

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 26, 2019

Advice Letter 5603-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 5603-E is effective as of August 29, 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

July 30, 2019

Advice 5603-E

(Pacific Gas and Electric Company – 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 subsections (a) – (c), (f), (h) and (i) of Ordering Paragraph (OP) 2 of the California Public Utilities Commissions' (CPUC or Commission) Resolution E-4977 (the Resolution)¹ by submitting an unexecuted Letter Agreement (the Amendment) to amend an existing BioEnergy Renewable Auction Mechanism (BioRAM) contract between PG&E and Wheelabrator Shasta Energy Company Inc. (Wheelabrator) and confirmation from Woodland Biomass Power LTD (Woodland) of its lack of interest in entering into a new BioRAM contract pursuant to SB 901 and the Resolution.

Background

On October 30, 2015, Governor Brown issued an Emergency Proclamation addressing public safety from dead and dying trees and severe drought conditions. On March 17, 2016, the Commission issued Resolution E-4770 in response to the Proclamation requiring each IOU to enter into contracts to purchase their share of generating capacity from biomass generation facilities that use prescribed levels of high hazard zone (HHZ) material as feedstock. The IOUs were required to provide five- year contracts, with the right to extend the five- year contract term for one year at a time, up to a cumulative total of ten years. These contracts are known as "BioRAM 1" contracts.

In 2016, Senate Bill (SB) 859 was enacted and included a new requirement for IOUs to

¹ On March 15, 2019, 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.

procure additional shares from existing biomass facilities using prescribed amounts of dead and dying trees located in HHZ as feedstock. The bill also specified that procurement pursuant to Resolution E-4770 more than the procurement requirement shall count towards the SB 859 requirement. The Commission issued Resolution E-4805 to implement SB 859. New procurement contracts executed pursuant to Resolution E-4805 were known as “BioRAM 2” contracts.

The California Legislature passed SB 901 on August 31, 2018 and Governor Brown signed it into law on September 21, 2018. The Commission issued Resolution E-4977 on its own motion amending the BioRAM Program and ordering PG&E to seek an extension of certain biomass generation contracts for five years pursuant to Senate Bill (SB) 901 and to submit amendments to certain terms and conditions in the existing BioRAM contracts. Specifically, OP 2 of the Resolution required PG&E to file a Tier 2 advice letter seeking approval of amendments to PG&E’s existing BioRAM contracts and provide other information as follows:²

- OP 2(a): the expanded High Hazard Zone definition;
- OP 2(b): the monthly opt-out and reporting option with revised payment and other terms;
- OP 2(c): if applicable, the removal of missing mandated fuel or feedstock usage levels as an event of default;
- OP 2 (d): a list of all the IOU’s biomass contracts and an explanation for why each contract does or does not meet the criteria of Pub. Util. Code § 8388;
- OP 2 (e): a showing that the buyer has contacted all their contracted BioRAM facilities and other eligible biomass facilities;
- OP 2(f): the air quality reporting requirements;
- OP 2 (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 2, as described in part 3 of this 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;
- OP 2(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 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; and
- OP 2 (i): proposed modifications to sections related to representations and warranties and events of default for eligible biomass contracts being amended or executed pursuant to this Resolution to account for PG&E’s status in bankruptcy and the related jurisdiction of a federal bankruptcy court.

² Resolution E-4977, pp. 35-36.

On April 2, 2019, PG&E submitted Advice Letter (AL) 5516-E to comply in part with Resolution E-4977 providing: a list of all PG&E's biomass contracts; a showing that PG&E had contacted all its contracted BioRAM facilities and other eligible biomass facilities pursuant to Section³ 8388; an attestation regarding the lack of interest expressed by one qualifying counterparty for a contract extension pursuant to Section 8388 (including an Independent Evaluator (IE) Report); and proposed amendments to the BioRAM contracts related to PG&E's status in bankruptcy. On April 25, 2019, the Commission issued a Disposition Letter approving the unprotested AL 5516-E with an effective date of May 2, 2019.⁴

Prior to submitting Advice Letter 5516-E, PG&E requested and received an extension of time from the Commission's Executive Director pursuant to Commission Rule 16.6 for demonstrating compliance with certain other requirements set forth in Ordering Paragraph 2 of Resolution E-4977. The Commission set a new deadline of July 30, 2019, for PG&E to demonstrate remaining compliance with subsections (a), (b), (c) and (f), (g), and (h) of Ordering Paragraph 2, although it instructed PG&E to submit contract amendments earlier if issues could be resolved prior to that date.⁵

On April 26, 2019, PG&E submitted Advice Letter (AL) 5533-E in compliance with Resolution E-4977 seeking approval of a Letter Agreement (the Burney Amendment) to amend one of PG&E's two existing BioRAM contracts, this one between PG&E and Burney Forest Products (Burney). Advice Letter 5533-E was not protested and is awaiting disposition by the Commission.

Negotiations with Wheelabrator

Since Wheelabrator replied to PG&E's outreach on February 19, 2019, PG&E has been negotiating with Wheelabrator to amend its BioRAM contract. Further details on the negotiations between PG&E and Wheelabrator are included in confidential Appendix C.

In compliance with the Resolution, included in this Advice Letter filing is the final unexecuted amendment⁶ PG&E offered to Wheelabrator. The bankruptcy-related language included in the amendment is identical to the language previously proposed by PG&E in and approved by the Energy Division through disposition of Advice Letter 5516-E, described above. The remainder of the amendment includes terms and conditions

³ Unless otherwise noted, this and other references to Sections of statutory code in this Advice Letter are to the California Public Utilities Code.

⁴ AL 5516-E, submitted April 2, 2019, and approved on April 25, 2019 (available at https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5516-E.pdf)

⁵ Letter from Alice Stebbins, Executive Director, to Erik Jacobson, dated March 22, 2019 (served on the service list for R.18-07-003).

⁶ Resolution E-4977, p.36 (ordering PG&E "to file a Tier 2 advice letter . . . containing contract amendments.").

implementing the other requirements of Resolution E-4977 regarding existing BioRAM contracts⁷ and is consistent with the language executed by Burney and submitted to the Commission in Advice Letter 5533-E, also described above.

As of the date of this Advice Letter submission, Wheelabrator has declined to execute the Amendment attached to this Advice Letter. However, PG&E remains willing to execute the Amendment as attached to this Advice Letter if Wheelabrator wishes to do so in the future. PG&E will provide the Energy Division a quarterly update on the status of its outstanding offer and Wheelabrator's further response, if any. By negotiating with Wheelabrator in good faith, offering the Amendment to implement the terms of SB 901 and Resolution E-4977, submitting the unexecuted Amendment to the Commission, and committing to execute the Amendment in the future should Wheelabrator elect to do so, PG&E has made all reasonable efforts within its control to give effect to SB 901 and has complied with the remaining requirements of Resolution E-4977 applicable to existing BioRAM contracts.

A copy of the unexecuted Amendment is included as confidential Attachment A to this Advice Letter. The remaining documents that constitute the full power purchase agreement between Wheelabrator and PG&E, including the original contract and all subsequent amendments, are included as confidential Attachment B to this Advice Letter for purposes of clarity.⁸ The public version of the RAM standard contract and BioRAM Rider was submitted as Appendix B in Advice Letter 5533-E. The following table includes a summary of the modifications made by the Amendment and how each is related to the requirements set forth in Resolution E-4977:

Resolution E-4977 Reference	Reference in Amendment		Description
OP 2(a)	Definitions	"High Hazard Zones"	Expanded HHZ definition to include requirements pursuant to subdivisions (a), (f), (j), and (k) of Section 4584 of the Public Resources Code.
	Section 3.10	3.10(b)(i) Quarterly Submission	
	Section 3.10	3.10 (b)(ii) Monthly Submission	
	Section 3.10	3.10(c) Buyer's Audit Right	
	Appendix A	Form of [Monthly][Quarterly] Fuel Attestation	
OP 2(b)	Definitions	"Amended Price" "Feedstock Requirements" "Fuel Use Default Payment" "Registered Professional Forester" "Monthly Opt Out", "Monthly Fuel Attestation",	Monthly opt-out and reporting option with revised payment and other terms

⁷ The Amendment implements subsections (a) – (c), (f) and (i) of Ordering Paragraph 2 of Resolution E-4977.

⁸ The full agreement between PG&E and Wheelabrator includes: a power purchase agreement based on the Renewable Auction Mechanism ("RAM") form; a BioRAM Rider to the RAM form; and various letter agreements and minor amendments executed in the course of administering the contract.

		"Monthly Fuel Attestation Deadline",	
	Section 3.10	3.10(a)(i) Feedstock Requirements	
	Section 3.10	3.10(a)(iii) Monthly Option to Relieve Feedstock Obligations	
	Section 3.10	3.10(b)(i) Quarterly Submission	
	Section 3.10	3.10(b)(ii) Monthly Submission	
	Section 3.10	3.10(b)(iii) Failure to Submit	
	Section 6.1	6.1 Billing and Payment; Remedies	
	Section 6.4	6.4 Fuel Use Default Payment	
	Appendix A	Form of [Monthly][Quarterly] Fuel Attestation	
	Appendix B	High Hazard Fuel Use Calculation and Sustainable Forest Management Fuel Use Calculation	
OP 2(c)	Section 3.10	3.10(a)(ii) Failure to Meet Feedstock Requirements	Removal of missing mandated fuel or feedstock usage levels as an event of default
	Section 5.1	5.1(c)	
OP 2 (f)	Section 3.11	3.11 Air Pollution Control Reporting	Air quality reporting requirements
	Appendix C	Appendix C Air Quality Attestation	
OP 2 (g)	Section 10.3	10.3(b)(iv)	Attest that facility is physically capable of using HHZ and sustainable forest management fuel and have any permits necessary to do so
OP 2 (i)	Definitions	"Chapter 11 Cases"	Modifications to sections related to representations and warranties and events of default to account for PG&E's status in bankruptcy and the related jurisdiction of federal bankruptcy court.
	Section 5.1	5.1(a)(iv)	
	Section 5.1	5.1(a)(v)	
	Section 10.2	10.2(d)	
	Section 10.2	10.2(e)	
	Section 10.3	10.3(a)	

Negotiations with Woodland

On February 19, 2019, PG&E contacted Woodland to determine whether Woodland had an interest in entering into a new BioRAM contract pursuant to SB 901 and Resolution E-4977. On July 3, 2019, the representative of DTE Energy Services⁹ informed PG&E that Woodland was not interested in pursuing a new BioRAM contract at this time. Therefore, in compliance with OP 2(h), an email confirmation that attests that PG&E and Woodland do not wish to execute contracts with an extended term length and the fuel and feedstock requirements of BioRAM 2 is included to this advice letter as Attachments D and D1 along with an Independent Evaluator report on the negotiations as Attachments E and E1.

Independent Evaluator

An IE, Arroyo Seco Consulting (Arroyo), conducted a range of activities to review and check PG&E's processes as PG&E conducted outreach to owners of biomass-fueled power plants that are eligible under Resolution E-4977 for contract amendments or new contracts. The IE reviewed and assessed the process by which PG&E negotiated with Wheelabrator related to the Amendment. The IE also reviewed and assessed the process

⁹ Woodland Biomass Power, LTD is owned and operated by DTE Energy Services.

by which PG&E negotiated with Woodland to pursue a new BioRAM contract under Resolution E-4977. The detailed findings of the IE regarding the negotiations are contained in Attachments E and E1.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than August 19, 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 the Energy Division issue a disposition letter making this Tier 2 advice letter effective by August 29, 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: Unexecuted Amendment between PG&E and Wheelabrator (Confidential)
- Attachment B: Wheelabrator- remaining contracts including original contract and subsequent amendments (Confidential)
- Attachment C: Wheelabrator: Description of Negotiations in compliance with Resolution E-4977 (Confidential)
- Attachment D: Woodland Attestation (Confidential)
- Attachment D1: Woodland Attestation (Public)
- Attachment E: Independent Evaluator Report (Confidential)
- Attachment E1: Independent Evaluator Report (Public)

cc: Service List 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 U39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: AMHP@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) #: 5603-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, Agreement

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: E-4977

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: See Confidentiality Matrix

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: Alan Wecker (415) 973-7292; Marino Monardi (415)973-8573

Resolution required? Yes No

Requested effective date: 8/29/19

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: N/A

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:

**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 A: Wheelabrator Unexecuted Amendment, Attachment C Wheelabrator: Description of Negotiations in compliance with Resolution E-4977, Attachment D: Woodland Attestation, and Attachment E: Independent Evaluator Report to Advice Letter 5603-E.
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
	<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>	
X	<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>	<p>Attachment D:</p> <p>Woodland attestation includes confidential personal information including names and contact information</p>
<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>	

X

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)

Attachment A, C and E
– contains confidential information on the ongoing negotiations with Wheelabrator that are protected by an NDA

Other categories where disclosure would be against the public interest (Govt. Code § 6255(a) [NEED TO EXPLAIN HOW THE PUBLIC INTEREST SERVED BY NOT DISCLOSING THE RECORD CLEARLY OUTWEIGHS THE PUBLIC INTEREST SERVED BY DISCLOSURE]):

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 July, 2019 at San Francisco, California.



Marino Monardi

Director

Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

[INSERT NAME OF PROCEEDING AND/OR DOCKET NUMBER]
ATTACHMENT TO DECLARATION

July 26, 2019

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
Attachment A	Wheelabrator Unexecuted Amendment	Third-party information subject to non-disclosure or confidentiality agreements or obligations	Attachment A to AL 5603-E
Attachment C:	Wheelabrator: Description of Negotiations in compliance with Resolution E-4977	Customer-specific data, which may include demand, loads, names, addresses, and billing data	Attachment C to AL 5603-E
Attachment D:	Woodland Attestation	Third-Party information subject to non-disclosure or confidentiality agreements or obligations	Attachment D to AL 5603-E
Attachment E	Independent Evaluator Report	Third-Party information subject to	Attachment E to AL 5603-E

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
		non-disclosure or confidentiality agreements or obligations	

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

PACIFIC GAS AND ELECTRIC COMPANY

**DECLARATION OF ALAN WECKER
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER 5603-E**

I, Alan Wecker, declare:

1. I am a Principal Analyst in the Structured Energy Transactions department within the Energy Procurement and Policy organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include negotiating BioRAM related transactions on behalf of PG&E. 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 procurement information.

2. Based on my knowledge and experience, and in accordance with the Decisions 06-06-066, 08-04-023, and relevant Commission rules, I make this declaration seeking confidential treatment for certain procurement data and information contained in Advice Letter 5603-E.

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 confidential market sensitive procurement data and information covered by D.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 July 26, 2019 at San Francisco, California.

A handwritten signature in black ink, consisting of stylized cursive letters, positioned above a horizontal line.

Alan Wecker

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

Advice Letter 5603-E

July 26, 2019

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Statute or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document: Advice Letter 5603-E			
Attachment B: Wheelabrator PPA and amendments	VII G) Renewable Resource Contracts under RPS contracts -without SEPS	This attachment contains the original confidential PPA executed with Wheelabrator and subsequent executed amendments. Disclosure of this information would provide market sensitive information regarding the RPS-eligible contract and amendments.	Three Years

Attachment A:

Wheelabrator: Unexecuted Amendment

CONFIDENTIAL

Attachment B:

Wheelabrator: Original Contract + Subsequent Amendment

CONFIDENTIAL

Attachment C:

Wheelabrator: Description of PG&E Negotiation with Wheelabrator

CONFIDENTIAL

Attachment D:

Woodland Attestation

CONFIDENTIAL

Attachment D1:

Woodland Attestation

Public

**Declaration of Alan Wecker Regarding Lack of Interest of Woodland Biomass Power LTD
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 5603-E, which demonstrates PG&E’s compliance with Resolution E-4977.

3. PG&E is party to a Power Purchase Agreement (“PPA”) with Woodland Biomass Power LTD (Woodland) for the output of a biomass generation facility. Woodland is owned and operated by DTE Energy Services. This PPA will expire in in 2020, 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 Woodland The purpose of this outreach was to request Woodland’s statement of interest or disinterest in an amended or new contract pursuant to the terms of SB 901 and Resolution E-4977. Documentation supporting this outreach is provided in Appendix 1 to this Declaration.

5. The representative of Woodland responded via email to me on February 22, 2019, stating that Woodland was interested in the offer. The text of this reply email is provided in Appendix 1 to this Declaration.

6. While initial discussions were fruitful, Woodland did not respond via email and phone on several occasions beginning on March 15, 2019.

7. The representative of Woodland responded via email to me on July 3, 2019, stating that Woodland was no longer interested in the offer at this time. The text of this reply email is provided in Appendix 1 to this Declaration.

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

9. It is my understanding and belief, based upon these exchanges, that PG&E and Woodland 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 July 26, 2019, at San Francisco, California.



Alan Wecker

From: [John C Reis](#)
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: PG&E Outreach Regarding Resolution E-4977 for Woodland Biomass Power, LTD
Date: Wednesday, July 03, 2019 5:15:28 AM

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

Alan,

DTE Energy Services has had a change in senior leadership which has contributed to our delay in responding. After reviewing the economics and logistics of acquiring the required BioRAM program material (i.e. fuel), DTE has decided not to pursue a new contract under this program.

Regards,

John

Director – Asset Management

[REDACTED]

[REDACTED]

From: Wecker, Alan [REDACTED]

Sent: Tuesday, July 02, 2019 7:41 PM

To: [REDACTED]

Cc: [REDACTED]

[REDACTED]

Subject: [EXTERNAL] RE: PG&E Outreach Regarding Resolution E-4977 for Woodland Biomass Power, LTD

John,

Since March 15th 2019, PG&E has corresponded with DTE regarding the Woodland Biomass Facility on several occasions¹ related to PG&E's requirement to offer a new contract to certain eligible biomass facilities, including Woodland, that commit to meeting certain fuel use requirements, as required by SB 901 and Resolution E-4977. PG&E's outreach has included two emails and a voicemail. While DTE Energy initially indicated interest in a new BioRAM contract, PG&E has not heard from DTE since March 15th, 2019. If DTE Energy does not reply to this email by July 9th, PG&E will interpret DTE Energy's non-responsiveness as a lack of interest in a new contract, and will submit an advice letter to the CPUC documenting these exchanges. If Woodland is interested in executed a new contract pursuant to SB 901, please contact me at your earliest convenience given PG&E's current deadline of July 31, 2019 to submit any such contract.

¹ PG&E's outreach to DTE Energy on this matter after March 15th 2019 included emails dated 4/3/2019 & 4/24/2019, and a left voicemail on 6/3/2019.

Thanks,

Alan

From: John C Reis [REDACTED]

Sent: Friday, March 15, 2019 9:15 AM

To: [REDACTED]

Cc: [REDACTED]

[REDACTED]

[REDACTED]

Subject: RE: PG&E Outreach Regarding Resolution E-4977 for Woodland Biomass Power, LTD

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

Ted,

Woodland Biomass is interested in pursuing a contract under CPUC Resolution E-4977 once our existing contract expires in February 2020. However, we believe we will need between 4 and 6 months to complete contract negotiations, due diligence on fuel logistics, greater understanding of current bankruptcy proceedings and DTE management approvals.

I have reviewed all RAM agreement and the current Bio RAM 2 rider with my legal department and although we have some areas we want to discuss there are not any areas which I would call fatal flaws.

Regards,

John

Director – Asset Management

[REDACTED]

[REDACTED]

Attachment E1:

Independent Evaluator Report: Wheelabrator and Woodland

PUBLIC

ARROYO SECO CONSULTING

PACIFIC GAS AND
ELECTRIC COMPANY
CONTRACT
AMENDMENTS
PURSUANT TO SENATE
BILL 901

REPORT OF THE INDEPENDENT
EVALUATOR ON OUTREACH TO WOODLAND
BIOMASS POWER LTD. AND ON
NEGOTIATIONS WITH WHEELABRATOR
SHASTA ENERGY COMPANY INC.

JULY 25, 2019

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 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”.

A. PG&E’S OUTREACH TO WOODLAND BIOMASS POWER

PG&E has a ten-year RPS contract with Woodland Biomass Power Ltd. (Woodland) that began in early 2010 and will terminate in early 2020. This was not a BioRAM agreement, but Woodland is eligible for a contract amendment, and PG&E contacted it by e-mail in February 2019. Woodland is a subsidiary of Michigan-based DTE Energy Services, an affiliate of the integrated electric utility DTE Energy, formerly Detroit Edison. [REDACTED]

The facility has historically burned lower-cost fuels such as urban wood waste, orchard trimmings, and agricultural waste such as pits and shells. The Woodland facility is sited in Yolo County, which is a moderate non-attainment zone for the federal ozone and PM-2.5 standards and was previously a severe non-attainment zone under the 2008 federal ozone standard. Yolo County is not currently a federal severe or extreme non-attainment area. [REDACTED]

Based on this, Arroyo’s opinion is that PG&E made all reasonable efforts to seek interest from Woodland Biomass Power Ltd. in negotiating a new contract for HHZ-based energy deliveries. While Woodland did not sign a full written attestation of its disinterest in pursuing such a contract, it became evident from the communications between the parties that the eligible seller had, upon consideration, chosen not to pursue any new commercial arrangement that would require it to burn HHZ-based biomass fuels.

B. PG&E'S NEGOTIATIONS WITH WHEELABRATOR SHASTA

PG&E has two active BioRAM contracts for biomass-fueled energy produced from HHZ fuels, one that originated directly from its BioRAM solicitation in 2016 and the second from the competitive process it held later that year to enlarge deliveries of bioenergy from HHZ fuels pursuant to the CPUC's Resolution E-4805. PG&E contacted both sellers, Burney Forest Products and Wheelabrator Shasta Energy Company Inc ("Wheelabrator"), in February 2019 to ascertain whether the sellers had interest in seeking to amend and extend the existing contracts.

After Wheelabrator responded affirmatively to PG&E's initial outreach to seek its interest in contract amendments or new contracts, the parties commenced negotiations. PG&E requested and obtained from the CPUC a time extension for filing amendments to the existing contracts that would comply with the requirements of Resolution E-4977.

PG&E drafted a letter agreement that would amend the original BioRAM rider to the standard Renewable Auction Mechanism (RAM) agreement to incorporate the requirements of subsections (a) through (f) of Ordering Paragraph 2 of the Resolution, and provided it to eligible sellers including Wheelabrator. This served as the starting point for negotiations of an amendment of the existing contract. During discussions, PG&E proposed and Wheelabrator agreed to negotiate a separate new five-year contract rather than to extend the delivery term of the existing contract by an amendment.

The parties negotiated on several issues regarding PG&E's proposed letter agreement to amend the existing BioRAM contract:

- Bankruptcy case. [REDACTED]

1 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1 [REDACTED]

2 [REDACTED]

[Redacted text block]

[Redacted text block]

[Redacted text block]

- Buyer's audit right. [Redacted text block]

- Air pollution control reporting. [Redacted text block]

³ [Redacted text block]

[REDACTED]

[REDACTED]

- Monthly opt-out. [REDACTED]

[REDACTED]

While the parties negotiated with success on nearly all of their points of contention, they reached an impasse in their negotiations on the amendment in mid-July. Wheelabrator's negotiating position was that PG&E would need to provide two key concessions in the separate but parallel negotiations on a new five-year agreement before Wheelabrator would agree to execute a version of an amendment of the existing agreement that includes a provision with which Wheelabrator disagreed. PG&E declined to acquiesce to providing these two significant concessions, citing its need to protect ratepayers' interests in setting the terms of the new agreement, and would not delete the provision that it asserted was directed

to be included by the CPUC. Consequently, the parties were unable to execute an amendment to the existing agreement in July 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	International Power Technology	San Francisco Water Power and Sewer
California Energy Commission	Intestate Gas Services, Inc.	Seattle City Light
California Public Utilities Commission	Kelly Group	Sempra Utilities
California State Association of Counties	Ken Bohn Consulting	Southern California Edison Company
Calpine	Keyes & Fox LLP	Southern California Gas Company
	Leviton Manufacturing Co., Inc. Linde	Spark Energy
Cameron-Daniel, P.C.	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
Casner, Steve	Los Angeles Dept of Water & Power	Sunshine Design
Cenergy Power	MRW & Associates	Tecogen, Inc.
Center for Biological Diversity	Manatt Phelps Phillips	TerraVerde Renewable Partners
City of Palo Alto	Marin Energy Authority	Tiger Natural Gas, Inc.
	McKenzie & Associates	
City of San Jose	Modesto Irrigation District	TransCanada
Clean Power Research	Morgan Stanley	Troutman Sanders LLP
Coast Economic Consulting	NLine Energy, Inc.	Utility Cost Management
Commercial Energy	NRG Solar	Utility Power Solutions
County of Tehama - Department of Public Works		Utility Specialists
Crossborder Energy	Office of Ratepayer Advocates	
Crown Road Energy, LLC	OnGrid Solar	Verizon
Davis Wright Tremaine LLP	Pacific Gas and Electric Company	Water and Energy Consulting Wellhead Electric Company
Day Carter Murphy	Peninsula Clean Energy	Western Manufactured Housing Communities Association (WMA)
		Yep Energy
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		