

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE



June 9, 2020

**Advice Letter 5592-E and 5592-E-A**

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: Approval of the Chapter 11 Rider and Amendment to the As Available Combined Heat and Power (CHP) Power Purchase Agreement with Aera Energy LLC; Approval of the Chapter 11 Rider and Amendment to the standard contract for Qualifying Facilities with a Power Rating that is Less than or Equal to 20MW with Berry Petroleum Company, LLC and EIF Haypress, LLC; and Associated Cost Recovery**

Dear Mr. Jacobson:

Advice Letter 5592-E and 5592-E-A is approved as of May 28, 2020, per resolution E-5037 Ordering Paragraphs.

Sincerely,

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

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

January 17, 2020

**Advice 5592-E-A**  
 (Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Supplemental: Pacific Gas and Electric Company’s Supplemental Advice Letter Providing the Letter Agreement with EIF Haypress, LLC to extend their standard contract for Qualifying Facilities with a Power Rating that is Less than or Equal to 20MW**

**I. Purpose**

On July 24, 2019, Pacific Gas and Electric Company (PG&E) submitted Advice Letter (AL) 5592-E, which requested approval of one As-Available Combined Heat and Power (CHP) Power Purchase Agreement (PPA) and two standard contracts for Qualifying Facilities with a Power Rating that is Less than or Equal to 20 MW ( $\leq 20$  MW Public Utility Regulatory Policies Act (PURPA) PPA) (collectively, the AL 5592-E PPAs), and the associated cost recovery. The contracts for approval are as follows:

Counterparty	Facility	Contract Type	Resource Type	Capacity	Term	Cost Recovery
<b>Aera Energy LLC</b>	South Belridge Cogeneration Facility	As-Available CHP PPA	Natural gas	20 MW	7 years	CAM
<b>Berry Petroleum, LLC</b>	Tannehill	PURPA PPA	Natural gas	15.5 MW	7 Years	CAM
<b>EIF Haypress, LLC</b>	Haypress Creek-Lower Haypress, Middle	PURPA PPA	Hydro	12.5 MW	8 Months	PCIA: non-vintaged

EIF Haypress, LLC requested an extension for their  $\leq 20$  MW PURPA PPA. In this Supplemental Advice Letter, PG&E submits a copy of the letter agreement with EIF Haypress, LLC extending the PPA Term from 8 months to 16 months.

## II. Background

In Decision (D.) 10-12-035, the California Public Utilities Commission (CPUC) approved the QF/CHP Settlement Agreement (Settlement).<sup>1</sup> The Settlement includes several standard offer contracts for Qualifying Facilities (QFs), including the As-Available CHP PPA and the ≤20 MW PURPA PPA.<sup>2</sup> The Investor-Owned Utilities (IOU) are required to offer these contracts to QFs through December 31, 2020, the Settlement term end date.<sup>3</sup>

On January 29, 2019, PG&E filed for Chapter 11 Bankruptcy. The As-Available CHP PPA and the ≤20 MW PURPA PPA include provisions that are implicated by PG&E's Chapter 11 Bankruptcy Status. Aera Energy LLC requested to execute the As-Available CHP PPA for its South Belridge Cogeneration Facility. Both EIF Haypress, LLC and Berry Petroleum, LLC requested to execute the ≤20 MW PURPA PPA for their respective facilities. As such, PG&E is required to execute the As-Available CHP PPA and the ≤20 MW PURPA PPAs, but must also modify certain terms that are implicated by PG&E's status in Chapter 11 bankruptcy.

While the Settlement cannot be modified without agreement of all Settling Parties,<sup>4</sup> the Settlement Term Sheet permits modified Settlement PPAs if approved via a Tier 3 advice letter.<sup>5</sup> As such, PG&E submitted a Tier 3 advice letter on July 24, 2019 for approval of the following three PPAs with the contract costs be recoverable through the specified cost recovery mechanism:

1. Modified As-Available CHP PPA with Aera Energy LLC with contract costs recoverable through the Cost Allocation Method (CAM);
2. Modified PURPA PPA with Berry Petroleum, LLC with contract costs recoverable through the CAM;
3. Modified PURPA PPA with EIF Haypress, LLC with contract costs recoverable through the Portfolio Allocation Balancing Account (PABA) as part of the Power Charge Indifference Adjustment (PCIA) on a non-vintaged basis.

Subsequently, EIF Haypress, LLC requested an extension for their ≤20 MW PURPA PPA. PG&E executed a letter agreement on December 20, 2019 to extend the contract term

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<sup>1</sup> See Decision Adopting Proposed Settlement, D. 10-12-035.

<sup>2</sup> Id., Appendix A, Attachment A, Exhibit 7: Optional CHP PPA for eligible As-Available Facilities and Exhibit 6: Qualifying Facility PPA for facilities 20 MW or less.

<sup>3</sup> Id., Appendix A, Attachment A, Settlement Term Sheet, p. 75.

<sup>4</sup> Id., Appendix A, Attachment A, Settlement Agreement, pp. 4-5. (Settling Parties can review and contest "any Commission order that changes, modifies any portion of the Settlement agreement, deleted a term, or imposed a new term," and if resolution is not achieved, the Settlement will terminate.)

<sup>5</sup> Id., Appendix A, Attachment A, Settlement Term Sheet, Section 4.10.2. ("IOUs will utilize a Tier 3 Advice Letter for all other PPAs (new, repowering or existing PPAs that contain any material modification of the PPAs approved in this Settlement).")

from 8 months to 16 months. PG&E submits this supplemental advice letter pursuant to General Order 96-B Rule 7.5.1 to revise AL 5592-E to reflect that the Modified PURPA PPA with EIF Haypress, LLC has a contract duration of 16 months. There are no other revisions to AL 5592-E.

### **III. Protests**

Pursuant to GO 96-B, General Rule 7.5.1, PG&E requests to maintain the original protest and comment period designated in Advice 5592-E and not reopen the protest period.

### **IV. Effective Date**

PG&E requests that this Tier 3 advice submittal become effective upon Commission approval.

### **V. 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.16-02-007. 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 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**

Appendix A: Executed Letter Agreement with EIF Haypress, LLC

cc: Service List for R.16-02-007



# 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: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@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) #: 5592-E-A

Tier Designation: 3

Subject of AL: Supplemental: Pacific Gas and Electric Company's Supplemental Advice Letter Providing the Letter Agreement with EIF Haypress, LLC to extend their standard contract for Qualifying Facilities with a Power Rating that is Less than or Equal to 20MW

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:

Resolution required?  Yes  No

Requested effective date:

No. of tariff sheets: 0

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: N/A

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:

Advice 5592-E-A  
January 17, 2020

## **Appendix A**

**Executed Letter Agreement with EIP Haypress, LLC**



77 Beale Street  
San Francisco, CA 94105

Mailing Address  
Mail Code B25  
P. O. Box 770000  
San Francisco, CA 94177

December 18, 2019

John ("Chuck") Ahlrichs  
EIF Haypress, LLC  
14550 N Frank Lloyd Wright Boulevard, Suite 210  
Scottsdale, AZ 85260

**Subject: Letter Agreement Extending QF Contract EIF Haypress, LLC (PG&E Log No. 15H005QPA)**

Dear Mr. Ahlrichs:

This letter agreement ("Extension Agreement"), effective as of the last signature date below, refers to the Power Purchase and Sale Agreement between Pacific Gas and Electric Company ("Buyer") and EIF Haypress, LLC ("Seller") (collectively, the "Parties"), executed April 30, 2019 ("QF Contract"). The QF Contract has a Term Start Date of May 1, 2019; this Extension Agreement will extend the Term from eight (8) to sixteen (16) months as described below. Any capitalized term used but not defined in this Extension Agreement shall have the meaning provided in the QF Contract. The Parties hereby agree to revise the QF Contract as follows:

1. **Term:** Section 1.01 "Term" subsection (b) shall be deleted in its entirety and replaced with the following: "(b) The Term ends sixteen (16) months after the Term Start Date (the "Term End Date)";"
2. **No Other Changes:** All other provisions of the QF Contract shall remain in effect unchanged.

This Extension Agreement is not intended to be, nor should it be construed as, a waiver of any provision of the QF Contract or any waiver of Buyer's or Seller's rights and remedies, whether at law or in equity, under the QF Contract.

Each Party has caused this Extension Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

**EIF Haypress, LLC**

**Pacific Gas and Electric Company**

By: 

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

Print Name: Shawn Saint

Print Name: \_\_\_\_\_

Title: Authorized Signatory

Title: \_\_\_\_\_

Date: 12/19/2019

Date: \_\_\_\_\_



**Pacific Gas and  
Electric Company**

77 Beale Street  
San Francisco, CA 94105

Mailing Address  
Mail Code B25  
P. O. Box 770000  
San Francisco, CA 94177

December 18, 2019

John ("Chuck") Ahlrichs  
EIF Haypress, LLC  
14550 N Frank Lloyd Wright Boulevard, Suite 210  
Scottsdale, AZ 85260

**Subject: Letter Agreement Extending QF Contract EIF Haypress, LLC (PG&E Log No. 15H005QPA)**

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Each Party has caused this Extension Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

**EIF Haypress, LLC**

**Pacific Gas and Electric Company**

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

By: Marino Monardi

Print Name: \_\_\_\_\_

Print Name: Marino Monardi

Title: \_\_\_\_\_

Title: Director

Date: \_\_\_\_\_

Date: 20 Dec 2019

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