

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6024E
As of January 6, 2021

Subject: Notification of Pacific Gas and Electric Company's Bundled Procurement Plan,
Implementation of its Electric Portfolio Hedging Plan

Division Assigned: Energy

Date Filed: 12-11-2020

Date to Calendar: 12-16-2020

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	12-11-2020

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

415-973-4587

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

December 11, 2020

Advice 6024-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Notification of Pacific Gas and Electric Company's Bundled Procurement Plan, Implementation of its Electric Portfolio Hedging Plan

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter to the California Public Utilities Commission (Commission or CPUC) regarding the current state of PG&E's bundled electric energy portfolio¹ and PG&E's actions according to Section D.2 of its Electric Portfolio Hedging Plan² (Hedging Plan), as described below.

Background

In Advice Letter 5282-E, effective May 1, 2018, PG&E notified Energy Division regarding the then-current state of its bundled electric energy portfolio and PG&E's corresponding actions according to its Hedging Plan, including that its electric portfolio had changed from short to long for certain delivery periods. In Advice Letter 5469-E, effective January 16, 2019, PG&E notified Energy Division of continued temporary management of the electric portfolio outside the established targets, limits, constraints, conditions, and rules set forth in the Hedging Plan due to PG&E's financial status, including PG&E's rating by credit agencies below investment grade and increased collateral requirements. Advice Letter 5507-E, effective April 1, 2019, and Advice Letter 5704-E, effective December 9, 2019, similarly updated Energy Division regarding continued temporary management due to the

¹ Electric portfolio position in this advice letter relates to the Electric Portfolio Hedging Plan. This position includes energy (electricity and gas) and emissions (GHG compliance). This position and the Electric Portfolio Hedging Plan do not address Resource Adequacy or Renewable Energy Credit positions.

² The CPUC approved PG&E's proposed 2014 Bundled Procurement Plan (BPP), including Appendix E, Electric Portfolio Hedging Plan, with modifications, in D.15-10-031, as modified by D.16-01-015. As required by D.15-10-031, PG&E submitted its Conformed BPP in Advice 4750-E on December 10, 2015, which was approved on June 15, 2016.

then-current state of PG&E's electric portfolio, including that certain regulatory proceedings could impact PG&E's future Power Charge Indifference Adjustment (PCIA)-eligible portfolio. Each of these Advice Letters detailed PG&E actions in response to these situations.

Temporary Management and Corrective Actions

Conditions referred to in previous Advice Letters (see Background section above) continue to impact the electric portfolio necessitating PG&E's continued temporary management outside the established targets, limits, constraints, conditions, and rules set forth in the Hedging Plan for certain delivery periods.

PG&E continues to operate under credit limitations. PG&E emerged from bankruptcy on July 1, 2020, and is currently rated by credit agencies as below investment grade. A credit rating below investment grade increases requirements for the posting of collateral, which is required to engage in certain financial hedging transactions.

In addition, PG&E's electric portfolio continues to face uncertainties with the potential to cause large deviations from the Hedging Plan's targets, limits, constraints, conditions, and rules. Uncertainties including the outcome of Phase 2 of the PCIA Rulemaking,³ Central Procurement Entity procurement activity,⁴ potential procurement mandates, including procurement which may result from the Electric Integrated Resource Planning OIR⁵ and the Emergency Reliability OIR,⁶ re-opening of Direct Access, and load shift to or from Community Choice Aggregators (CCAs) may quickly cause large deviations in PG&E's electric portfolio over the tenor of the Hedging Plan.

To prudently manage its financial trading in compliance with PG&E's Hedging Plan,⁷ PG&E will continue temporarily managing the electric portfolio outside the established targets, limits, constraints, conditions, and rules in Appendix E of the BPP for certain delivery periods. PG&E will [REDACTED]

³ For example, in D. 20-08-004, the Commission adopted a framework that allows individual Direct Access (DA) customers and Community Choice Aggregators (CCAs), on behalf of their customers, to prepay their PCIA obligation. On October 12, 2020 PG&E submitted Advice 5973-E proposing a prepayment processing framework. Advice 5973-E is pending Commission disposition. PCIA prepayment agreements may change PG&E's energy portfolio position.

⁴ The Central Procurement Entity may procure dispatch rights along with Local Resource Adequacy, thereby affecting PG&E's energy position

⁵ R.20-05-003

⁶ R.20-11-003

⁷ 2014 BPP Appendix E, Section D.2

⁸ [REDACTED]

[REDACTED] These efforts allow for a transition to PG&E Hedging Plan proposed revisions, which PG&E will separately submit for approval via a Tier 3 Advice Letter. PG&E's proposed revisions to the Hedging Plan will allow [REDACTED]. This Tier 1 Advice letter describes hedging for [REDACTED].

PG&E notes that consistent with its Advice Letter submitted in connection with the PCIA OIR Phase 1 Decision,⁹ any utility hedging costs and benefits would be recorded in the Energy Resource Recovery Account balancing account for allocation only to bundled electric customers. CCAs and other departed load customers will not share in any costs or benefits of any future hedging plan transactions.

This submittal will not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Attachments

Attachment 1: Declaration of Michael Kowalewski Seeking Confidential Treatment of Certain Data and Information in Advice 6024-E (including "IOU Matrix")

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*****

PG&E is not seeking relief through this advice letter and is simply notifying the Commission regarding the current state of its bundled electric energy portfolio. PG&E respectfully requests a shortened protest period of five (5) business days. Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than December 18, 2020, which is 5 business days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200

⁹ AL 5440-E

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 this Tier 1 advice letter become effective on the date of submittal.

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. 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. 20-05-003

Limited Access to Confidential Material:

The portions of this advice letter marked Confidential Protected Material are submitted under the confidentiality protection of Section 454.5(g) of the Public Utilities Code. This material is protected from public disclosure because it consists of, among other items, detailed descriptions of the Electric Portfolio Hedging Plan, which are protected pursuant to D.06-06-066 and D.08-04-023.

Public Attachments Submitted with the Advice Letter:

Attachment 1: Declaration of Michael Kowalewski Seeking Confidential Treatment of Certain Data and Information in Advice 6024-E (including "IOU Matrix")

Confidential Attachments Submitted with the Advice Letter:

Advice Letter 6024-E [Confidential Version]



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 U 39 E)

Utility type:

☒ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@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) #: 6024-E

Tier Designation: 1

Subject of AL: Notification of Pacific Gas and Electric Company's Bundled Procurement Plan, Implementation of its Electric Portfolio Hedging 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: N/A

Confidential treatment requested? ☒ Yes ☐ No

If yes, specification of confidential information: Confidentiality deceleration 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: Michael Kowalewski, 415-972-5589, MSK4@pge.com

Resolution required? ☐ Yes ☒ No

Requested effective date: 12/11/20

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Clear Form

Attachment 1

**Declaration of Michael Kowalewski Seeking Confidential
Treatment of Certain Data and Information in Advice
6024-E (including “IOU Matrix”)**

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

**DECLARATION OF MICHAEL KOWALEWSKI
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN PG&E'S ADVICE LETTER 6024-E**

I, Michael Kowalewski, declare:

1. I am presently employed by Pacific Gas and Electric Company (PG&E) and have been an employee since 1992. My current title is Portfolio Manager in the Energy Policy and Procurement Department. In this position, my responsibilities include financial portfolio management and trading. In carrying out these responsibilities, I have acquired knowledge of gas and electric supply, the markets for physical and financial products for hedging, and the various types of transactions involved.

2. Based on my knowledge and experience, and in accordance with the Decisions 06-06-066 (affirmed in 16-08-024), 08-04-023, 14-10-033, and relevant Commission rules, I make this declaration seeking confidential treatment for Advice Letter 6024-E which provides an information-only update on the current status of PG&E's bundled electric energy portfolio and actions consistent with PG&E's Conformed Bundled Procurement Plan.

3. Attached to this declaration is a matrix 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 data and information covered by Public Utilities Code Section 454.5(g), which would reveal market sensitive information. The matrix also specifies why confidential protection is justified. Finally, the matrix specifies that: (1) the information is not already public; and (2) the data 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 testimony 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 December 10, 2020 at Oakland, California.

/s/

MICHAEL KOWALEWSKI

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
ADVICE LETTER 6024-E
Submitted on December 11, 2020

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Advice 6024-E, Advice Letter	D.06-06-066, Appendix 1 (Item I.A.4 – Long Term Fuel (Gas) Buying and Hedging Plans) Pub. Util., Code § 454.5(g)	Information concerning a description of PG&E's long term buying and hedging strategies, which constitutes market sensitive information that could cause harm to PG&E's customers and put PG&E at an unfair business advantage if publicly disclosed.	Indefinite

**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
Semptra 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