

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 5985E**  
**As of March 23, 2021**

Subject: Request to Extend Procurement Authority Pursuant to Pacific Gas and Electric Company's  
Assembly Bill 57 Bundled Procurement Plan

Division Assigned: Energy

Date Filed: 10-29-2020

Date to Calendar: 11-02-2020

Authorizing Documents: None

**Disposition:**

**Signed**

**Effective Date:**

**03-18-2021**

Resolution Required: Yes

Resolution Number: E-5129

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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)**



October 29, 2020

**Advice 5985-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Request to Extend Procurement Authority Pursuant to Pacific Gas and Electric Company's Assembly Bill 57 Bundled Procurement Plan**

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby requests California Public Utilities Commission (CPUC or Commission) approval to extend its procurement authority under PG&E's currently effective Assembly Bill (AB) 57 Bundled Procurement Plan, approved by the Commission in 2015 (2014 BPP). Pursuant to its terms, the 2014 BPP will remain in effect until December 31, 2024, or the date on which the 2014 BPP is superseded by a subsequent Commission-approved bundled procurement plan, whichever is earlier. As of the filing date, there is no schedule set to review and approve an update to the bundled procurement plan. PG&E seeks to update its 2014 BPP to extend procurement authority until the Commission approves an updated bundled procurement plan for PG&E.

**Background**

On December 30, 2013, the Commission issued R.13-12-010, "Order Initiating Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans."<sup>1</sup> The Long-Term Procurement Plan (LTPP) proceedings, including R.13-12-010, generally operated on a two-year cycle, with the IOUs submitting for approval both procurement plans that projected their procurement needs over a 10-year horizon and bundled procurement plans for authority to procure to meet those needs. Pursuant to AB 57, codified at Public Utilities Code Section 454.5, the Commission's approval of the IOUs' bundled procurement plans establishes up-front and achievable standards for IOU procurement activities and cost recovery. Procuring in compliance with the bundled procurement plans creates an efficient process that eliminates the need for IOUs to seek approval of individual transactions through the advice letter or application process.

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<sup>1</sup> See 15-10-031, p. 4.

On October 23, 2015, the Commission issued Decision (D.) 15-10-031 in R.13-12-010, approving, inter alia, PG&E's 2014 BPP.<sup>2</sup> PG&E's approved 2014 BPP, as amended, governs procurement through December 31, 2024 and is limited to transactions with a duration of less than five years, for the 10-year planning period January 1, 2015 through December 31, 2024.<sup>3</sup> Thus, PG&E's ratable rates and position limits, products, transactional processes, and other rules described in the 2014 BPP represent upfront and achievable standards and criteria that establish PG&E's pre-approved authority to procure resources through transactions with durations of less than five years that are per se eligible for cost recovery. However, given its 10-year planning period that expires on December 31, 2024, PG&E's 2014 BPP five year procurement authority has become increasingly truncated starting with the sixth year of the planning period (e.g., in 2020, the maximum transaction duration has become increasingly less than five years; in 2021, it will become increasingly less than four years; in 2022, it will become increasingly less than three years; etc.), to the detriment of the efficient process adopted by the Commission in approving the 2014 BPP.

On February 19, 2016, the Commission initiated R.16-02-007, "Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements," (2016 IRP Proceeding). The 2016 IRP Proceeding essentially replaced the prior LTPP proceedings, with remaining issues from R.13-12-010 transferred to the 2016 IRP. The Commission opened R.20-05-003 (the 2020 IRP Proceeding) as the successor proceeding in May 2020 and then closed the 2016 IRP Proceeding in D.20-09-026. In opening the 2020 IRP Proceeding, the Commission stated that the procurement track of 2020 IRP Proceeding will be the venue for consideration of IOU bundled procurement plans, including any necessary changes to the 2014 BPP;<sup>4</sup> however, the scoping memo issued in the 2020 IRP Proceeding on September 24, 2020 does not provide a clear schedule for such consideration.<sup>5</sup> As such, the 2014 BPP remains in effect at this time, and any updates must be made via advice letter.

### **PG&E Requests Extension of Its AB 57 Procurement Authority Pending Action by the Commission in the 2020 IRP Proceeding**

Currently, PG&E's pre-approved AB 57 authority under the 2014 BPP is limited to contracts with a duration of less than five years through December 31, 2024. As a result, for each day that passes after January 1, 2020, PG&E's pre-approved 5-year procurement authority is eroded by a day. In order to ensure PG&E's ability to continue efficiently procuring through transactions with durations less than five years, PG&E's

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<sup>2</sup> Since its approval in D.15-10-031, PG&E has submitted and obtained disposition and/or approval of various advice letters updating the 2014 BPP.

<sup>3</sup> 2014 BPP, Sheets 1, 32; see also D.07-12-052, p. 172; D.14-02-040, p. 39; D.19-08-014, p. 6.

<sup>4</sup> Rulemaking 20-05-003, *Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes*, issued May 14, 2020, p. 10.

<sup>5</sup> Rulemaking 20-05-003, *Assigned Commissioner's Scoping Memo and Ruling*, issued September 24, 2020, pp. 11-12.

2014 BPP procurement authority must be extended beyond December 31, 2024, unless the 2014 BPP is superseded by a subsequent Commission-approved bundled procurement plan prior to that date.

Therefore, PG&E requests that the Commission extend PG&E's procurement authority under its 2014 BPP on a rolling basis, effective as of the approval of this advice letter, until an updated or new bundled procurement plan is approved for PG&E in the 2020 IRP Proceeding or elsewhere. This authority will enable PG&E to continue to procure maximum transactions of less than five years under the 2014 BPP, consistent with the upfront and achievable standards required by AB 57, unless and until an updated or new PG&E bundled procurement plan is approved. Attachment A sets forth PG&E's requested modifications to its 2014 BPP to effectuate this extension.

### **Attachments**

Attachment A	Redline Edits, BPP (Sheet 1, 32)
Attachment B	Clean BPP (Sheet 1, 32)

### **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 filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than November 18, 2020, which is 20 days after the date of this filing. 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.

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 3 advice letter become effective by no later than December 31, 2020, and that the Commission issue a resolution by that date.

### **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 filings 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) #: 5985-E

Tier Designation: 3

Subject of AL: Request to Extend Procurement Authority Pursuant to Pacific Gas and Electric Company's Assembly Bill 57 Bundled Procurement Plan

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 #:

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 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



## **Attachment A**

**Redline Edits, BPP (Sheet 1, 32)**



## I. Introduction

In accordance with the *Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge*, issued May 6, 2014 in Rulemaking (“R.”) 13-12-010, Pacific Gas and Electric Company (“PG&E”) is filing its Bundled Procurement Plan (“BPP”) covering the period from the date the BPP is approved ~~to December 31, 2024~~ until an updated or new BPP is approved for PG&E in a formal BPP proceeding initiated within the Integrated Resources Plan Proceeding Rulemaking 20-05-003 or elsewhere. PG&E’s BPP became effective on October 22, 2015, the date the California Public Utilities Commission (“CPUC” or “Commission”) adopted Decision (“D.”) 15-10-031 approving the BPP with modifications, and will remain in effect until ~~December 31, 2024~~, or the BPP is superseded by a subsequent Commission-approved BPP, ~~whichever is earlier~~. PG&E’s BPP establishes the upfront achievable standards and criteria for PG&E’s procurement activities and the recovery of procurement costs without an after-the-fact reasonableness review, consistent with California Public Utilities Code (“Pub. Util. Code”) § 454.5.

### A. PG&E’s Procurement Goals

PG&E’s goals are to provide safe, reliable, affordable, and environmentally-sensitive electric and gas service to its customers throughout northern and central California. The BPP is intended to achieve these goals for PG&E’s bundled electric customers.

PG&E’s first priority is safety. For PG&E-owned facilities, the focus on safety includes ensuring that PG&E’s facilities are developed, maintained, and operated in a safe



manner. PG&E has undertaken comprehensive safety efforts and has initiated a number of key safety programs to ensure that its hydroelectric, renewable, fossil-fueled, and



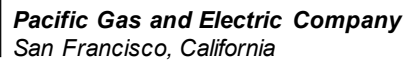
### C. Description of Cost Recovery for Bundled Procurement Plan Procurement

PG&E's ERRA is to record and recover power costs, excluding CDWR contract costs, associated with PG&E's authorized procurement plan, pursuant to D.02-10-062, D.02-12-074 and Pub. Util. Code § 454.5(d)(3), and any succeeding decision, which approves PG&E's procurement activities. Costs recorded in ERRA include, but are not limited to, procurement costs associated with third-party contracts, UOG fuels, CAISO market purchases and charges, GHG procurement costs, hedging and collateral costs, revenues or costs related to CRRs and convergence bidding, costs related to IE, and fees associated with participating in the WREGIS. These costs are offset by revenues received from the CAISO markets, sales to third parties, and other market transactions related to procurement. The specific costs, expenses, and revenues recovered in ERRA are identified in Electric Preliminary Statement CP – ERRA.

### V. Pre-Approval, Approval, and Filing Requirements

PG&E may execute contracts that are consistent with the BPP with a contract duration of less than five years without Commission pre-approval. Specifically, PG&E can enter into contracts with delivery terms of less than five years, ~~provided the delivery term ends within the 10 calendar year Long Term Procurement Plan procurement cycle (e.g., for the 2014 BPP, contracts utilizing this rule may not include deliveries beyond December 31, 2024~~ on a rolling basis until an updated or new BPP is approved.<sup>15</sup> The length of the contract duration includes any extension options provided for in the contract.

<sup>15</sup> [INSERT RESOLUTION APPROVING ADVICE LETTER 5985-E] See D.07-12-052 at p. 172 and OP 19.



## **Attachment B**

**Clean BPP (Sheet 1, 32)**



## I. Introduction

In accordance with the *Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge*, issued May 6, 2014 in Rulemaking (“R.”) 13-12-010, Pacific Gas and Electric Company (“PG&E”) is filing its Bundled Procurement Plan (“BPP”) covering the period from the date the BPP is approved until an updated or new BPP is approved for PG&E in Rulemaking 20-05-003 or elsewhere. PG&E’s BPP became effective on October 22, 2015, the date the California Public Utilities Commission (“CPUC” or “Commission”) adopted Decision (“D.”) 15-10-031 approving the BPP with modifications, and will remain in effect until the BPP is superseded by a subsequent Commission-approved BPP. PG&E’s BPP establishes the upfront achievable standards and criteria for PG&E’s procurement activities and the recovery of procurement costs without an after-the-fact reasonableness review, consistent with California Public Utilities Code (“Pub. Util. Code”) § 454.5.

### A. PG&E’s Procurement Goals

PG&E’s goals are to provide safe, reliable, affordable, and environmentally-sensitive electric and gas service to its customers throughout northern and central California. The BPP is intended to achieve these goals for PG&E’s bundled electric customers.

PG&E’s first priority is safety. For PG&E-owned facilities, the focus on safety includes ensuring that PG&E’s facilities are developed, maintained, and operated in a safe manner. PG&E has undertaken comprehensive safety efforts and has initiated a number of key safety programs to ensure that its hydroelectric, renewable, fossil-fueled, and



PG&E's ERRA is to record and recover power costs, excluding CDWR contract costs, associated with PG&E's authorized procurement plan, pursuant to D.02-10-062, D.02-12-074 and Pub. Util. Code § 454.5(d)(3), and any succeeding decision, which approves PG&E's procurement activities. Costs recorded in ERRA include, but are not limited to, procurement costs associated with third-party contracts, UOG fuels, CAISO market purchases and charges, GHG procurement costs, hedging and collateral costs, revenues or costs related to CRRs and convergence bidding, costs related to IE, and fees associated with participating in the WREGIS. These costs are offset by revenues received from the CAISO markets, sales to third parties, and other market transactions related to procurement. The specific costs, expenses, and revenues recovered in ERRA are identified in Electric Preliminary Statement CP – ERRA.

## V. Pre-Approval, Approval, and Filing Requirements

PG&E may execute contracts that are consistent with the BPP with a contract duration of less than five years without Commission pre-approval. Specifically, PG&E can enter into contracts with delivery terms of less than five years on a rolling basis until an updated or new BPP is approved.<sup>15</sup> The length of the contract duration includes any extension options provided for in the contract. For contracts with a duration of five years or greater, PG&E will file an application for pre-approval of the contract. The only exceptions to

15 [INSERT RESOLUTION APPROVING ADVICE LETTER 5985-E].



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