

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 7, 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 January 16, 2020, Pacific Gas and Electric Company (PG&E) filed a waiver request via Advice Letter 5740-E for its March 2020 month-ahead local Resource Adequacy (RA) requirement in the Kern local area. PG&E seeks relief from its remaining March 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 5740-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 January 16, 2020, PG&E submitted its March 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 5740-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 5740-E, PG&E's request for a waiver of Commission penalties related to its March 2020 month-ahead local RA procurement.

Advice Letter 5740-E is effective August 7, 2020.

Sincerely,

A handwritten signature in black ink, appearing to read "ERandolph (for)", is written over a light gray circular background.

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

Cc: EDComplianceReports@cpuc.ca.gov

January 16, 2020

Advice 5740-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 March 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 March 2020 resource adequacy (RA) compliance filing (March 2020 Filing) that it has met its local RA procurement obligations. In accordance with Decision 06-06-064, PG&E is submitting this Advice Letter at the same time it is submitting its March 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.¹ 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.² The Commission found that this waiver process is “necessary as a market power mitigation measure.”³ 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

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

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

³ Decision 06-06-064, p. 71.

Commission.⁴ In Decision 19-02-022, the Commission extended this waiver of penalties process to multiyear local RA procurement obligations.⁵

Initially, local RA penalty waiver requests were received and processed confidentially by Commission staff.⁶ 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.⁷ 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.⁸

III. Waiver Request Requirements

Decision 06-06-064 sets forth the required contents of a waiver request,⁹ and Decision 19-06-026 provides an update to such required contents.¹⁰ 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

(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

⁴ Decision 06-06-064, p. 4.

⁵ Decision 19-02-022, p. 29, Ordering Paragraph 13.

⁶ Decision 19-06-026, p. 16.

⁷ Decision 19-06-026, Ordering Paragraphs 1-3, p. 17.

⁸ Decision 19-06-026, Ordering Paragraph 8.

⁹ Decision 06-06-064, pp. 72-73.

¹⁰ Decision 19-06-026, Ordering Paragraph 6.

(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.¹¹

IV. PG&E's Waiver Request

Despite good faith, commercially reasonable efforts, PG&E is submitting a March 2020 Filing that fails to demonstrate that PG&E has met the entirety of its local RA obligations for the March 2020 period. Besides undertaking all of the procurement efforts discussed in PG&E's Advice Letter 5677-E,¹² PG&E reasonably and in good faith solicited bids for its local RA capacity needs for March 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 March 2020, but it was unable to close its short positions. 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 March 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

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.

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

¹² Advice Letter 5677-E was filed on October 31, 2019.

Other Efforts to Acquire Local RA Capacity for March 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 March 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 A of this Advice Letter.

PG&E also posted a public market notice on the CAISO Power Contracts Bulletin Board on December 31, 2019 seeking to procure volumes in Kern. The details of this market notice can be found in Appendix A 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 March 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 March 2020. However, despite commercially reasonable efforts, PG&E was unable to procure to its full local RA obligations for the Kern LCA.

In this local area for March 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 March 2020, including a description of bids received, can be found in Appendix A.

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 ¹³ (MW)	2020 Local Requirement ¹⁴ (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 Appendix A. 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 February 5, 2020, 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

¹³ 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>.

¹⁴ Decision 19-06-026, p. 7.

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, February 15, 2020 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 Procurement Efforts in the Kern LCA (Redacted)

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) #: 5740-E

Tier Designation: 2

Subject of AL: Request for Waiver of Penalties for Failure to Meet Local Resource Adequacy Procurement Obligations for March 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.06-06-064 and D.19-06-026

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 Declaration and Matrix
Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Scott Ranzal, SDRi@pge.com, (415)264-3638

Resolution required? ☐ Yes ☒ No

Requested effective date: 2/15/20

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:

Clear Form

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

PACIFIC GAS AND ELECTRIC COMPANY

**DECLARATION OF SCOTT RANZAL
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED
IN ADVICE LETTER 5740-E**

I, Scott Ranzal, declare:

1. I am the Director of Portfolio Management within Energy Policy and Procurement at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include overseeing commercial policy and compliance activities 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 March 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 January 16, 2020 at San Francisco, California.

/s/

Scott Ranzal
Director, Portfolio Management
Pacific Gas and Electric Company

ATTACHMENT 1

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

Advice 5740-E
January 16, 2020

IDENTIFICATION OF PROCUREMENT-RELATED CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Statute or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document:			
Grey shading in Appendix A	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 A; Attachments 1-4	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, Scott Ranzal am the Director of Portfolio Management 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 A to Advice Letter 5740-E: PG&E Procurement Efforts in the Kern LCA for March 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 A,
Attachments 1-4



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 A,
Attachments 1-4



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 16th day of January, 2020 at San Francisco, California.

/s/

Scott Ranzal
Director, Portfolio Management
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

ADVICE LETTER 5740-E
ATTACHMENT TO DECLARATION

January 16, 2020

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
Confidential Appendix A	PG&E Procurement Efforts in the Kern LCA for March 2020	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 <i>et seq.</i> ; Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)	Grey shading in Appendix A, Attachments 1-4
Confidential Appendix A	PG&E Procurement Efforts in the Kern LCA for March 2020	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)	Grey shading in Appendix A; Grey shading in Appendix A, Attachments 1-4

PACIFIC GAS AND ELECTRIC COMPANY

Appendix A

PG&E Procurement Efforts in the Kern LCA (Redacted)

Appendix A - PG&E Procurement Efforts in the Kern LCA for March 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 March 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, in addition to holding electronic solicitations pursuant to PG&E's Bundled Procurement Plan, whereby PG&E attempts to purchase Local RA to meet its monthly CPUC Local Resource Adequacy compliance requirements, PG&E has undertaken the following additional activities¹ to close its March CPUC compliance requirement.

Below, PG&E summarizes communications and attaches supporting documentation for all the efforts taken after October 31, 2019 to meet its March 2020 RA Compliance Obligations outside of PG&E's electronic solicitations pursuant to PG&E's Bundled Procurement Plan. 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 March 2020 RA Compliance Obligations

- No bids
 - PG&E reached out to the broker market seeking capacity in the Kern Local Area for March 2020. The broker was unable to locate capacity in the Kern Local Area for March 2020. Please see Attachment 1 for evidence of this communication.
 - PG&E posted a market notice on the CAISO Bulletin Board on December 31, 2019 seeking capacity for March 2020 in the Kern Local Area. No offers have been received to date. Please see Attachment 2 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

¹ Refer to Advice Letter 5692-E for PG&E's activities to close its January compliance requirement and Advice Letter 5716-E for PG&E's activities to close its February compliance requirement.

- On November 4, 2019, PG&E launched an electronic solicitation seeking bids to buy and offers to sell RA for February – December 2020. As part of this solicitation, PG&E received offers to sell [REDACTED] 2020 and [REDACTED] 2020 for the Kern Local Area. Offers were priced between \$ [REDACTED] and \$ [REDACTED]/kW-month.
- Subsequent to the electronic solicitation, PG&E engaged in bilateral discussions with [REDACTED] related to March Kern 2020. PG&E purchased [REDACTED] MWs of March 2020 from [REDACTED] at a price of \$ [REDACTED]/kW-mo. Please see Attachment 3 for evidence of this communication.
- Subsequent to the electronic solicitation, PG&E engaged in bilateral discussions with [REDACTED] related to March Kern 2020. [REDACTED] required PG&E to sell its System RA in order to allow for the purchase of Local RA. PG&E purchased [REDACTED] MWs of Local Kern in March 2020 from [REDACTED] at a price of \$ [REDACTED]/kW-mo and sold [REDACTED] MWs of System in March 2020 to [REDACTED] at a price of \$ [REDACTED]/kW-mo. Please see Attachment 4 for evidence of this communication.

Attachment 1

[REDACTED]

From: [REDACTED]
Sent: Friday, January 10, 2020 11:05 AM
To: [REDACTED]
Subject: RE: March Kern Capacity

From: [REDACTED] <[REDACTED]>
Sent: Tuesday, December 24, 2019 8:25:01 AM
To: [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>
Subject: RE: March Kern Capacity

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

Hello [REDACTED],

Sorry for the delay in responses, been in and out of the office. I am struggling to find any offers on Kern for march 2020 of any significant volume. A couple people said they may have [REDACTED] or [REDACTED] mw, and even getting them to offer that is tough (they would want to sell it along with other volumes around \$[REDACTED]).

Understood requiring the timing of this, as need time to paper with any counterparties. Appreciate the heads up, will continue to ask around, for those that are still in the office, and see if we can find anything Thursday into Friday for you to start the process.

Happy holidays to all over there, and hopefully have something for you Thursday.

Best,
[REDACTED]

From: [REDACTED] [mailto:[REDACTED]@pge.com]
Sent: Monday, December 23, 2019 4:02 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: March Kern Capacity

Hi [REDACTED],

Wanted to let you know that we have an internal deadline of this Friday the 27th to nail down deal details for a March transaction. Let me know if you see any opportunities for PG&E to pursue a March 2020 purchase of Kern MWs.

Thanks and happy holidays,

[REDACTED]

[REDACTED]

Pronouns: she / her / hers

Pacific Gas & Electric Company

C: [REDACTED] | E: [REDACTED]@pge.com

From: [REDACTED]

Sent: Thursday, December 19, 2019 4:02 PM

To: [REDACTED] <[REDACTED]>

Cc: [REDACTED] <[REDACTED]@pge.com>

Subject: RE: March Kern Capacity

Hi [REDACTED],

Picking back up [REDACTED]'s original email, do you know of any sellers who might be able to offer [REDACTED] MW in Kern for March 2020?

Thanks,

[REDACTED]

[REDACTED]

Pronouns: she / her / hers

Pacific Gas & Electric Company

C: [REDACTED] | E: [REDACTED]@pge.com

From: [REDACTED]

Sent: Wednesday, December 18, 2019 11:12 AM

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

Cc: [REDACTED] <[REDACTED]@pge.com>

Subject: RE: March Kern Capacity

Pleasure to meet you as well, [REDACTED] More to come.

Best,

[REDACTED]

[REDACTED]

Pronouns: she / her / hers

Pacific Gas & Electric Company

C: [REDACTED] | E: [REDACTED]@pge.com

From: [REDACTED] <[REDACTED]>

Sent: Tuesday, December 17, 2019 2:00 PM

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

Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>

Subject: RE: March Kern Capacity

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

Thanks for passing along the contact info and heads up. [REDACTED] pleasure to make your acquaintance via email. My direct contact info is below, feel free to reach out on any questions.

Best,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] - office

[REDACTED] - cell

[REDACTED]

ICE Chat - [REDACTED]

From: [REDACTED] [mailto:[REDACTED]@pge.com]

Sent: Tuesday, December 17, 2019 4:46 PM

To: [REDACTED]

Cc: [REDACTED]

Subject: March Kern Capacity

Hi [REDACTED],

I wanted to let you know that I will be out of the office for the next two weeks. During that time [REDACTED] (cc'ed) will be the point of contact for PG&E's RA trading. She will be in touch with you in the coming days to discuss our procurement strategy for Kern in March and potentially other months.

Kind regards,

[REDACTED]

[REDACTED]

Pacific Gas and Electric Company

[REDACTED]@pge.com / [REDACTED] / ICE Chat: [REDACTED]

Attachment 2

March 2020 Kern Capacity

**JASON
MILLERx13526**

Posts: 1

0 seconds ago

PG&E requests indicative offers for March 2020 RA capacity in the Kern local area. PG&E will also evaluate calendar strip and swap proposals. Please contact PGERARFO@pge.com or call Alan Wecker at 415-973-7292 for further information. Thank you for your attention to this notice; we look forward to hearing from you.

Note: this notice 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.

[REPORT TO MODERATOR](#) [EDIT](#) [DELETE](#)

Attachment 3

[REDACTED]

From: [REDACTED]
Sent: Monday, January 13, 2020 4:20 PM
To: [REDACTED]
Subject: RE: Feb 2020 Kern RA

From: [REDACTED] <[REDACTED]>
Sent: Tuesday, January 07, 2020 3:30 PM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Feb 2020 Kern RA

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

Yes that should work on our end.

Best,

[REDACTED]
Office: [REDACTED]
Cell: [REDACTED]
[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, January 7, 2020 3:28 PM
To: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Feb 2020 Kern RA

Yes, we can do this very quickly. We will send a draft confirm to you shortly and also sent it for internal review. We will aim to execute by Thursday morning. Does that work for your side?

Thanks,

[REDACTED]
Manager - Energy Transactions
Pacific Gas and Electric Company
Office: [REDACTED]
[REDACTED]@pge.com

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

From: [REDACTED] <[REDACTED]>
Sent: Tuesday, January 07, 2020 3:19 PM

To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Feb 2020 Kern RA

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

Alan, if PG&E can provide a confirm quickly, then [REDACTED] will make the last minute [REDACTED] MW March Kern sale at \$[REDACTED]/kW-mo.

Please let me know.

Best,

Office: [REDACTED]
Cell: [REDACTED]
[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, January 7, 2020 2:02 PM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Feb 2020 Kern RA

[REDACTED]

Thanks for the update. At this time, we are not interested in purchasing bilaterally above \$[REDACTED]/kW-month.

I recommend that you participate in our solicitation, including bidding for the System RA and offering the Kern. We may be able to make something work through that mechanism for [REDACTED] and [REDACTED]

Thanks,

[REDACTED]

[REDACTED]
Manager - Energy Transactions
Pacific Gas and Electric Company
Office: [REDACTED]
[REDACTED]@pge.com

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From: [REDACTED] <[REDACTED]>
Sent: Tuesday, January 07, 2020 11:56 AM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Feb 2020 Kern RA

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

\$ [REDACTED]

[REDACTED]
Office: [REDACTED]
Cell: [REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, January 7, 2020 11:53 AM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Feb 2020 Kern RA

[REDACTED]

We are only interested in [REDACTED], [REDACTED], and [REDACTED]. Does this affect your pricing?

Thanks,

[REDACTED]

[REDACTED]
Manager - Energy Transactions
Pacific Gas and Electric Company
Office: [REDACTED]
[REDACTED]@pge.com

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From: [REDACTED] <[REDACTED]>
Sent: Tuesday, January 07, 2020 11:44 AM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Feb 2020 Kern RA

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

[REDACTED], [REDACTED] is not interested in the [REDACTED] exchange as proposed below; however, [REDACTED] offers the following outright sale to PG&E:

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Kern MW	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Kern Price	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The above price is a weighted average so if you're only interested in certain months, then let me know and I can price accordingly.

Best,

Office:

Cell:

Attachment 4

From: [REDACTED]
Sent: Monday, January 13, 2020 4:09 PM
To: [REDACTED]
Subject: RE: [REDACTED] Local Area RA Swap Offer

From: [REDACTED] <[REDACTED]>
Sent: Wednesday, January 08, 2020 4:04 PM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: [REDACTED] Local Area RA Swap Offer

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

[REDACTED], I have approval to execute the following swap/sale with PG&E – I believe I sent you the Kern units that would be involved. Please send the confirms for execution at your convenience.

Cheers,
[REDACTED]

[REDACTED] Purchases				
Counterparty	Product	Price	Volume	Month Delivery
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] Sells				
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PG&E	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Monday, January 6, 2020 4:02 PM
To: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: [REDACTED] Local Area RA Swap Offer

[REDACTED]
Great.

We have internal approval on our end subject to some last minute checks.

Assuming everything goes to plan and you get approval by COB Wednesday, we will be ready to execute on Thursday. If it doesn't go according to plan, we still want to execute this by Friday at the latest to give our filing folks time to process the transaction.

Thanks,

[REDACTED]

[REDACTED]
Manager - Energy Transactions
Pacific Gas and Electric Company

Office: ([REDACTED])
[REDACTED]@pge.com

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

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