

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 20, 2020

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, CA 94177

Dear Mr. Jacobson,

On November 18, 2019, Pacific Gas and Electric Company (PG&E) filed a waiver request via Advice Letter 5692-E for its January 2020 month-ahead local Resource Adequacy (RA) requirement in the Kern local area. PG&E seeks relief from its remaining January 2020 month-ahead local RA obligation and any potential Commission-imposed penalties for deficiencies. PG&E's waiver request demonstrated that it pursued all commercially reasonable efforts in procuring local capacity to meet its local RA obligations. The Energy Division of the California Public Utilities Commission (Commission) approves Advice Letter 5692-E, PG&E's request for a penalty waiver.

Commission Decision (D.) 06-06-064 established waiver provisions for local Resource Adequacy (RA) procurement. D.19-06-026 established 2020 compliance year obligations for all Load Serving Entities (LSEs). On November 18, 2019, PG&E submitted its January 2020 month-ahead local RA compliance filing, showing a deficiency in the Kern local area. PG&E also submitted a request for penalty waiver for this deficiency via Advice Letter 5692-E pursuant to D.06-06-064 and D.19-06-026.

Section 3.3.12 of D.06-06-064 describes a standard that an LSE may use to demonstrate that it could not reasonably achieve its LCR obligations:

*(1) a demonstration that the LSE reasonably and in good faith solicited bids for its RAR capacity needs along with accompanying information about the terms and conditions of the Request for Offer or other form of solicitation, and*

*(2) a demonstration that despite having actively pursued all commercially reasonable efforts to acquire the resources needed to meet the LSE's local procurement obligation, it either*

*(a) received no bids, or*

*(b) received no bids for an unbundled RA capacity contract of under \$40 per kW-year or for a bundled capacity and energy product of under \$73 per kW-year, or*

*(c) received bids below these thresholds but such bids included what the LSE believes are unreasonable terms and/or conditions, in which case the waiver request must demonstrate why such terms and/or conditions are unreasonable.*

*An LSE's waiver request that meets these requirements is a necessary but not a sufficient condition for the grant of such waiver. The Commission will also consider other information brought to its attention regarding the reasonableness of the waiver request.*

Energy Division has reviewed PG&E's actions and finds them reasonable considering the capacity available to meet PG&E's local RA obligation. In this case, Energy Division finds that PG&E held solicitations and pursued all commercially reasonable efforts to acquire the resources needed to meet the LSE's local procurement obligation. PG&E's waiver request includes confidential market-sensitive information supporting this finding. Thus, Energy Division grants Advice Letter 5692-E, PG&E's request for a waiver of Commission penalties related to its January 2020 month-ahead local RA procurement.

Advice Letter 5692-E is effective July 20, 2020.

Sincerely,

Handwritten signature of Edward Randolph, with the initials "(for)" written next to it.

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

Cc: [EDComplianceReports@cpuc.ca.gov](mailto:EDComplianceReports@cpuc.ca.gov)

November 18, 2019

**Advice 5692-E**

(Pacific Gas and Electric Company – U 39 E)

Public Utilities Commission of the State of California

**Subject: Request for Waiver of Penalties for Failure to Meet Local Resource Adequacy Procurement Obligations for January 2020****I. Purpose**

Pursuant to Decisions 06-06-064 and 19-06-026, Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter to request from the California Public Utilities Commission (Commission or CPUC) a waiver of penalties for failure to demonstrate in its January 2020 resource adequacy (RA) compliance filing (January 2020 Filing) that it has met its local RA procurement obligations, as detailed in Appendix A. In accordance with Decision 06-06-064, PG&E is submitting this Advice Letter at the same time it is submitting its January 2020 Filing.

**II. Background**

In Decision 06-06-064 and Decision 07-06-029, the Commission first established local RA procurement obligations and a penalty structure applicable when a load serving entity (LSE) fails to demonstrate in its required compliance filing that it has met its allocated local RA procurement obligations.<sup>1</sup> Anticipating that, despite commercially reasonable efforts, some LSEs may ultimately be unable to procure capacity necessary to meet local obligations due to limited availability in local areas, the Commission also adopted a waiver-of-penalties process. An LSE is able to request, at the time it files its local RA compliance showing, a waiver of penalties associated with its failure to demonstrate that it has met its local RA procurement obligation, if certain conditions are met.<sup>2</sup> The Commission found that this waiver process is “necessary as a market power mitigation

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<sup>1</sup> Decision 06-06-064, pp. 66-69, Conclusions of Law 24-26, Ordering Paragraph 1; Decision 07-06-029, pp. 37-38.

<sup>2</sup> Decision 06-06-064, pp. 71-74, Conclusions of Law 27-28, Ordering Paragraph 1.

measure.”<sup>3</sup> If an LSE demonstrates that a waiver of penalties is justified, it will be obligated to pay for any backstop procurement, but it will not be penalized by the Commission.<sup>4</sup> In Decision 19-02-022, the Commission extended this waiver of penalties process to multiyear local RA procurement obligations.<sup>5</sup>

Initially, local RA penalty waiver requests were received and processed confidentially by Commission staff.<sup>6</sup> In Decision 19-06-026, the Commission adopted local RA obligations for all LSEs for 2020-2022 and determined that the recent increase in local waiver requests necessitated establishment of a formal, transparent waiver review process.<sup>7</sup> Accordingly, the Commission adopted a requirement that local RA penalty waiver requests be submitted via Tier 2 Advice Letter with service to the service list (in redacted form, if necessary) of the RA proceeding open at the time of the request.<sup>8</sup>

### **III. Waiver Request Requirements**

Decision 06-06-064 sets forth the required contents of a waiver request,<sup>9</sup> and Decision 19-06-026 provides an update to such required contents.<sup>10</sup> Section 24 of the Commission’s *2020 Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings*, issued October 17, 2019, includes these updated requirements, as follows:

The waiver process is as follows. An LSE requesting a waiver must make such request at the time it files its Local RAR compliance showing. The waiver request must include both of the following:

(1) a demonstration that the LSE reasonably and in good faith solicited bids for its RAR capacity needs along with accompanying information about the terms and conditions of the Request for Offer or other form of solicitation, and

(2) a demonstration that despite having actively pursued all commercially reasonable efforts to acquire the resources needed to meet the LSE’s local procurement obligation, it either

(a) received no bids, or

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<sup>3</sup> Decision 06-06-064, p. 71.

<sup>4</sup> Decision 06-06-064, p. 4.

<sup>5</sup> Decision 19-02-022, p. 29, Ordering Paragraph 13.

<sup>6</sup> Decision 19-06-026, p. 16.

<sup>7</sup> Decision 19-06-026, Ordering Paragraphs 1-3, p. 17.

<sup>8</sup> Decision 19-06-026, Ordering Paragraph 8.

<sup>9</sup> Decision 06-06-064, pp. 72-73.

<sup>10</sup> Decision 19-06-026, Ordering Paragraph 6.

(b) received no bids for an unbundled RA capacity contract of under \$51 per kW-year or for a bundled capacity and energy product of under \$73 per kW-year, or

(c) received bids below these thresholds but such bids included what the LSE believes are unreasonable terms and/or conditions, in which case the waiver request must demonstrate why such terms and/or conditions are unreasonable.

These requirements are necessary, but are not necessarily a sufficient, condition for CPUC to grant waiver. The Commission will also consider other information brought to its attention regarding the reasonableness of the waiver request.<sup>11</sup>

#### **IV. PG&E's Waiver Request**

Despite good faith, commercially reasonable efforts, PG&E is submitting a January 2020 Filing that fails to demonstrate that PG&E has met the entirety of its local RA obligations for the January 2020 period. Besides undertaking all the procurement efforts discussed in PG&E's Advice Letter 5677-E,<sup>12</sup> PG&E reasonably and in good faith solicited bids for its local RA capacity needs for January 2020 by publicly noticing its desire to procure and actively seeking quotes from brokers. PG&E made all commercially reasonable efforts to meet its current local RA procurement obligations for January 2020, but it was unable to close its short positions, as detailed in Appendix A. Thus, PG&E requests a waiver of penalties for failure to make the required demonstration regarding local RA procurement obligations.

##### **A. PG&E reasonably and in good faith solicited bids for PG&E's local RA capacity needs for January 2020**

Below, PG&E provides a demonstration that it reasonably and in good faith solicited bids for its local RA capacity needs along with accompanying information about the terms and conditions of PG&E's requests for offers and other forms of solicitation.

##### **Efforts Made During Annual Procurement Process**

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<sup>11</sup> 2020 Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings R.17-09-020, issued October 17, 2019, p. 42.

<sup>12</sup> Advice Letter 5677-E was filed on October 31, 2019.

### PG&E Solicitations for Capacity to Meet Local RA Procurement Obligations

As described in detail in Advice Letter 5677-E, PG&E undertook two solicitations to fulfill its local procurement obligations and made public notices of its intent to procure capacity in particular local areas. The details of these activities can be found in Appendices A, B, and C of Advice Letter 5677-E. In addition, detailed descriptions of PG&E's efforts to procure in the Kern, Sierra, and Stockton local capacity areas (LCAs), including descriptions of bids received, can be found in Appendix E of Advice Letter 5677-E.

### Other Efforts to Acquire Local RA Capacity for January 2020

In addition to the efforts made to meet annual requirements described above, PG&E reasonably and in good faith solicited bids for its local RA capacity needs for January 2020 by actively seeking quotes from brokers and publicly noticing its desire to procure. PG&E contacted brokers regarding availability of capacity for purchase. The details of these communications can be found in Appendix B of this Advice Letter.

PG&E also posted a public market notice on the CAISO Power Contracts Bulletin Board on November 7, 2019 seeking to procure volumes in Kern. The details of this market notice can be found in Appendix B of this Advice Letter.

#### **B. Despite having actively pursued all commercially reasonable efforts to acquire needed resources, PG&E either received no bids, or received no bids under the specified thresholds**

Below, PG&E provides a demonstration that, despite having actively pursued all commercially reasonable efforts to acquire the resources needed to meet its local procurement obligations for January 2020, PG&E either: (a) received no bids, or (b) received no bids for an unbundled RA capacity contract of under \$51 per kW-year or for a bundled capacity and energy product of under \$73 per kW-year.

### Results

PG&E was able to procure capacity in each of the required local areas for January 2020. However, despite commercially reasonable efforts, PG&E was unable to procure to its full local RA obligations for the Kern LCA. Details of the nature of this shortfall can be found in Appendix A.

In this local area for January 2020, there were (a) suppliers who had no capacity to sell and therefore PG&E received no bids from those suppliers, or (b) suppliers that submitted bids to PG&E with prices that exceeded the applicable \$51 per kW-year or \$73 per kW-year thresholds. Detailed descriptions of PG&E's efforts to procure in the Kern LCA for January 2020, including a description of bids received, can be found in Appendix B.

### C. Other information

PG&E notes that, in the Kern LCA, the generating capacity available is less than the total level of the requirements in local areas. The table below shows the total quantity of capacity on the 2020 net qualifying capacity (NQC) list as well as the total 2020 local requirements for the Kern area.

Local Area	Sum of August NQC <sup>13</sup> (MW)	2020 Local Requirement <sup>14</sup> (MW)
Kern	398.48	465

While demand response resources are also available to meet local requirements, the table illustrates how little excess generating capacity exists in this region.

PG&E also notes that the 2020 local requirements were established using the NQC list from 2019. To the extent there are changes (e.g. due to updated effective load carrying capability (ELCC) adjustments) in the capacity represented on the NQC list between years, this may also have an impact on the ability to meet local requirements.

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

### V. Confidentiality Treatment

In support of this Advice Letter, PG&E has provided the confidential information in Appendices A and B. This information is being submitted in the manner directed by Decision 08-04-023, the August 22, 2006 Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066, and General Order 66-D to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under applicable law, including California Public Utilities Code Section 454.5(g), or the Investor Owned Utility Matrix, Appendix 1 of Decision 06-06-066 and Appendix C of Decision 08-04-023. Separate Declarations Seeking Confidential Treatment are being submitted concurrently with this Advice Letter.

### VI. Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than December 9, 2019, which is 21 days<sup>15</sup> after the date of this submittal. Protests must be submitted to:

<sup>13</sup> Summed by local area, per 2020 NQC list issued by CPUC on September 27, 2019. File can be found at <https://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=6442462785>.

<sup>14</sup> Decision 19-06-026, p. 7.

<sup>15</sup> The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

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

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

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

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

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

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

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

#### **VII. Effective Date**

PG&E requests that this Tier 2 advice letter become effective on regular notice, December 18, 2019 which is 30 calendar days after the date of submittal.

#### **VIII. 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 Rulemaking (R.)17-09-020 and R.19-11-009. 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:**

Appendix A: PG&E's Shortfall in Kern LCA for January 2020 (Confidential)  
Appendix B: PG&E Procurement Efforts in the Kern LCA for January 2020  
(Confidential)

cc: Service Lists R.17-09-020 and R.19-11-009



# 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) #: 5692-E

Tier Designation: 2

Subject of AL: Request for Waiver of Penalties for Failure to Meet Local Resource Adequacy Procurement Obligations for January 2020

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.06-06-024 and D.19-06-26

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 Declarations and Matrices  
 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: Alice Gong, AxL3@pge.com, 415-973-4569; Anna Foglesong, ALLo@pge.com

Resolution required?  Yes  No

Requested effective date: 12/18/19

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 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:

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

**PACIFIC GAS AND ELECTRIC COMPANY**

**DECLARATION OF ALICE GONG  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED  
IN ADVICE LETTER 5692-E**

I, Alice Gong, declare:

1. I am a Manager in the Portfolio Management department within the Energy Policy and Procurement organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include overseeing Resource Adequacy (RA) compliance activities at 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 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 data and information contained in PG&E's Local Waiver Request for the January 2020 RA Filing.

3. Attached to this declaration is a matrix (Attachment 1) 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 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 declaration 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 November 18, 2019, at San Francisco, California.

/s/

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ALICE GONG

**ATTACHMENT 1**

**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

**Advice 5692-E  
November 18, 2019**

**IDENTIFICATION OF PROCUREMENT-RELATED CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To</b>	<b>Justification for Confidential Treatment</b>	<b>Length of Time Data To Be Kept Confidential</b>
<b>Document:</b>			
Appendix A – PG&E’s Shortfall in Kern Local Capacity Area	Section V1) A) – Utility Bundled Net Open (Long or Short) Position for Capacity (MW)	Quantitatively represents PG&E’s confidential capacity (Local Area) net open position forecast.	Front three years

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

**PACIFIC GAS AND ELECTRIC COMPANY**

**DECLARATION OF ANNA FOGLESONG  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED  
IN ADVICE LETTER 5692-E**

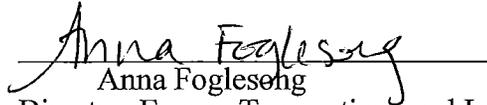
I, Anna Foglesong, declare:

1. I am the Director of Energy Transactions and Legislative Policy within Energy Policy and Procurement at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include oversight of commercial activities and interactions with market participants related to Resource Adequacy. This declaration is based on my personal knowledge of PG&E's practices and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive information.

2. Based on my knowledge and experience, and in accordance with relevant Commission rules, I make this declaration seeking confidential treatment for certain data and information contained in PG&E's Local Waiver Request for the January 2020 RA Filing.

3. Attached to this declaration is a matrix (Attachment 1) 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 data and information covered by Public Utilities Code §454.5(g). The attached 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 declaration 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 November 18, 2019 at San Francisco, California.

A handwritten signature in black ink, reading "Anna Foglesong", written over a horizontal line.

Anna Foglesong  
Director, Energy Transactions and Legislative  
Policy  
Pacific Gas and Electric Company

**ATTACHMENT 1**

**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

**Advice 5692-E  
November 18, 2019**

**IDENTIFICATION OF PROCUREMENT-RELATED CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Statute or Order That Data Corresponds To</b>	<b>Justification for Confidential Treatment</b>	<b>Length of Time Data To Be Kept Confidential</b>
<b>Document:</b>			
Grey shading in Appendix B	Public Utilities Code §454.5(g)	Information includes PG&E’s confidential sales and procurement needs for Resource Adequacy (RA) products which directly informs PG&E’s RA strategies to buy and sell in the market. Any disclosure of PG&E’s sales and procurement strategies is market sensitive, and if released, this information could cause harm to PG&E’s customers and put PG&E at an unfair business disadvantage.	Three years
Grey shading in Appendix B; Attachments 1-6	Public Utilities Code §454.5(g)	Information includes PG&E’s confidential sales and procurement needs for Resource Adequacy (RA) products which directly informs PG&E’s RA strategies to buy and sell in the market. Any disclosure of PG&E’s sales and procurement strategies is market sensitive, and if released, this information could cause harm to PG&E’s customers and put PG&E at an unfair business disadvantage.	Three years

**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, Anna Fogelsong am the Director of Energy Transactions and Legislative Policy of Pacific Gas and Electric Company (“PG&E”), a California corporation. Fong Wan, the Senior Vice President for Energy Policy and Procurement 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): Confidential Appendix B to Advice Letter 5692-E: PG&E Procurement Efforts in the Kern LCA for January 2020.
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

Customer-specific data, which may include demand, loads, names, addresses, and billing data  
(Protected under PUC § 8380; Civ. Code §§ 1798 *et seq.*; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029)

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  
(Protected under Civ. Code §§ 1798 *et seq.*; Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)

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  
(Protected under Govt. Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR § 29.2)

Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data  
(Protected under Civ. Code §§ 3426 *et seq.*; Govt. Code §§ 6254, *et seq.*, e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code § 1060; D.11-01-036)

Corporate financial records  
(Protected under Govt. Code §§ 6254(k), 6254.15)

Appendix B,  
Attachments 1-6



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)

Appendix B,  
 Attachments 1-6



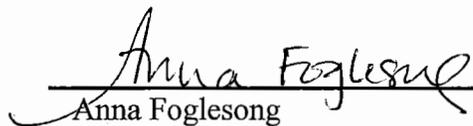
Other categories where disclosure would be against the public interest (Govt. Code § 6255(a))

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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 18<sup>th</sup> day of November, 2019 at San Francisco, California.



Anna Foglesong  
 Director, Energy Transactions and Legislative Policy  
 Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

ADVICE LETTER 5692-E  
ATTACHMENT TO DECLARATION

November 18, 2019

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
Confidential Appendix B	PG&E Procurement Efforts in the Kern LCA for January 2020	<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&amp;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>	Grey shading in Appendix B, Attachments 1-6
Confidential Appendix B	PG&E Procurement Efforts in the Kern LCA for January 2020	<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>	Grey shading in Appendix B; Grey shading in Appendix B, Attachments 1-6

**PACIFIC GAS AND ELECTRIC COMPANY**

**Appendix A**

**PG&E's Shortfall in Kern LCA  
for January 2020**

**(Redacted)**

<b>Appendix A</b>	
<b>PG&amp;E's Shortfall in Kern Local Capacity Area</b>	
<b>for January 2020</b>	
<b>Jan-20</b>	

**PACIFIC GAS AND ELECTRIC COMPANY**

**Appendix B**

**PG&E Procurement Efforts in the Kern LCA  
for January 2020**

**(Redacted)**

## **Appendix B - PG&E Procurement Efforts in the Kern LCA for January 2020**

PG&E has determined that it will be unable to meet its monthly CPUC Local Resource Adequacy compliance requirements in the Kern Local Area. The following is a summary of all activities PG&E has taken to-date to close its January compliance requirement.

### **Background on Commercial Activities**

Advice Letter 5677-E outlined all activities taken up to the October 31, 2019 Annual Filing date. Since that time PG&E has undertaken the following additional activities to close its January CPUC compliance requirement.

Below, PG&E summarizes communications and attaches supporting documentation for all the efforts taken after October 31, 2019 to meet its January 2020 RA Compliance Obligations. All communication is specific to the Kern Local Area, in which PG&E was unable to meet its compliance obligations. Evidence is organized into two categories, reflecting that PG&E received either:

- No bids; or
- No bids for an unbundled RA capacity contract of under \$51 per kW-year (CPUC's Local RA waiver trigger price) or for a bundled capacity and energy product of under \$73 per kW-year. PG&E also compared prices against the CAISO Capacity Procurement Mechanism (CPM) soft-offer cap of \$75.72 per kW-year or \$6.31/kW-mo.

### **Additional Efforts Taken to date to Meet January 2020 RA Compliance Obligations**

- No bids
  - PG&E e-mailed [REDACTED] on November 7, 2019 seeking capacity in the Kern Local Area for January 2020. [REDACTED] responded that it does not have any capacity in January but may have some in [REDACTED]. Please see Attachment 1 for evidence of this communication.
  - PG&E contacted [REDACTED] seeking capacity in the Kern Local Area for 2020. [REDACTED] stated it does not have capacity to sell PG&E in 2020 for the Kern Local Area. Please see Attachment 2 for evidence of this communication.
  - PG&E posted a market notice on the CAISO Bulletin Board on November 7, 2019 seeking capacity for January 2020 in the Kern Local Area. No offers have been received to date. Please see Attachment 3 for evidence of this communication.
- No bids for an unbundled RA capacity contract of under \$51 per kW-year (CPUC's Local RA waiver trigger price) or for a bundled capacity and energy product of under \$73 per kW-year
  - PG&E reached out to the broker market seeking capacity in the Kern Local Area for January 2020. Two counterparties stated they had capacity and were willing to sell at [REDACTED] kW-mo [REDACTED] kW-mo, which is above the CPUC Local RA waiver

trigger price of \$4.25/kW-mo. Please see Attachment 4 for evidence of this communication.

- [REDACTED] bid into PG&E's Balance of Year 2020 e-Solicitation offering to swap capacity in the Kern Local Area in January 2020 for capacity in [REDACTED] for January 2020. PG&E informed [REDACTED] that January 2020 capacity was out of scope for the solicitation and offered to engage bilaterally. Through bilateral discussions [REDACTED] stated that they would be willing to sell PG&E capacity in the Kern Local Area for [REDACTED]/kW-mo, which is above the CPUC Local RA waiver trigger price of \$4.25/kW-mo. Please see Attachments 5 and 6 for evidence of this communication.

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Appendix B Attachments**

**(Redacted)**

---

**From:** [REDACTED]  
**Sent:** Thursday, November 7, 2019 3:25 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: Jan 20 Kern Capacity

Thanks, [REDACTED]. We welcome [REDACTED] participation in our currently open solicitation for any amounts that might be available after January.

Kind regards,

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Thursday, November 07, 2019 1:38 PM  
**To:** [REDACTED]@pge.com>  
**Cc:** [REDACTED]@pge.com>  
**Subject:** RE: Jan 20 Kern Capacity

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

Hi [REDACTED]

We are flat January 2020 Kern local RA, but we do have a small amount of Q3 2020 Kern available if that's of interest.

Regards,

[REDACTED]

---

**From:** [REDACTED]@pge.com>  
**Sent:** Thursday, November 7, 2019 3:29 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]@pge.com>  
**Subject:** Jan 20 Kern Capacity

[External Email]

Hello [REDACTED]

PG&E is looking to purchase RA capacity in the Kern local area for January 2020. I wanted to check if you had any available and if you would be interested in showing us an indicative offer. We would be open to evaluating proposals for swaps as well.

Thank you,

[REDACTED]

*Pacific Gas and Electric Company*

[REDACTED] / ICE Chat: [REDACTED]

*This email does not constitute an offer to buy or sell and creates no obligation to execute any agreement or to enter into any transaction. Any transactions are subject to PG&E management approval and the execution of final documents.*

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

---

**From:** [REDACTED]  
**Sent:** Tuesday, November 12, 2019 10:40 AM  
**To:** [REDACTED]  
**Subject:** RE: RA Exchange w/ [REDACTED]

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

Thanks [REDACTED]. Unfortunately, [REDACTED] cannot offer anything for 2020 Kern.

Best,

[REDACTED]

---

**From:** [REDACTED]@pge.com>  
**Sent:** Tuesday, November 12, 2019 10:34 AM  
**To:** [REDACTED]@pge.com>  
**Subject:** RE: RA Exchange w/ [REDACTED]

[REDACTED],

We do have a need for Kern in [REDACTED]. Do you have any length there that you'd be willing to sell?

However, regardless of a Kern transaction we remain unable to accommodate the requested sale of [REDACTED] due to constraints in our position.

Kind regards,

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Friday, November 08, 2019 5:22 PM  
**To:** [REDACTED]@pge.com>; [REDACTED]@pge.com>  
**Subject:** RE: RA Exchange w/ [REDACTED]

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

Thanks [REDACTED] – would you entertain an exchange for Kern?

[REDACTED]

---

From: [REDACTED]@pge.com>  
Sent: Friday, November 8, 2019 5:19 PM  
To: [REDACTED]@pge.com>  
Subject: RE: RA Exchange w/ [REDACTED]

Hi [REDACTED]

We've reviewed your bid. Unfortunately we're not currently able to accommodate any of these sales.

Kind regards,

[REDACTED]

---

From: [REDACTED]  
Sent: Tuesday, November 05, 2019 6:04 AM  
To: [REDACTED]@pge.com>; [REDACTED]@pge.com>  
Subject: RE: RA Exchange w/ [REDACTED]

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

[REDACTED] below are [REDACTED] straight bids for [REDACTED]. Regarding [REDACTED], if PG&E needs/wants to stay whole with respect to MWs, then [REDACTED] can sell back the equivalent volumes of another in-state RA product.

[REDACTED]

Please let me know if you have any questions.

Best regards,

[REDACTED]

Office: [REDACTED]

Cell: [REDACTED]

---

From: [REDACTED]@pge.com>  
Sent: Monday, November 4, 2019 5:43 PM  
To: [REDACTED]@pge.com>  
Subject: RE: RA Exchange w/ Pioneer

[REDACTED]

Thank you for the call earlier. We've evaluated this proposal and at this time PG&E isn't looking to entertain a swap to receive [REDACTED]. Therefore please bid the 2020 proposal into our solicitation as a straight bid, not part of a swap. Likewise for 2021, please send us indicative bids for the amounts needed and we will evaluate them as a one sided (i.e. sale only) bilateral transaction.

Thank you,

█  

---

**From:** █  
**Sent:** Monday, November 04, 2019 9:25 AM  
**To:** █@pge.com>; █@pge.com>  
**Subject:** RE: RA Exchange w/ █

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

Thanks █

█ would be looking to purchase the following █ and █ volumes and in return █ would sell PG&E equivalent volumes of █:

█  
We are also open different monthly allocations of the █ sale to PG&E in the case PG&E has concentrated needs in certain months.

Thank you for your consideration and please let me know if you have any questions.

Best regards,

█  
Office: █  
Cell: █

---

**From:** █@pge.com>  
**Sent:** Monday, November 4, 2019 8:35 AM  
**To:** █@pge.com>  
**Subject:** Re: RA Exchange w/ █

Hi █

Absolutely. █, can you work with █ to see if we have length where █ needs it?

█ FYI we will be launching a solicitation for 2020 today. █ will send you more information when he reaches out.

Thanks,  
█

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---

**From:** [REDACTED]  
**Sent:** Monday, November 4, 2019 8:00:40 AM  
**To:** [REDACTED] [@pge.com](mailto:[REDACTED]@pge.com); [REDACTED] [@pge.com](mailto:[REDACTED]@pge.com)>  
**Subject:** RE: RA Exchange w/ [REDACTED]

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

Good morning [REDACTED]

Now that we all made it through October 31<sup>st</sup>, any chance we can tee up the local for local exchange that was offered by [REDACTED] last week?

Best regards,

[REDACTED]

Office: [REDACTED]  
Cell: [REDACTED]

---

**From:** [REDACTED] [@pge.com](mailto:[REDACTED]@pge.com)>  
**Sent:** Tuesday, October 29, 2019 11:08 AM  
**To:** [REDACTED] [@pge.com](mailto:[REDACTED]@pge.com)>  
**Subject:** Re: RA Exchange w/ [REDACTED]

Thanks, [REDACTED]. I just checked with our team and given how late it is in the process, our team is unable to complete this transaction before October 31. Specifically, our position, unit assignments and supply plan generation has been locked down, and therefore we can't accommodate any transactions at this point.

If there is still a need, we would be happy circle back with you next week.

Thanks,

[REDACTED]

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---

**From:** [REDACTED]  
**Sent:** Tuesday, October 29, 2019 9:21:22 AM  
**To:** [REDACTED] [@pge.com](mailto:[REDACTED]@pge.com); [REDACTED] [@pge.com](mailto:[REDACTED]@pge.com)>  
**Subject:** RE: RA Exchange w/ [REDACTED]

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

[REDACTED] is looking to purchase the following volumes of [REDACTED]:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

In return [REDACTED] can sell PG&E a [REDACTED]

Please let me know if we can proceed with this transaction.

Best,

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

---

**From:** [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>

**Sent:** Tuesday, October 29, 2019 8:59 AM

**To:** [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>

**Subject:** Re: RA Exchange w/ [REDACTED]

Hi [REDACTED]

What volumes do you need for [REDACTED]? I will have to check with our team to see if we are able to meet your needs.

[REDACTED]

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---

**From:** [REDACTED]

**Sent:** Tuesday, October 29, 2019 8:31:57 AM

To: [REDACTED]@pge.com>; [REDACTED]@pge.com>

Subject: RA Exchange w/ [REDACTED]

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

Good morning [REDACTED] and [REDACTED] –

Would PG&E entertain a last minute exchange with [REDACTED] More specifically, [REDACTED] is looking for some [REDACTED] [REDACTED] volumes and in return can sell PG&E [REDACTED] volumes. Given the timing, we could use the same form of confirms already in place and get this done quickly.

Thank you for your consideration.

Best,

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Thursday, November 7, 2019 1:25 PM  
**To:** [REDACTED]  
**Subject:** CAISO Bulletin Board Post

I have posted the below to the CAISO bulletin board.

## January 2020 Kern Capacity

<p><b>AVERY</b> <b>ARJOx4738</b> Posts: 2</p> <p>0 seconds ago</p>	<p>PG&amp;E requests indicative offers for January 2020 RA capacity in the Kern local area. Please contact <a href="mailto:PGERARFO@pge.com">PGERARFO@pge.com</a> or call Avery Mike Kowalewski at 415-972-5589 for further information. Thank you for your attention forward to hearing from you.</p> <p><i>Note: this notice does not constitute an offer to buy or sell and creates no obligation to enter into any transaction. Any transactions are subject to PG&amp;E management approval of final documents.</i></p> <p style="text-align: right;"><a href="#">REPORT TO I</a></p>
--	--

[REDACTED]  
Pacific Gas and Electric Company  
[REDACTED]

IM LOG FOR [REDACTED] to [REDACTED]

All times are (GMT -5:00) Eastern Time Zone

11/12/19 3:49 PM : [REDACTED] : hello [REDACTED], hope long weekend went well  
11/12/19 3:49 PM : [REDACTED] : This Instant Message (IM) is recorded and may be shared with regulators. If both parties agree to book out volumes originally intended for physical delivery, these IM records will serve as confirmation of your agreement to book out unless you indicate otherwise within 24 hours of scheduling.  
11/12/19 3:49 PM : [REDACTED] : Away  
11/12/19 3:50 PM : [REDACTED] : let me know if still good to work the jan20 kern, i found a another seller, so combined i can cover [REDACTED] or so, maybe a little more  
11/12/19 4:12 PM : [REDACTED] : yes, we still have the need  
11/12/19 4:13 PM : [REDACTED] : okay, will show them the [REDACTED] bid and go from there  
11/12/19 4:13 PM : [REDACTED] : Away  
11/12/19 4:13 PM : [REDACTED] : tyty  
11/12/19 4:16 PM : [REDACTED] : let me know what kind of traction you get  
11/12/19 4:17 PM : [REDACTED] : yep will do  
11/12/19 4:17 PM : [REDACTED] : given how close we are to the filing deadline it would be good if we can at least agree indicatively by [REDACTED] now at the latest  
11/12/19 4:18 PM : [REDACTED] : il make some calls  
11/12/19 4:18 PM : [REDACTED] : should we bump the bid up to something like [REDACTED] to try and get this done?  
11/12/19 4:18 PM : [REDACTED] : Yes, let's show [REDACTED] see what that gets us  
11/12/19 4:18 PM : [REDACTED] : tyty  
11/12/19 4:18 PM : [REDACTED] : I have some room above that if we have no luck at that price  
11/12/19 4:18 PM : [REDACTED] : tyty  
11/12/19 4:19 PM : [REDACTED] : real quick, one seller was looking for [REDACTED]  
11/12/19 4:19 PM : [REDACTED] : do you have that to sell?  
11/12/19 4:19 PM : [REDACTED] : unfortunately not, we're basically flat [REDACTED] at this point  
11/12/19 4:19 PM : [REDACTED] : understood  
11/12/19 4:20 PM : [REDACTED] : and do we know our volume on this kern at this point  
11/12/19 4:20 PM : [REDACTED] : [REDACTED]  
11/12/19 4:20 PM : [REDACTED] : just me asking, as i have 2 sellers so want to make sure i can cover  
11/12/19 4:21 PM : [REDACTED] : even if we can only get [REDACTED] that still helps us a lot though  
11/12/19 4:21 PM : [REDACTED] : yep  
11/12/19 5:07 PM : [REDACTED] : so i think ill have [REDACTED] tomorrow for you  
11/12/19 5:07 PM : [REDACTED] : Away  
11/12/19 5:07 PM : [REDACTED] : but, it may be a few entities, about 4 or 5 in total, is that a problem?  
11/12/19 5:11 PM : [REDACTED] : No, that works  
11/12/19 5:11 PM : [REDACTED] : cool coll  
11/12/19 5:11 PM : [REDACTED] : cool  
11/12/19 5:11 PM : [REDACTED] : I may have a bilateral seller that could take care of around [REDACTED] of our need, depends on if that com[REDACTED] through later today, if so we wouldn't need the full [REDACTED] sellers  
11/12/19 5:12 PM : [REDACTED] : but if not we'd be ready to pursue deals with all 4 [REDACTED] lers  
11/12/19 5:12 PM : [REDACTED] : acknowledging that getting terms in place with that many parties may be tricky given the short time frame  
11/12/19 5:17 PM : [REDACTED] : yep understood  
11/12/19 5:18 PM : [REDACTED] : and yes, all contingent on contract and credit  
11/13/19 12:14 PM : [REDACTED] : This Instant Message (IM) is recorded and may be shared with regulators. If both parties agree to book out volumes originally intended for physical delivery, these IM records will serve as confirmation of your agreement to book out unless you indicate otherwise within 24 hours of scheduling.  
11/13/19 12:14 PM : [REDACTED] : hello [REDACTED]  
11/13/19 12:14 PM : [REDACTED] : Away  
11/13/19 12:15 PM : [REDACTED] : made a little progress on the {{jan}}20 kern, let me know when your free  
11/13/19 12:57 PM : [REDACTED] : In meetings until around 11 pacific  
11/13/19 12:57 PM : [REDACTED] : but I can catch up with you then  
11/13/19 12:57 PM : [REDACTED] : sound sgood, enjoy the meetings  
11/13/19 2:43 PM : [REDACTED] : Hi [REDACTED], sorry for the delay, back at my desk now

11/13/19 2:51 PM : [REDACTED] : okay, give me a couple minutes and ill give you a ring  
11/13/19 2:54 PM : [REDACTED] : need to step away for just a second actually, back in just a few minutes  
11/13/19 2:54 PM : [REDACTED] : all good  
11/13/19 2:54 PM : [REDACTED] : Away  
11/13/19 2:57 PM : [REDACTED] : back  
11/13/19 3:01 PM : [REDACTED] : time for a call?  
11/13/19 3:01 PM : [REDACTED] : sure  
11/13/19 3:01 PM : [REDACTED] : whaich number is best?  
11/13/19 3:01 PM : [REDACTED] : [REDACTED]  
11/13/19 4:44 PM : [REDACTED] : I will check with if their aug nqc is as high as their jan nqc  
11/13/19 4:44 PM : [REDACTED] : Away  
11/13/19 4:46 PM : [REDACTED] : and if you can let me know if any of these names you are already in direct conversation with. ....  
11/13/19 4:50 PM : [REDACTED] : The parties I'm talking to are on that list, however one of them just confirmed to me that they aren't marketing their capacity anywhere else currently so for that one I'm confident we aren't overlapping  
11/13/19 4:51 PM : [REDACTED] : My hunch is that we aren't overlapping on the other one either just based on the volumes that I'm seeing, but I can see if they're comfortable confirming that to me  
11/13/19 4:53 PM : [REDACTED] : okay  
11/13/19 4:53 PM : [REDACTED] : Away  
11/13/19 4:54 PM : [REDACTED] : i spoke with my [REDACTED] seller, they confirmed this a full [REDACTED] in jan, nothing off about the mw's  
11/13/19 4:54 PM : [REDACTED] : youll get the full [REDACTED]  
11/13/19 5:06 PM : [REDACTED] : great, thank you  
11/13/19 5:06 PM : [REDACTED] : let me know if you find out about the [REDACTED] seller  
11/13/19 6:03 PM : [REDACTED] : will do, they expect to have some resolution tomorrow around 11 your time, so hopefully we can re-e this then  
11/13/19 6:03 PM : [REDACTED] : Away  
11/13/19 6:13 PM : [REDACTED] : Sounds good, appreciate all your help on this one  
11/13/19 6:13 PM : [REDACTED] : Away  
11/13/19 6:14 PM : [REDACTED] : Yep happy to help, let's hope it's all for something!  
11/14/19 2:38 PM : [REDACTED] : Hi [REDACTED], any word on the [REDACTED] MW seller?  
11/14/19 2:38 PM : [REDACTED] : This Instant Message (IM) is recorded and may be shared with regulators. If both parties agree to book out volumes originally intended for physical delivery, these IM records will serve as confirmation of your agreement to book out unless you indicate otherwise within 24 hours of scheduling.  
11/14/19 2:38 PM : [REDACTED] : I have [REDACTED] lined up bilaterally so I'm hoping we can get to a total of [REDACTED]  
11/14/19 2:41 PM : [REDACTED] : i have [REDACTED] here  
11/14/19 2:41 PM : [REDACTED] : let me check the others  
11/14/19 2:42 PM : [REDACTED] : and what level would this be at?  
11/14/19 2:42 PM : [REDACTED] : if we can get it all done?  
11/14/19 2:43 PM : [REDACTED] : unfortunately that's still being debated by our senior management. should have an answer soon  
11/14/19 2:43 PM : [REDACTED] : ok  
11/14/19 2:44 PM : [REDACTED] : would the [REDACTED] seller be comfortable indicating the resource that they'd be selling in advance? Our compliance team is anxious to get everything lined up in advance to make sure that everything works for us given how short the time frame is  
11/14/19 2:44 PM : [REDACTED] : think it might be one of yours  
11/14/19 2:44 PM : [REDACTED] : does that help?  
11/14/19 2:45 PM : [REDACTED] : or need more specifc  
11/14/19 2:45 PM : [REDACTED] : we'd like to know the specific one if possible  
11/14/19 2:46 PM : [REDACTED] : okay  
11/14/19 2:46 PM : [REDACTED] : ill ask  
11/14/19 2:47 PM : [REDACTED] : tha  
11/14/19 4:48 PM : [REDACTED] : Hi [REDACTED], any update on the second seller?  
11/14/19 4:49 PM : [REDACTED] : still waiting for my [REDACTED] guy, theyve been in a meeting  
11/14/19 4:49 PM : [REDACTED] : but, my [REDACTED] guy, i think we may have doubled up there, so right now i just have the [REDACTED]

11/14/19 4:49 PM : : which i know we need to get it all done  
11/14/19 4:50 PM : : you think the entire MW is gone, or just the portion over  
11/14/19 4:50 PM : : portion over  
11/14/19 4:50 PM : : and possibly it might be less than  
11/14/19 4:50 PM : : Ok, I think we did double up on MW  
11/14/19 4:51 PM : : but if they can give the that should be enough with the rest to get us to  
11/14/19 4:51 PM : : i think one of them had and was or something  
11/14/19 4:52 PM : : yeah  
11/14/19 4:52 PM : : problem is, the other small guys are prioritizing this right now, trying to get them to  
11/14/19 4:53 PM : : I'm trying to get a final decision on the price we'd be willing to pay  
11/14/19 4:53 PM : : okay  
11/14/19 4:53 PM : : should have an update on that very shortly  
11/14/19 4:53 PM : : and im trying to get the name of the unit from my  
11/14/19 4:53 PM : : unfortunately we really need to try to wrap up today in order to make this work  
11/14/19 4:54 PM : : i think my will sell something  
11/14/19 4:54 PM : : ok thanks, that is helpful for our internal discussion  
11/14/19 4:54 PM : : yep  
11/14/19 4:54 PM : : think the other seller would take a similar price?  
11/14/19 4:55 PM : : i do, but i dont think its a priority right now  
11/14/19 4:55 PM : : they like the level, but getting them to sign off is tough right now  
11/14/19 4:55 PM : : its not a lot of MWs, they have other more pressing needs  
11/14/19 4:55 PM : : but i know we are up against the nov17 filing  
11/14/19 4:55 PM : : understood  
11/14/19 4:56 PM : : need to run it by my compliance team, but its possible that the resource could meet our needs depending on what resource it is  
11/14/19 4:56 PM : : complicated situation  
11/14/19 4:56 PM : : ill see if i can get the name  
11/14/19 4:57 PM : : gotcha  
11/14/19 5:00 PM : : finding out the resource now  
11/14/19 5:04 PM : : is the resource  
11/14/19 5:09 PM : : making sure you see that?  
11/14/19 5:10 PM : : yes, thanks, reviewing internally  
11/14/19 5:12 PM : : k ty  
11/14/19 5:45 PM : : Hi , got some clarity. Based on the resource we still need MW  
11/14/19 5:46 PM : : if we get that MW we can bid  
11/14/19 5:46 PM : : okay  
11/14/19 5:46 PM : :  
11/14/19 5:46 PM : : and if we can't get the remaining MW we can't go higher than  
11/14/19 5:46 PM : : going to give you quick call  
11/14/19 6:42 PM : : any luck finding ?  
11/14/19 6:43 PM : : no, I think we're going to throw in the towel  
11/14/19 6:43 PM : : unfortunately finding from this end just isnt much to move the needle, most people's responses  
11/14/19 6:43 PM : : yeah, i hear ya  
11/14/19 6:43 PM : : I can bid for any partial amounts if the seller has any interest  
11/14/19 6:43 PM : : so close  
11/14/19 6:43 PM : : but otherwise I think we've exhausted our options  
11/14/19 6:44 PM : : understood, and makes sense  
11/14/19 6:44 PM : : unfortunatue got so close, stings that much more  
11/14/19 6:44 PM : : thanks for all the help, we came very close  
11/14/19 6:44 PM : : I know, very frustrating outcome  
11/14/19 6:44 PM : : of course, onto the next one, cant win em all  
11/14/19 6:44 PM : : yep, always next month lol  
11/14/19 6:45 PM : : let me know if there is anything that could be on the radar for feb, little more time could help lol

11/14/19 6:45 PM : [REDACTED] : yeah, I'll try to get a head start on that in the next few days if it looks like we'll need anything

11/14/19 6:45 PM : [REDACTED] : sounds good, appreciated

11/14/19 6:45 PM : [REDACTED] : and thanks for the try, if i hear anything overnight ill get your attention first thing, but otherwise have a good evening

11/14/19 6:46 PM : [REDACTED] : thanks, you too

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**From:** [REDACTED]  
**Sent:** Thursday, November 14, 2019 3:46 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: Info: Notes from 11/12/19 Call with [REDACTED]

[REDACTED]

Please see the below notes from an additional two follow-up calls with [REDACTED] this afternoon.

### Participants

PG&E: [REDACTED]  
[REDACTED]

### Call One

- I called [REDACTED] and let him know that we were still coming up [REDACTED] MW short for our January Kern requirement and asked if [REDACTED] could show any additional capacity.
- [REDACTED] stated that they could not.
- He went on to say, however, that he could check with the [REDACTED] to see if there was any additional capacity available that he could find for us.
- I told him that this was greatly appreciated and that I'd wait to hear back from him.

### Call Two

- I called [REDACTED] and told him that we were still looking for the remaining [REDACTED] MW on our end. He confirmed that he was still looking on his end as well.
- I told [REDACTED] that I'd like to discuss pricing in the mean time and asked if he had an indicative offer price that he wanted to show.
- [REDACTED] stated that [REDACTED] was looking to price the capacity at [REDACTED]
- I told [REDACTED] that this was extremely far from where we were at.
- I told [REDACTED] that if we could find the remaining [REDACTED] MW I'd go to [REDACTED]. I went on to state that we were bid at [REDACTED] if the remaining [REDACTED] MW couldn't be found.
- I asked if PG&E wasn't paying above the penalty price for capacity and noted that [REDACTED] had been paying significantly higher prices for capacity.
- I said that I didn't want to go into our pricing strategy but that for this capacity today those were the prices I was willing to pay.
- [REDACTED] said he'd discuss this with his management and that he'd let me know if he was able to find the remaining [REDACTED] MW.
- I thanked [REDACTED] and we ended the call.

Please let me know if you have any further questions or concerns.

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Thursday, November 14, 2019 11:54 AM  
**To:** [REDACTED]@pge.com; [REDACTED]@pge.com>; [REDACTED]@pge.com>

Cc: [REDACTED]@pge.com>  
Subject: RE: Info: Notes from 11/12/19 Call with [REDACTED]

[REDACTED]

Please see the below notes from two more follow-up calls with [REDACTED] this morning.

### Participants

### Call One

- I called [REDACTED] and asked for a status update regarding [REDACTED] MW.
- [REDACTED] said that [REDACTED] would be able to sell, but that due to needs in their [REDACTED] they would now need to swap [REDACTED] of system capacity to a [REDACTED] in order to make this work.
- I said that I would check to confirm but that I expected we'd have no problem providing him with an offsetting [REDACTED] MW.
- I then asked [REDACTED] if he could provide us with the resources that [REDACTED] would be selling.  
[REDACTED]
- I thanked [REDACTED] and said I would get back to him shortly regarding the system swap.

### Call Two

- I called [REDACTED] back and said that a swap for system would be no problem.
- [REDACTED] thanked me but said that there was no longer a need and that [REDACTED] would be able to accommodate an outright sale.
- I said I was still trying to get a few last trades lined up to make our January strategy work, but that I expected to get back to him later today to discuss price.
- I also let [REDACTED] know that we'd received the resources that he'd sent and that we were evaluating which resources we would choose from.
- We agreed to talk later today to finalize a deal.

Please let me know if you have any questions or concerns.

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Wednesday, November 13, 2019 4:44 PM  
**To:** [REDACTED]@pge.com>; [REDACTED]@pge.com>; [REDACTED]@pge.com>  
**Cc:** [REDACTED]@pge.com>  
**Subject:** RE: Info: Notes from 11/12/19 Call with [REDACTED]

Sorry, one more brief follow-up. [REDACTED] noted on the call that the compliance filing was on the 17<sup>th</sup> and asked if there would be sufficient time to complete a transaction. I agreed that this would indeed be a very tight timeline, but said that we could use the confirm agreed upon between the parties in the recent multi-year solicitation and that I would be able to push PG&E to move very quickly internally. I stated that I thought we'd be able to get a deal fully executed by Friday afternoon.

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Wednesday, November 13, 2019 4:40 PM

To: [REDACTED]@pge.com>; [REDACTED]@pge.com>; [REDACTED]@pge.com>  
Cc: [REDACTED]@pge.com>  
Subject: RE: Info: Notes from 11/12/19 Call with [REDACTED]

[REDACTED]

Please see the below notes from a follow-up call with [REDACTED] this afternoon.

### Participants

PG&E: [REDACTED]  
[REDACTED]

### Discussion

- I opened the call by telling [REDACTED] I was calling in follow-up to our discussion yesterday regarding the possible sale of [REDACTED] MW of Kern capacity to PG&E in January.
- [REDACTED] stated that he was still waiting for certainty on a few things.
- I told [REDACTED] that I was pursuing several different approaches to try to close PG&E's January short position, including conversations with brokers.
- I asked if he could let me know if he was concurrently marketing [REDACTED] capacity to a broker so that I could avoid double counting these MWs as I managed my strategy.
- [REDACTED] stated that to his knowledge the capacity wasn't being marketed to a broker.
- He went on to elaborate that his willingness to sell was contingent upon concurrent discussions within a [REDACTED] [REDACTED]. He described this joint portfolio as being managed by [REDACTED] and said that he didn't think that [REDACTED] was selling any of the pooled capacity via the brokered markets.
- [REDACTED] told me that around 10:30 am he should have certainty about whether his capacity could be made available to PG&E.
- I thanked him and said I'd look forward to discussing more tomorrow morning.
- [REDACTED] then asked if I'd had a chance to look into his non-conforming bid in our ongoing Feb – Decsolicitation.
- I said that I had and that due to fairness concerns and consistency with the rules of the solicitation that we would be unable to consider the non-conforming portion of [REDACTED] submission.
- I went on to state that after the conclusion of this solicitation we could begin bilateral discussions.
- [REDACTED] stated that he'd heard nothing back yet about the conforming portion of his bid for [REDACTED] capacity and asked if he could assume that this bid hadn't been awarded.
- I told him that we were planning on notifying shortlisted parties on Friday.
- I told [REDACTED] I'd like to ask one more question regarding the January capacity.
- I said that because we would be using the capacity for our CPUC local compliance needs that I'd like to get an idea of the August NQCs of the resources that we'd potentially be buying.
- [REDACTED] said the capacity would be capacity originally sold to [REDACTED] by PG&E and that it would be coming from the [REDACTED], and [REDACTED] resources.
- I thanked [REDACTED] for his time and we ended the call agreeing to speak further tomorrow morning.

Please let me know if you have any questions or concerns.

[REDACTED]

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From: [REDACTED]  
Sent: Tuesday, November 12, 2019 3:05 PM  
To: [REDACTED]@pge.com>; [REDACTED]@pge.com>; [REDACTED]@pge.com>  
Cc: [REDACTED]@pge.com>; [REDACTED]@pge.com>  
Subject: Info: Notes from 11/12/19 Call with [REDACTED]

██████████

Please see the below notes from a call this afternoon with ██████████

### Background

On Thursday, November 7, 2019 PG&E contacted ██████████ to inquire if they had length in their January 2020 Kern RA position and to see if they would be willing to show PG&E an offer for this capacity. Over the course of a subsequent email exchange ██████████ revealed that they had approximately ██████████ available and were willing to sell this to PG&E through a swap in which they would receive capacity in the ██████████ area. PG&E has no capacity in ██████████ to offer so today I called ██████████ to try to negotiate another deal that would allow them to sell us Kern.

### Participants

PG&E: ██████████  
██████████

### Discussion

- I opened the call by stating that I wanted to discuss ██████████ January proposal and that I didn't currently have anything to share regarding ██████████ concurrent participation in PG&E's Feb – Dec 2020 RA solicitation.
- I then stated that PG&E had no length in ██████████ that could be offered in January, a point that I had previously made via email.
- I asked if a swap in which ██████████ received ██████████ might be of interest to them.
- ██████████ stated that ██████████ was their only short position in January.
- I asked if there was potentially a price at which ██████████ would be able to make a straight sale of Kern to PG&E work.
- Ian stated that he would need to check with ██████████.
- I said that I was confused by ██████████ hesitancy to sell given that any length in Kern would end up stranded in a few days given our proximity to the filing deadline.
- I said that from my perspective it seemed like this capacity should be made available to the market.
- ██████████ stated that ██████████
- I asked if a swap for system could therefore help to facilitate a deal.
- ██████████ then stated that they were already long system.
- ██████████ briefly ran through some calculations and then told me that it looked like their overall compliance wouldn't be affected by a straight sale of the Kern, i.e. they would remain short ██████████ but not be made any worse off or become system non-compliant.
- ██████████ stated again that he'd need to talk to ██████████
- I said I appreciated him checking and that I'd wait to hear back from him.
- ██████████ asked if we'd be interested in the full volume of Kern that they could potentially offer.
- I stated that we'd want to lift the entire amount which I said I understood to be around ██████████
- ██████████ then asked when he'd hear more about the ongoing Feb – Dec 2020 solicitation.
- I answered that we were evaluating proposals received and that I thought we were targeting this Friday to notify shortlisted parties.
- ██████████ raised the subject of a non-conforming bid that he wanted to submit, a subject previously raised by email.
- I stated that the solicitation was being run by ██████████ and that I'd discuss the subject with her.
- ██████████ thanked me and we agreed to talk further soon regarding January.

Please let me know if you have any questions or concerns.

██████████

Pacific Gas and Electric Company

██████████ Chat: ██████████

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**From:** [REDACTED]  
**Sent:** Thursday, November 14, 2019 4:17 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: PG&E Local

Thanks for your flexibility on prices, [REDACTED]. However, I've checked with my senior management and the prices we discussed on the phone are as high as I can go.

Kind regards,

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Thursday, November 14, 2019 4:00 PM  
**To:** [REDACTED]@pge.com>  
**Cc:** [REDACTED]@pge.com>  
**Subject:** RE: PG&E Local

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

[REDACTED] can PG&E move to [REDACTED]/kW-mo? [REDACTED] mentioned that you can go up to [REDACTED] kW-mo [REDACTED] I am helping you find the remaining volume. [REDACTED]

Cheers,

[REDACTED]

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**From:** [REDACTED]@pge.com>  
**Sent:** Thursday, November 14, 2019 3:48 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]@pge.com>  
**Subject:** RE: PG&E Local

Understood, [REDACTED]. I really appreciate all of your help on this, but it looks like we're not going to be able to get anything done at this price.

Kind regards,

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Thursday, November 14, 2019 3:46 PM  
**To:** [REDACTED]@pge.com>  
**Cc:** [REDACTED]  
**Subject:** PG&E Local

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

[Redacted]

Cheers,

[Redacted]

[Redacted]

[Redacted]

<https://www.>

[Redacted]

[Redacted]

<https://www.>

[Redacted]

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