

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 5884E**  
**As of August 18, 2020**

Subject: Updates to Pacific Gas and Electric Company's Bundled Procurement Plan Risk Management Policy and TeVAR Methodology (Appendix N); Procurement Processes and Methods (Appendix B);

Division Assigned: Energy

Date Filed: 07-20-2020

Date to Calendar: 07-24-2020

Authorizing Documents: D1201033

Authorizing Documents: D0407028

Authorizing Documents: D0712052

**Disposition:**

**Accepted**

**Effective Date:**

**07-20-2020**



**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**



July 20, 2020

**Advice 5884-E**

(Pacific Gas and Electric Company – U 39 E)

Public Utilities Commission of the State of California

**Subject: Updates to Pacific Gas and Electric Company's Bundled Procurement Plan – Risk Management Policy and TeVAR Methodology (Appendix N); Procurement Processes and Methods (Appendix B); Procurement Review Group, Cost Allocation Mechanism Group, and Independent Evaluator Administration (Appendix M); and Sales Framework (Appendix S)**

**Purpose**

Pacific Gas and Electric Company (PG&E) requests approval to update PG&E's Bundled Procurement Plan (BPP), Appendix N – Risk Management Policy and To-expiration Value-at-Risk (TeVAR) Methodology, to provide PG&E's Customer Risk Tolerance (CRT) level applicable to year 2020. Pursuant to Decision (D.) 12-01-033, this CRT calculation shall be updated every two years from the filing of the previous Long-Term Procurement Plan (LTPP) via either the LTPP filing or a Tier 1 advice letter. PG&E previously updated the CRT calculation by submitting Tier 1 advice letter 5272-E, which was submitted and effective on April 11, 2018.<sup>1</sup>

Additionally, PG&E proposes to update its BPP to revise Appendix B (Procurement Processes and Methods) to add a California Public Utilities Commission (Commission or CPUC)-approved procurement process that PG&E is authorized to use in accordance with D.04-07-028.

Next, PG&E proposes to update its BPP to revise Appendix M (Procurement Review Group, Cost Allocation Mechanism Group, and Independent Evaluator Administration) to specify that Resolution E-4998 is the basis for required PRG and IE review of RA sales solicitations.

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<sup>1</sup> [https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_5272-E.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5272-E.pdf).

Finally, PG&E proposes to update its BPP to revise PG&E's RA Solicitation Schedule within Appendix S (Sales Framework) to cover delivery periods for the current and upcoming calendar years.

Because PG&E is not making updates to any sections of these appendices that contain confidential material, the attachments hereto are all public. PG&E has appropriately redacted confidential information that is not being updated in this submission in both the clean and redlined pages of Appendix S.

## **Background**

In accordance with D.07-12-052 all updates proposed to the BPP are to be made via an advice letter. Advice letter updates are to include redlined pages of the BPP as well as clean replacement pages.<sup>2</sup>

Below, PG&E describes the updates to its BPP, and Attachments A and B reflect the relevant changes to the BPP. Attachment A is the redlined version of the changes to Appendices N, B, M, and S and Attachment B is the clean version of those same changes.

## **Request**

First, PG&E proposes to update Appendix N of PG&E's BPP, which describes PG&E's Risk Management Policy and TeVAR Methodology. Consistent with the Commission's directive on pages 23-24 of D.12-01-033,<sup>3</sup> PG&E has made the following modification:

- Updated Section A.1 of Appendix N to revise the following sentence and footnote regarding CRT:

*Based on PG&E's effective May 2020 bundled system average rate of 22.169 cents per kilowatt hour ("kWh"),<sup>2</sup> a 10 percent risk tolerance factor yields a CRT of 2.22 cents/kWh or \$795 million.*

Second, PG&E seeks to modify Appendix B to its BPP to add a Commission-approved procurement process that PG&E is authorized to use in accordance with D.04-07-028.<sup>4</sup> Due to an oversight on PG&E's part, PG&E failed to include this process in Table B-1 of Appendix B in its BPP. Consistent with D.04-07-028, PG&E proposes to add this Commission-approved process to Appendix B, "Procurement Processes and Methods".

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<sup>2</sup> D.07-12-052, pp. 184-185.

<sup>3</sup> D.12-01-033, p. 24 ("If for some reason the LTPP filing is delayed or not made, the utilities are directed to update their CRT two years from the filing of the previous LTPP via a Tier 1 Advice Letter.").

<sup>4</sup> D.04-07-028, pp. 17-18, Ordering Paragraph 1.e.

Third, PG&E seeks to modify Appendix M to its BPP. PG&E requests to update Table M-1 and Section 2 to clarify and reflect Resolution E-4998 as the basis for the required PRG and IE review, respectively.

Finally, PG&E seeks to modify Appendix S to its BPP to update PG&E's RA solicitation schedule. Appendix S includes a schedule of anticipated start dates for PG&E solicitations. PG&E is expected to update this schedule on an annual basis via Tier 1 Advice Letter and does so here.

### **Attachments**

- Attachment A** Redline Version, Appendix N (Sheet 205), Appendix B (Sheet 57), Appendix M (Sheets 194 and 200) and Appendix S (Sheets 270 and 271)
- Attachment B** Clean Version, Appendix N (Sheet 205), Appendix B (Sheet 57), Appendix M (Sheets 194 and 200) and Appendix S (Sheets 270 and 271)

### **Protests**

**\*\*\*Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com \*\*\***

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than August 10, 2020, which is 21 days<sup>5</sup> after the date of this submittal. Protests must be submitted to:

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.

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<sup>5</sup> The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

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

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

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

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

### **Effective Date**

PG&E requests that this Tier 1 advice letter become effective upon date of submittal, which is July 20, 2020.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.16-02-007 and R.20-05-003. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson  
Director, Regulatory Relations

Attachments



cc: Service List R.16-02-007, R.20-05-003



# ADVICE LETTER SUMMARY

ENERGY UTILITY



**MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)**

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID 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) #: 5884-E

Tier Designation: 1

Subject of AL: Updates to Pacific Gas and Electric Company's Bundled Procurement Plan – Risk Management Policy and TeVAR Methodology (Appendix N); Procurement Processes and Methods (Appendix B); Procurement Review Group, Cost Allocation Mechanism Group, and Independent Evaluator Administration

Keywords (choose from CPUC listing): Compliance, Procurement

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.12-01-033, D.04-07-028, and D.07-12-052

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:

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:

Resolution required? ☐ Yes ☒ No

Requested effective date: 7/20/20

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

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment A**

### **Redline Version, Appendix**

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment A**

### **Redline Version, Appendix N**



investment grade. For exchanges and cleared transactions, PG&E is required to post initial margin as well as mark to market and the portfolio does not benefit from any unsecured credit limits.

PG&E reports its electric portfolio TeVaR to the Commission's Energy Division ("ED") on a monthly basis.<sup>1</sup> Consistent with Decision ("D.") 07-12-052, PG&E measures TeVaR as the potential change in portfolio costs under a low probability (5 percent) outcome or a 95 percent confidence level. The TeVaR measure assumes that no further forward hedging is performed, and that all existing positions are taken to delivery. In D.12-01-033, the Customer Risk Tolerance ("CRT") level was set by the Commission at 10 percent of PG&E's system average rate. The calculation of the CRT value is derived by multiplying 10 percent of the adopted bundled system average rate by the bundled forecasted sales for the rolling 12-month period. Based on PG&E's effective ~~March 2018~~ May 2020 bundled system average rate of ~~19.545~~ 22.169 cents per kilowatt-hour ("kWh"),<sup>2</sup> a 10 percent risk tolerance factor yields a CRT of ~~1.95~~ 2.22 cents/kWh Or \$~~940.795~~ million. Pursuant to D.12-01-033, this CRT calculation will be updated every two years in each Long-Term Procurement Plan ("LTPP") filing. If the LTPP filing is delayed or not made, the CRT will be updated two years from the filing of

<sup>1</sup> See also Appendix M (regarding TeVaR notification to the Procurement Review Group as required by D.07-12-052 and D.12-01-033).

<sup>2</sup> PG&E Advice Letter ("AL") 5661-E-A "Supplemental: 2020 Annual Electric True-Up – Consolidated Electric Rate Changes Effective May 1, 2020."  
[https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_5661-E-A.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5661-E-A.pdf)  
~~5231-E "2018 Annual Electric True-Up – Consolidated Electric Rate Changes Effective March 1, 2018"~~  
~~[https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_5231-E.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5231-E.pdf)~~

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment A**

### **Redline Version, Appendix B**



**TABLE B-1**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**PROCUREMENT PROCESSES AND METHODS**  
**(CONTINUED)**

Item #	Transaction Process	Description	Initial Authorization
8	Non-RPS-eligible Utility Ownership of Generation	Utility ownership of generation can be pursued outside of an RFO process under certain conditions (see D.07-12-052 at 209-213; D.08-11-008 at 20-23 and D.12-04-046 at pp. 28-39).	D.07-12-052 D.08-11-008 D.12-04-046
9	Open Access Same-Time Information Systems	Procure standard electric transmission products from transmission providers throughout the Western Electric Coordinating Council region at the Federal Energy Regulatory Commission tariffed rates and voice and on-line brokers.	D.03-12-062 D.04-12-048 AL 2615-E
10	Electronic Solicitations	IOUs are authorized to conduct purchase or sale through an electronic solicitation format for non-utility-owned resources requested from the market.  Electronic Solicitations are an approved procurement method for gas storage products, including solicitations involving PG&E California Gas Transmission, subject to all other Procurement Review Group ("PRG") review and Independent Evaluator ("IE") requirements.	D.03-12-062 D.04-12-048 AL 2615-E D.12-01-033
11	Market RFP	IOUs can bid in open seasons or RFPs held by generator owners, LSEs and other market participants. Such requests may also be called Requests for Bids or RFOs.	D.04-01-050 AL 2615-E D.12-01-033
12	CAISO Allocations and Auctions	CAISO allocation and auctions for LT-Congestion Revenue Rights ("CRR") and CRRs and allocation of RA counting rights.	AL 3095-E AL 3106-E D.06-07-029 AL 2897-E
13	CARB Auction	Authorization to procure GHG Allowances through any CARB Auction in accordance with the Cap-and-Trade regulation.	D.12-04-046
14	Allowance Price Containment Reserve	Authorization to procure GHG Allowances through CARB's Allowance Price Containment Reserve.	D.12-04-046
15	Cashout	As a result of certain pipeline imbalances, gas pipeline users may be cashed out according to the pipeline's tariff rules. The result is a commodity transaction, with the pipeline having bought or sold gas to or from the customer. The pipeline's tariffs include the price formula or methodology, but the actual volume and price may not be known until after the transaction is complete.	D.15-10-031
16	Bilateral transactions for the standard products gas storage and pipeline capacity	Where there are five or fewer counterparties in the relevant market, bilateral transactions for gas storage and gas pipeline transactions are authorized.	D.03-12-062
<u>17</u>	<u>Direct Bilateral contracting with counterparties for Local Reliability</u>	<u>Authorization to take appropriate actions to reduce overall costs and increase local area reliability by contracting for capacity and energy from power plants when the purpose is to enhance local area reliability.</u>	<u>D. 04-07-028</u>



# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment A**

### **Redline Version, Appendix M**



Line No.	Topic	Description	CPUC Decision and/or BPP Requirement
9	Congestion Revenue Rights (“CRR”) (annual and monthly CRRs) and Long-Term CRRs (“LT-CRR”)	<p>PG&amp;E consults with its PRG prior to the start of the annual CRR process regarding its CRR position and the procurement approach and strategy for the upcoming allocation and auction tiers. This consultation does not require PG&amp;E to provide all of the specific proposed nominations (including LT-CRR nominations) for the annual process prior to the allocation tiers. PG&amp;E also consults with the PRG prior to transacting for any CRR having a term greater than one calendar quarter. PG&amp;E is not required to consult with the PRG prior to each monthly CRR allocation/auction process.</p> <p>Within five business days after the final posting of each annual and monthly process, PG&amp;E will provide the PRG a listing of every CRR and LT-CRR awarded in the process, including the source, sink, MW quantity, term, expected value, past performance (if applicable), price (if applicable) and a description of the underlying arrangement that the CRR will hedge (or, in the case of a sale of a CRR, no longer hedge). The same information will be provided to the PRG within five business days of a transaction in the secondary market.</p>	<p>Resolution E-4135, p. 11-13, Finding 14, and OP 4.</p> <p>Resolution E-4122, p. 9-10, Findings 13-14 and OP 4.</p>
10	Third-party Request for Bids	If PG&E elects to participate in RFOs issued by other market participants (including other load serving entities), then existing procurement oversight rules apply (i.e., PRG consultation/communication).	D.12-01-033, OP 17
11	Energy Storage RFO	PG&E is required to present the design of each energy storage RFO plan and the results of each energy storage RFO to its PRG, including the evaluation methodology applied to the bids received in response to the RFO.	D.13-10-040, Appendix A Section 3.g.
12	CAM-Eligible Procurement	PG&E is required to consult with the CAM Group regarding all CAM-eligible procurement.	D.07-12-052, pp. 129-130, OP 8, and Appendix D and Appendix E, p. 1.
13	Retention of Independent Evaluators (“IE”)	PG&E consults with the PRG regarding the retention and review of IEs.	D.04-12-048 at p. 136
14	<u>Resource Adequacy Sales Solicitations to sell RA products</u>	PG&E consults with the PRG on a quarterly basis in regard to objectives, evaluation methodology, pricing, bids, and execution of transactions. Scope to include recently closed solicitations, current solicitations, and upcoming solicitations.	<u>Resolution E-4998</u> <del>TBD</del>



			approved in D.10-12-035.
4	RPS RFOs	An IE will be retained for all RFOs for RPS-eligible resources, and report on the solicitation, evaluation and selection processes.	D.06-05-039, pp. 46-47, FOF 20 and OP 8; D.09-06-050, p. 24.
5	RPS Transactions arising from bilateral negotiations	IEs provide reports on RPS-eligible contracts arising from bilateral negotiations with advice letters seeking approval.	D.09-06-050, p. 29 and OP 7.
6	Short-Term RPS Transactions	IEs review short-term RPS transactions, if applicable.	D.09-06-050, p. 24 and OP 1.
7	RPS Contract Amendments	Review of RPS contract amendments affecting contract price, including developer cash flow models.	Resolution E-4199, pp. 27-28.
8	CAM Resources	Any RFO or bilateral contract that produces a CAM-eligible resource must be overseen by an IE.	D.06-07-029, OP 1.
9	Affiliate Transactions, Not Associated with an RFO	IEs to be retained for all negotiated utility affiliate or utility-owned generation non-RFO related bids, greater than two years in duration.	D.04-12-048, pp. 135-136; D.07-12-052, p. 140 and Appendix E, p. 3 D.08-11-008, OP 2.
10	Energy Storage RFOs	An IE will be retained for all Energy Storage RFOs, and report on the solicitation, evaluation and selection processes.	D.13-10-040, pp. 10-11, 26-27, OP 8.
11	<del>Resource Adequacy Sales Solicitations to sell RA products</del>	An IE will be retained to monitor each solicitation to sell <del>Resource Adequacy</del> products. The IE will report on the solicitation, evaluation, and selection processes.	<del>Resolution E-4998TBD</del>

### 3. Independent Evaluator Reports

Any required IE Report shall be included with the Quarterly Compliance Report (“QCR”), Advice Letter or Application seeking approval for the specific transaction. IEs shall use the template(s) approved by the ED. The template(s) may be modified by ED or the Commission as appropriate. Public versions of IE reports shall be identical to the corresponding confidential versions, except for the redaction of confidential material.

### 4. Independent Evaluator Disclosure Requirements

PG&E has developed a comprehensive conflict-of-interest disclosure requirement for IEs. An IE may be disqualified from participating in an RFO process if there are

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment A**

### **Redline Version, Appendix S**



Solicitation <sup>5</sup>	Delivery Term <sup>6</sup>	Products	Anticipated Date
Q4 through Balance of Year 20 <del>19</del> 20	Monthly, through December 20 <del>19</del> 20	System RA with/without Flex Local RA with/without Flex Import Capacity Counting Rights RA Swaps	July/August 20 <del>19</del> 20
Annual Multiyear (202 <del>0</del> 1 – 2022)	Monthly, January through December (202 <del>0</del> 1 – 2022)	System RA with/without Flex Import Capacity Counting Rights Local RA with/without Flex RA Swaps	Q3 20 <del>19</del> 20 <sup>7</sup>
February through Balance of Year 202 <del>0</del> 1	Monthly, February through December 202 <del>0</del> 1	System RA with/without Flex Import Capacity Counting Right Local RA with/without Flex RA Swaps	November 201 <del>9</del> 20
Q2 through Balance of Year 202 <del>0</del> 1	Monthly, through December 202 <del>0</del> 1	System RA with/without Flex Local RA with/without Flex Import Capacity Counting Rights RA Swaps	January 202 <del>0</del> 1
Q3 through Balance of Year 202 <del>0</del> 1	Monthly, through December 202 <del>0</del> 1	System RA with/without Flex Local RA with/without Flex Import Capacity Counting Rights RA Swaps	April 202 <del>0</del> 1
Q4 through Balance of Year 202 <del>0</del> 1	Monthly, through December 202 <del>0</del> 1	System RA with/without Flex Local RA with/without Flex Import Capacity Counting Rights RA Swaps	July/August 202 <del>0</del> 1

<sup>5</sup> If PG&E does not have available products to sell, PG&E will not issue a solicitation.

<sup>6</sup> This table does not guarantee availability of product for the delivery period offered. Quantity is subject to meeting the requirements as described in this Appendix.

<sup>7</sup> PG&E will issue at least one solicitation to cover the delivery term of three years under the multiyear framework.

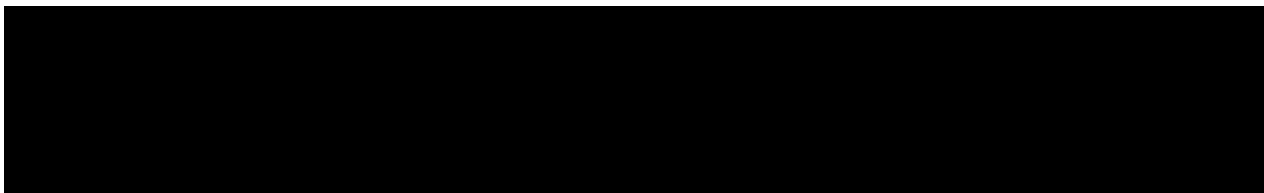
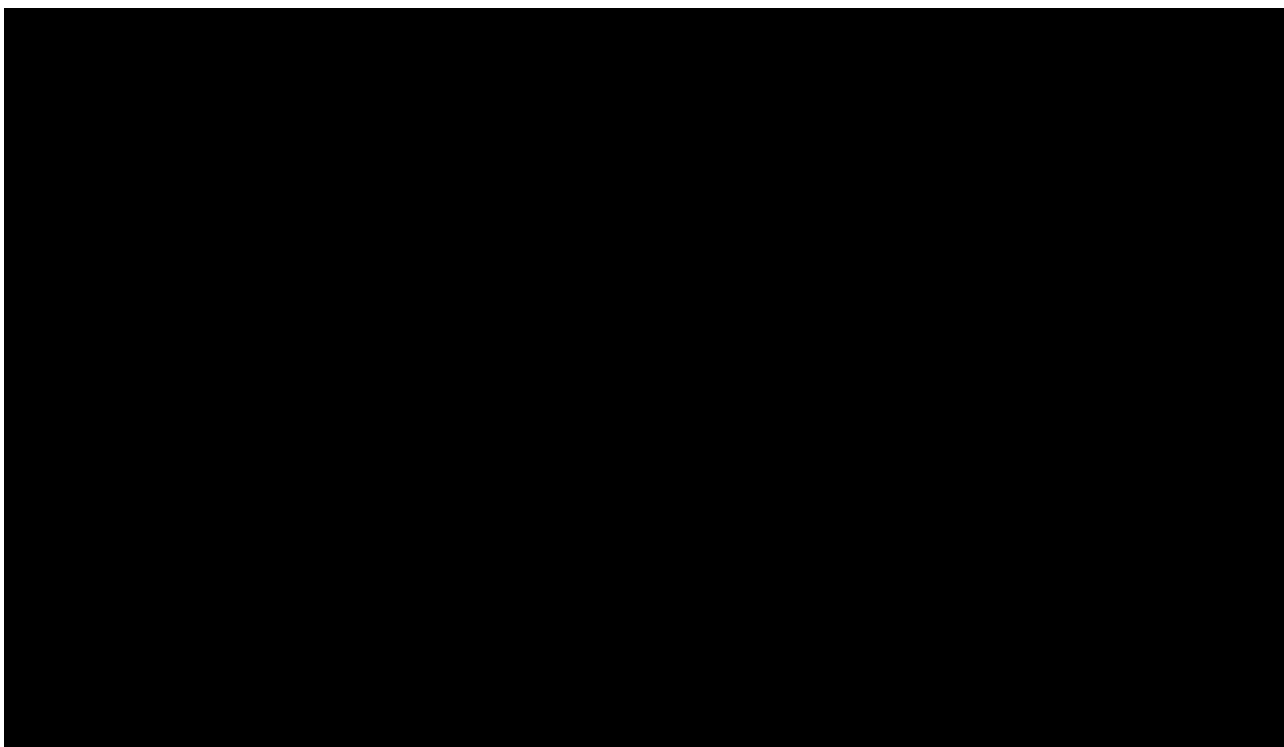
Decision No. \_\_\_\_\_

Issued by  
**Robert Kenney**  
Senior Vice President  
Regulatory Affairs

Date Filed \_\_\_\_\_  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_



Annual <del>Multiyear</del> (202 <del>1</del> <sup>2</sup> — 202 <del>3</del> <sup>1</sup> )	Monthly, January through December (202 <del>1</del> <sup>2</sup> —202 <del>3</del> <sup>1</sup> )	System RA with/without Flex Import Capacity Counting Rights Local RA with/without Flex RA Swaps	Q3 202 <del>0</del> <sup>1</sup> <sup>8</sup>
February through Balance of Year 202 <del>1</del> <sup>2</sup>	Monthly, February through December 202 <del>1</del> <sup>2</sup>	System RA with/without Flex Import Capacity Counting Right Local RA with/without Flex RA Swaps	November 202 <del>0</del> <sup>1</sup>



<sup>8</sup> PG&E will issue at least one solicitation to cover the delivery term of three years under the multiyear framework.

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment B**

### **Clean Version, Appendix**

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment B**

### **Clean Version, Appendix N**





investment grade. For exchanges and cleared transactions, PG&E is required to post initial margin as well as mark to market and the portfolio does not benefit from any unsecured credit limits.

PG&E reports its electric portfolio TeVaR to the Commission's Energy Division ("ED") on a monthly basis.<sup>1</sup> Consistent with Decision ("D.") 07-12-052, PG&E measures TeVaR as the potential change in portfolio costs under a low probability (5 percent) outcome or a 95 percent confidence level. The TeVaR measure assumes that no further forward hedging is performed, and that all existing positions are taken to delivery. In D.12-01-033, the Customer Risk Tolerance ("CRT") level was set by the Commission at 10 percent of PG&E's system average rate. The calculation of the CRT value is derived by multiplying 10 percent of the adopted bundled system average rate by the bundled forecasted sales for the rolling 12-month period. Based on PG&E's effective May 2020 bundled system average rate of 22.169 cents per kilowatt-hour ("kWh"),<sup>2</sup> a 10 percent risk tolerance factor yields a CRT of 2.22 cents/kWh Or \$795 million. Pursuant to D.12-01-033, this CRT calculation will be updated every two years in each Long-Term Procurement Plan ("LTPP") filing. If the LTPP filing is delayed or not made, the CRT will be updated two years from the filing of the previous LTPP via a Tier 1 advice letter. A description of PG&E's TeVaR methodology is included in Section B below.

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<sup>1</sup> See also Appendix M (regarding TeVaR notification to the Procurement Review Group as required by D.07-12-052 and D.12-01-033).

<sup>2</sup> PG&E Advice Letter ("AL") 5661-E-A "Supplemental: 2020 Annual Electric True-Up – Consolidated Electric Rate Changes Effective May 1, 2020."

[https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_5661-E-A.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5661-E-A.pdf)

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment B**

### **Clean Version, Appendix B**



**TABLE B-1**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**PROCUREMENT PROCESSES AND METHODS**  
**(CONTINUED)**

Item #	Transaction Process	Description	Initial Authorization
8	Non-RPS-eligible Utility Ownership of Generation	Utility ownership of generation can be pursued outside of an RFO process under certain conditions (see D.07-12-052 at 209-213; D.08-11-008 at 20-23 and D.12-04-046 at pp. 28-39).	D.07-12-052 D.08-11-008 D.12-04-046
9	Open Access Same-Time Information Systems	Procure standard electric transmission products from transmission providers throughout the Western Electric Coordinating Council region at the Federal Energy Regulatory Commission tariffed rates and voice and on-line brokers.	D.03-12-062 D.04-12-048 AL 2615-E
10	Electronic Solicitations	IOUs are authorized to conduct purchase or sale through an electronic solicitation format for non-utility-owned resources requested from the market.  Electronic Solicitations are an approved procurement method for gas storage products, including solicitations involving PG&E California Gas Transmission, subject to all other Procurement Review Group ("PRG") review and Independent Evaluator ("IE") requirements.	D.03-12-062 D.04-12-048 AL 2615-E D.12-01-033
11	Market RFP	IOUs can bid in open seasons or RFPs held by generator owners, LSEs and other market participants. Such requests may also be called Requests for Bids or RFOs.	D.04-01-050 AL 2615-E D.12-01-033
12	CAISO Allocations and Auctions	CAISO allocation and auctions for LT-Congestion Revenue Rights ("CRR") and CRRs and allocation of RA counting rights.	AL 3095-E AL 3106-E D.06-07-029 AL 2897-E
13	CARB Auction	Authorization to procure GHG Allowances through any CARB Auction in accordance with the Cap-and-Trade regulation.	D.12-04-046
14	Allowance Price Containment Reserve	Authorization to procure GHG Allowances through CARB's Allowance Price Containment Reserve.	D.12-04-046
15	Cashout	As a result of certain pipeline imbalances, gas pipeline users may be cashed out according to the pipeline's tariff rules. The result is a commodity transaction, with the pipeline having bought or sold gas to or from the customer. The pipeline's tariffs include the price formula or methodology, but the actual volume and price may not be known until after the transaction is complete.	D.15-10-031
16	Bilateral transactions for the standard products gas storage and pipeline capacity	Where there are five or fewer counterparties in the relevant market, bilateral transactions for gas storage and gas pipeline transactions are authorized.	D.03-12-062
17	Direct Bilateral contracting with counterparties for Local Reliability	Authorization to take appropriate actions to reduce overall costs and increase local area reliability by contracting for capacity and energy from power plants when the purpose is to enhance local area reliability.	D. 04-07-028

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment B**

### **Clean Version, Appendix M**



Line No.	Topic	Description	CPUC Decision and/or BPP Requirement
9	Congestion Revenue Rights (“CRR”) (annual and monthly CRRs) and Long-Term CRRs (“LT-CRR”)	<p>PG&amp;E consults with its PRG prior to the start of the annual CRR process regarding its CRR position and the procurement approach and strategy for the upcoming allocation and auction tiers. This consultation does not require PG&amp;E to provide all of the specific proposed nominations (including LT-CRR nominations) for the annual process prior to the allocation tiers. PG&amp;E also consults with the PRG prior to transacting for any CRR having a term greater than one calendar quarter. PG&amp;E is not required to consult with the PRG prior to each monthly CRR allocation/auction process.</p> <p>Within five business days after the final posting of each annual and monthly process, PG&amp;E will provide the PRG a listing of every CRR and LT-CRR awarded in the process, including the source, sink, MW quantity, term, expected value, past performance (if applicable), price (if applicable) and a description of the underlying arrangement that the CRR will hedge (or, in the case of a sale of a CRR, no longer hedge). The same information will be provided to the PRG within five business days of a transaction in the secondary market.</p>	<p>Resolution E-4135, p. 11-13, Finding 14, and OP 4.</p> <p>Resolution E-4122, p. 9-10, Findings 13-14 and OP 4.</p>
10	Third-party Request for Bids	If PG&E elects to participate in RFOs issued by other market participants (including other load serving entities), then existing procurement oversight rules apply (i.e., PRG consultation/communication).	D.12-01-033, OP 17
11	Energy Storage RFO	PG&E is required to present the design of each energy storage RFO plan and the results of each energy storage RFO to its PRG, including the evaluation methodology applied to the bids received in response to the RFO.	D.13-10-040, Appendix A Section 3.g.
12	CAM-Eligible Procurement	PG&E is required to consult with the CAM Group regarding all CAM-eligible procurement.	D.07-12-052, pp. 129-130, OP 8, and Appendix D and Appendix E, p. 1.
13	Retention of Independent Evaluators (“IE”)	PG&E consults with the PRG regarding the retention and review of IEs.	D.04-12-048 at p. 136
14	Resource Adequacy Sales Solicitations	PG&E consults with the PRG on a quarterly basis in regard to objectives, evaluation methodology, pricing, bids, and execution of transactions. Scope to include recently closed solicitations, current solicitations, and upcoming solicitations.	Resolution E-4998



			approved in D.10-12-035.
4	RPS RFOs	An IE will be retained for all RFOs for RPS-eligible resources, and report on the solicitation, evaluation and selection processes.	D.06-05-039, pp. 46-47, FOF 20 and OP 8; D.09-06-050, p. 24.
5	RPS Transactions arising from bilateral negotiations	IEs provide reports on RPS-eligible contracts arising from bilateral negotiations with advice letters seeking approval.	D.09-06-050, p. 29 and OP 7.
6	Short-Term RPS Transactions	IEs review short-term RPS transactions, if applicable.	D.09-06-050, p. 24 and OP 1.
7	RPS Contract Amendments	Review of RPS contract amendments affecting contract price, including developer cash flow models.	Resolution E-4199, pp. 27-28.
8	CAM Resources	Any RFO or bilateral contract that produces a CAM-eligible resource must be overseen by an IE.	D.06-07-029, OP 1.
9	Affiliate Transactions, Not Associated with an RFO	IEs to be retained for all negotiated utility affiliate or utility-owned generation non-RFO related bids, greater than two years in duration.	D.04-12-048, pp. 135-136; D.07-12-052, p. 140 and Appendix E, p. 3 D.08-11-008, OP 2.
10	Energy Storage RFOs	An IE will be retained for all Energy Storage RFOs, and report on the solicitation, evaluation and selection processes.	D.13-10-040, pp. 10-11, 26-27, OP 8.
11	Resource Adequacy Sales Solicitations	An IE will be retained to monitor each solicitation to sell Resource Adequacy products. The IE will report on the solicitation, evaluation, and selection processes.	Resolution E-4998

### **3. Independent Evaluator Reports**

Any required IE Report shall be included with the Quarterly Compliance Report (“QCR”), Advice Letter or Application seeking approval for the specific transaction. IEs shall use the template(s) approved by the ED. The template(s) may be modified by ED or the Commission as appropriate. Public versions of IE reports shall be identical to the corresponding confidential versions, except for the redaction of confidential material.

### **4. Independent Evaluator Disclosure Requirements**

PG&E has developed a comprehensive conflict-of-interest disclosure requirement for IEs. An IE may be disqualified from participating in an RFO process if there are

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Attachment B**

### **Clean Version, Appendix S**



Solicitation <sup>5</sup>	Delivery Term <sup>6</sup>	Products	Anticipated Date
Q4 through Balance of Year 2020	Monthly, through December 2020	System RA with/without Flex Local RA with/without Flex Import Capacity Counting Rights RA Swaps	July/August 2020
Annual Multiyear (2021 – 2022)	Monthly, January through December (2021 – 2022)	System RA with/without Flex Import Capacity Counting Rights Local RA with/without Flex RA Swaps	Q3 2020 <sup>7</sup>
February through Balance of Year 2021	Monthly, February through December 2021	System RA with/without Flex Import Capacity Counting Right Local RA with/without Flex RA Swaps	November 2020
Q2 through Balance of Year 2021	Monthly, through December 2021	System RA with/without Flex Local RA with/without Flex Import Capacity Counting Rights RA Swaps	January 2021
Q3 through Balance of Year 2021	Monthly, through December 2021	System RA with/without Flex Local RA with/without Flex Import Capacity Counting Rights RA Swaps	April 2021
Q4 through Balance of Year 2021	Monthly, through December 2021	System RA with/without Flex Local RA with/without Flex Import Capacity Counting Rights RA Swaps	July/August 2021

<sup>5</sup> If PG&E does not have available products to sell, PG&E will not issue a solicitation.

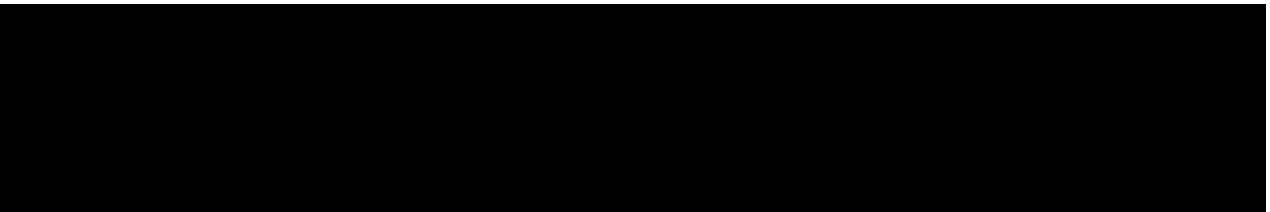
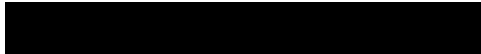
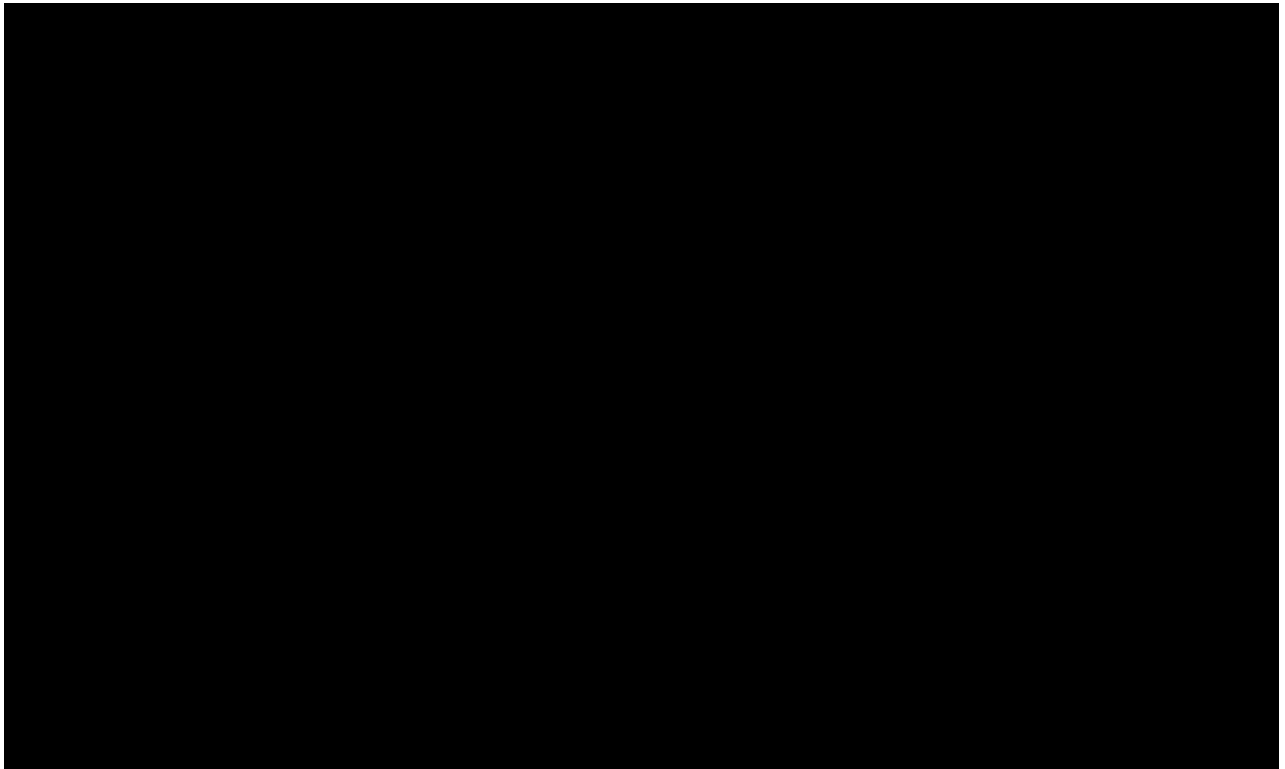
<sup>6</sup> This table does not guarantee availability of product for the delivery period offered. Quantity is subject to meeting the requirements as described in this Appendix.

<sup>7</sup> PG&E will issue at least one solicitation to cover the delivery term of three years under the multiyear framework.





Annual (2022)	Monthly, January through December (2022)	System RA with/without Flex Import Capacity Counting Rights Local RA with/without Flex RA Swaps	Q3 2021 <sup>8</sup>
February through Balance of Year 2022	Monthly, February through December 2022	System RA with/without Flex Import Capacity Counting Right Local RA with/without Flex RA Swaps	November 2021



<sup>8</sup> PG&E will issue at least one solicitation to cover the delivery term of three years under the multiyear framework.

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