

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



April 25, 2019

Advice Letter 5516-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: Implementation of Resolution E-4977 Amending the Bioenergy Renewable Auction Mechanism (BioRAM) Program and Extension of Certain Contracts Pursuant to Senate Bill 901

Dear Mr. Jacobson:

Advice Letter 5516-E is effective as of May 2, 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

April 2, 2019

Advice 5516-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Implementation of Resolution E-4977 Amending the Bioenergy Renewable Auction Mechanism (BioRAM) Program and Extension of Certain Contracts pursuant to Senate Bill 901

Purpose

Pacific Gas and Electric Company (“PG&E”) respectfully submits this advice letter in compliance with Ordering Paragraph 2 (“OP”) of California Public Utilities Commissions’ (“CPUC” or “Commission”) Resolution E-4977 (the “Resolution”)¹. The Resolution requires the Investor-Owned Utilities (“IOUs”), including PG&E, to amend certain Bioenergy Renewable Auction Mechanism (“BioRAM”)² contracts and other biomass contracts related to compliance, reporting, payment, terms of default, feedstock requirements and contract term length. The Resolution implements certain biomass provisions of Senate Bill 901 (2018), which in part address biomass energy as a means of reducing the risk of wildfire in high hazard zones.

Background

In OP 2 of the Resolution, the Commission directed PG&E to submit a compliance submittal by Tier 2 advice letter within sixty days of the January 31, 2019 effective date³ of the Resolution containing the following required contract amendments and contract related information:⁴

- a) the expanded High Hazard Zone (“HHZ”) definition described in part 1 of the Resolution;

¹ On March 15, 2018, PG&E requested an extension of 120 days to July 30, 2019 to demonstrate compliance with OP 2, Subsections (a), (b), (c), (f), (g) and (h). The extension request was granted in a letter from Executive Director Alice Stebbins, dated March 22, 2019. Accordingly, this Advice Letter complies with the remaining requirements of OP 2.

² BioRAM contracts are those entered into pursuant to Resolutions E-4770 and E-4805.

³ Sixty days fell on April 1, 2019, which is a Commission holiday, so due date moved to the next business day (April 2, 2019.)

⁴ Resolution at pp. 35-36

- b) the monthly opt-out and reporting option with revised payment and other terms described in part 2 of the Resolution;
- c) if applicable, the removal of missing mandated fuel or feedstock usage levels as an event of default as described in part 2 of the Resolution;
- d) a list of all PG&E's biomass contracts and an explanation for why each contract does or does not meet the criteria of Pub. Util. Code § 8388;
- e) a showing that PG&E has contacted all its contracted BioRAM facilities and other eligible biomass facilities;
- f) the air quality reporting requirements described in the Other Issues section of the Resolution;
- g) if applicable, or if a contract with an eligible seller has already expired, a new or amended contract that extends the contract term length, includes the feedstock requirements of BioRAM 2⁵, as described in part 3 of the Resolution, and requires sellers to attest that their biomass facilities are physically capable of using HHZ and sustainable forest management fuel and have any permits necessary to do so;
- h) if applicable, or if a contract with an eligible seller has already expired and has not been extended pursuant to subsection g of this subsection, an attestation that PG&E and the eligible seller do not wish to execute contracts with an extended term length and the fuel and feedstock requirements of BioRAM 2 or do not agree on terms, and supporting documentation to show that all reasonable efforts were made by PG&E, including an Independent Evaluator report on the negotiations; and
- i) proposed modifications to sections related to representations and warranties and events of default for eligible biomass contracts being amended or executed pursuant to the Resolution to account for PG&E's status in bankruptcy and the related jurisdiction of a federal bankruptcy court.

On March 15, 2019, PG&E submitted a letter to the Commission's Executive Director pursuant to Commission Rule 16.6 requesting an extension until July 30, 2019 to comply with the requirements set forth in subsections (a), (b), (c), (f), (g), and (h), of OP 2 as detailed above. This request was granted on March 22, 2019. As a result, this Advice Letter demonstrates compliance with the remaining parts of OP 2, specifically: subsections (d), (e), (h)⁶, and (i).

⁵ The term "BioRAM 2," as used in Resolution E-4977, OP 2, refers to the program terms and requirements established by the Commission in Resolution E-4805.

⁶ PG&E is only demonstrating compliance with OP 2(h) of the Resolution at this time with regard to one of its eligible counterparties. Compliance with OP 2(h) with regard to other eligible counterparties was extended pursuant to the Rule 16.6 extension granted by the Commission's Executive Director, discussed above.

Compliance with OP 2(d)

PG&E is providing as Attachment A to this Advice Letter a list of biomass contracts and an explanation for why each contract does or does not meet the criteria of Public Utilities Code Section 8388.

Compliance with OP 2(e)

PG&E is providing as Attachment B to this Advice Letter a showing that PG&E has contacted all of its contracted BioRAM facilities and other eligible biomass facilities. Specifically, PG&E is providing the text of the e-mail that it sent to the BioRAM and other eligible counterparties.

Compliance with OP 2(h)

PG&E is providing as Attachment C to this Advice Letter an attestation that PG&E and one of the eligible sellers do not wish to execute contracts with an extended term length and the fuel and feedstock requirements of BioRAM 2. Appended to the attestation are the communications between PG&E and the counterparty. Attachment C also includes the report of the assigned Independent Evaluator.

Compliance with OP 2(i)

PG&E is providing as Attachment D to this Advice Letter the language it proposes adding to its form BioRAM contracts, including any new or amended contracts executed pursuant to Section 8388 of the Public Utilities Code, to account for PG&E's status in bankruptcy and the related jurisdiction of a federal bankruptcy court. These provisions mirror the standard terms and conditions recently approved by the Commission in Resolution E-4995 to be added to the standard form contracts in the Bioenergy Market Adjusting Tariff, Green Tariff Shared Renewables, and Assembly Bill 1613 Combined Heat and Power programs, and, solely for amendments of existing BioRAM contracts, include some additional language addressing modifications of pre-petition contracts under bankruptcy law. If approved, PG&E will include these modifications when it executes additional contracts or extensions pursuant to SB 901 and Resolution E-4977.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than April 22, 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, 4th 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 submittal become effective on May 2, 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 R.18-07-003. 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

- Attachment A: PG&E's Biomass Contracts and applicability of Pub. Util. Code § 8388
- Attachment B: Demonstration of Contact of Contracted BioRAM facilities (and other eligible biomass facilities);
- Attachment C: Attestation Regarding Expired Contract
- Attachment D: PG&E Proposed Bankruptcy Language
- Attachment E: Confidentiality Declaration and Matrix

cc: Cheryl Lee, Energy Division
Service List for R.18-07-003



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) #: 5516-E

Tier Designation: 2

Subject of AL: Implementation of Resolution E-4977 Amending the Bioenergy Renewable Auction Mechanism (BioRAM) Program and Extension of Certain Contracts pursuant to Senate Bill 901

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 #:

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: Monardi, Marino, M3Mt@pge.com, (415)973-8573

Resolution required? Yes No

Requested effective date: 5/2/19

No. of tariff sheets: N/A

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:

Service affected and changes proposed¹: N/A

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

¹Discuss 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

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

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

Attachment A

PG&E's Biomass Contracts and applicability of Pub.
Util. Code § 8388

PG&E biomass contracts expiring on or after 1/1/2018

Lognumber	Public Name	Technology	Expiration Date	BioRAM Contract (E-4770 or E-4805)	Operative in 2018 and expires on or before 12/31/2023 (Yes/no)	Located in federal severe or extreme nonattainment areas (Yes/No)	Contract qualifies under E-4977 to seek to extend (Yes/No)
16C091	Redwood Food Packing Co	Biomass	12/31/2049		No		No
16P054	Thermal Energy Dev. Corp.	Biomass	5/30/2020	No	Yes	Yes	No
33R016	El Nido Biomass Facility	Biomass	2/8/2031		No		No
33R017	Chowchilla Biomass Facility	Biomass	2/8/2031		No		No
33R038	Wadham Energy LP	Biomass	5/31/2018	No	Yes	No	Yes
33R075	Woodland Biomass	Biomass	2/29/2020	No	Yes	No	Yes
33R076AB	Ortialita Power Company	Biomass	6/16/2026		No		No
33R082	Mt. Poso	Biomass	2/20/2027		No		No
33R099	DTE Stockton	Biomass	2/20/2039		No		No
33R254	SPI Biomass Portfolio	Biomass	9/8/2035		No		No
33R404	Burney Forest Products	Biomass	10/31/2022	BioRAM	Yes	No	Yes
33R406	Wheelabrator Shasta	Biomass	12/1/2022	BioRAM	Yes	No	Yes
33R433BIO	North Fork Community Power	Biomass	7/29/2039		No		No
33R436BIO	Blue Mountain Electric Company	Biomass	12/30/2039		No		No
33R437BIO	Hat Creek Bioenergy, LLC	Biomass	10/14/2040		No		No
33R441BIO	Napa Recycling Biomass Plant	Biomass	6/24/2040		No		No

Attachment B

Demonstration of Contact of Contracted BioRAM facilities (and other eligible biomass facilities);

PG&E's Demonstration of Contact of Contracted BioRAM Facilities and Other Eligible Biomass Facilities

Resolution E-4977 (the Resolution) required PG&E to provide supporting documentation demonstrating it had contacted all their contracted BioRAM facilities and other eligible biomass facilities¹ to offer negotiations for contract amendments consistent with the Resolution.

In compliance with Resolution E-4977, PG&E contacted its contracted BioRAM facilities and other potentiality eligible biomass facilities via email on February 19, 2019. These emails are included below as part of this attachment in order to show compliance with the Resolution.

¹ Eligible sellers are all counterparties to BioRAM contracts and any other biomass contracts that were operative at any time in 2018 and expire or expired on or before December 31, 2023. Sellers that operate facilities located in federal severe or extreme nonattainment areas for particulate matter or ozone are not eligible for contract extensions.

From: [REDACTED]
Sent: Tuesday, February 19, 2019 4:50 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: PG&E Outreach Regarding Resolution E-4977 for Burney Forest Products, A Joint Venture

Eligible Biomass Facility,

Section 43 of California Senate Bill 901 (2018), as codified at California Public Utilities Code Section 8388, requires PG&E to seek to amend existing contracts, or to execute a new contract, with certain qualifying biomass generators, so long as the new or extended contract follows the high-hazard zone (HHZ) feedstock requirements set forth in subdivision (b) of Section 399.20.3 of the California Public Utilities Code. The California Public Utilities Commission (CPUC) implemented this new statutory provision by issuing Resolution E-4977 on February 6, 2019. Among other implementation requirements, the CPUC ordered that any contract amendments or contract extensions executed pursuant to Section 8388 must be accompanied by an attestation from the respective sellers/generators “to attest that their biomass facilities are physically capable of using HHZ and sustainable forest management fuel and have any necessary permits to do so.”^[1]

Consistent with Ordering Paragraphs 2 and 3 of that Resolution, Pacific Gas & Electric (PG&E) is contacting eligible biomass facilities to initiate discussions to determine if counterparties are interested in seeking to amend existing contracts, or to enter new contracts, consistent with the terms set forth in the CPUC’s Resolution. We have preliminarily identified that the power purchase agreement between PG&E and Burney Forest Products, A Joint Venture may be eligible for extension or amendment under the Section 8388 criteria. To facilitate further discussions, please respond to this email by March 5, 2019 on behalf of Burney Forest Products, A Joint Venture to confirm your interest in seeking to amend the existing contract or to enter into a new contract, if the facility’s existing contract has already expired. If Burney Forest Products, A Joint Venture is not interested in seeking to amend existing contracts, or in entering into a new contract consistent with the terms set forth in CPUC Resolution E-4977, please provide a written response to this email by March 5, 2019 to indicate your lack of interest.

This response may be provided by PG&E in a public Advice Letter to the CPUC to demonstrate compliance with Resolution E-4977.

If you are not an authorized representative of Burney Forest Products, A Joint Venture, please notify PG&E immediately by replying to this email.

[REDACTED]
Structured Transactions
Pacific Gas and Electric Company
[REDACTED]

This correspondence is for discussion purposes only. It is not an offer to buy or sell. Any agreements between the parties are subject to PG&E senior management approval and the prior execution of definitive documents.

^[1] Resolution E-4977, Ordering Paragraphs 2.g. and 3.a.

From: [REDACTED]
Sent: Tuesday, February 19, 2019 4:51 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: PG&E Outreach Regarding Resolution E-4977 for Wadham Energy Limited Partnership

Eligible Biomass Facility,

Section 43 of California Senate Bill 901 (2018), as codified at California Public Utilities Code Section 8388, requires PG&E to seek to amend existing contracts, or to execute a new contract, with certain qualifying biomass generators, so long as the new or extended contract follows the high-hazard zone (HHZ) feedstock requirements set forth in subdivision (b) of Section 399.20.3 of the California Public Utilities Code. The California Public Utilities Commission (CPUC) implemented this new statutory provision by issuing Resolution E-4977 on February 6, 2019. Among other implementation requirements, the CPUC ordered that any contract amendments or contract extensions executed pursuant to Section 8388 must be accompanied by an attestation from the respective sellers/generators “to attest that their biomass facilities are physically capable of using HHZ and sustainable forest management fuel and have any necessary permits to do so.”^[1]

Consistent with Ordering Paragraphs 2 and 3 of that Resolution, Pacific Gas & Electric (PG&E) is contacting eligible biomass facilities to initiate discussions to determine if counterparties are interested in seeking to amend existing contracts, or to enter new contracts, consistent with the terms set forth in the CPUC’s Resolution. We have preliminarily identified that the power purchase agreement between PG&E and Wadham Energy Limited Partnership may be eligible for extension or amendment under the Section 8388 criteria. To facilitate further discussions, please respond to this email by March 5, 2019 on behalf of Wadham Energy Limited Partnership to confirm your interest in seeking to amend the existing contract or to enter into a new contract, if the facility’s existing contract has already expired. If Wadham Energy Limited Partnership is not interested in seeking to amend existing contracts, or in entering into a new contract consistent with the terms set forth in CPUC Resolution E-4977, please provide a written response to this email by March 5, 2019 to indicate your lack of interest.

This response may be provided by PG&E in a public Advice Letter to the CPUC to demonstrate compliance with Resolution E-4977.

If you are not an authorized representative of Wadham Energy Limited Partnership, please notify PG&E immediately by replying to this email.

[REDACTED]
Structured Transactions
Pacific Gas and Electric Company
[REDACTED]

This correspondence is for discussion purposes only. It is not an offer to buy or sell. Any agreements between the parties are subject to PG&E senior management approval and the prior execution of definitive documents.

^[1] Resolution E-4977, Ordering Paragraphs 2.g. and 3.a.

From: [REDACTED]
Sent: Tuesday, February 19, 2019 4:49 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: PG&E Outreach Regarding Resolution E-4977 for Wheelabrator Shasta Energy Company Inc.

Eligible Biomass Facility,

Section 43 of California Senate Bill 901 (2018), as codified at California Public Utilities Code Section 8388, requires PG&E to seek to amend existing contracts, or to execute a new contract, with certain qualifying biomass generators, so long as the new or extended contract follows the high-hazard zone (HHZ) feedstock requirements set forth in subdivision (b) of Section 399.20.3 of the California Public Utilities Code. The California Public Utilities Commission (CPUC) implemented this new statutory provision by issuing Resolution E-4977 on February 6, 2019. Among other implementation requirements, the CPUC ordered that any contract amendments or contract extensions executed pursuant to Section 8388 must be accompanied by an attestation from the respective sellers/generators “to attest that their biomass facilities are physically capable of using HHZ and sustainable forest management fuel and have any necessary permits to do so.”^[1]

Consistent with Ordering Paragraphs 2 and 3 of that Resolution, Pacific Gas & Electric (PG&E) is contacting eligible biomass facilities to initiate discussions to determine if counterparties are interested in seeking to amend existing contracts, or to enter new contracts, consistent with the terms set forth in the CPUC’s Resolution. We have preliminarily identified that the power purchase agreement between PG&E and Wheelabrator Shasta Energy Company Inc. may be eligible for extension or amendment under the Section 8388 criteria. To facilitate further discussions, please respond to this email by March 5, 2019 on behalf of Wheelabrator Shasta Energy Company Inc. to confirm your interest in seeking to amend the existing contract or to enter into a new contract, if the facility’s existing contract has already expired. If Wheelabrator Shasta Energy Company Inc. is not interested in seeking to amend existing contracts, or in entering into a new contract consistent with the terms set forth in CPUC Resolution E-4977, please provide a written response to this email by March 5, 2019 to indicate your lack of interest.

This response may be provided by PG&E in a public Advice Letter to the CPUC to demonstrate compliance with Resolution E-4977.

If you are not an authorized representative of Wheelabrator Shasta Energy Company Inc., please notify PG&E immediately by replying to this email.

[REDACTED]
Structured Transactions
Pacific Gas and Electric Company
[REDACTED]

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^[1] Resolution E-4977, Ordering Paragraphs 2.g. and 3.a.

From: [REDACTED]
Sent: Tuesday, February 19, 2019 4:51 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: PG&E Outreach Regarding Resolution E-4977 for Woodland Biomass Power, LTD

Eligible Biomass Facility,

Section 43 of California Senate Bill 901 (2018), as codified at California Public Utilities Code Section 8388, requires PG&E to seek to amend existing contracts, or to execute a new contract, with certain qualifying biomass generators, so long as the new or extended contract follows the high-hazard zone (HHZ) feedstock requirements set forth in subdivision (b) of Section 399.20.3 of the California Public Utilities Code. The California Public Utilities Commission (CPUC) implemented this new statutory provision by issuing Resolution E-4977 on February 6, 2019. Among other implementation requirements, the CPUC ordered that any contract amendments or contract extensions executed pursuant to Section 8388 must be accompanied by an attestation from the respective sellers/generators “to attest that their biomass facilities are physically capable of using HHZ and sustainable forest management fuel and have any necessary permits to do so.”^[1]

Consistent with Ordering Paragraphs 2 and 3 of that Resolution, Pacific Gas & Electric (PG&E) is contacting eligible biomass facilities to initiate discussions to determine if counterparties are interested in seeking to amend existing contracts, or to enter new contracts, consistent with the terms set forth in the CPUC’s Resolution. We have preliminarily identified that the power purchase agreement between PG&E and Woodland Biomass Power, LTD may be eligible for extension or amendment under the Section 8388 criteria. To facilitate further discussions, please respond to this email by March 5, 2019 on behalf of Woodland Biomass Power, LTD to confirm your interest in seeking to amend the existing contract or to enter into a new contract, if the facility’s existing contract has already expired. If Woodland Biomass Power, LTD is not interested in seeking to amend existing contracts, or in entering into a new contract consistent with the terms set forth in CPUC Resolution E-4977, please provide a written response to this email by March 5, 2019 to indicate your lack of interest.

This response may be provided by PG&E in a public Advice Letter to the CPUC to demonstrate compliance with Resolution E-4977.

If you are not an authorized representative of Woodland Biomass Power, LTD, please notify PG&E immediately by replying to this email.

[REDACTED]
Structured Transactions
Pacific Gas and Electric Company
[REDACTED]

This correspondence is for discussion purposes only. It is not an offer to buy or sell. Any agreements between the parties are subject to PG&E senior management approval and the prior execution of definitive documents.

^[1] Resolution E-4977, Ordering Paragraphs 2.g. and 3.a.

Attachment C

Attestation Regarding Wadham Energy L.P.
(including Independent Evaluator Report)

Resolution E-4997: PG&E Expired Contract with Wadham Energy L.P.

Resolution E-4997, Ordering Paragraph 2(h) requires that if a contract with an eligible seller has already expired and has not been extended, PG&E must provide:

“an attestation that the buyer and the eligible seller do not wish to execute contracts with an extended term length and the fuel and feedstock requirements of BioRAM 2 or do not agree on terms, and supporting documentation to show that all reasonable efforts were made by the buyer, including an Independent Evaluator report on the negotiations”¹

In this attachment, PG&E is providing an attestation from an employee of PG&E regarding the lack of interest in Wadham Energy L.P. in a new or amended contract on the terms required in Resolution E-4997, a copy of the email exchange between PG&E and Enpower, and an Independent Evaluator report on this interaction.

¹ Resolution E-4997 at p. 36.

Declaration of Alan Wecker Regarding Lack of Interest of Wadham Energy L.P. in a New Power Purchase Agreement Pursuant to Senate Bill 901 and Resolution E-4977

I, Alan Wecker, declare:

1. I am presently employed by Pacific Gas and Electric Company (“PG&E”), and have been an employee at PG&E since 2014. My current title is Principal Analyst, Structured Energy Transactions, within PG&E’s Energy Policy and Procurement organization. In this position, my responsibilities include negotiating transactional agreements on behalf of PG&E. Specifically, I represent PG&E in commercial negotiations regarding the implementation of Senate Bill (“SB”) 901 (2018), as implemented in part by California Public Utilities Commission Resolution E-4977. The purpose of these negotiations has been to amend existing Bioenergy Renewable Auction Mechanism (“BioRAM”) contracts and to offer extended or new contracts to certain qualifying biomass generators.

2. Based on my knowledge and experience, I make this declaration in support of PG&E’s Advice Letter 5516-E, which demonstrates PG&E’s compliance with Resolution E-4977.

3. PG&E had a Power Purchase Agreement (“PPA”) with Wadham Energy L.P. (Wadham) for the output of a biomass generation facility. Wadham is currently owned by Enpower Corporation. This PPA expired in 2018, making Wadham potentially eligible for a new contract under SB 901, as implemented by Resolution E-4977.

4. Pursuant to Resolution E-4977, I contacted a representative of Wadham via email on February 19, 2019. The purpose of this email was to request Wadham’s statement of interest or disinterest in an amended or new contract pursuant to the terms of SB 901 and Resolution E-4977. The text of this email is provided in Appendix 1 to this Declaration.

5. On March 7, 2019, I left both a voice message and sent the Wadham representative an additional email to determine interest in pursuing a new or amended contract. The text of this additional email is provided in Appendix 1 to this Declaration.

6. The representative of Enpower Corporation responded via email to me on March 7, 2019, stating that Enpower Corporation was not interested in the offer at this time. The text of this reply email is provided in Appendix 1 to this Declaration.

7. The Independent Evaluator assigned to this matter was included on each of these email communications.

8. It is my understanding and belief, based upon these exchanges, that PG&E and Wadham do not wish to execute contracts with an extended term length and the fuel and

feedstock requirements of the BioRAM 2 program.

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

A handwritten signature in black ink, appearing to read "Alan Wecker", written over a horizontal line.

Alan Wecker

Appendix 1 to Attestation of Alan Wecker

From: [REDACTED]
Sent: Thursday, March 7, 2019 10:41 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: PG&E Outreach Regarding Resolution E-4977 for Wadham Energy Limited Partnership

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

hi [REDACTED],

we are not currently interested in such hhz agreements.

thanks,

[REDACTED]

Sent from my iPhone

On Mar 7, 2019, at 10:28 AM, [REDACTED] wrote:

[REDACTED],

Per my voicemail, I wanted to follow up to determine whether Enpower Corp is interested in the offer described below. Please provide your response via email so we can properly document your decision.

Thanks,

[REDACTED]

From: [REDACTED]
Sent: Tuesday, February 19, 2019 4:51 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: PG&E Outreach Regarding Resolution E-4977 for Wadham Energy Limited Partnership

Eligible Biomass Facility,

Section 43 of California Senate Bill 901 (2018), as codified at California Public Utilities Code Section 8388, requires PG&E to seek to amend existing contracts, or to execute a new contract, with certain qualifying biomass generators, so long as the new or extended contract follows the high-hazard zone (HHZ) feedstock requirements set forth in subdivision (b) of Section 399.20.3 of the California Public Utilities Code. The California Public Utilities Commission (CPUC) implemented this new statutory provision by issuing Resolution E-4977 on February 6, 2019. Among other implementation requirements, the CPUC ordered that any contract amendments or contract extensions executed pursuant to Section 8388 must be accompanied by an attestation from the respective sellers/generators "to attest that their biomass

facilities are physically capable of using HHZ and sustainable forest management fuel and have any necessary permits to do so.”^[1]

Consistent with Ordering Paragraphs 2 and 3 of that Resolution, Pacific Gas & Electric (PG&E) is contacting eligible biomass facilities to initiate discussions to determine if counterparties are interested in seeking to amend existing contracts, or to enter new contracts, consistent with the terms set forth in the CPUC’s Resolution. We have preliminarily identified that the power purchase agreement between PG&E and Wadham Energy Limited Partnership may be eligible for extension or amendment under the Section 8388 criteria. To facilitate further discussions, please respond to this email by March 5, 2019 on behalf of Wadham Energy Limited Partnership to confirm your interest in seeking to amend the existing contract or to enter into a new contract, if the facility’s existing contract has already expired. If Wadham Energy Limited Partnership is not interested in seeking to amend existing contracts, or in entering into a new contract consistent with the terms set forth in CPUC Resolution E-4977, please provide a written response to this email by March 5, 2019 to indicate your lack of interest.

This response may be provided by PG&E in a public Advice Letter to the CPUC to demonstrate compliance with Resolution E-4977.

If you are not an authorized representative of Wadham Energy Limited Partnership, please notify PG&E immediately by replying to this email.

Structured Transactions
Pacific Gas and Electric Company

This correspondence is for discussion purposes only. It is not an offer to buy or sell. Any agreements between the parties are subject to PG&E senior management approval and the prior execution of definitive documents.

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^[1] Resolution E-4977, Ordering Paragraphs 2.g. and 3.a.

ARROYO SECO CONSULTING
MARCH 14, 2019

REPORT OF THE INDEPENDENT EVALUATOR ON
PG&E'S OUTREACH TO WADHAM ENERGY L.P.

The California Public Utilities Commission's Resolution E-4977, which implemented the requirements of Senate Bill 901, required Pacific Gas & Electric Company (PG&E) to offer negotiations for contract amendments to all eligible sellers that might be in a position to deliver renewable energy based on burning biomass fuels from dead or dying trees harvested from High Hazard Zones (HHZs). This was a very short list of potential sellers. Eligibility of potential sellers was defined as

“Eligible sellers are all counterparties to BioRAM contracts and any other biomass contracts that were operative at any time in 2018 and expire or expired on or before December 31, 2023, except for sellers that operate facilities located in federal severe or extreme nonattainment areas for particulate matter or ozone are not eligible for contract extensions”.

PG&E had a ten-year Renewables Portfolio Standard contract with Wadham Energy L.P. (“Wadham”) that began energy deliveries in 2008 and terminated in May 2018. Wadham was eligible for a contract amendment or new contract based on Resolution E-4977's direction because the prior contract as in force for part of calendar 2018 and expired before 2023. Colusa County, where Wadham's facility is sited south of Williams, is an attainment zone for the federal standards for ozone and PM-2.5.

PG&E sent an e-mail communication to Wadham on February 19, 2019 that cited the Resolution and enquired whether Wadham would be interested in amending its prior contract or entering a new contract consistent with the Resolution. Wadham's biomass-fueled facility, however, has used agricultural waste, specifically rice chaff, or hulls, as its primary fuel since it began operations in 1990. It seems to Arroyo that Wadham is an unlikely candidate to seek a new contract that would require switching almost entirely to HHZ-based wood waste as primary fuel, given the generator's well-established fuel supply arrangements based on agricultural waste, the challenge of setting up completely new fuel supply logistics based on HHZ-derived feedstocks from distant forests, and Wadham's key role serving the disposal needs of Colusa County rice mills. The facility's owner, Enpower Corporation, responded to PG&E's enquiry on March 9 by e-mail and declined to pursue negotiations for a new contract based on HHZ fuels.

Based on this, Arroyo's opinion is that PG&E made all reasonable efforts to seek interest from Wadham Energy L.P. in negotiating a new contract for HHZ-based energy deliveries. While Wadham did not sign a full written attestation of its disinterest in pursuing such a contract¹, it was evident to Arroyo through independent side discussions that the eligible seller lacked interest in pursuing any new commercial arrangement that would require it to burn HHZ-based biomass fuels.

¹ As the prior contract between PG&E and Wadham had terminated almost a year previously, Arroyo believes that Wadham likely has no legal obligation to meet any contract administration duties requested by a former buyer such as executing attestations.

Attachment D

PG&E Proposed Bankruptcy Modifications

II. Definitions

Article I of the RAM PPA is amended to include or modify the following definitions:

“Chapter 11 Cases” means Buyer’s Chapter 11 bankruptcy cases pending before the United States Bankruptcy Court for the Northern District of California, Case Nos. 19-30088 (DM) and 19-30089 (DM).

XI. Sections 5.1(a)(iv) and 5.1(a)(v) are amended by adding the underlined text as follows:

(iv) such Party becomes Bankrupt, provided that, this Section 5.1(a)(iv) shall not apply with respect to Buyer until Buyer’s exit from the Chapter 11 Cases has occurred;
or

(v) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party, provided that, this Section 5.1(a)(v) shall not apply with respect to Buyer until Buyer’s exit from the Chapter 11 Cases has occurred.

XVI. Section 10.2(a) Modifications:

Section 10.2(a) is amended to read as follows:

(a) Seller General Representations and Warranties. On the Execution Date, ~~each Party represents and warrants to the other Party that as of the Execution Date:~~ Seller represents and warrants to Buyer that:

Sections 10.2(a)(ii), (iv), (ix) and (x) are amended to read as follows:

(ii) it has all regulatory authorizations necessary for it to perform its obligations under this Agreement, ~~except for (A) CPUC Approval in the case of Buyer, and (B) all permits necessary to install, operate and maintain the Project in the case of Seller;~~

(iv) the execution, delivery and performance of this Agreement ~~is~~ are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Laws applicable to it;

(ix) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of ~~the other party~~ Buyer in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement; and

(x) it has entered into this Agreement in connection with the conduct of its business and it has the capacity of the ability to make ~~or take~~ delivery of the Product as provided in the Agreement.

XVII. A new Section 10.2(d) is added:

(d) On the Execution Date, Buyer represents and warrants to Seller that:

(i) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation;

(ii) it has all the regulatory authorizations necessary for it to perform its obligations under this Agreement, except for CPUC Approval;

(iii) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code (as in effect as of the Execution Date of this Agreement)

(iv) the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Laws applicable to it;

(v) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;

(vi) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(vii) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the Seller in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement; and

(viii) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or the ability to take delivery of Product as provided in this Agreement.

XVIII. Section 10.3(a) is amended by adding the underlined text as follows:

(a) General Covenants. Each Party covenants ~~that~~ throughout the Delivery Term as follows; provided that, any breach of such covenant by Buyer that is caused by or the result of an order or directive of a court of competent jurisdiction relating to the Chapter 11 Cases shall not constitute an Event of Default with respect to Buyer under this Agreement and shall not entitle Seller to terminate this Agreement solely because of such breach by Buyer:

XX. Miscellaneous

(a) No Assumption. Buyer and its parent, PG&E Corporation (“PG&E Corp.”) (Buyer, together with PG&E Corp., the “Debtors”), are debtors-in-possession in the Chapter 11 Cases pending under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Northern District of California. Nothing herein shall be deemed to constitute an assumption of the Agreement, or a waiver or modification of Buyer’s rights to assume, assume and assign, or reject the Agreement pursuant to section 365 of the Bankruptcy Code. Buyer hereby reserves all rights available to Buyer under such proceedings. Any amounts paid by Buyer pursuant to this Agreement must be applied to Product provided to Seller on or after January 29, 2019 (the “Petition Date”) and shall not be applied to satisfy Claims (as defined in the Bankruptcy Code) arising prior to the Petition Date. [Note: this provision is only applicable to amendments of pre-petition agreements, and will not be included in new BioRAM contracts]

Attachment E
Confidentiality Declaration and Matrix

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

**DECLARATION SUPPORTING CONFIDENTIAL DESIGNATION
ON BEHALF OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

1. I, Marino Monardi, am the Director, Structured Energy Transactions in the Energy Policy and Procurement organization of Pacific Gas and Electric Company (“PG&E”), a California corporation. Fong Wan, the Senior Vice President of the Energy Policy and Procurement organization of PG&E, delegated authority to me to sign this declaration. My business office is located at:

Pacific Gas and Electric Company
77 Beale Street, Mail Code 25A
San Francisco, CA 94105

2. PG&E will produce the information identified in paragraph 3 of this Declaration to the California Public Utilities Commission (“CPUC”) or departments within or contractors retained by the CPUC in response to a CPUC audit, data request, proceeding, or other CPUC request.
3. Title and description of document(s): Attachment B and C to Advice Letter 5516-E in compliance with Commission Resolution E-4977 containing confidential personal information including names and contact information.
4. These documents contain confidential information that, based on my information and belief, has not been publicly disclosed. These documents have been marked as confidential, and the basis for confidential treatment and where the confidential information is located on the documents are identified on the following chart, with further detail provided in Appendix A, which is incorporated into this declaration:

Check	Basis for Confidential Treatment	Where Confidential Information is located on the documents
<input type="checkbox"/>	<p>Customer-specific data, which may include demand, loads, names, addresses, and billing data</p> <p>(Protected under PUC § 8380; Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029)</p>	
<input checked="" type="checkbox"/>	<p>Personal information that identifies or describes an individual (including employees), which may include home address or phone number; SSN, driver's license, or passport numbers; education; financial matters; medical or employment history (not including PG&E job titles); and statements attributed to the individual</p> <p>(Protected under Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)</p>	Attachment B and C
<input type="checkbox"/>	<p>Physical facility, cyber-security sensitive, or critical energy infrastructure data, including without limitation critical energy infrastructure information (CEII) as defined by the regulations of the Federal Energy Regulatory Commission at 18 C.F.R. § 388.113</p> <p>(Protected under Govt. Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR § 29.2)</p>	
<input type="checkbox"/>	<p>Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data</p> <p>(Protected under Civ. Code §§ 3426 <i>et seq.</i>; Govt. Code §§ 6254, <i>et seq.</i>, e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code § 1060; D.11-01-036)</p>	
<input type="checkbox"/>	<p>Corporate financial records</p> <p>(Protected under Govt. Code §§ 6254(k), 6254.15)</p>	

Third-Party information subject to non-disclosure or confidentiality agreements or obligations
(Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)

Other categories where disclosure would be against the public interest (Govt. Code § 6255(a))

5. The importance of maintaining the confidentiality of this information outweighs any public interest in disclosure of this information. This information should be exempt from the public disclosure requirements under the Public Records Act and should be withheld from disclosure.
6. I declare under penalty of perjury that the foregoing is true, correct, and complete to the best of my knowledge.
7. Executed on this 26th day of March, 2019 at San Francisco, California.



Marino Monardi
Director
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**ADVICE LETTER 5516-E
ATTACHMENT TO DECLARATION
APRIL 2, 2019**

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
Attachment B	Demonstration of Contact of Contracted BioRAM facilities (and other eligible biomass facilities)	Personal information that identifies or describes an individual (including employees)	Emails included in Attachment B
Attachment C	PG&E Attestation and IE Report Regarding Expired Contract	Personal information that identifies or describes an individual (including employees)	Emails included in Attachment C

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