the Product.

- (e) The Parties agree that the following of the EEI Master shall not be applicable to this Confirmation or Transactions hereunder: Sections 5.1(d), 5.1(e), 5.1(f), 10.2(v) and 10.2(vi).

**ARTICLE 6**  
**CONFIDENTIALITY**

Notwithstanding Section 10.11 of the Master Agreement, the Parties may disclose all terms and conditions of this Transaction to any Governmental Body, the CPUC, CAISO and the Procurement Review Group, and Seller may disclose the transfer of the Contract Quantity for each day during the Delivery Period under this Transaction to the Scheduling Coordinator of the Unit in order for such SC to timely submit accurate Supply Plans. Each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Body, CAISO, or Scheduling Coordinator to further disclose information disclosed pursuant to this Article. In addition, if Buyer resells all or any portion of the Contract Quantity for any day during the Delivery Period to another party, Buyer shall be permitted to disclose to the purchaser of the Resold Product all such information necessary to effect such resale transaction, other than the Contract Price. *[Drafting Note: Parties to review confidentiality provision in Master Agreement and edit accordingly here]*

**ARTICLE 7**  
**HOLDBACK AND SUBSTITUTE CAPACITY**

No later than five (5) Business Days before the relevant deadline for the initial Compliance Showing with respect to a particular Showing Month, Buyer may request in writing that Seller not list, or cause the Unit's Scheduling Coordinator not to list, in the Unit's Supply Plan a portion or all of the Contract Quantity for any portion of such Showing Month included in the Delivery Period ("Hold-Back Capacity"). Following Buyer's request for Hold-Back Capacity, Buyer may request in writing for Seller to utilize Hold-Back Capacity for Buyer's use as Substitute Capacity by no later than ten (10) Business Days prior to the Showing Month. The amount of Contract Quantity that is the subject of Buyer's request for Hold-Back Capacity shall be deemed Contract Quantity delivered consistent with Section 2.4 for purposes of calculating a Monthly Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.6 or 2.7. Seller shall, or shall cause the Unit's Scheduling Coordinator to, comply with Buyer's request under this Article 7.

**ARTICLE 8**  
**COLLATERAL REQUIREMENTS**

**8.1 Buyer Collateral Requirements**

Notwithstanding anything to the contrary contained in the Master Agreement, Buyer shall, within five (5) Business Days following the Confirmation Effective Date, provide to, and maintain with, Seller a Fixed Independent Amount as long as Buyer or its Guarantor, if any, does not maintain Credit Ratings of at least BBB- from S&P and Baa3 from Moody's. The "Fixed Independent Amount" shall be 20% of the sum of the Monthly Payments for all unpaid months of the Delivery Period. **[For Masters with Collateral Annex insert:** For the purposes of calculating the Collateral Requirement pursuant to Section 8.2 of the Master Agreement, entitled "Party B Credit

Protection”, and all corresponding provisions to Section 8.2 of the Master Agreement, such Fixed Independent Amount for Buyer shall be added to the Exposure Amount for Seller and subtracted from the Exposure Amount for Buyer.]

## **8.2 Seller Collateral Requirements**

Section 8.1 of the Master Agreement, entitled “Party A Credit Protection”, and all corresponding provisions to Section 8.1 of the Master Agreement do not apply to this Confirmation. *[Drafting Note: Parties to review Collateral Requirements provision in Master Agreement and edit accordingly here]*

## **ARTICLE 9 ADDITIONAL MASTER AGREEMENT AMENDMENTS**

### **9.1 Declaration of an Early Termination Date and Calculation of Settlement Amounts**

Except as otherwise provided herein, the term of the Transaction shall commence upon the Confirmation Effective Date and shall continue until the end of the Delivery Period, as defined in Article 1, and the satisfaction of all other obligations of the Parties under this Agreement. This Confirmation, and the Transaction hereunder, shall terminate early in the event of (1) an early termination of the underlying Power Purchase Agreement (PPA), or (2) as otherwise provided in the Agreement. Termination in the event of an early termination of the underlying PPA shall also terminate all of the Parties’ obligations under the Confirmation as of the Transaction Termination Date as provided in Section 9.1, except for the Parties’ confidentiality obligations under Article 9 herein. Neither Party shall have any obligation or liability to the other, including for a Termination Payment or otherwise, by reason of early termination of the PPA.

The Parties shall determine the Settlement Amount for this Transaction in accordance with Section 5.2 of the Master Agreement using the defined terms contained in this Confirmation and with respect to this Transaction only, the following language is to be added at the end of Section 5.2 of the Master Agreement:

“If Buyer is the Non-Defaulting Party and Buyer reasonably expects to incur or be liable for any penalties, fines or costs from the CPUC, CAISO, or any Governmental Body having jurisdiction, because Buyer or a purchaser of Resold Product is not able to include the applicable Contract Quantity in any applicable Compliance Showing due to Seller’s Event of Default, then Buyer may, in good faith, estimate the amount of those penalties, fines or costs and include this estimate in its determination of the Termination Payment, subject to accounting to Seller when those penalties, fines or costs are finally ascertained. If this accounting establishes that Buyer’s estimate exceeds the actual amount of penalties, fines or costs, Buyer shall promptly remit to Seller the excess amount. The rights and obligations with respect to determining and paying any Termination Payment, and any dispute resolution provisions with respect thereto, survive the termination of this Transaction and continue until after those penalties, fines or costs are finally ascertained.”

**ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.**

**[INSERT NAME OF BUYER]**

**[INSERT NAME OF SELLER]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **APPENDIX A** **DEFINED TERMS**

For purposes of this Confirmation, the following terms have the following meanings:

“Advice Letter” means (1) an informal request by a CPUC jurisdictional entity for Commission approval, authorization, or other relief, including an informal request for approval to furnish service under rates, charges, terms or conditions other than those contained in the utility’s tariffs then in effect, and (2) a compliance filing by a load-serving entity pursuant to Public Utilities Code Section 380.

“CAISO” means the California Independent System Operator Corporation or any successor entity performing substantially the same functions.

“Capacity Attributes” means, with respect to a generating unit, any and all of the following, in each case which are attributed to or associated with the generating unit at any time throughout the Delivery Period:

- (a) Resource Adequacy Capacity attributes of the generating unit, as may be identified from time to time by the CPUC, CAISO, or other Governmental Body having jurisdiction, that can be counted toward RAR;
- (b) Resource Adequacy Capacity attributes or other locational attributes of the generating unit related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the generating unit within the CAISO Control Area, that can be counted toward a Local RAR; and
- (c) other current or future defined characteristics, certificates, tags, credits, or accounting constructs of the generating unit, howsoever entitled, including any accounting construct counted toward any Compliance Obligations;

provided that, notwithstanding the foregoing, Capacity Attributes exclude all certificates, tags, credits, or accounting constructs that are not counted toward any Compliance Obligations, howsoever entitled associated with the generating unit, as such characteristics, certificates, tags, credits, or accounting constructs are described in the CPUC Decisions and Tariff.

“Capacity Procurement Mechanism Capacity” or “CPM Capacity” has the meaning set forth in the Tariff.

“Competitive Solicitation Process” or “CSP” has the meaning set forth in the Tariff.

“Compliance Obligations” means the RAR and Local RAR, and if applicable FCR.

“Compliance Showings” means the (a) Local RAR compliance or advisory showings (or similar or successor showings), (b) RAR compliance or advisory showings (or similar or successor showings), and (c) if applicable, FCR compliance or advisory showings (or similar or successor showings), in each case, an LSE is required to make to the CPUC (and, to the extent authorized by



the CPUC, to CAISO) pursuant to the CPUC Decisions, to CAISO pursuant to the Tariff, or to any Governmental Body having jurisdiction.

“Confirmation” is defined in the introductory paragraph of this Confirmation.

“Confirmation Effective Date” is defined in the introductory paragraph of this Confirmation.

“Contract Price” means, for any period during the Delivery Period, the price, expressed in dollars per kW-month, specified for such period set forth in the Contract Price Table in Appendix B.

“Contract Quantity” means, with respect to any day during the Delivery Period, the amount of Product, set forth in the Contract Quantity table in Appendix B for such day.

“CPUC” means the California Public Utilities Commission.

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, which approves the Agreement in its entirety. CPUC Approval will be deemed to have occurred on the first day it can be legally determined that a final CPUC order containing such findings has become non-appealable.

“CPUC Decisions” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-01-063, 15-06-063, 16-06-045, 17-06-027, and any other existing or subsequent decisions, resolutions, or rulings related to resource adequacy, including, without limitation, the CPUC Filing Guide, in each case as may be amended from time to time by the CPUC.

“CPUC Filing Guide” means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSEs to demonstrate compliance with the CPUC’s resource adequacy program.

“Delivery Period” is defined in Article 1.

“Emission Reduction Credits” or “ERC(s)” means emission reductions that have been authorized by a local air pollution control district pursuant to California Division 26 Air Resources; Health and Safety Code Sections 40709 and 40709.5, whereby such district has established a system by which all reductions in the emission of air contaminants that are to be used to offset certain future increases in the emission of air contaminants shall be banked prior to use to offset future increases in emissions.

“Environmental Costs” means costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Product, and the Product’s compliance with all applicable environmental laws, rules and regulations, including capital costs for pollution mitigation or installation of emissions control equipment required to permit or license the Product, all operating and maintenance costs for operation of pollution mitigation or control equipment, costs of permit maintenance fees and emission fees as applicable, and the costs of all Emission Reduction Credits or Marketable Emission Trading Credits (including any costs related to greenhouse gas emissions) required by any applicable environmental laws, rules, regulations, and permits to operate, and costs associated with the disposal and clean-up of hazardous substances

introduced to the site, and the decontamination or remediation, on or off the site, necessitated by the introduction of such hazardous substances on the site.

“FCR” means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by a Local Regulatory Authority or other Governmental Body having jurisdiction.

“FCR Attributes” means, with respect to a generating unit, any and all resource adequacy attributes of the generating unit, as may be identified from time to time by the CPUC, CAISO, or other Governmental Body having jurisdiction, that can be counted toward an LSE’s FCR.

“FCR Contract Quantity” means, with respect to a day included in the Delivery Period, the amount of FCR Attributes, expressed in MW, equal to the Contract Quantity for such day.

“Governmental Body” means any federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal. This definition does not include “market participants” as defined in the CAISO’s Business Practice Manual for Definitions and Acronyms as published on the CAISO website.

“Hold-Back Capacity” is defined in Article 7.

“Local Capacity Area” has the meaning set forth in the Tariff.

“Local RAR” means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction. Local RAR may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.

“Local Regulatory Authority” has the meaning set forth in the Tariff.

“LSE” means “Load Serving Entity” as such term is defined in the Tariff.

“Marketable Emission Trading Credits” means without limitation, emissions trading credits or units pursuant to the requirements of California Division 26 Air Resources; Health & Safety Code Section 39616 and Section 40440.2 for market based incentive programs such as the South Coast Air Quality Management District’s Regional Clean Air Incentives Market, also known as RECLAIM, and allowances of sulfur dioxide trading credits as required under Title IV of the Federal Clean Air Act (see 42 U.S.C. § 7651b.(a) to (f)).

“Master Agreement” is defined in the introductory paragraph of this Confirmation.

“Monthly Payment” is defined in Section 3.1.

“MW” means megawatt.

“Outage” has the meaning set forth in the Tariff.

“Power Purchase Agreement” or “PPA” means that Power Purchase Agreement between Seller and Unit supplier for the Unit defined in Appendix B and as amended from time to time.

“PPA Contract Quantity” is the Contract Quantity of the most recently executed or amended underlying Power Purchase Agreement between Seller and the Unit supplier.

“Procurement Review Group” has the meaning set forth in CPUC Decision 02-08-071.

“Product” is defined in Article 1.

“RAR” means the resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction.

“Resold Product” is defined in Section 2.8.

“Resource Adequacy Capacity” has the meaning set forth in the Tariff.

“RMR Contract” means a Reliability Must-Run Contract as forth in the Tariff.

“Scheduling Coordinator” has the meaning set forth in the Tariff.

“Showing Month” means the calendar month that is the subject of the related Compliance Showing, as set forth in the CPUC Decisions and outlined in the Tariff. For illustrative purposes only, pursuant to the Tariff and CPUC Decisions in effect as of the Confirmation Effective Date, the monthly Compliance Showing made in June is for the Showing Month of August.

“Substitute Capacity” means Capacity that substitutes for a Resource Adequacy Unit.

“Supply Plan” has the meaning set forth in the Tariff.

“System RAR” means the system resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction.

“Tariff” means the Fifth Replacement FERC Electric Tariff and the associated CAISO protocol provisions, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” in each case as amended or supplemented from time to time.

“Unit” means the generation unit described in Appendix B.

“Unit EFC” means, with respect to a Unit on any date of determination, the lesser of the Effective Flexible Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

“Unit NQC” means, with respect to a Unit on any date of determination, the lesser of Net Qualifying Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

**APPENDIX B**  
**UNIT AND PRICE INFORMATION**

Seller will provide the Unit Specific RA Product in accordance with Section 2.1.

Name	
Location	
CAISO Resource ID	
Unit SCID	
Unit NQC	
Unit EFC	
Resource Type	
Resource Category (1, 2, 3 or 4)	
Flexible Capacity Category (1, 2, or 3)	
Path 26 (North or South)	
Local Capacity Area (if any, as of Confirmation Effective Date)	
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	
Run Hour Restrictions	
PPA Expected Delivery End Date	
PPA Contract Quantity (MW)	
Contract Quantity	The full RA capacity volume for the Unit in each Showing Month that the Unit is not on an approved planned Outage, measured as the lesser of: 1) the Unit NQC for the respective Showing Month and 2) the PPA Contract Quantity above.
Contract Price (\$/kW-Month)	

**APPENDIX C**  
**SUPPLY PLAN INFORMATION**

<b>Resource Capacity Contract Number</b>	<b>Resource ID in CAISO Master File</b>	<b>RA Capacity (MW 00.00 No Rounding)</b>	<b>RA Capacity Effective Start Date</b>	<b>RA Capacity Effective End Date</b>	<b>SCID of Load Serving Entity</b>
			[mm/dd/yyyy hh:mm:ss]	[mm/dd/yyyy hh:mm:ss]	

Seller will provide the Unit Information in accordance with Section 2.3.

**APPENDIX D**  
**RESOLD PRODUCT INFORMATION**

<b>Resource Capacity Contract Number:</b>	
<b>Benefitting LSE SCID:</b>	
<b>System Volume (in MW):</b>	
<b>Local Volume (in MW):</b>	
<b>Flexible Volume (in MW):</b>	
<b>Term:</b>	

**APPENDIX E**  
**NOTICE INFORMATION**

**Name:** [Buyer's Name], a [include place of formation and business type] (“[Seller]/[Buyer]” or “[Party A/B]”)

**Name:** Pacific Gas and Electric Company, a California corporation, limited for all purposes hereunder to its Electric Procurement and Electric Fuels Functions

All Notices:

(“[Seller]/[Buyer]” or “[Party A/B]”)  
All Notices:

Delivery Address:

Delivery Address:

Street:

77 Beale Street, Mail Code N12E

City: State: Zip:

San Francisco, CA 94105-1702

Mail Address: (if different from above)

Mail Address:

P.O. Box 770000, Mail Code N12E

San Francisco, CA 94177

Attn:

Attn: Candice Chan (CWW9@pge.com)

(email)

Director, Contract Mgmt & Settlements

Phone:

Phone: (415) 973-7780

**Invoices and Payments:**

Attn:

**Invoices and Payments:**

Attn: Tom Girlich (TAGG@pge.com)

(email)

Manager, Electric Settlements

Phone:

Phone: (415) 973-9381

**Scheduling:**

Attn:

**Outages:**

Attn: Outage Coordinator

(email)

(ESMOutageCoordinator@pge.com;

RATransactionNotificationList@pge.com)

Phone:

Phone: (415) 973-1721

**Wire Transfer:**

BNK:

**Wire Transfer:**

BNK: The Bank of NY Mellon

ACCT Title:

ACC Title: PG&E

ABA:

ABA: 011001234

ACCT:

ACCT: 059994

DUNS:

DUNS: 556650034

Federal Tax ID Number:

Federal Tax ID Number: 94-0742640

**Credit and Collections:**

Attn:

**Credit and Collections:**

Attn: Credit Risk Management (PGERiskCredit@pge.com)

(email)

Phone: (415) 972-5188

Phone:

**Contract Management**

Attn:

**Contract Management**

Attn: Elizabeth Motley (EMMG@pge.com)

(email)

Contract Management

Phone:

Phone: (415) 973-2368

**With additional Notices of an Event of Default to Contract Manager:**

Attn:

**With additional Notices of an Event of Default to Contract Manager:**

Attn: Ted Yura (THY1@pge.com)

(email)

Senior Manager, Contract Management

Phone:

Phone: (415) 973-8660

**Supply Plan Contact:**

(email)

**Supply Plan Request:**

EPP-RAFilingsMailbox@pge.com



**APPENDIX F**  
**SAMPLE FORM OF LETTER OF CREDIT**

*Issuing Bank Letterhead and Address*

STANDBY LETTER OF CREDIT NO. XXXXXXXXX

**Date:** [Insert issue date]

**Beneficiary:** [Insert Beneficiary name]  
[Insert Beneficiary address]

**Applicant:** [Insert Applicant name]  
[Insert Applicant address]

**Letter of Credit Amount:** [Insert amount]

**Expiry Date:** [Insert date that is one (1) year from offer date]

Ladies and Gentlemen:

By order of **[Insert name of Applicant]** (“Applicant”), we hereby issue in favor of **[Insert name of Beneficiary]** (the “Beneficiary”) our irrevocable standby letter of credit No. **[Insert number of letter of credit]** (“Letter of Credit”), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. \$ **[Insert amount in figures followed by (amount in words)]** (“Letter of Credit Amount”). This Letter of Credit is available with **[Insert name of issuing or paying bank, and the city and state in which it is located]** by sight payment, at our offices located at the address stated below, effective immediately, and it will expire at our close of business on **[Insert expiry date]** (the “Expiry Date”).

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents:

1. Beneficiary’s signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. **[Insert number]** and stating the amount of the demand; and
2. One of the following statements signed by an authorized representative or officer of Beneficiary:

A. “The amount of the accompanying sight draft under Letter of Credit **[Insert number of letter of credit]** (the “Draft Amount”) is owed to **[Insert name of Beneficiary]** by **[Insert name of Beneficiary’s counterparty under the RA Confirmation]** (“Counterparty”) under Confirmation for Resource Adequacy Capacity Product for CAISO Resources dated **[insert date of the Confirmation]** between **[Insert name of Beneficiary]** and Counterparty, which entitles **[Insert name of Beneficiary]** to draw the Draft Amount under Letter of Credit No. **[Insert number]**;” or

B. “Letter of Credit No. **[Insert number]** will expire in thirty (30) days or less and **[Insert name of Beneficiary’s counterparty under the RA Confirmation]** has not provided replacement security acceptable to **[Insert name of Beneficiary]**.”

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;
2. All banking charges associated with this Letter of Credit are for the account of the Applicant;
3. This Letter of Credit is not transferable;
4. A drawing for an amount greater than the Letter of Credit Amount is allowed, however, payment shall not exceed the Letter of Credit Amount; and
5. The Expiry Date of this Letter of Credit shall be automatically extended without amendment for a period of one year and on each successive Expiry Date, unless at least sixty (60) days before the then current Expiry Date, we notify you by registered mail or courier that we elect not to renew this Letter of Credit for such additional period.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date as provided below), at **[Insert bank’s address for drawings]**.

All demands for payment shall be made either by presentation of originals or copies of documents, or by facsimile transmission of documents to **[Insert fax number]**, Attention: **[Insert name of bank’s receiving department]**. You may contact us at **[Insert phone number]** to confirm our receipt of the transmission. Your failure to seek such a telephone confirmation does not affect our obligation to honor such a facsimile presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the third (3rd) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification. It is our individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the *Uniform Customs and Practice for Documentary Credits, 2007 Revision*, International Chamber of Commerce (ICC) Publication No. 600 (the “UCP 600”); provided that, if this Letter of Credit expires during an interruption of our business as described in Article 36 of the UCP 600, we will honor drafts presented in compliance with this Letter of Credit within thirty (30) days after the resumption of our business and effect payment accordingly.

The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact us at **[Insert number and any other necessary details]**.

Very truly yours,

**[INSERT NAME OF ISSUING BANK]**

By: \_\_\_\_\_

Name: **[Print or type name]**

Title: **[Print or type title]**

**EXHIBIT A**  
**SIGHT DRAFT**

TO:  
[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: \$ \_\_\_\_\_ DATE: \_\_\_\_\_

AT SIGHT OF THIS DEMAND PAY TO THE ORDER OF PACIFIC GAS AND ELECTRIC COMPANY THE AMOUNT OF U.S. \$ \_\_\_\_\_ (\_\_\_\_\_ U.S. DOLLARS)

DRAWN UNDER [INSERT NAME OF ISSUING BANK] LETTER OF CREDIT NO. [XXXXXX].

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

DRAWER:

By: \_\_\_\_\_  
Name: [Print or type name]  
Title: [Print or type title]

**Public Appendix E**

**Declarations of Donna L. Barry and  
Alice Gong in Support of Confidential  
Treatment of Appendices A and C**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**DECLARATION OF DONNA L. BARRY  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED IN PG&E'S  
IMPLEMENTATION OF DECISION 18-12-003  
(ADVICE LETTER 5478-E)**

I, Donna Barry, declare:

1. I am a Regulatory Principal in the Revenue Requirements Department within the Regulatory Affairs organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include development of cost recovery proposals, analyses in support of testimony and various reports filed at the Commission. In carrying out these responsibilities, I have acquired knowledge of the generation-related transactions types purchased for PG&E's electric portfolio, which are recorded to the BioRAM Memorandum Account and Biomass Memorandum Account. This declaration is based on my personal knowledge of PG&E's practices and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive information.

2. Based on my knowledge and experience, and in accordance with Decision (D.) 08-04-023, issued in Rulemaking 05-06-040, I make this declaration seeking confidential treatment of Appendix A contained in PG&E's Advice Letter 5478-E submitted in compliance with D.18-12-003 on February 19, 2019.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes data and information covered by Decision 06-06-066. The matrix also specifies why confidential protection is justified. Further, the data and information: (1) is not already public; and (2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text that is pertinent to my testimony in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on February 19, 2019 at San Francisco, California.

/s/

---

DONNA L. BARRY

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**DECLARATION OF ALICE GONG  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED IN PG&E'S  
IMPLEMENTATION OF DECISION 18-12-003  
(ADVICE LETTER 5478-E)**

I, Alice Gong, declare:

1. I am a Manager in the Portfolio Management department within the Energy Policy and Procurement organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include overseeing Commercial Policy and Compliance activities. This declaration is based on my personal knowledge of PG&E's practices and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive information.

2. Based on my knowledge and experience, and in accordance with Decision (D.) 08-04-023, issued in Rulemaking 05-06-040, I make this declaration seeking confidential treatment of Appendix C contained in PG&E's Advice Letter 5478-E submitted in compliance with D.18-10-003 on February 19, 2019.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes data and information covered by Decision 06-06-066. The matrix also specifies why confidential protection is justified. Further, the data and information: (1) is not already public; and (2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text that is pertinent to my testimony in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on February 19, 2019 at San Francisco, California.

/s/

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ALICE GONG



**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)  
ADVICE LETTER 5478-E  
FEBRUARY 19, 2019**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order that Data Corresponds To	Justification for Confidential Treatment	Length of Time Date To Be Kept Confidential
Confidential Appendix A	<p>Item VII.G (Bilateral Contract Terms and Conditions – Renewable Resource Contracts under RPS program)</p> <p>Item VII.G (Monthly Procurement Costs recorded in ERR)</p>	<p>This appendix reveals contract terms and conditions (i.e., detail pricing information) and recorded procurement costs that is market sensitive information, which if publicly disclosed could put PG&amp;E at a competitive disadvantage with regard to other market participants and could detrimentally impact PG&amp;E customers. The data cannot be aggregated in a way that allows for partial disclosure.</p>	Three years
Confidential Appendix C	Pub. Util. Code § 454.5(g)	<p>This appendix contains detailed information regarding PG&amp;E’s sales framework in the context of competitive solicitation protocols. Release of this market sensitive information could put PG&amp;E at a competitive disadvantage with regard to other market participants and could detrimentally impact PG&amp;E customers.</p>	Indefinite

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
	Energy Management Service	SCD Energy Solutions
Alta Power Group, LLC	Evaluation + Strategy for Social	
Anderson & Poole	Innovation	SCE
	GenOn Energy, Inc.	SDG&E and SoCalGas
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz &	
BART	Ritchie	SPURR
	Green Charge Networks	San Francisco Water Power and Sewer
Barkovich & Yap, Inc.	Green Power Institute	Seattle City Light
P.C. CalCom Solar	Hanna & Morton	Sempra Utilities
California Cotton Ginners & Growers Assn	ICF	Southern California Edison Company
California Energy Commission	International Power Technology	Southern California Gas Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Spark Energy
California State Association of Counties	Kelly Group	Sun Light & Power
Calpine	Ken Bohn Consulting	Sunshine Design
	Keyes & Fox LLP	Tecogen, Inc.
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc.	TerraVerde Renewable Partners
Casner, Steve	Linde	Tiger Natural Gas, Inc.
Cenergy Power	Los Angeles County Integrated Waste	
Center for Biological Diversity	Management Task Force	TransCanada
City of Palo Alto	Los Angeles Dept of Water & Power	Troutman Sanders LLP
	MRW & Associates	Utility Cost Management
City of San Jose	Manatt Phelps Phillips	Utility Power Solutions
Clean Power Research	Marin Energy Authority	Utility Specialists
Coast Economic Consulting	McKenzie & Associates	
Commercial Energy	Modesto Irrigation District	Verizon
County of Tehama - Department of Public	Morgan Stanley	Water and Energy Consulting
Works	NLine Energy, Inc.	Wellhead Electric Company
Crossborder Energy	NRG Solar	Western Manufactured Housing
Crown Road Energy, LLC		Communities Association (WMA)
Davis Wright Tremaine LLP		Yep Energy
Day Carter Murphy	Office of Ratepayer Advocates	
	OnGrid Solar	
Dept of General Services	Pacific Gas and Electric Company	
Don Pickett & Associates, Inc.		
Douglass & Liddell		