

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



December 19, 2019

Advice Letter 5613-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: PG&E's 2018-2019 and 2019 Demand Response Auction Mechanism
Purchase Agreement Amendments**

Dear Mr. Jacobson:

Advice Letter 5613-E is effective as of August 7, 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



Erik Jacobson
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

August 7, 2019

Advice 5613-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: PG&E's 2018-2019 and 2019 Demand Response Auction Mechanism Purchase Agreement Amendments

Purpose

In compliance with Decision (D.) 17-10-017 and Resolution E-4817, Pacific Gas and Electric Company ("PG&E") submits this Advice Letter to inform the California Public Utilities Commission ("CPUC" or "Commission") of nine amendments to Purchase Agreements executed between PG&E and two Demand Response Auction Mechanism ("DRAM") Sellers resulting from PG&E's 2018-2019 DRAM Request for Offers ("RFO") and PG&E's 2019 DRAM RFO.

Background

On September 13, 2013, the Commission issued Order Instituting Rulemaking ("R.") 13-09-011 to enhance the role of demand response ("DR") in meeting the state's resource planning needs and operations. The Commission addressed the issues covered by the rulemaking in three phases. Generally, Phase Three issues dealt with future DR program design and operations. A majority of the parties formed a settlement on how to resolve Phase Three issues and, on August 4, 2014, filed a motion to obtain Commission approval. On December 9, 2014, the Commission issued D.14-12-024 which, among other things, approved the settlement agreement, with modifications, and authorized the demand response auction mechanism ("DRAM") pilot with a standard contract.

D. 14-12-024 required Southern California Edison Company ("SCE"), San Diego Gas & Electric Company ("SDG&E") and PG&E, collectively, the investor-owned utilities ("IOU"), to design and implement DRAM for 2016 ("2016 DRAM") and 2017 ("2017 DRAM"). An "open to the public" working group collaborated on the DRAM pilot design and standard contract language under the active and on-going supervision of the Commission staff.

Concurrently with PG&E's implementation of its 2017 DRAM, the Commission addressed the need for an additional, post-2017 DRAM solicitation via the process used to review

and approve the IOUs' 2017 demand response programs and budgets. D.16-06-029 approved the IOUs proposed 2017 programs and budgets, with modifications, and directed the IOUs to continue DRAM with an auction in 2017 for deliveries in 2018 ("2018-2019 DRAM"). The DRAM working group met and discussed modifications to the third DRAM pilot that expand on the experience of the first two DRAM pilots and met Commission requirements as ordered in D.16-06-029.¹ SCE submitted an advice letter on behalf of the IOUs on September 1, 2016,² with the proposal resulting from the working group, including the associated auction design and pro forma contract. The Commission approved this advice letter, with modifications, in Resolution E-4817.³ PG&E launched the 2018-2019 DRAM RFO on March 10, 2017, and submitted Advice 5109-E on June 30, 2017 with the executed standard form Purchase Agreements for 10 Purchase Agreements executed between PG&E and five winning participants. The Commission approved Advice 5109-E by disposition letter on August 14, 2017.

On April 27, 2017, in response to Petitions for Modifications (PFM) filed by Comverge, Inc., CPower, EnerNOC, Inc., and EnergyHub (collectively, the "Joint DR Parties") and OhmConnect, the Commission determined that business opportunities for DRPs could be limited under the corresponding \$27 million budget approved for the 2018-2019 DRAM RFO.⁴ On October 26, 2017, the Commission issued D.17-10-017, and determined that it is reasonable to require PG&E, SCE, and SDG&E to conduct an additional 2018 auction for contract deliveries in 2019. D.17-10-017 directed the IOUs to conduct an additional DRAM pilot solicitation in 2018 for 2019 capacity ("2019 DRAM"), and ordered the IOUs to use the final approved 2018-2019 DRAM guidelines for the additional 2019 DRAM, except that the contract term shall be limited to one year and additional guidelines were required.⁵ PG&E launched the 2019 DRAM RFO on January 25, 2018, and submitted Advice 5284-E on May 1, 2018, with the executed standard form Purchase Agreements for nine Purchase Agreements executed between PG&E and four winning participants. The Commission approved Advice 5284-E on September 12, 2018, by disposition letter.

¹ The DRAM working group's activities were conducted at the express direction and under continuing supervision of the Commission. The DRAM working group included the IOUs, Ratepayer Advocates (Public Advocates Office (PAO, formerly ORA for the Office of Ratepayer Advocates) and The Utility Reform Network (TURN)), DR providers, Energy Division (ED) Staff, and other interested stakeholders.

² PG&E Advice 4900-E, SCE Advice 3466-E, and SDG&E Advice 2949-E (collectively, "PG&E Advice 4900-E, et al").

³ Resolution E-4817 also ordered a supplemental advice letter to be submitted demonstrated compliance with the Resolution, which was submitted on February 2, 2017. Two other supplementals were submitted on PG&E Advice 4900-E, et al. See PG&E Advice 5109-E for additional details.

⁴ Petition of the Joint DR Parties for Modification of D.16-06-029 was filed February 3, 2017, in R.13-09-011. Petition for Modification of OhmConnect of D.16-09-056 was filed December 30, 2016, in R.13-09-011.

⁵ See PG&E Advice 5284-E for additional details.

The 2018-2019 DRAM and the 2019 DRAM are competitive solicitations for monthly Resource Adequacy (“RA”) associated with a DR product located in the IOU’s service area that is bid directly into the California Independent System Operator’s (CAISO) electricity markets. PG&E is required to enter into Purchase Agreements up to the authorized budget, up to the point at which it has procured all bids below the average August capacity price (for 2019 DRAM only), or to a point at which bids are clear price outliers, whichever comes first. Winning 2018-2019 DRAM and 2019 DRAM auction participants (“Sellers”) bid their contracted capacity directly into the CAISO market during the contracted delivery months, between the months of January 2018 to December 2019 for the 2018-2019 DRAM and January 2019 to December 2019 for the 2019 DRAM, and must include bids for August 2018 and August 2019, respectively. Seller bids in the 2018-2019 DRAM and 2019 DRAM must qualify for system, local, and/or flexible RA products, and therefore must meet the CAISO’s must-offer obligation (MOO) for the appropriate RA product. Similar to the prior DRAM pilots, the IOUs only represent the RA attributes of demand response, and will have no claim on revenues the Sellers may receive from the CAISO.⁶

2018-2019 DRAM Contract Amendments

PG&E and OhmConnect, Inc. mutually agreed to and signed an amendment to Purchase Agreement(s) on May 9, 2019, to settle disputed issues.

The contract amendments may be found in Confidential Appendix A.

2019 DRAM Contract Amendments

PG&E and Leapfrog Power, Inc. mutually agreed to and signed an amendment to Purchase Agreement(s) on July 11, 2019, to settle disputed issues.

The contract amendments may be found in Confidential Appendix B.

This submittal would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Request for Confidential Treatment

PG&E has provided the executed amendments to the 2018-2019 DRAM Purchase Agreements and the executed amendments to the 2019 DRAM Purchase Agreements as attachments to this advice letter. A Declaration Seeking Confidential Treatment is being submitted along with this Advice Letter to demonstrate the confidentiality of material and to invoke the protection of confidential information.

⁶ This differs from programs where PG&E is the DRP, where revenues from the CAISO wholesale energy market are returned to ratepayers.

Confidential Attachments:

Confidential Appendix A: Executed 2018-2019 DRAM Purchase Agreement Amendment(s) with OhmConnect, Inc.

Confidential Appendix B: Executed 2019 DRAM Purchase Agreement Amendment(s) with Leapfrog Power, Inc.

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 27, 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 1 advice submittal become effective upon date of submittal, which is August 7, 2019.

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.13-09-011. 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

cc: Service List R.13-09-011



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) #: 5613-E

Tier Designation: 1

Subject of AL: PG&E's 2018-2019 and 2019 Demand Response Auction Mechanism Purchase Agreement Amendments

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.17-10-017

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 attached for Confidentiality Declaration
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: Fuchs, Franklin, FIF1@pge.com, (415)973-1925

Resolution required? Yes No

Requested effective date: 8/7/19

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 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, Franklin Fuchs, DR Programs, DR Core Programs, of Pacific Gas and Electric Company (“PG&E”), a California corporation. Aaron Johnson, the Vice President, Customer Energy Solution 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 N3E
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.

Name or Docket No. of CPUC Proceeding (if applicable): R.13-09-011

3. Title and description of document(s): Advice 5613-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:

| 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 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> | |
| <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 checked="" 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> | Advice 5613-E: Appendix A and Appendix B |
| <input type="checkbox"/> | <p>Corporate financial records</p> <p>(Protected under Govt. Code §§ 6254(k), 6254.15)</p> | |
| <input checked="" type="checkbox"/> | <p>Third-Party information subject to non-disclosure or confidentiality agreements or obligations</p> <p>(Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)</p> | Advice 5613-E: Appendix A and Appendix B |

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 24th day of July, 2019 at San Francisco, California.

Franklin Fuchs

Franklin Fuchs
Manager, DR Programs,
DR Programs
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**Advice 5613-E
ATTACHMENT TO DECLARATION
7/24/2019**

| ATTACHMENT NAME | DOCUMENT NAME | CATEGORY OF CONFIDENTIALITY | LOCATION |
|-----------------|---|--|-------------------------------|
| Appendix A | Executed 2018-2019 DRAM Purchase Agreement Amendment(s) with OhmConnect, Inc. | Market sensitive, proprietary, and third party information subject to non-disclosure or confidentiality agreements | Appendix A, entire attachment |
| Appendix B | Confidential Appendix B: Executed 2019 DRAM Purchase Agreement Amendment(s) with Leapfrog Power, Inc. | Market sensitive, proprietary, and third party information subject to non-disclosure or confidentiality agreements | Appendix B, entire attachment |
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Advice 5613-E
August 7, 2019

Confidential Appendix A

Executed 2018-2019 DRAM Purchase Agreement Amendment(s) with
OhmConnect, Inc.

Advice 5613-E
August 7, 2019

Confidential Appendix B

Executed 2019 DRAM Purchase Agreement Amendment(s) with
Leapfrog Power, Inc.

**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 | | |