

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



April 16, 2021

Advice Letter 5898-E and 5898-E-A

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

SUBJECT: Approval of Chapter 11 Rider and Amendment to the Standard Contract for Qualifying Facilities with a Power Rating that is Less than or Equal to 20 MW with Frito-Lay, Inc., Olsen Power Partners, and Hydro Sierra Energy LLC; and Associated CoProcurement Transaction Quarterly Compliance Submittal (Q3, 2019).

Dear Mr. Jacobson:

Advice Letter 5898-E and 5898-E-A is effective as of April 15, 2021, per resolution E-5119 Ordering Paragraphs.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

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

February 2, 2021

Advice 5898-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental: Approval of Chapter 11 Rider and Amendment to the Standard Contract for Qualifying Facilities with a Power Rating that is Less than or Equal to 20 MW with Frito-Lay, Inc., Olsen Power Partners, and Hydro Sierra Energy LLC; and Associated Cost Recovery

I. Purpose

On July 30, 2020, Pacific Gas and Electric Company (PG&E) submitted Advice Letter 5898-E, which requested approval of three standard contracts for Qualifying Facilities with a Power Rating that is Less than or Equal to 20 MW (≤ 20 MW Public Utility Regulatory Policies Act (PURPA) Power Purchase Agreement (PPA)) (collectively, the PURPA PPAs), and the associated cost recovery. The contracts for approval are as follows:

Counterparty	Facility	Contract Type	Resource Type	Capacity	Term	Cost Recovery
Frito-Lay, Inc.	Frito-Lay Cogen	PURPA PPA	Natural gas	2.0 MW	7 Years	CAM
Olsen Power Partners	Olsen Hydro	PURPA PPA	Hydro	5.5 MW	7 Years	PCIA: non-vintaged
Hydro Sierra Energy LLC	Deadwood Creek	PURPA PPA	Hydro	2.0 MW	1 Year	PCIA: non-vintaged

Hydro Sierra Energy LLC requested an extension for their ≤ 20 MW PURPA PPA. In this supplemental advice letter, PG&E submits a copy of the letter agreement with Hydro Sierra Energy LLC extending the PPA Term from 12 months to 17 months.

PG&E submits this supplemental advice letter pursuant to General Order 96-B Rule 7.5.1 to revise Advice 5898-E to reflect that the Modified PURPA PPA with Hydro Sierra Energy LLC has a contract duration of 17 months. There are no other revisions to Advice 5898-E.

II. Background

In Decision (D.) 10-12-035, the California Public Utilities Commission (CPUC) approved the QF/CHP Settlement Agreement (Settlement).¹ The Settlement includes several standard offer contracts for Qualifying Facilities (QFs), including the ≤20 MW PURPA PPA.² The investor-owned utilities (IOU) are required to offer these contracts to QFs through December 31, 2020, which is the Settlement Agreement term end date.³

On January 29, 2019, PG&E filed for Chapter 11 Bankruptcy, and the ≤20 MW PURPA PPA includes provisions that are implicated by PG&E's Chapter 11 Bankruptcy status. Frito Lay, Inc, Olsen Power Partners, and Hydro Sierra Energy LLC requested to execute the ≤20 MW PURPA PPA for their respective facilities. As such, PG&E is required to execute the ≤20 MW PURPA PPAs, but must also modify certain terms that are implicated by PG&E's status in Chapter 11 bankruptcy.

While the Settlement cannot be modified without agreement of all Settling Parties,⁴ the Settlement Term Sheet permits modified Settlement PPAs if approved via a Tier 3 advice letter.⁵ As such, PG&E submitted a Tier 3 advice letter on July 30, 2020 for approval of the following three PPAs with the contract costs be recoverable through the specified cost recovery mechanism:

1. Modified PURPA PPA with Frito Lay LLC with contract costs recoverable through the Cost Allocation Method (CAM);
2. Modified PURPA PPA with Olsen Power Partners with contract costs recoverable through the Portfolio Allocation Balancing Account (PABA) as part of the Power Charge Indifference Adjustment (PCIA) on a non-vintaged basis; and,
3. Modified PURPA PPA with Hydro Sierra Energy LLC with contract costs also recoverable through the PABA as part of the PCIA on a non-vintaged basis.

Subsequently, Hydro Sierra Energy LLC requested an extension for their ≤20 MW PURPA PPA. PG&E executed a letter agreement on January 27, 2021 to extend the

¹ See Decision Adopting Proposed Settlement, D. 10-12-035.

² Id., Appendix A, Attachment A, Exhibit 7: Optional CHP PPA for eligible As-Available Facilities and Exhibit 6: Qualifying Facility PPA for facilities 20 MW or less.

³ Id., Appendix A, Attachment A, Settlement Term Sheet, p. 75.

⁴ Id., Appendix A, Attachment A, Settlement Agreement, pp. 4-5. (Settling Parties can review and contest "any Commission order that changes, modifies any portion of the Settlement agreement, deleted a term, or imposed a new term," and if resolution is not achieved, the Settlement will terminate.)

⁵ Id., Appendix A, Attachment A, Settlement Term Sheet, Section 4.10.2. ("IOUs will utilize a Tier 3 Advice Letter for all other PPAs (new, repowering or existing PPAs that contain any material modification of the PPAs approved in this Settlement).")

contract term from 12 months to 17 months. PG&E submits this supplemental advice letter to revise Advice 5898-E to reflect that the Modified PURPA PPA with Hydro Sierra Energy LLC has a contract duration of 17 months.

III. Protests

Pursuant to GO 96-B, General Rule 7.5.1, PG&E requests to maintain the original protest and comment period designated in Advice 5898-E and not reopen the protest period.

IV. Effective Date

PG&E requests that this Tier 3 advice submittal become effective upon Commission approval.

V. 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/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 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: Executed Letter Agreement with Hydro Sierra Energy LLC

cc: Service List for 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) #: 5898-E-A

Tier Designation: 3

Subject of AL: Supplemental: Approval of Chapter 11 Rider and Amendment to the Standard Contract for Qualifying Facilities with a Power Rating that is Less than or Equal to 20 MW with Frito-Lay, Inc., Olsen Power Partners, and Hydro Sierra Energy LLC; and Associated Cost Recovery

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 #:

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:

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:

Advice 5898-E-A
February 2, 2021

Appendix A

**Executed Letter Agreement with
Hydro Sierra Energy LLC**



**Pacific Gas and
Electric Company***

77 Beale Street
San Francisco, CA 94105

Mailing Address
Mail Code B25
P. O. Box 770000
San Francisco, CA 94177

January 19, 2021

Adam Cleveland
Hydro Sierra Energy LLC
1800 James Street, Suite 201
Bellingham, WA 98225

Subject: Letter Agreement Extending QF Contract Hydro Sierra Energy LLC (PG&E Log No. 12H010QPA)

Dear Mr. Cleveland:

This letter agreement (“Extension Agreement”), effective as of the last signature date below, refers to the Power Purchase and Sale Agreement between Pacific Gas and Electric Company (“Buyer”) and Hydro Sierra Energy LLC (“Seller”) (collectively, the “Parties”), executed February 27, 2020 (“QF Contract”). The QF Contract has a Term Start Date of March 1, 2020; this Extension Agreement will extend the Term from twelve (12) to seventeen (17) months as described below. Any capitalized term used but not defined in this Extension Agreement shall have the meaning provided in the QF Contract. The Parties hereby agree to revise the QF Contract as follows:

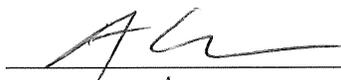
1. **Term:** Section 1.01 “Term” subsection (b) shall be deleted in its entirety and replaced with the following: “(b) The Term ends seventeen (17) months after the Term Start Date (the “Term End Date”);”
2. **No Other Changes:** All other provisions of the QF Contract shall remain in effect unchanged.

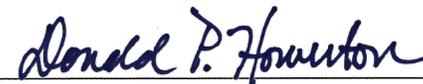
This Extension Agreement is not intended to be, nor should it be construed as, a waiver of any provision of the QF Contract or any waiver of Buyer’s or Seller’s rights and remedies, whether at law or in equity, under the QF Contract.

Each Party has caused this Extension Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

Hydro Sierra Energy LLC

Pacific Gas and Electric Company

By: 
Print Name: Adam Cleveland
Title: Project Manager
Date: 1/25/2021

By: 
Print Name: Donald Howerton
Title: Director, Structured Energy Transactions
Date: 1/29/21

**PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV**

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Cenergy Power
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

East Bay Community Energy Ellison
Schneider & Harris LLP Energy
Management Service
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie

Green Power Institute
Hanna & Morton
ICF

IGS Energy
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy