

## 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 March 17, 2020, Pacific Gas and Electric Company (PG&E) filed a waiver request via Advice Letter 5782-E for its May 2020 month-ahead local Resource Adequacy (RA) requirement in the Stockton local area. PG&E seeks relief from its remaining May 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 5782-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 March 17, 2020, PG&E submitted its May 2020 month-ahead local RA compliance filing, showing a deficiency in the Stockton local area. PG&E also submitted a request for penalty waiver for this deficiency via Advice Letter 5782-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 5782-E, PG&E's request for a waiver of Commission penalties related to its May 2020 month-ahead local RA procurement.

Advice Letter 5782-E is effective August 7, 2020.

Sincerely,

A handwritten signature in dark 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](mailto:EDComplianceReports@cpuc.ca.gov)



March 17, 2020

**Advice 5782-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 May 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 May 2020 resource adequacy (RA) compliance filing (May 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 May 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 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

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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.

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

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

(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

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<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.

(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 May 2020 Filing that fails to demonstrate that PG&E has met the entirety of its local RA obligations for the May 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 May 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 May 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 May 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.

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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.

*Other Efforts to Acquire Local RA Capacity for May 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 May 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 January 17, 2020 seeking to procure volumes in Stockton. 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 May 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*

Since the disaggregation of local areas pursuant to D.19-02-022, PG&E was unable to procure capacity in the Stockton local area for May 2020.

In this local area for May 2020, there were solely suppliers who had no capacity to sell and therefore PG&E received no bids from those suppliers. PG&E did not identify any suppliers that were willing to 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 Stockton LCA for May 2020, including a description of bids received, can be found in Appendix A.

**C. Other information**

PG&E notes that, in the Stockton LCA, the generating capacity available is slightly more 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 Stockton area.

| Local Area | Sum of August NQC <sup>13</sup><br>(MW) | 2020 Local Requirement <sup>14</sup><br>(MW) |
|------------|-----------------------------------------|----------------------------------------------|
| Stockton   | 633.28                                  | 629                                          |

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 significant amounts of the resources associated with the Stockton 2020 local requirements are owned or contracted with non-CPUC jurisdictional entities. Based on PG&E's assessment of various Municipal utilities integrated resource plans, PG&E has determined that at least 22% of the generating capacity available are owned by non-CPUC jurisdictional entities.<sup>15</sup>

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 April 6, 2020, which is 20 days after the date of this submittal. Protests must be submitted to:

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<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> See Table 3-1 of Silicon Valley Power's Integrated Resource Plan on Pg. 3-3 at <https://www.siliconvalleypower.com/home/showdocument?id=62481>. Relevant units include Amerseco FWD, Tri-Dam Sandbar, Tri-Dam Beardsley, Tri-Dam Donnellis, Tri-Dam Tulloch, and NCPA CT. Each of these resources are labeled in the 2020 NQC list as being in the Stockton Local Area.

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, April 16, 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 Stockton LCA for May 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) #: 5782-E

Tier Designation: 2

Subject of AL: Request for Waiver of Penalties for Failure to Meet Local Resource Adequacy Procurement Obligations for May 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: 4/16/20

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 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:

Clear Form

**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 5782-E: PG&E Procurement Efforts in the Stockton LCA for May 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 1-2



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 1-2



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

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\_\_\_\_\_

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 17<sup>th</sup> day of March, 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 5782-E  
ATTACHMENT TO DECLARATION  
March 17, 2020

| ATTACHMENT NAME         | DOCUMENT NAME                                             | CATEGORY OF CONFIDENTIALITY                                                                                                                                                                                                                                                                                                                                                                                                                                   | LOCATION                                    |
|-------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Confidential Appendix A | PG&E Procurement Efforts in the Stockton LCA for May 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<br><br>(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 1-2 |
| Confidential Appendix A | PG&E Procurement Efforts in the Stockton LCA for May 2020 | Third-Party information subject to non-disclosure or confidentiality agreements or obligations<br><br>(Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)                                                                                                                                                                                                                                                                                     | Grey shading in Appendix A, Attachments 1-2 |

**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 5782-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 May 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 March 17, 2020 at San Francisco, California.

/s/

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Scott Ranzal  
Director, Portfolio Management  
Pacific Gas and Electric Company

## ATTACHMENT 1

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

Advice 5782-E  
March 17, 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 |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Document:</b>                            |                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                            |                                             |
| Grey shading in Appendix A; Attachments 1-2 | 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                                 |

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Appendix A**

### **PG&E Procurement Efforts in the Stockton LCA for May 2020 (Confidential)**

## **Appendix A - PG&E Procurement Efforts in the Stockton LCA for May 2020**

PG&E has determined that it will be unable to meet its monthly CPUC Local Resource Adequacy compliance requirements in the Stockton Local Area. The following is a summary of all activities PG&E has taken to-date to close its May 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 activities<sup>1</sup> to close its May CPUC compliance requirement.

Below, PG&E summarizes communications and attaches supporting documentation for all the efforts taken after October 31, 2019 to meet its May 2020 RA Compliance Obligations. All communication is specific to the Stockton 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
  - 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 did not receive any offers to sell May 2020 for the Stockton Local Area.
  - On January 6, 2020, PG&E launched an electronic solicitation seeking bids to buy and offers to sell RA for April – December 2020. As part of this solicitation, PG&E did not receive any offers to sell May 2020 for the Stockton Local Area.
  - PG&E reached out to the broker market seeking capacity in the Stockton Local Area for May 2020. The broker was unable to locate capacity in the Stockton Local Area for May 2020. Please see Attachment 1 for evidence of this communication.

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<sup>1</sup> Refer to Advice Letter 5692-E for PG&E's activities to close its January compliance requirement, Advice Letter 5716-E for PG&E's activities to close its February compliance requirement, and Advice Letter 5740-E for PG&E's activities to close its March compliance requirement.

- PG&E posted a market notice on the CAISO Bulletin Board on January 17, 2020 seeking capacity for May 2020 in the Stockton 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
  - PG&E did not receive any 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.

## **Attachment 1**

[REDACTED]

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**From:** [REDACTED] <[REDACTED]>  
**Sent:** Wednesday, January 22, 2020 12:35 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: ISO May Stockton Capacity

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

Hello [REDACTED]

I am still trying to find [REDACTED] of Stockton RA for April, unfortunately that month in particular has been elusive for some time now. Still continuing to ask and will let you know what comes back.

Did have one different question – we have a buyer looking for size on some Feb sub RA for 2<sup>nd</sup> – 12<sup>th</sup>. Is that something we could potentially have selling interest in?

Thanks  
[REDACTED]

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**From:** [REDACTED] [mailto:[REDACTED]@pge.com]  
**Sent:** Friday, January 17, 2020 1:01 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: ISO May Stockton Capacity

[REDACTED]

We're actually looking for [REDACTED] MW, same bid level as below.

Have a great weekend,  
[REDACTED]

[REDACTED]  
[REDACTED]  
Pacific Gas & Electric Company  
[REDACTED] | E: [REDACTED]@pge.com

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**From:** [REDACTED]  
**Sent:** Thursday, January 16, 2020 4:25 PM  
**To:** [REDACTED] <[REDACTED]>  
**Cc:** [REDACTED] <[REDACTED]@pge.com>  
**Subject:** RE: ISO May Stockton Capacity

[REDACTED]

That makes sense. We're looking for [REDACTED] MW, bid level of \$[REDACTED]

Thanks,

Pacific Gas & Electric Company

From: [REDACTED] <[REDACTED]>

Sent: Thursday, January 16, 2020 5:41 AM

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

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

Subject: RE: ISO May Stockton Capacity

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

Good Morning [REDACTED]

As of right now, I've only had buyers of May 2020 Stockton. I will let you know if I find any offer.

Do we know approx. volume we are looking for, and bid level we could attach to it? I will try to see if combined buying power (with my other buyers) will motivate a seller, as my other buyers have been looking for about 5-15, which may have disincentive sellers.

Thanks for reaching out, will let you know what I find.

---

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

Sent: Wednesday, January 15, 2020 8:05 PM

To: [REDACTED]

Cc: [REDACTED]

Subject: ISO May Stockton Capacity

Hi [REDACTED],

Wondering if you know of any sellers who might be able to offer single digits of Stockton in May 2020?

Thanks,

## **Attachment 2**

**From:** [REDACTED]  
**Sent:** Friday, March 06, 2020 8:03 AM  
**To:** [REDACTED]  
**Subject:** May 2020 CAISO Bulletin Post

## May 2020 Stockton Capacity

**AVERY**  
**ARJOx4738**

Posts: 4

0 seconds ago

PG&E requests indicative offers for May 2020 RA capacity in the Stockton local area. PG&E will also evaluate calendar strip and swap proposals. Please contact PGERARFO@pge.com or call Maya Wolf at 650-832-3797 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](#)

[REDACTED]  
[REDACTED]  
Pacific Gas and Electric Company

[REDACTED]@pge.com / [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                       |                                        |                                         |