

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



June 21, 2021

Advice Letter 6122-E

Sidney Dietz, Interim Director
Pacific Gas and Electric Company
77 Beale St., Mail Cod B13U
P.O. Box 770000
San Francisco, CA 94177

**SUBJECT: Advice Letter 6122-E, Winter 2020 Bundled RPS Energy Sale Solicitation;
Power Purchase and Sale Agreements (PSAs) Between Pacific Gas and
Electric Company and Multiple Buyers**

Dear Mr. Sidney Dietz,

Advice Letter (AL) 6122-E is effective as of June 18, 2021.

Background

On March 19, 2021 Pacific Gas and Electric Company (PG&E) filed AL 6122-E requesting approval of three PSAs with Silicon Valley Clean Energy Alliance, East Bay Community Energy and Central Coast Community Energy which were executed as a result of their Winter 2020 Bundled RPS Energy Sale Solicitation. The AL states that PG&E expects the products to qualify as PCC 1 under PU Code Section 399.16(b)(1).

Protest

Commercial Energy (CE) filed a timely protest on April 8, 2021, asserting that as Silicon Valley Clean Energy Alliance, East Bay Community Energy, and Central Coast Community Energy are in the California Community Power Joint Powers Authority (CCP), there is a potential for collusion that was not addressed by PG&E or the Independent Evaluator. CE describes in its protest a hypothetical bidding pattern whereby parties would collude to discover pricing and take advantage of it via bid refresh, and then speculates that such a pattern occurred in this solicitation. CE states a concern that CCP members could then share in the net proceeds of the solicitation procured by its individual members, which would fundamentally skirt the “one bidder, one bid” rule, as well as a belief that Community Choice Aggregators are government-sanctioned public authorities exempt from anti-trust laws.

PG&E responded timely on April 15, 2021, arguing that CE provided no evidence supporting the protest, that California Community Power was not formed until after the bids were submitted and the transactions executed, that allowing a bid refresh is a standard industry practice, and the solicitation’s Confidentiality Agreement and the terms prohibiting collusion sufficiently safeguard against collusion, that CE’s hypothetical bid pattern did not occur, and that CE’s claim that Community Choice Aggregators are exempt from antitrust laws is not legally supported.

Discussion

Energy Division reviewed PG&E's AL 6122-E, Commercial Energy's protest, and PG&E's response, and find that CE failed to provide evidence of collusive activities. Additionally, PG&E's argument that CCP was not formed at the time of the Solicitation is persuasive. The Sales agreements were executed on or before February 3, 2021, whereas CCP was not announced until February 8, 2021. As such, CE's protest asserting potential collusion by the counterparties is denied because of insufficient supporting evidence, and because the alleged collusive entity did not exist at the time collusion would have occurred.

Disposition

Based on the information provided, PG&E's Advice letter 6122-E is hereby approved.

If you have any questions or comments, please contact Michael Baltar (Michael Baltar, Renewable Energy Analyst; (916) 327-6778; michael.baltar@cpuc.ca.gov).

Sincerely,

Handwritten signature of Edward Randolph in black ink, with the initials "(foi)" written in parentheses to the right of the signature.

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

cc: Michael Day, Attorney at Law for Goodin MacBride, Squeri & Day LLP,
MDay@goodinmacbride.com

March 19, 2021

Advice 6122-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject Winter 2020 Bundled RPS Energy Sale Solicitation; Power Purchase
and Sale Agreement Between Pacific Gas and Electric Company and
Multiple Buyers**

I. Introduction

A. Identify the Purpose of the Advice Letter

Pacific Gas and Electric Company (“PG&E”) seeks California Public Utilities Commission (“Commission” or “CPUC”) approval of three power purchase and sale agreements (“PPSAs” or “Transactions”) that seek to sell Renewables Portfolio Standard (“RPS”)-eligible products from PG&E’s existing procured energy portfolio to three counterparties.¹

These Transactions are consistent with the sales strategy approved as part of PG&E’s 2019 RPS Procurement Plan (“2019 RPS Plan”), and are consistent with PG&E’s ongoing management of its RPS portfolio in light of recent and forecasted bundled electric load departures resulting from the growth of Community Choice Aggregators (“CCA”) and behind-the-meter distributed generation.² This Advice Letter includes three Transactions resulting from PG&E’s Winter 2020 Bundled RPS Energy Sale Solicitation (“Solicitation”).

¹ This Advice Letter replaces Advice Letter 6111-E, which was submitted on March 8, 2021. PG&E subsequently voluntarily withdrew Advice Letter 6111-E on March 15, 2021 to correct errors.

² Final 2019 PG&E Renewable Energy Procurement Plan, filed in Rulemaking.18-07-003 on January 29, 2020.

B. Identify the Subject of the Advice Letter, Including contract summary as follows:

General Deal Structure

Describe general characteristics of contract: Contract Summary

PG&E will sell bundled energy and renewable energy credits (“RECs”) under the PPSAs. PG&E either owns or purchases the bundled product under contracts that PG&E expects would qualify as Portfolio Content Category (“PCC”) 1 to PG&E.³ The Transaction must receive final, nonappealable Commission approval before energy deliveries and the transfer of RECs to Buyers may begin under the PPSAs.

1. Counterparty(s) / Buyer(s)

The counterparties associated with sales resulting from the Solicitation include:

- Silicon Valley Clean Energy Authority (“SVCEA”)
 - SVCEA is a Community Choice Aggregator (CCA) serving residential and business customers in Santa Clara County.
- East Bay Community Energy Authority (“EBCE”)
 - EBCE is a Community Choice Aggregator (CCA) serving residential and business customers in Alameda County.
- Central Coast Community Energy Authority (“3CE”)
 - 3CE is a Community Choice Aggregator (CCA) serving residential and business customers in Monterey County.

2. Business Relationship (if applicable, between seller / owner / buyer)

PG&E is not aware of any corporate affiliations between PG&E and the PPSA Buyers. PG&E is aware that each of SVCEA, EBCE, and 3CE are members of California Community Power, a Joint Powers Agency comprised of eight CCAs. PG&E is not aware of any corporate affiliations between the non-PG&E owned Projects and the PPSA Buyers.

3. Contract Volume (MWh)

Counterparty(s)	Contract Volume (MWh)
Silicon Valley Clean Energy Authority (“SVCEA”)	212,295
East Bay Community Energy Authority (“EBCE”)	450,000
Central Coast Community Energy Authority (“3CE”)	500,000

³ PCC 1 products are defined in California Public Utilities Code Section 399.16(b)(1).

4. Facility Size (MW)

The Transactions do not include the sale of capacity products. However, see Appendix H1 – Facility List for the Facility Size (MW) of PG&E’s Facility List.

5. Term of existing contract with the owner / developer (date of contract execution and expiration)

See Appendix H1 – Facility List for the term of existing contract with the owner / developer of the Projects expected to deliver volumes under the PPSAs (date of contract execution and expiration).

6. Project background, e.g., expiring QF contract, phased project previous power purchase agreement, contract amendment

All the Projects that are expected to deliver volumes pursuant to the PPSAs are existing and operating facilities that are either utility owned generation or are under current RPS contracts to deliver output to PG&E.

7. Source of agreement, i.e., RPS solicitation year or bilateral negotiation

The PPSAs resulted from PG&E’s Winter 2020 Bundled RPS Energy Sale Solicitation. The solicitation bids were evaluated and executed in accordance with the RPS Sales Framework (“Sales Framework”) approved as Appendix F to PG&E’s 2019 RPS Plan.

8. If an amendment, describe contract terms being amended and reason for amendment

Not Applicable.

General Project(s) Description

Project Name	Multiple Projects (See Appendix H1 – Facility List)	Multiple Projects (See Appendix H1 – Facility List)	Multiple Projects (See Appendix H1 – Facility List)
Buyer / Counterparty	SVCEA	EBCE	3CE
Technology	solar PV, solar thermal, wind, small hydro, biomass, large hydro, and geothermal, renewable technologies	solar PV, solar thermal, wind, small hydro, biomass, large hydro, and geothermal renewable technologies	solar PV, solar thermal, wind, small hydro, biomass, large hydro, and geothermal renewable technologies
Capacity (MW) ⁴	Multiple Projects (See Appendix H1 – Facility List)	Multiple Projects (See Appendix H1 – Facility List)	Multiple Projects (See Appendix H1 – Facility List)
Expected Generation (MWh/Year)	PG&E will sell 212,295 MWh to be filled from any of the projects on Appendix H1 – Facility List	PG&E will sell 450,000 MWh to be filled from any of the projects on Appendix H1 – Facility List	PG&E will sell 500,000 MWh to be filled from any of the projects on Appendix H1 – Facility List
Delivery Term (Years)	2021	2021	2021
Location (city and state)	Multiple Projects (See Appendix H1 – Facility List)	Multiple Projects (See Appendix H1 – Facility List)	Multiple Projects (See Appendix H1 – Facility List)

⁴ The capacity for the multiple projects (facilities) associated with the Transactions are listed in Appendix H1. However, the Transactions are for bundled RPS (i.e., energy and RECs) sales and do not include a capacity product.

C. RPS Statutory Goals and Requirements

- 1. Briefly describe the Project's consistency with and contribution towards the RPS program's statutory goals set forth in Public Utilities Code §399.11. These goals include displacing fossil fuel consumption within the state; adding new electrical generating facilities within WECC; reducing air pollution in the state; meeting the state's climate change goals by reducing emissions of greenhouse gases associated with electrical generation; promoting stable retail rates for electric service; a diversified and balanced energy generation portfolio; meeting the state's resource adequacy requirements; safe and reliable operation of the electrical grid; and implementing the state's transmission and land use planning activities.**

The Transactions contribute to the optimization of PG&E's portfolio of RPS-eligible resources, thereby promoting the stability and reasonableness of the impact on customer rates of that portfolio.

- 2. Describe how procurement pursuant to the contract will meet IOU's specific RPS compliance period needs. Include Renewable Net Short calculation as part of response. Also, describe, in detail, how these sales will not inhibit the ability for the IOU to meet its RPS targets in all future compliance periods.**

As illustrated in PG&E's RNS, PG&E's existing RPS portfolio is expected to provide sufficient RPS-eligible deliveries to meet PG&E's RPS compliance requirements through 2030, prior to consideration of the Transactions. The combination of these calculations demonstrates that the Transactions will not create any material risk of near-term RPS noncompliance for PG&E.

D. Confidentiality

Explain if confidential treatment of specific material is requested. Describe the information and reason(s) for confidential treatment consistent with the showing required by D.06-06-066, as modified by D.08-04-023.

In support of this Advice Letter, PG&E provides the confidential information listed below. This information includes the PPSAs and other information that more specifically describes the rights and obligations of the parties involved. This information is being submitted in the manner directed by D.08-04-023 and the August 22, 2006, Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under either the terms of the Investor Owned Utility Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023, or Public Utilities Code section 454.5(g). A separate Declaration Seeking Confidential Treatment is being submitted concurrently with this Advice Letter.

Table of Appendices

Appendix	Description	Public or Confidential?
A	Consistency with Commission Decisions and Rules	Confidential
B1	Solicitation Overview and Results	Confidential
B2	Solicitation Overview and Results (Excel Spreadsheet)	Confidential
C1	Final RPS Project-Specific Independent Evaluator Report	Confidential
C2	Final RPS Project-Specific Independent Evaluator Report (Redacted)	Public
D1	Contract Summary: Silicon Valley Clean Energy Authority (SVCEA)	Confidential
D2	Contract Summary: East Bay Community Energy Authority (EBCE)	Confidential
D3	Contract Summary: Central Coast Community Energy (3CE)	Confidential
E1	Comparison of Contract with Utility's Pro Forma Agreement: SVCEA	Confidential
E2	Comparison of Contract with Utility's Pro Forma Agreement: EBCE	Confidential
E3	Comparison of Contract with Utility's Pro Forma Agreement: 3CE	Confidential
F1	Sales Agreement: SVCEA	Confidential
F2	Sales Agreement: EBCE	Confidential
F3	Sales Agreement: 3CE	Confidential
G1	PG&E's Renewable Net Short Calculation	Confidential
G2	PG&E's Renewable Net Short Calculation (Redacted)	Public
H1	Facility List: SVCEA, EBCE, and 3CE	Public

II. Consistency With Commission Decisions

A. RPS Procurement Plan

- 1. Identify the Commission decision that approved the utility's RPS Procurement Plan. Did the utility adhere to Commission guidelines for filing and revisions?**

PG&E's 2019 RPS Plan was approved in Decision (D.) 19-12-042 on December 30, 2019, and the final, conforming version of the 2019 RPS Plan was filed in Rulemaking 18-17-003 on January 29, 2020. PG&E complied with all procedural requirements with regard to the submittal of its 2019 RPS Plan.

- 2. Describe the Procurement Plan's assessment of portfolio needs as well as how these sales are consistent with the Commission decision for sale of RECs.**

In PG&E's 2019 RPS Plan, PG&E demonstrated that it was well-positioned to meet its RPS compliance requirements through CP 5 (2025-2027) and would not have incremental RPS physical need until at least 2029. PG&E also demonstrated that its existing portfolio of executed RPS contracts, its owned RPS-eligible generation, and its expected balances of surplus RPS generation from prior compliance periods would be adequate to ensure compliance with near-term RPS requirements and through at least 2033. In PG&E's updated RNS position, presented in Appendix G, PG&E demonstrates that it doesn't expect to have an incremental RPS physical need until after 2030. These calculations demonstrate that the Transaction will not create any material risk of near-term RPS noncompliance for PG&E.

- 3. Discuss how the Transactions are consistent with the utility's Procurement Plan and meet utility procurement and portfolio needs (e.g., capacity, electrical energy, resource adequacy, or any other product resulting from the Transactions).**

The proposed PPSAs are for the sale of bundled energy and associated RECs generated in 2021. As described above, PG&E's 2019 RPS Plan concluded that PG&E is well-positioned to meet its near-term RPS compliance requirements until at least 2033. In light of its long position with respect to RPS targets, PG&E developed the Sales Framework, filed as Appendix F in the approved 2019 RPS Plan, to assess whether to hold or sell surplus RPS volumes. Based on its then-current forecast of bundled retail sales and RPS volumes in its portfolio, PG&E explained in the 2019 RPS Plan that it expected to sell short-term, bundled RPS volumes in 2020.

As further described in Confidential Appendix A, the Transactions are consistent with the 2019 RPS Plan because the total quantity considered for sale and the prices of the Transactions align with what is described in the Sales Framework filed in the 2019 RPS Plan. As a result, the Transactions will benefit PG&E's RPS portfolio by reducing customer costs while maintaining compliance with RPS targets, as intended by the Sales Framework.

The Transactions are also consistent with the approval granted by the Commission in D.19-12-042, Ordering Paragraph 18, which states:

PG&E is authorized to conduct solicitations for short-term sales of 5 years or less, of sales of RPS volumes if the sales agreement for any such sale is executed during the period after the Commission's adoption R.18-07-003 of this decision and prior to adoption of a subsequent RPS Plan. Deliveries may commence at any time after the Commission's approval of the contract and continue until the expiration of the contract's term. PG&E must seek Commission approval of short-term and long-term sales resulting from a solicitation or any bilateral transaction that both utilizes the pro forma sales agreement submitted with its 2019 RPS Procurement Plan, showing any necessary modifications, and is executed after PG&E receives bids for a sales solicitation resulting from its 2019 RPS Procurement Plan consistent with Decision (D.) 14-11-042's rules for expedited approval of short-term contracts and D.09-06-050's rules regarding bilateral contracts.

The Transactions are consistent with Ordering Paragraph 18. First, the Transactions are short-term, meaning five years or less. Second, PG&E executed the Transactions during the timeframe covered by the 2019 RPS Plan and prior to the Commission's adoption of PG&E's final, conforming 2020 RPS Procurement Plan.⁵ Third, the deliveries under the Transaction may commence after the Commission's approval of the PPSAs. Fourth, as required, PG&E is submitting this Tier 1 Advice Letter for Commission approval of the Transactions.

Consistent with the 2019 RPS Plan, the Transactions used PG&E's pro forma Sales Agreement and PG&E is providing comparisons of the executed Transaction against the approved pro forma short-term sales confirmation. The adherence to PG&E's pre-approved Sales Framework and the use of the approved pro forma short-term sales confirmation allows for the submittal of the Transaction through this Tier 1 advice letter, which is consistent with the 2019 RPS Plan and D.19-12-042.

4. Sales

a. Briefly describe IOU's approved sales framework and how the sales contract(s) are consistent with the framework

The Transactions are consistent with PG&E's Annual and Solicitation Limits and methodology, described in its pre-approved Sales Framework. PG&E selected qualifying bids based on the price offered as the sole quantitative criterion.

⁵ PG&E executed the PPSAs which are the subject of this Advice Letter on February 2, 2021 and February 3, 2021, prior to Commission's adoption of PG&E's Final, Conforming 2020 RPS Plan (filed in R. 18-07-003 on February 19, 2021).

5. Portfolio Optimization Strategy

- a. **Describe how the proposed procurement (or sale) optimizes IOU's RPS portfolio (or entire energy portfolio). Specifically, a response should include:**
 - i. **Identification of IOU's portfolio optimization strategy objectives that the proposed procurement (or sale) are consistent with.**

See Section II.A.3, above.

- ii. **Identification of metrics within portfolio optimization methodology or model (e.g., PPA costs, energy value, capacity value, interest costs, carrying costs, transaction costs, etc.) that are increased/ decreased as a result of the proposed transaction.**

PG&E utilized its pre-approved Sales Framework for assessing whether to hold or sell surplus RPS volumes, as described in further detail in Section I.A. of Confidential Appendix A.

- iii. **Identification of risks (e.g., non-compliance with RPS requirements, regulatory risk, over-procurement of non-bankable RPS-eligible products, safety, etc.) and constraints included in optimization strategy that may be decreased or increased due to proposed procurement (or sale).**

The Transactions are consistent with PG&E's objective of minimizing customer costs while achieving and maintaining RPS compliance. Through the timely sale of surplus RPS-eligible energy at competitive prices, the PPSAs reduce the total cost impact of the RPS program to customers. Given PG&E's current long RPS position, it is highly unlikely that the PPSAs will jeopardize PG&E's ability to meet RPS requirements.

- b. **Description of how proposed procurement (or sale) is consistent with IOUs overall planned activities and range of Transactions planned to optimize portfolio.**

PG&E filed its Sales Framework as part of its approved 2019 RPS Plan in order to guide its overall sales activities and to optimize its portfolio by addressing PG&E's growing bank of RPS compliance products. This transaction was conducted within the guidelines outlined in the Sales Framework.

B. Bilateral contracting - if applicable

Not applicable.

C. Solicitation Methodology and Evaluation

1. **Briefly describe IOU's LCBF Methodology (or other evaluation methodology) and how the Project compared relative to other offers available to the IOU at the time of evaluation.**

Not applicable, because the Transactions are sales rather than procurement. PG&E has used its approved Sales Framework to evaluate the offers rather than the procurement LCBF evaluation methodology.

D. Compliance With Standard Terms and Conditions (“STCs”)

1. Do the proposed Transactions comply with D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025?

The non-modifiable STCs in the PPSAs conform exactly to the “non-modifiable” terms set forth in Attachment A of D.08-04-009, as modified by D.08-08-028 and D.13-11-024 and by Appendix C of D.10-03-021, as modified by D.11-01-025.

2. Using the tabular format, provide the specific page and section number where the RPS non-modifiable STCs are located in the contract.

Counterparty		SVCEA		EBCE		3CE	
Contract Reference		Section	Page Number	Section	Page Number	Section	Page Number
Non-Modifiable Term	STC 1: CPUC Approval	2.15	6	2.15	6	2.15	6
	STC 17: Applicable Law	8.3(b)	15	8.3(b)	16	8.3(b)	15
	STC REC 1: Transfer of RECs	6.1(b)	12	6.1(b)	13	6.1(b)	13
	STC REC 2: WREGIS Tracking of RECs	6.1(c)	12	6.1(c)	13	6.1(c)	13
	STC REC 3: CPUC Approval⁶	N/A	N/A	N/A	N/A	N/A	N/A

3. Provide a redline of the contract against the utility’s Commission-approved pro forma RPS contract as Confidential Appendix E to the filed advice letter. Highlight modifiable terms in one color and non-modifiable terms in another.

Redlines comparing each of the executed PPSAs to the form of Short-Term Sales Confirmation included as Attachment I.3 to PG&E’s 2019 RPS Plan are included in Confidential Appendix E. The non-modifiable terms have been highlighted in each redlined comparison.

⁶ PG&E utilized the STC 1 definition for CPUC Approval in its executed sales agreements resulting from the Winter 2020 Bundled RPS Energy Sale Solicitation.

E. Solicitation Process

1. Process Overview

PG&E used the pre-approved Sales Framework to establish which bids to execute in its Winter 2020 Bundled RPS Energy Sale Solicitation, governed by the 2019 RPS Plan.

2. Sales solicitation process and schedule

PG&E's solicitation process and schedule is summarized below.

Event	Date/Time
PG&E issues solicitation	December 15, 2020
Participants' Webinar	December 17, 2020 at 10 AM
Deadline for Participants to submit bids through Power Advocate	January 14, 2021 at 1 PM
PG&E notifies qualified bidders	January 19, 2021
Execution date	February 2 & 3 2021
PG&E submits Agreements for CPUC approval via Tier 1 Advice Letter	March 19, 2021

3. Solicitation Design

An overview of the product attributes PG&E solicited is summarized below.

Product	<ul style="list-style-type: none"> Bundled Renewable Energy Standard (RPS)-eligible energy and associated Renewable Energy Credits (RECs) from resources in PG&E's portfolio
Pricing	<ul style="list-style-type: none"> Energy – settled at the day-ahead NP15, ZP26 and/or SP15 Index (Trading Hub Price) REC – fixed price
Location	<ul style="list-style-type: none"> NP15, SP15, and/or ZP26 Trading Hub at Seller's Discretion
Delivery Term	<ul style="list-style-type: none"> 2021
Agreement	<ul style="list-style-type: none"> Confirm under an EEI Master Agreement

4. Table of Key Terms of REC sales confirmation

Scheduling Obligations	Seller, or a qualified third party designated by Seller, shall act as Scheduling Coordinator for the Project. Buyer hereby authorizes Seller, or its third party Scheduling Coordinator designee, to deliver the Electric Energy to the CAISO at the Delivery Point.
Seller's Representations, Warranties, and Covenants	As of the Execution Date and throughout the Energy Delivery Period, Seller represents, warrants, and covenants that the Project meets the criteria in either (i) or (ii): (i) The Projects either has a first point of interconnection with the California

	<p>Balancing Authority, or a first point of interconnection with distribution facilities used to serve end users within a California Balancing Authority Area; or (ii) The Project has an agreement to dynamically transfer electricity to a California Balancing Authority.</p>
<p>Seller's Representations, Warranties, and Covenants</p>	<p>The Parties agree that the following sections of the EEI Agreement shall not be applicable to this Confirmation or Transactions hereunder until the effective date of the Seller's plan of reorganization under the Chapter 11 Cases: Sections 5.1(d), 5.1(e), 5.1(f), 10.2(v), 10.2(vi), and 10.10. Notwithstanding anything to the contrary contained in the Agreement with respect to Seller: Buyer acknowledges and agrees that (i) representations and warranties under Section 10.2(x) of the EEI Agreement are made subject to the provisions of the Bankruptcy Code and any order of the Bankruptcy Court; and (ii) until effective date of the Seller's plan of reorganization under the Chapter 11 Cases has occurred, the existence or continuation of Seller being Bankrupt is not an Event of Default with respect to Seller under this Agreement (including pursuant to Section 5.1(g) of the EEI Agreement) and does not entitle Buyer to terminate this Agreement solely because of such existence or continuation.</p>
<p>Seller's Conveyance of Green Attributes</p>	<p>The Green Attributes in the amount of the Total Quantity shall be deemed to be conveyed to and received by Buyer under this Confirmation as set forth herein. During the Green Attributes Delivery Period, Seller shall convey to Buyer the Green Attributes associated with the Delivered Energy within: twenty-five (25) Business Days following the occurrence of both (i) the deposit into Seller's WREGIS account of the WREGIS Certificates for the Green Attributes for the applicable Calculation Period and (ii) Buyer's payment of the Monthly Cash</p>

	Settlement Amount in accordance with Article 5 herein. Seller shall transfer such WREGIS Certificates in an amount equivalent to the Total Quantity to Buyer's WREGIS account such that all right, title and interest in and to the WREGIS Certificates shall transfer from Seller to Buyer.
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F. Valuation Process: Quantitative and Qualitative Analysis

For Sales contracts, provide a quantitative analysis that evaluates selling the proposed contracted amount vs. banking the RECs towards future RPS compliance requirements (or any reasonable other options).

See Section I.A.i. in Confidential Appendix A.

Explain the process used to determine price reasonableness, with maximum benefit to ratepayers.

See Section I.A.ii. in Confidential Appendix A.

Provide the notional value of each contract, as well as the total of all selected contracts. See Confidential Appendix B2 – Solicitation Overview and Results (Excel Spreadsheet).

Explain any quantitative and qualitative criteria used to rank bids.

Per PG&E's Solicitation Protocol, PG&E considered price as the sole quantitative criterion. PG&E did not disqualify any qualifying bids due to quantitative criteria considerations.

G. Discussion of Outcome of Solicitation

For Sales contracts, provide the overall bid solicitation results and the shortlisted bids

- A. Quantitative information to include total number of overall and shortlisted responses for solicitation, price per bid, contract term of bids, bid quantity, total forecasted revenues per bid, and expected PCC classification of bid.**

See Confidential Appendix B2 – Solicitation Overview and Results (Excel Spreadsheet).

H. Procurement Review Group (PRG) Participation

1. List PRG participants (by organization/company).

The PRG for PG&E includes the Commission's Energy Division, the Office of Ratepayer Advocates, the Union of Concerned Scientists, The Utility Reform Network, the Coalition of California Utility Employees, and Coast Economic Consulting.

- 2. Describe the utility's consultation with the PRG, including when information about the contract was provided to the PRG, whether the information was provided in meetings or other correspondence, and the steps of the procurement process where the PRG was consulted.**

On January 15, 2021, PG&E provided an update via email to the PRG regarding the bids received and an intent to execute list.

On January 19, 2021, PG&E provided an update via email to the PRG with comments from the IE in response to questions received from PG&E's January 19, 2021 email.

- 3. For short-term contracts, if the PRG was not able to be informed prior to filing, explain why the PRG could not be informed.**

This is not applicable as the PRG was notified in advance of execution.

I. Independent Evaluator (IE)

The use of an IE is required by D.04-12-048, D.06-05-039, 07-12-052, and D.09-06-050.

- 1. Provide name of IE.**

The IE is Lewis Hashimoto of Arroyo Seco Consulting.

- 2. Describe the oversight provided by the IE.**

The IE provided active oversight of the Solicitation beginning prior to issuance and continuing through contract execution. The IE provided input in advance of the Solicitation's launch with the goal of maximizing the effectiveness of PG&E's outreach. During the Solicitation, the IE reviewed e-mails exchanged between PG&E and the bidders and participated on phone calls between PG&E and the bidders.

- 3. List when the IE made any findings to the Procurement Review Group regarding the applicable solicitation, the project/bid, and/or contract negotiations.**

The IE provided factual findings to the PRG related to the solicitation bids on January 19, 2021. The IE concludes in the IE report that the Transactions merit Commission approval.

- 4. Insert the public version of the project-specific IE Report.**

The public and confidential versions of the IE report are attached to this Advice Letter as Appendices C1 and C2.

III. Safety Considerations

- A. What has the IOU done to ensure that the contract and the facility's (or facilities') operation are: consistent with Public Utilities Code Section 451; do not interfere with the IOU's safe operation of its utility operations and facilities; and will not adversely affect the public health and safety?**

The Transactions cover the resale of energy and RECs purchased under existing PPAs in addition to the resale of energy and RECs from PG&E UOG facilities. The Projects are existing resources currently performing under existing PPAs with PG&E and therefore raise no incremental safety matters related to the generation of the energy.

B. Will the contract lead to any changes in the structure or operations of the underlying facility (or facilities)? Any change in the safety practices at the facility (or facilities)? If so, with what federal, state and local agencies did the seller or facility owner confer or seek permits or permit amendments for these changes?

The Transactions that are the subject of this Advice Letter have no impact on the underlying PPAs or the PG&E UOG facilities and therefore raise no incremental safety matters related to the generation of the energy.

IV. Request for Commission Disposition

PG&E requests that the Energy Division issue a disposition making this advice letter effective no later than 30 days after submittal. Any such disposition that makes this advice letter effective shall be deemed to constitute the following:

1. Approval of the PPSAs in their entirety, including payments to be received by PG&E, subject to CPUC review of PG&E's administration of the PPSAs;
2. A finding that the PPSAs are consistent with the Sales Framework approved as part of PG&E's 2019 RPS Plan and is consistent with Ordering Paragraph 18 of Decision 19-12-042, and that the sale of the bundled renewable electricity and green attributes under each of the PPSAs are reasonable and in the public interest;
3. A finding that all costs of the PPSAs are fully recoverable in rates over the life of the PPSAs, subject to CPUC review of PG&E's administration of the PPSAs; and
4. A finding that the payments received by PG&E pursuant to the SVCEA, EBCE, and 3CE PPSAs shall be credited against costs recorded to the Portfolio Allocation Balancing Account ("PABA") on a pro-rata basis.

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 Advice Letter may do so by letter sent via U.S. mail, facsimile or E-mail, no later than April 8, 2021 which is 20 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
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, Rule 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, Rule 3.11).

Effective Date

Consistent with its approved 2019 RPS Plan, PG&E is submitting this advice letter with a Tier 1 designation to be effective upon submittal on March 19, 2021. PG&E will begin deliveries upon receiving final and non-appealable CPUC Approval.

Notice

In accordance with General Order 96-B, Section IV, a copy of this Advice Letter excluding the confidential appendices is being sent electronically and via U.S. mail to parties shown on the list shown below, including the service lists for R.18-07-003 and R.15-02-020. Non-market participants who are members of PG&E's PRG and have signed appropriate

Non-Disclosure Certificates will also receive the Advice Letter and accompanying confidential attachments by overnight mail. Address changes to the General Order 96-B service list should be directed to 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. Advice letter submittals can also be accessed electronically at <http://www.pge.com/tariffs>.

_____/S/

Erik Jacobson
Director, Regulatory Relations

cc: Service Lists for R.18-07-003, R.15-02-020
Cheryl Lee – Energy Division

Limited Access to Confidential Material

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protection of Section 583 and 454.5(g) of the Public Utilities Code. This material is protected from public disclosure because it consists of, among other items, the PPSAs themselves, price information, and analysis of the PPSAs, which is protected pursuant to D.06-06-066 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.



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) #: 6122-E

Tier Designation: 1

Subject of AL: Winter 2020 Bundled RPS Energy Sale Solicitation; Power Purchase and Sale Agreement Between Pacific Gas and Electric Company and Multiple Buyers

Keywords (choose from CPUC listing): Compliance, Agreement

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: See Confidentiality Declaration and Matrix
 Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Brendan Lucker, (415)973-7108, BSLF@pge.com

Resolution required? Yes No

Requested effective date: 3/19/21

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:

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

PACIFIC GAS AND ELECTRIC COMPANY

**DECLARATION OF BRENDAN LUCKER
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED
IN ADVICE LETTER 6122-E**

I, Brendan Lucker, declare:

1. I am a Manager in Competitive Solicitations within the Energy Policy and Procurement organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include overseeing the negotiations for the purchase and sale of Renewables Portfolio Standard (RPS) energy as well as designing and administering solicitations for the purchase and sale of energy and energy-related products. This declaration is based on my personal knowledge of PG&E's practices and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive information.

2. Based on my knowledge and experience, and in accordance with Decisions 06-06-066, 08-04-023, and relevant Commission rules, I make this declaration seeking confidential treatment for certain data and information contained in the attachments to Advice Letter 6122-E.

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 confidential market sensitive data and information covered by Public Utilities Code section 454.5(g), D.06-06-066, D.08-04-023 and/or relevant Commission rules. The matrix also specifies why confidential protection is justified. Further, the data and

information: (1) is not already public;¹ and (2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text that is pertinent to my 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 March 19, 2021 at San Francisco, California.

/s/ Brendan Lucker

Brendan Lucker

Structured Energy Transactions Manager

Pacific Gas & Electric Company

¹ PG&E withdrew Advice 6111-E due to significant errors.

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6122-E
March 19, 2021

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
Appendix A, Consistency with Commission Decisions and Rules	<p>Item VII (un-numbered category following VII(G)): Score sheets, analyses, evaluations of proposed RPS projects</p> <p>Item V(C): LSE Total Energy Forecast -- Bundled Customer (MWh)</p> <p>VI(B): Utility Bundled Net Open (Long or Short) Position for Energy (MWh)</p> <p style="text-align: center;">May 21, 2014 <i>Administrative Law Judge's Ruling on Renewable Net Short</i> issued in Rulemaking 11-05-005 ("May 21, 2014 ALJ Ruling")</p> <p>Item VIII(A): Bid Information</p> <p>Item VIII(B): Specific quantitative analysis involved in scoring and evaluation of participating bids</p> <p>Public Utilities Code § 454.5(g)</p>	<p>This appendix contains details regarding PG&E's confidential RPS Sales Framework, its Renewable Net Short ("RNS") calculation, and the impact of the sales under the PPSAs on PG&E's RPS compliance position. This information is expressly deemed confidential by the May 21, 2014 ALJ Ruling. Additionally, this information could be used to determine PG&E's net open position for RPS-eligible products and its internal and proprietary forecast of its bundled customer total energy requirements, and also constitutes analysis and evaluation of proposed RPS projects, including sales or transactions intended to create or manage a compliance bank. In addition, if other market participants learned of market sensitive information concerning PG&E's sales strategy, they could change their bidding behavior and affect market pricing. This could detrimentally impact PG&E's customers.</p> <p>Finally, this appendix contains confidential bid information and specific bid evaluations from PG&E's solicitation. If released publicly, this information would provide valuable market sensitive information to market participants; therefore, this information should remain confidential.</p>	<p>For Item VII (un-numbered category following VII(G)): Three years</p> <p>For Items V(C) and VI(B): Front three years of forecast data confidential</p> <p>May 21, 2014 ALJ Ruling: Indefinite</p> <p>For Items VIII(A) and VIII(B): Three years after winning bidders selected</p> <p>Public Utilities Code § 454.5(g): Three years</p>

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6122-E
March 19, 2021

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
<p>Appendices B1 & B2, Solicitation Overview and Results</p>	<p>Item VII (un-numbered category following VII(G)): Score sheets, analyses, evaluations of proposed RPS projects</p> <p>Item VIII(A): Bid Information</p> <p>Item VIII(B): Specific quantitative analysis involved in scoring and evaluation of participating bids</p> <p>Public Utilities Code section 454.5(g)</p> <p>May 21, 2014 ALJ Ruling</p>	<p>This appendix contains confidential bid information and bid evaluations from PG&E's solicitation and discusses confidential negotiations between PG&E and counterparties. If released publicly, this information would provide valuable market sensitive information to market participants, could be damaging to future PG&E contract negotiations and ultimately detrimental to PG&E's customers, and could create a disincentive to do business with PG&E and other regulated utilities. Therefore, this information should remain confidential.</p> <p>This appendix also contains information relating to PG&E's confidential RPS Sales Framework, which is deemed confidential by the May 21, 2014 ALJ Ruling. In addition, if other market participants learned of market sensitive information concerning PG&E's sales strategy, they could change their bidding behavior and affect market pricing. This could detrimentally impact PG&E's customers.</p>	<p>For Item VII (un-numbered category following VII(G)): Three years</p> <p>For Items VIII(A) and VIII(B): Three years after winning bidders selected</p> <p>Public Utilities Code § 454.5(g): Three years</p> <p>May 21, 2014 ALJ Ruling: Indefinite</p>

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6122-E
March 19, 2021

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
Appendix C1, Independent Evaluator Report – grey shaded sections	<p>Item VII(G): Renewable Resource Contracts under RPS program - Contracts without SEPs</p> <p>Item VII (un-numbered category following VII(G)): Score sheets, analyses, evaluations of proposed RPS projects</p> <p>Item VIII(A): Bid Information</p> <p>Item VIII(B): Specific quantitative analysis involved in scoring and evaluation of participating bids</p> <p>Public Utilities Code section 454.5(g)</p> <p>May 21, 2014 ALJ Ruling</p>	<p>This appendix contains the IE report, which includes confidential bid information and bid evaluations from PG&E’s solicitation. The confidential IE report also discusses, analyzes and/or evaluates the terms of the PPSAs and confidential negotiations between PG&E and counterparties. If released publicly, this information would provide valuable market sensitive information to market participants, could be damaging to future PG&E contract negotiations and ultimately detrimental to PG&E’s customers, and could create a disincentive to do business with PG&E and other regulated utilities. Therefore, this information should remain confidential.</p> <p>This appendix also contains information relating to PG&E’s confidential RPS Sales Framework, which is deemed confidential by the May 21, 2014 ALJ Ruling. In addition, if other market participants learned of market sensitive information concerning PG&E’s sales strategy, they could change their bidding behavior and affect market pricing. This could detrimentally impact PG&E’s customers.</p>	<p>For Item VII(G): Three years from date contract states deliveries to begin, or one year after expiration (whichever is sooner)</p> <p>For Item VII (un-numbered category following VII(G)): Three years</p> <p>For Items VIII(A) and VIII(B): Three years after winning bidders selected</p> <p>Public Utilities Code § 454.5(g): Three years</p> <p>May 21, 2014 ALJ Ruling: Indefinite</p>

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6122-E
March 19, 2021

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
Appendices D1, D2, & D3 Summary of Contracts	<p>Item VII(G): Renewable Resource Contracts under RPS program - Contracts without SEPs</p> <p>Item VII (un-numbered category following VII(G)): Score sheets, analyses, evaluations of proposed RPS projects</p> <p>Item VIII(B): Specific quantitative analysis involved in scoring and evaluation of participating bids</p>	This appendix summarizes and analyzes the PPSAs, and contains bid evaluation information. If released publicly, this information would provide valuable market sensitive information to market participants and could be damaging to PG&E's future negotiations with other counterparties for similar products. Therefore, this information should remain confidential.	<p>For Item VII(G): Three years from date contract states deliveries to begin, or one year after expiration (whichever is sooner)</p> <p>For Item VII (un-numbered category following VII(G)): Three years</p> <p>For Item VIII(B): Three years after winning bidders selected</p>
Appendices E1, E2 & E3 Comparison of PPSAs with PG&E's 2019 Pro Forma RPS Short-Term Sales Confirmation	Item VII(G): Renewable Resource Contracts under RPS program - Contracts without SEPs	These appendices contain each of the PPSAs for which PG&E seeks approval in this Advice Letter filing. Public disclosure of the terms of the PPSAs would provide valuable market sensitive information to market participants and could be damaging to PG&E's future negotiations with other counterparties for similar products. Therefore, this information should remain confidential.	For Item VII(G): Three years from date contract states deliveries to begin, or one year after expiration (whichever is sooner)

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6122-E
March 19, 2021

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
Appendices F1, F2 & F3 Power Purchase and Sale Agreement	Item VII(G): Renewable Resource Contracts under RPS program - Contracts without SEPs	These appendices contain each of the PPSAs for which PG&E seeks approval in this Advice Letter filing. Public disclosure of the terms of the PPSAs would provide valuable market sensitive information to market participants and could be damaging to PG&E's future negotiations with other counterparties for similar products. Therefore, this information should remain confidential.	For Item VII(G): Three years from date contract states deliveries to begin, or one year after expiration (whichever is sooner)
Appendix G1, PG&E's Renewable Net Short Calculation – grey shaded sections	Item V(C): LSE Total Energy Forecast -- Bundled Customer (MWh) VI(B): Utility Bundled Net Open (Long or Short) Position for Energy (MWh) May 21, 2014 ALJ Ruling Item VII (un-numbered category following VII(G)): Score sheets, analyses, evaluations of proposed RPS projects	For Table 1: For rows A, C, E, Ga and Gb, this information shows PG&E's net position for RPS-eligible energy in the periods within the front three years of the forecast. The redacted information in Rows A, C, E, Ga, and Gb could also be manipulated in conjunction with publicly-available information to determine PG&E's internal and proprietary forecast of its bundled customer total energy requirements. The redacted information for rows Ia, Ib, J, J0, J1, J2, La and Lb relates to PG&E's optimized RNS, including: PG&E's assumptions for its overall portfolio optimization strategy; any plans to sell forecast RECs above the PQR; application of forecast RECs above the PQR towards a future RPS compliance requirement; and any plan to procure RECs above the PQR in future years. This information is expressly deemed confidential by the May 21, 2014 ALJ Ruling. Additionally, this information could be used to determine PG&E's net open position for RPS-eligible products and constitutes analysis and evaluation of proposed RPS projects, including sales or transactions intended to create or manage a compliance bank. For Table 2: For rows A, C, E, Ga and Gb, this information shows PG&E's net position for RPS-eligible energy in the periods within the front three years of the forecast.	For Items V(C) and VI(B): Front three years of forecast data confidential May 21, 2014 ALJ Ruling: Indefinite For Item VII (un-numbered category following VII(G)): Three years

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6122-E
March 19, 2021

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
		<p>The redacted information in Rows A, C, E, Ga, and Gb could also be manipulated in conjunction with publicly-available information to determine PG&E's internal and proprietary forecast of its bundled customer total energy requirements.</p> <p>The redacted information for rows Gd, Ge, Ha, Hb, H, Ia, Ib, J, J0, J1, J2, La and Lb relates to PG&E's optimized RNS, including: PG&E's assumptions for its overall portfolio optimization strategy; any plans to sell forecast RECs above the PQR; application of forecast RECs above the PQR towards a future RPS compliance requirement; and any plan to procure RECs above the PQR in future years. This information is expressly deemed confidential by the May 21, 2014 ALJ Ruling. Additionally, this information could be used to determine PG&E's net open position for RPS-eligible products and constitutes analysis and evaluation of proposed RPS projects, including sales or transactions intended to create or manage a compliance bank.</p>	

PACIFIC GAS AND ELECTRIC COMPANY

Appendix A

Consistency with Commission Decisions and Rules

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix B1

Solicitation Overview and Results

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix B2

**Solicitation Overview and Results
(Excel Spreadsheet)**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix C1

**Final RPS Project-Specific Independent
Evaluator Report**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix C2

**Final RPS Project-Specific Independent
Evaluator Report**

(Redacted)

PACIFIC GAS AND
ELECTRIC COMPANY:
WINTER 2020 BUNDLED
RPS ENERGY SALE
SOLICITATION

REPORT OF THE INDEPENDENT EVALUATOR
ON CONTRACTS FOR SALE OF RENEWABLE
ENERGY TO CENTRAL COAST COMMUNITY
ENERGY AUTHORITY, EAST BAY COMMUNITY
ENERGY AUTHORITY, AND SILICON VALLEY
CLEAN ENERGY AUTHORITY

March 8, 2021

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1. EXECUTIVE SUMMARY

This report provides a review of three agreements executed by Pacific Gas and Electric Company (“PG&E”), with Central Coast Community Energy Authority (“3CE”), East Bay Community Energy Authority (“EBCE”), and with Silicon Valley Clean Energy Authority (“SVCE”), for renewable energy to be delivered from PG&E’s supply portfolio. All three buyers are joint powers authorities and Community Choice Aggregators (“CCAs”) that serve retail customers in their northern and central California service territories with energy. The transactions originated from PG&E’s Winter 2020 Bundled Renewables Portfolio Standard (RPS) Energy Sale solicitation. An independent evaluator (IE), Arroyo Seco Consulting (“Arroyo”), conducted various activities to observe, test, and check PG&E’s processes as participants sought to negotiate contracts. This report discusses:

- The role of the Independent Evaluator,
- The adequacy of PG&E’s outreach to potential buyers and the robustness of the solicitation,
- The degree to which the design of PG&E’s methodology provided for fair evaluation of bids,
- The fairness with which PG&E’s bid evaluation and selection process was administered,
- The fairness of contract-specific negotiations, and
- Merit of the executed contracts for approval by the California Public Utilities Commission (“CPUC”).

Arroyo’s opinion is that PG&E’s outreach to potential buyers was adequate, the solicitation was [REDACTED], and PG&E’s methodology was designed fairly and administered fairly. Arroyo’s opinion is that contract negotiations were conducted in a manner that was fair to competing buyers and to ratepayers.

Arroyo believes that the prices of the contracts are reasonable, although the California market for Portfolio Content Category 1 (“PCC1”) energy is illiquid and not transparent so that obtaining fresh and publicly available comparable pricing information with which to assess price reasonableness is challenging. The transactions are consistent with the sales framework that was approved by the CPUC as part of PG&E’s 2019 RPS procurement plan. The portfolio fit of the contracts ranks high. Based on these observations, Arroyo’s opinion is that the executed 3CE, EBCE, and SVCE contracts all merit CPUC approval.

2. ROLE OF THE INDEPENDENT EVALUATOR

This chapter describes key roles of the IE and summarizes activities undertaken to fulfill them in PG&E's process of seeking bids for short-term sales of bundled renewable energy.

A. KEY INDEPENDENT EVALUATOR ROLES

The CPUC stated its intent for participation of an IE in competitive procurement solicitations to “separately evaluate and report on the IOU’s entire solicitation, evaluation and selection process”, in order to “serve as an independent check on the process and final selections.”¹ The CPUC’s Energy Division has provided IEs with a standard template for use in reporting about RPS transactions for which utilities seek approval through advice letters, specifying that such a report should cover topics including:

- Describe the IE’s role.
- How did the IOU conduct outreach to bidders, and was the solicitation robust?
- Was the IOU’s methodology designed such that proposals were fairly evaluated?
- Was the evaluation process fairly administered?
- Were contract-specific negotiations fair?
- Do the contracts merit Commission approval?

The structure of this report is organized around these major topics.

B. IE ACTIVITIES

To fulfill the role of evaluating the renewable energy contracts between PG&E and the two buyers, Arroyo performed various tasks:

- Reviewed the solicitation protocol, PG&E’s analyses and plans, and CPUC guidance;
- Discussed with the PG&E team its plan to pursue sales of bundled renewable energy and analyzed its outreach efforts;
- Observed (telephonically) negotiations between parties;
- Reviewed a briefing about the solicitation that was provided by PG&E to its Procurement Review Group, and later submitted IE commentary about the solicitation to the PRG at its request;
- Reviewed marked-up drafts of the confirmation agreements as parties discussed edits to PG&E’s initial draft form confirmation agreement; and
- Researched recent comparable transactions of PCC1 renewable energy for publicly available market pricing data to serve as benchmarks for price reasonableness.

¹ CPUC Decision 06-05-039, May 25, 2006, “Opinion Conditionally Approving Procurement Plans for 2006 RPS Solicitations, Addressing TOD Benchmarking Methodology”, page 46.

3. PG&E’S OUTREACH EFFORTS AND THE ROBUSTNESS OF THE RESPONSE

On December 11, 2020, PG&E released a market notice for the solicitation. In the e-mailed notice, PG&E provided a link to its public webpage for the solicitation that provided a CPUC-approved version of an Edison Electric Institute (EEI) short-form confirmation agreement, a bid form (consisting of an editable version of that agreement), a solicitation protocol, a form for participant attestations, and a non-disclosure agreement. The notice also included registration information for a participants’ webinar. PG&E received [REDACTED] bid packages, timely submitted prior to the deadline.

A. ADEQUACY OF SOLICITATION OUTREACH

PG&E previously held solicitations for short-term sales of RPS-eligible energy in the years 2016² through 2019 and in the spring of 2020, and developed a customized contact list of potential renewable energy buyers for those efforts, updated for the current solicitation. This does not represent a thoroughly comprehensive list of all parties that might ever have an interest and capability of buying bundled renewable energy, but it represents a solid list of leads and shows continued enhancement over prior lists. Figure 1 displays the composition of the focused contact outreach list used for the market notice for the issuance of this solicitation by type of entity; “other” includes IOUs, a solar developer, and a solo consultant.

Additionally, PGE e-mailed the market notice to its standing Request for Offers (RFO) contact list, which the utility uses for outreach generally for energy procurement solicitations for buying products. This much larger list (almost 3,500 contacts) is primarily composed of generation developers or owners and businesses that service their needs, and therefore does not focus on the likeliest candidates to seek to buy RPS-eligible energy, rather than those likely to sell it. Figure 2 displays the composition of this RFO contact list. Among the sectors likeliest to participate in this specific solicitation to sell energy, wholesale marketers, direct access energy services providers (ESPs), utilities, and CCAs were included.

In the actual event, [REDACTED] of the participants in the solicitation were contacted through the focused contact list, while [REDACTED] notified through the broader RFO contact list.

For this effort, focused on the small universe of RPS compliance entities and those who serve their wholesale power needs, the utility did not pursue broad outreach through public media such as the electricity trade press or media releases. Arroyo’s opinion is that PG&E adequately distributed notices of this solicitation. For future sales solicitations, PG&E might

Figure 1.

² The 2016 effort was an informal “e-solicitation” using e-mail to contact a list of potential participants rather than broad public outreach: it did not use a formal solicitation protocol.

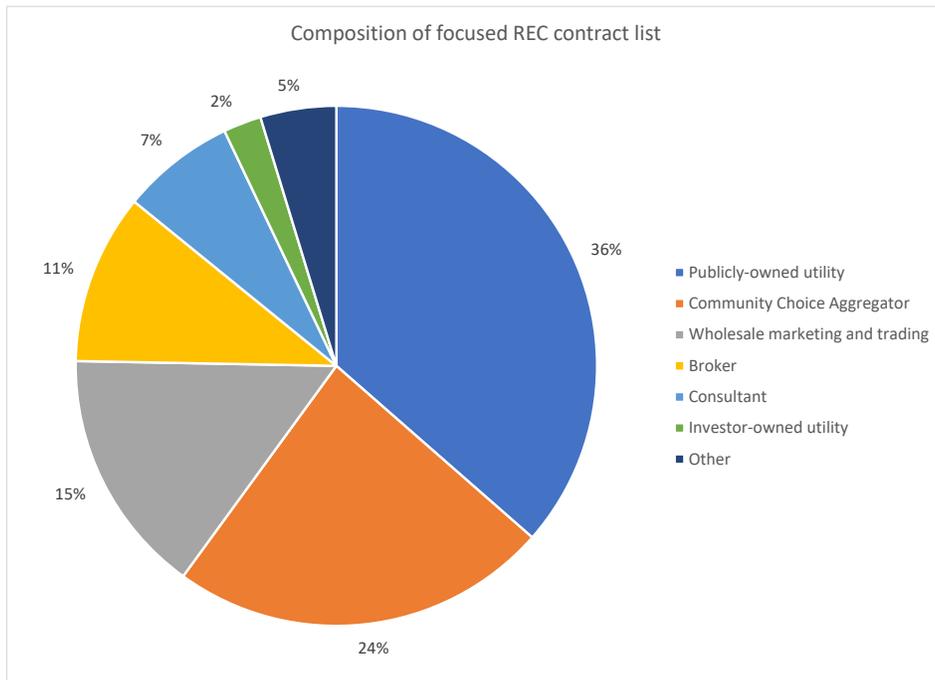
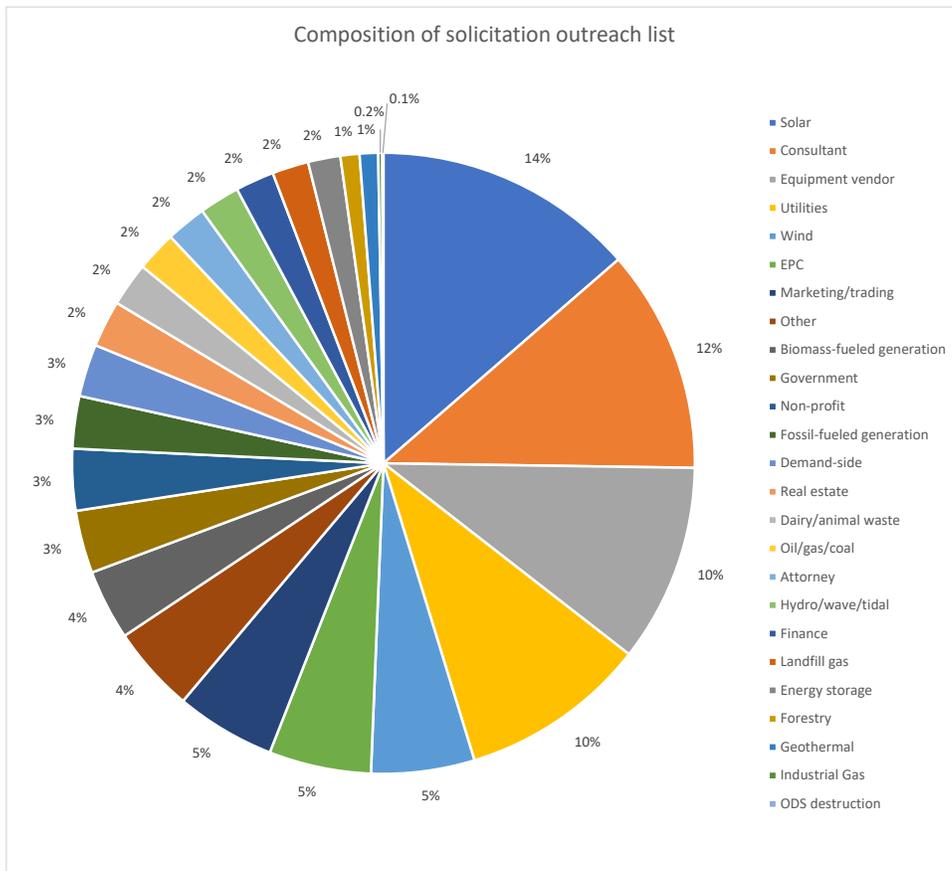


Figure 2.



benefit from adding to its outreach contact list some CCAs that are pursuing their start-up activities or growing their customer base, but that may not yet have been positioned to respond directly to the current solicitation, or have not yet engaged with PG&E as a counterparty.

Examples might include Apple Valley Choice Energy, Baldwin Park Resident Owned Utility District, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, San Diego Community Power, San Jacinto Power, Solana Energy Alliance (now migrating into Clean Energy Alliance), Western Community Energy, and other emergent CCAs outside the PG&E service territory. It might also be best to restore [REDACTED] to the focused contact list for Renewable Energy Certificate (REC) sales, as was the case in prior short-term RPS energy sales solicitations.

B. CLARITY AND CONCISION OF SOLICITATION MATERIALS

PG&E published on its website a written public protocol to document the solicitation's requirements and to communicate the evaluation criteria that the utility would use to make its selection decision. The protocol was ten pages long, which is quite concise for a California IOUs' solicitations, for which protocols typically run to dozens of pages. For example, San Diego Gas & Electric Company's protocol for its 2020 Request for Proposal for the Sale of Renewable Energy Products is 19 pages long. The market notice e-mail was also succinct, relying on a link to the solicitation website for participants to obtain details.

Arroyo's opinion is that solicitation materials were generally clear to most potential bidders. None of the attendees of the participants' webinar asked any questions about the presentation. In the actual event, all participants submitted conforming bids.

One indicator of clarity is that of [REDACTED] that registered for the solicitation on the on-line platform, [REDACTED] submitted proposals, suggesting that solicitation materials were on point for most of the entities that actively responded to the outreach notices. The other [REDACTED] registrants included [REDACTED]

[REDACTED] The latter is likely not positioned to participate as a buyer of renewable energy as opposed to aspiring to be a seller. Arroyo's inference is that it lacked clarity about PG&E's intent for this energy sale solicitation. It is not clear whether any deficiency in the solicitation materials could account for this registrant's confusion.

C. BIDDERS' CONFERENCE

PG&E convened a participants' webinar on December 17 to provide information to potential participants. The presentation covered an overview of the solicitation's product, delivery term, and schedule, a review of the pro forma confirmation agreement, a discussion of the evaluation criteria, and details of the logistics of submitting bid packages. At the end of the webinar PG&E asked for questions from the audience, but none were posed. This might signify that the presentation materials were clear or that the audience members concluded that they were not interested in participating in the solicitation. Only half the audience was made up compliance entities with a business need to procure RPS energy; the other half included an energy services company that participates in development of RPS generation projects and energy storage, and a consulting firm that focuses on grid interconnection services and provides its services to generation developers. The attendance by such companies suggests a lack of clarity on their part about the purpose of the solicitation for PG&E to sell renewable energy; it is unclear to Arroyo whether this confusion stems from any lack of clarity in the solicitation materials.

D. ROBUSTNESS OF THE SOLICITATION

PG&E did not publicly state a quantitative target for this solicitation. In its 2019 renewable energy procurement plan filings it provided a confidential framework for sales of excess RPS volumes. [REDACTED]

[REDACTED] This amount was not explicitly stated as a goal [REDACTED]

Bids were received from [REDACTED]. The total volume of the bids [REDACTED]

All bids conformed to the requirements of the solicitation protocol.

- Only a modest number of California load-serving entities (LSEs) appear to hold net short RPS compliance positions for the fourth compliance period. The IOUs hold long positions, leaving some but not all publicly-owned utilities, CCAs (or their wholesale marketing agents), and direct access providers as likeliest potential buyers. Some CCAs have reported publicly that they have fulfilled their near-term compliance needs (this seems to be substantiated by feedback from a prior survey, see below). There seems to be no appetite for California RPS-eligible energy among out-of-state utilities.
- Other compliance entities may lack interest in procuring renewable energy through short-term purchases of energy produced in existing facilities, as opposed to long-term contracts with proposed new projects that would bring additional renewable generation into the market, given their compliance and procurement strategies. Some CCAs have faced criticism from stakeholders for purchasing RECs originating from existing facilities as opposed to creating additional renewable energy supply. Because there is a compliance requirement for long-term contracts beginning in 2021 anyway, some potential buyers may prefer to seek deliveries from new facilities starting operations in 2021 instead of making short-term purchases.
- Some CCAs and POU's have stated a preference for local generation; Valley Clean Energy, for example, conducted a competitive solicitation in May 2020 for new renewable energy projects to be sited only in Yolo County or in six adjacent counties. A few CCAs have demonstrated their willingness to enter into PPAs to buy uncompetitively high-priced RPS-eligible energy from facilities sited within their service territories. This choice is consistent with the high priority placed by these entities on supporting local economic development. PG&E's list of facilities that will produce the volumes is largely made up of projects sited outside any existing CCAs' and POU's territories, which simply reflects the geography of existing solar, wind, biomass-fueled, and geothermal resources.
- Some CCAs seem to prefer to procure new RPS-eligible energy through their own RFOs rather than responding to PG&E's solicitations. It lets them design specific contract

terms, which differ in details from what PG&E's form agreement provides. For example, 3CE and SVCE conducted a competitive solicitation with a June 2020 deadline to buy PCC1 renewable energy. A grouping of five southern California CCAs including Lancaster Choice Energy and Rancho Mirage Energy Authority held an RFP for long-term PCC1 or PCC2 energy supply with a March 2020 deadline.

-



[REDACTED] Arroyo suspects that some CCAs and POU's still need to fulfill their procurement targets for the remainder of 2021. Some CCAs are still adding new cities to their service territories and may be planning to fulfill their increasing compliance obligations in part through the IOUs' current round of sales solicitations.

E. PARTICIPANTS' FEEDBACK ABOUT THE PROCESS

PG&E has circulated a survey to seek feedback about the solicitation from both participants and from non-participants on its focused sale-specific contacts list. The results of this survey had not been received and compiled by the time this report was finalized.

There were a few high-level findings from the survey that PG&E conducted following its previous Spring 2020 Bundled RPS Energy Sale solicitation:

- Respondents generally agreed that PG&E clearly identified the criteria it would use to evaluate bids, that the bid form and the online bid submission process were easy to use (although some respondents stated a distaste for the PowerAdvocate platform, viewing it as “clunky and unclear”), and that the rest of the bid package did not pose difficulties to prepare.
- Most respondents expressed a willingness to participate in PG&E's future short-term bundled RPS sale solicitations.
- Some respondents that chose not to submit proposals noted that:
 - They currently lack a compliance need for the delivery term offered;
 - They did not choose to accept PG&E's contract terms and conditions; or
 - They lacked counterparties for placing the product deliveries
- Some observations that individual respondents submitted included:
 - A preference for allowing tiered bids, e.g., multiple proposals at different prices;
 - A desire for more advance notice about the timing of short-term RPS energy sales solicitations (PG&E foreshadowed its intent to hold multiple solicitations in 2020 in its public 2019 RPS procurement plan, but did not give any advance warning to potential participants about when the

solicitation would be issued before the market notice launching the solicitation was circulated); and

- An opinion that the solicitation was well run.

4. FAIRNESS OF PG&E'S BID EVALUATION METHODOLOGY

This section describes PG&E's methodology for evaluating bids and selecting proposals in this solicitation and assesses its fairness to ratepayers and participants.

A. PRINCIPLES TO EVALUATE PG&E'S BID EVALUATION METHODOLOGY

The Energy Division of the CPUC has suggested a set of principles for evaluating the process used by IOUs for selecting proposals in competitive renewable solicitations, within the template intended for use by IEs in reporting:

- There should be no consideration of any information that might indicate whether the participant is an affiliate.
- Procurement targets, objectives, and preferences were clearly defined in the IOU's solicitation materials.
- The IOU's methodology should identify quantitative and qualitative criteria and describe how they will be used to rank bids. These criteria should be applied consistently to all bids.
- The LCBF methodology should evaluate proposals in a technology-neutral manner.
- The LCBF methodology should allow for consistent evaluation and comparison of proposals of different sizes, in-service dates, and contract length.

Some additional considerations appear relevant to PG&E's specific situation.

- The methodology should identify how non-valuation measures will be considered; all non-valuation criteria used in selecting bids should be transparent to participants.
- The logic of how non-valuation criteria or preferences are used to reject higher-value bids and select lower-value bids should be applied consistently and without bias.
- The valuation methodology should be reasonably consistent with industry practices.
- CCAs should not be systematically disadvantaged by using neutral-appearing criteria that discriminate against the entire class of CCAs.

B. PG&E'S METHODOLOGY

PG&E's public solicitation protocol stated just one quantitative evaluation criterion and a few qualitative criteria:

Quantitative criterion. In this solicitation, PG&E sought to maximize the price received from RPS energy sales; this is consistent with PG&E's approved 2019 RPS procurement plan. This criterion differs from some of PG&E's prior Bundled RPS Energy Sales solicitations, in which the quantitative criterion was to maximize revenue. In Arroyo's opinion, seeking maximum sales prices rather than maximum sales revenue is more consistent with PG&E's Portfolio-Adjusted Value metric approved by the CPUC as the LCBF methodology. While

maximizing price and maximizing revenue should generally result in the same selection of bids, there are scenarios where selections would differ.

Financial strength. PG&E stated that it could consider the financial strength of bidders, focusing on their ability to fulfill obligations, and on whether entering new agreements may cause excess credit concentration in the utility's exposure to participants or banks. The solicitation protocol does not refer to credit rating or other explicit measures of creditworthiness, which hypothetically might be used to distinguish between CCAs (many of which do not yet have investment-grade credit ratings) vs. corporations with large wholesale trading and marketing functions (which generally do).

Agreement Modifications. PG&E stated its intent to evaluate the materiality and cost of any modifications that a participant proposes to alter PG&E's CPUC-approved pro forma contract. The solicitation protocol acknowledged that the utility would consider bidders' proposed edits to terms involving price, quantity, and credit terms.

Other criteria. In its protocol, PG&E left open its discretion to employ other qualitative criteria in evaluating bids. These included but were not limited to consideration of past adverse commercial experience doing business with any specific participant, counterparty diversity, bid completeness, and whether or not PG&E has already negotiated and executed an EEI master agreement with a participant. Having executed a master agreement would facilitate use of a short-form confirmation agreement, as opposed to the potentially more challenging or time-consuming negotiation of a new long-form confirmation agreement or a new master agreement.

PG&E did not explicitly propose to employ other evaluation criteria it has employed in prior solicitations, such as supply chain responsibility, supplier diversity, RPS goals, etc.

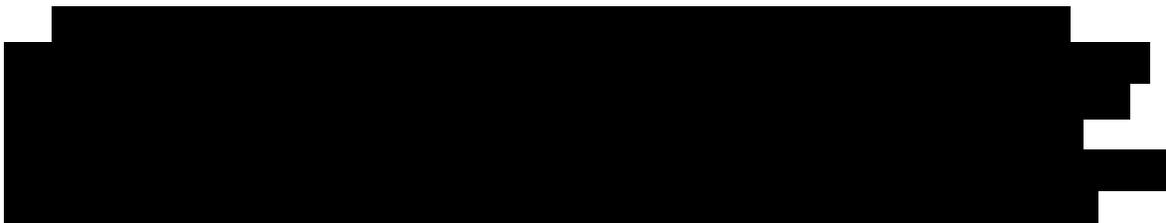
C. STRENGTHS AND WEAKNESSES OF PG&E'S METHODOLOGY

This section summarizes some of the attributes of PG&E's approach to evaluating bids for 2021 deliveries of bundled renewable energy from the utility's supply portfolio.

Consistency with RPS Procurement Plan. In PG&E's 2019 RPS procurement plan, accepted with modifications in CPUC Decision 19-12-042, the utility sought and received approval for a framework "for assessing whether to hold or sell excess RPS volumes". PG&E views the volumes to be sold in the contracts to be surplus to its compliance needs. The current solicitation was anticipated within the 2019 plan, that stated that PG&E intended to issue a minimum of two short-term sales solicitations in 2020 and would target issuing three. The CPUC found PG&E's proposed sales framework, after modifications that it required, to be reasonable and authorized the utility to conduct solicitations to sell excess RPS volumes for sales agreements of five years or less; this solicitation was for sales for a delivery term of less than one year. In approving the RPS procurement plan the CPUC also approved the evaluation criteria for the selection of bids.

Market Valuation. PG&E did not calculate Portfolio-Adjusted Values for the bids for these renewable energy volumes. Directly using the PAV metric would have been consistent with its past practice in renewable energy procurement and with the 2019 RPS procurement plan's statement that the use of PAV ensures procurement providing the best fit for PG&E's portfolio at the least cost. PG&E instead chose to use maximizing price as the metric for evaluating bids in its recent short-term bundled RPS energy sale solicitations.

The generation resources from which sales volumes will be sourced will be selected during the delivery periods by PG&E from lists of projects identified in an appendix to the contract. Specific generators that actually produce the delivered RPS-eligible energy will not be chosen far in advance of delivery. As the valuation method directly followed PG&E's framework detailed in its Appendix F of the 2019 RPS procurement plan, bid rankings were calculated in a manner consistent with the protocol and with CPUC Decision 12-02-007. PG&E did not include any costs or benefits that should not have been included. In practice, Arroyo does not expect a ranking of bids by price to differ from a ranking by PAV, the CPUC-approved least-cost/best-fit evaluation criterion, in a REC sale solicitation.



Other criteria. Because projects from which sales volumes will be delivered are already constructed and operating, transmission network upgrade costs are sunk costs and do not factor into bid selection decisions. Similarly, all the projects are viable by virtue of achieving commercial operation and delivering energy on an ongoing basis so that project viability is not a consideration. In a sense, the question of the viability of individual buyers to make payments to PG&E is taken into account in the creditworthiness evaluation criterion.

In this solicitation, PG&E made it clear to participants that it strongly preferred standard agreements rather than accommodating requested contract modifications, both in the written solicitation and in other party-to-party dialogues.

5. FAIRNESS OF PG&E'S BID EVALUATION AND SELECTION PROCESS

This section provides a narrative of how PG&E administered its evaluation and selection methodology to choose bids for contracting in its Winter 2020 Bundled RPS Energy Sale solicitation. Arroyo's opinion is that the bid evaluation process was fairly administered.

A. GUIDELINES TO DETERMINE FAIRNESS OF EVALUATION PROCESS

The Energy Division has suggested a set of principles to guide IEs in determining whether an IOU's administration of its evaluation and selection process was fair:

- Were all proposals treated the same regardless of the identity of the bidder?
- Were participants' questions answered fairly and consistently and the answers made available to all participants?
- Did the utility ask for "clarifications" that provided one participant an advantage over others?
- Was the economic evaluation of the proposals fair and consistent?
- Was there a reasonable justification for any fixed parameters that were a part of the IOU's LCBF methodology?
- Were the qualitative and quantitative factors used to evaluate bids fair to all bids?

Some other considerations appear relevant to reviewing PG&E's administration of its methodology.

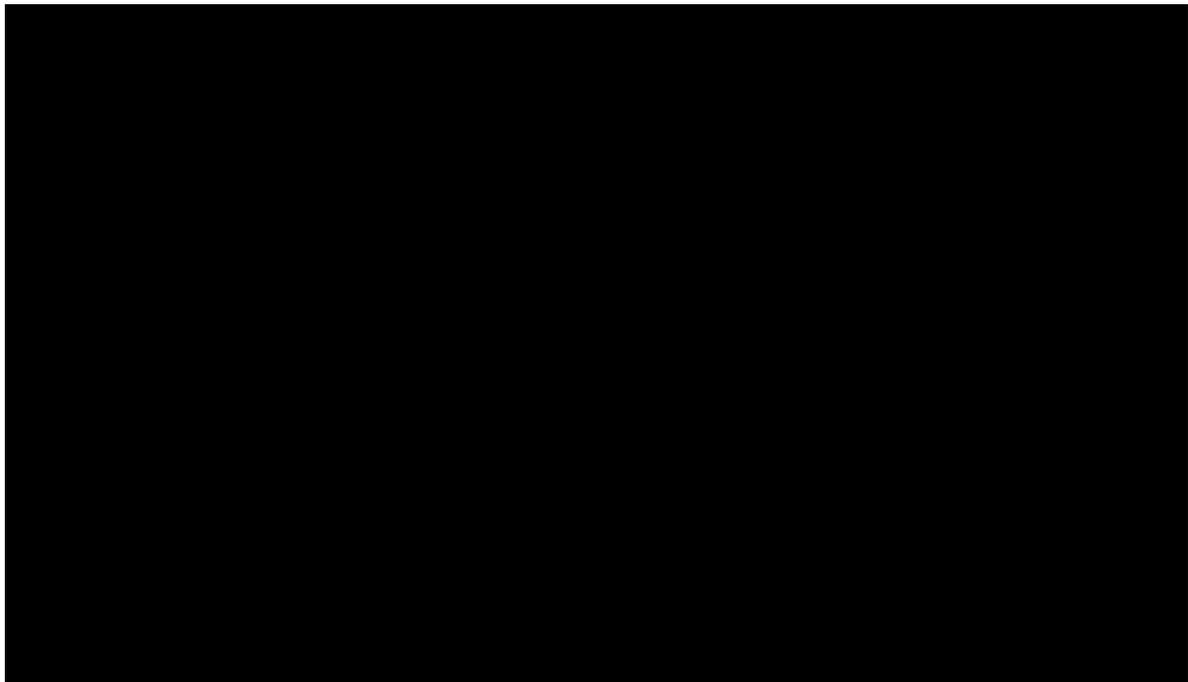
- Were any decisions to reject higher-value proposals because of preferences other than market valuation applied consistently across all proposals? Were selections of lower-value proposals in preference to higher-valued ones based on their superior attributes in non-valuation criteria made consistently, or were high-value proposals skipped over unfairly?
- If PG&E chose to contract for a different volume or pricing of sales than strictly based on the approved framework, was the decision made fairly in how it affected bidders, and based on factors stated in Appendix F of the 2019 RPS procurement plan that detailed the framework applicable to 2020 solicitation sales agreements?
- Were the judgments used to make a selection based on evaluation criteria and preferences that were publicly disseminated to participants prior to bid submittal?
- Did PG&E disadvantage any class of participants (such as CCAs) in its administration of the selection methodology?

B. PG&E'S EVALUATION OF BIDS AGAINST CRITERIA

PG&E used the sole quantitative criterion of price to rank and select bids. [REDACTED] passed a review for the qualitative criteria of financial strength and modifications. PG&E did not identify deficiencies in the selected bids (the three counterparties have previously transacted for short-term RPS energy sales with PG&E and so are knowledgeable about PG&E's forms and practices).

Market Valuation. [REDACTED] bid forms were submitted timely before the deadline. Figure 3 displays the bid supply curves for 2021 deliveries that show how these initially bid prices compared to the [REDACTED]

Figure 3.



[REDACTED] PG&E contacted [REDACTED] on the afternoon of the bid deadline and notified them that it would not transact sales contracts based on the submitted bids. However, it offered an opportunity to refresh bid price by a deadline on the following day.

[REDACTED] submitted revisions by the deadline: [REDACTED]

PG&E used the framework specified in confidential Appendix F of its 2019 RPS procurement plan to evaluate these proposals. [REDACTED]

[REDACTED] This evaluation, was in Arroyo's opinion, fully consistent with the approved methodology in PG&E's 2019 RPS procurement plan.

Credit. [REDACTED]

PG&E's pro forma confirmation agreement, that had been approved by the CPUC and was shared with potential participants, stated a collateral posting requirement of 15% times the volume of as-yet-undelivered RECs times the \$/MWh contract price of RECs. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Other. PG&E did not apply other evaluation criteria in making its short list selection. [REDACTED]

[REDACTED]

C. RESULTS ANALYSIS

Arroyo agreed with PG&E's selection of qualified bids. All participants submitted packages that conformed to the requirements of the solicitation; no bids were rejected for deficiencies.

Summary. Observations regarding PG&E's administration of its evaluation methodology in this Winter 2020 Bundled RPS Energy sale solicitation include:

- There were no instances in which Arroyo and PG&E disagreed about the utility's handling of the evaluation and selection process.
- PG&E evaluated bids without involving any third party or the Independent Evaluator to conduct any portion of its analysis.
- Arroyo did not observe PG&E treating participants that submitted conforming bids in disparate ways; Arroyo did not, for example, observe PG&E treating participants differently based on prior commercial relationships.
- The economic evaluation of bids was fair and consistent.
- The judgments that served as the basis for selecting bids were based solely on evaluation criteria that were stated publicly in the solicitation protocol.
- The key parameter used in the evaluation was [REDACTED]
- Because PG&E used price as its quantitative evaluation criterion, it did not consider transmission costs or integration adders in selection. Without knowing in advance which specific resources in PG&E's supply portfolio will serve which contract, there is no basis for distinguishing between bids using transmission costs or integration adders; it would be inappropriate to involve transmission and integration costs in bid evaluation. The key attributes that distinguished bids were the participants' proposed pricing for green attributes and requested volume, not energy pricing.
- Arroyo believes that PG&E's conduct of the Winter 2020 Bundled RPS Energy Sale solicitation was fully consistent with its approved 2019 RPS procurement plan.
- [REDACTED]
- Arroyo agrees that based on PG&E's 2019 framework for evaluating bids to sell renewable energy, the utility made reasonable and justifiable decisions to select bids.

Arroyo's opinion is that PG&E's evaluation and selection process was fairly administered.

6. FAIRNESS OF CONTRACT-SPECIFIC NEGOTIATIONS

This chapter provides an independent review of the extent to which PG&E's negotiations with bidders were conducted fairly with respect to competitors. PG&E notified participants that proposals had been selected or rejected as qualified bids in the evening after bids were submitted on January 20, 2021 (PG&E sent a notice by e-mail to its contact list on January 19, the notification date stated in the protocol, that notifications would be delayed by one day from its original plan). The utility provided an opportunity for all participants whose proposals were not initially selected to update their bid prices. PG&E began discussions with counterparties the following week, concluding with execution of an agreement with 3CE on February 3, and with EBCE and SVCE on February 2.

Arroyo telephonically observed discussion sessions between commercial teams of PG&E and counterparties. Arroyo also reviewed marked-up draft contracts to identify specific proposals and counterproposals parties made during discussions. The starting point for negotiations was the pro forma EEI short-form confirmation agreement that was posted publicly with solicitation materials.

Arroyo's opinion is that PG&E's negotiations were conducted in a manner that was fair to counterparties and to their competitors. The last chapter of this report describes how the contracts that resulted from negotiations are fair to ratepayers.

A. PRINCIPLES FOR EVALUATING THE FAIRNESS OF NEGOTIATIONS

Arroyo employed specific principles to evaluate the degree of fairness with which PG&E handled negotiations to sell renewable energy to 3CE, EBCE, and SVCE.

- Were bidders treated fairly and consistently by PG&E during negotiations? Were all bidders given equitable opportunities to advance proposals towards final agreements? Were individual bidders given unique opportunities to move their proposals forward or concessions to improve their contracts' commercial value, opportunities not provided to others?
- Was the distribution of risk between seller and buyer in the agreements distributed equitably across contracts? Did PG&E's ratepayers take on a materially disproportionate share of risks in some contracts and not others? Were individual buyers given opportunities to shift their commercial risks towards ratepayers, opportunities that were not provided to others?
- Was non-public information provided by PG&E shared fairly with all buyers? Were individual buyers uniquely given information that advantaged them in securing contracts or realizing commercial value from those contracts?
- If any individual buyer was given preferential treatment by PG&E in the course of negotiations, is there evidence that other buyers were disadvantaged by that

treatment? Were other proposals of comparable value to ratepayers assigned lower priority?

B. NEGOTIATIONS BETWEEN PG&E AND COUNTERPARTIES

Terms and conditions in the form agreement for sales of bundled RPS energy were not significantly altered after bids were selected. These conversations focused on:

- Credit Requirements. [REDACTED]

[REDACTED]

[REDACTED]

- Facilities list. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] the contracts with EBCE and SVCE were executed on February 2, 2021. The contract with 3CE was executed on February 3.

C. FAIRNESS OF NEGOTIATIONS

In Arroyo’s opinion, negotiations between PG&E and participants were conducted fairly, overall. Each participant was given an equitable opportunity to advance its proposals towards execution. The distribution of risk between buyer and seller is generally the same in these contracts as in prior agreements that PG&E has negotiated with northern California CCAs.

[REDACTED] Arroyo did not observe PG&E providing any individual participant with any non-public information that materially advantaged a buyer against ratepayers or competitors.

Credit requirements. [REDACTED]

7. MERIT FOR CPUC APPROVAL

This chapter provides an independent opinion on whether PG&E's contracts with 3CE, EBCE, and SVCE merit approval by the CPUC. It also addresses other required topics identified in the Energy Division's template for Independent Evaluators for use in reporting.

A. FAIRNESS OF SOLICITATION

PG&E solicited bids in order to sell RPS-eligible energy for delivery in calendar 2021. It provided public solicitation materials that clearly stated the evaluation criteria; in the actual administration of the evaluation and selection process it adhered to the use of those stated criteria and adhered to its protocol and to its CPUC-approved 2019 renewable energy procurement plan.

The utility did not specifically use its approved least-cost, best fit methodology of Portfolio-Adjusted Value as the metric for evaluation; however, Arroyo believes that use of the evaluation criterion of maximum price aligns with the approved LCBF methodology. The methodology used for evaluating and selecting bids was fully consistent with the framework laid out in confidential Appendix F of PG&E's 2019 procurement plan that was approved by the CPUC. PG&E's negotiations with participants were handled fairly with respect to competitors and to ratepayers, and PG&E adhered to the evaluation criteria stated in its public protocol to select and reject proposals. Arroyo's opinion is that PG&E's handling of the solicitation complied fully with the CPUC's CCA Code of Conduct.

Arroyo believes that PG&E ran a fair solicitation that was consistent with its solicitation protocol and with the 2019 RPS procurement plan approved by CPUC Decision 19-02-007.

B. BIDS WITH BEST OVERALL VALUE TO RATEPAYERS

PG&E selected the best proposals among bid packages received, best in terms of maximizing contract pricing by using the approved sales framework. [REDACTED]

C. CONSISTENCY WITH PROTOCOL AND PROCUREMENT PLAN

PG&E's sale of bundled energy in these three contracts conforms to its 2019 RPS procurement plan, in which the utility states its intent to sell RPS volumes, and more specifically conforms to the detailed framework for excess sales provided within the plan.

The sale conforms to the needs of PG&E's portfolio and its RPS requirements, because it reduces PG&E's excess REC bank by selling now for ratepayer benefits instead of carrying RECs forward to future periods. The process of selecting bids was consistent with the solicitation protocol, and Arroyo's opinion is that the selection of bids was reasonable.

D. MERIT FOR CPUC APPROVAL

This section reports on the merits of the three sales contracts.

Pricing and market value. PG&E will sell to 3CE bundled RPS-eligible renewable energy at market index plus a REC price [REDACTED] the contract with EBCE is priced at market index plus [REDACTED], and that with SVCE is priced at market index plus [REDACTED]. There are relatively few public benchmarks available to ascertain whether these are reasonable prices, given the illiquidity and opacity of the market for California RPS-eligible energy. Arroyo does not participate in REC markets and cannot directly monitor non-public commercial transactions other than a subset of PG&E's.

PG&E's most recent prior competitive solicitation in late 2019 to sell renewable energy elicited bids for 2021 deliveries priced at [REDACTED]

The CPUC approved these transactions in August 2020.

There are some pricing data for recent renewable energy sales to or from publicly-owned utilities and CCAs for deliveries in 2021 that have been made public:

- At the beginning of 2016, Silicon Valley Power (the city of Santa Clara) offered a ten-year agreement to sell 36.3 GWh/year of PCC1 energy to Alameda Municipal Power for the 2018 – 2027 period at market index + \$15/MWh. The latter opted instead to execute a fixed price contract but the indicative pricing demonstrates the seller's view of an acceptable sale price.

The city of Pasadena contracted with Powerex in April 2018 for deliveries of PCC1 and PCC2 energy. The PCC1 deliveries will be made from 2020 to 2030, at 70 GWh/year, and are priced at market index + \$16.30/MWh.

- In March 2019, Redwood Coast Energy Authority approved an amendment to an existing PPA with DG Fairhaven, LLC that increased the pricing of deliveries of surplus biomass-fueled energy from DG Fairhaven to market index + \$17/MWh from the 2018 contract's index + \$14.50/MWh. This increase had been requested by DG Fairhaven. The RCEA staff had negotiated the \$17/REC price with the seller "to accommodate market changes." The contract sets one fixed \$/MWh price for base deliveries but provides the \$17/REC price for surplus deliveries above the project's 10 MW contract capacity.

Arroyo notes that the base contract price for this PPA is far above market price for PCC1 energy, but the CCA counts among its objectives the development of local renewable resources and energy-related economic advancement. The pricing of surplus delivered energy, however, appears to be priced at the CCA's and seller's then-current view of fair market price for PCC1 energy deliveries at the time the

contract or its amendment were negotiated. The change implies a view that market price increased between 2018 and 2019.

RCEA's board approved an extension of this PPA in September 2019, again with a price of index + \$17/MWh for surplus deliveries. The board considered extending the PPA into February 2021 but allowed the contract to lapse at the end of 2020.

- In December 2017, the Southern California Public Power Authority, acting as agent on behalf of the cities of Anaheim, Burbank, and Vernon, entered a 25-year PPA with Desert Harvest II for deliveries of PCC1 energy at a price of market index + \$15.25/MWh. Deliveries will commence upon commercial operation, which was expected to have been December 1, 2020.
- In 2018, the city of Santa Clara and 3Degrees Group, Inc. amended an existing contract to accommodate purchases of RECs for delivery to customers of the municipal through 2021. The RECs are priced at \$15/MWh, to be matched with customer usage. However, this is not necessarily an apples-to-apples comparison with PG&E's bundled RPS energy sale, because 3Degrees is delivering Green-e Energy Certified RECS that may be sourced from solar projects anywhere in the WECC with a "preferred generation location of California."
- Valley Clean Energy, the CCA for unincorporated Yolo County and the cities of Davis and Woodland, launched its retail offerings in 2018 and has outsourced its energy procurement to Sacramento Municipal Utility District. It has relied on SMUD's wholesale purchases of RPS-eligible energy on its behalf to achieve compliance. In January 2020, it reported that the short-term REC contracts in its portfolio averaged \$13.79/MWh for renewable premiums. This may not be directly comparable to the pricing of the SVCE contract, because VCE reports that its current RPS-eligible energy supply comes mostly from wind generation in the Pacific Northwest, which implies heavy reliance on PCC2 and/or PCC3 RECs, which are lower-priced than PCC1 RECs.
- In July 2019, the City of Santa Clara executed a five-year PPA for RPS energy deliveries starting in September 2019 from the Olcese Water District. The energy is generated by the Rio Bravo hydroelectric plant on the lower Kern River. Deliveries are priced at market index + \$17/MWh.

Other older transactions for PCC1 energy are also publicly visible, but these may be poorer benchmarks for the current transactions for 2021 deliveries.

Contract deliveries from the agreements

[REDACTED]

[REDACTED]

[REDACTED]

Arroyo's inference from this mix of data is that the prices of PG&E's contracts are very likely fair and reasonable. There will always be some uncertainty about such judgments when dealing with a market that is illiquid and opaque, as the California market for PCC1 energy is.

Portfolio fit. The RECs intended for use in the sales contracts are expected to be surplus to PG&E's compliance needs. Arroyo believes that it is advantageous to ratepayers for PG&E to sell surplus RECs at or above market price now rather than to bank them for RPS compliance needs later. PG&E's estimates indicate that its RPS net positions in the third and fourth compliance period are long, so the two sales contracts fit with the utility's portfolio strategy of reducing the surplus REC position in 2021 through short-term sales and monetizing part of the surplus for near-term value for ratepayer benefit.

Summary. The sales transactions were consummated at prices that fall [REDACTED] and on [REDACTED]. The contracts are consistent with PG&E's 2019 RPS procurement plan and its framework for sales of surplus RPS-eligible energy, and fit well with PG&E's strategy for RPS portfolio management. Arroyo's opinion is that the methodology for evaluating and selecting a short list and the administration of that methodology were fair.

Arroyo believes that PG&E's negotiations with participants were handled fairly with respect to competitors and ratepayers. In Arroyo's opinion, the allocation of costs and risks between ratepayers and buyers that resulted from negotiations was generally consistent with PG&E's past practices. Arroyo's believes that PG&E's actions in negotiating and transacting or not transacting with CCAs were compliant with the CCA Code of Conduct.

On that basis, Arroyo's opinion is that the contracts with Central Coast Community Energy Authority, East Bay Community Energy Authority, and Silicon Valley Clean Energy Authority all merit CPUC approval.

PACIFIC GAS AND ELECTRIC COMPANY

Appendix D1

**Contract Summary:
Silicon Valley Clean Energy Authority (SVCEA)**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix D2

**Contract Summary:
East Bay Community Energy Authority (EBCE)**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix D3

**Contract Summary:
Central Coast Community Energy (3CE)**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix E1

**Comparison of Contract with Utility's Pro Forma
Agreement: SVCEA**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix E2

**Comparison of Contract with Utility's Pro Forma
Agreement: EBCE**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix E3

**Comparison of Contract with Utility's Pro Forma
Agreement: 3CE**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix F1

Sales Agreement: SVCEA

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix F2

Sales Agreement: EBCE

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix F3

Sales Agreement: 3CE

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix G1

PG&E's Renewable Net Short Calculation

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix G2

PG&E's Renewable Net Short Calculation

(Redacted)



CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD PROGRAM

RPS Procurement Plan: Renewable Net Short Quantitative Response

Renewable Net Short calculations are to be submitted by all retail sellers each year with their RPS Procurement Plans, as required by the Public Utilities Code 399.13 and Commission decisions, notably, Decision (D.) 11-12-020, D.11-12-052, D.12-06-038, D.14-12-023, and D.16-12-040. **Any questions concerning the contents or formulas within this spreadsheet should be directed to the Energy Division RPS team at rpscompliance@cpuc.ca.gov.**

Procedural Guidelines

- 1) Public Utilities Code 399.13(a)(1) requires Investor-Owned Utilities (IOUs), Small and Multi-Jurisdictional Utilities (SMJUs), Electric Service Providers (ESPs), and Community Choice Aggregators (CCAs) to submit an RPS Procurement Plan each year to the CPUC to demonstrate that a sufficient amount of renewable energy has been procured to meet the obligations of the California RPS Program requirements.

- 2) Quantitative Responses must be submitted as part of a retail seller's RPS Procurement Plan to the Commission as specified in the Assigned Commissioner Ruling directing filing of RPS Procurement Plans, and the May 21, 2014 Ruling, Administrative Law Judge's Ruling on Renewable Net Short, issued in R.11-05-005, (<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M091/K331/91331194.PDF>)
 - a) **If a PDF version (vs. Excel file) is included in retail seller's RPS Plan, then all pages must be legible.** If a retail seller seeks confidentiality of any portion of the data, the retail seller is responsible for maintaining confidentiality when

 - b) **Submit a confidential Excel version of this spreadsheet to the Energy Division via the CPUC Secure FTP site (<https://kwftp.cpuc.ca.gov>).** Please only submit this file in .xls or .xlsx format to the FTP site and contact rpscompliance@cpuc.ca.gov with any questions.

Renewable Net Short Calculations - 2020 RPS Procurement Plans

LSE Name:	Pacific Gas and Electric
LSE Name:	June 29, 2020

Input required No input required Hard-coded

Table 1: Renewable Net Short Calculation as of May 2020
Net Short Calculation Using PG&E Bundled Retail Sales Forecast In Near Term (2020 - 2024) and LTPP Methodology (2025 - 2030)

Variable	Calculation in Energy Division RNS Calculation Template	Revised Calculation Correcting Apparent Errors in Energy Division Template	Item	2017 Actual	2018 Actual	2019 Actual	2020 Forecast	2017-2020	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2021-2024	2025 Forecast	2026 Forecast	2027 Forecast	2025-2027	2028 Forecast	2029 Forecast	2030 Forecast	2028-2030
Forecast Year							1	CP3	2	3	4	5	CP4	6	7	8	CP5	9	10	11	CP6
Annual RPS Requirement																					
A			Total Retail Sales (MWh)	61,397,214	48,832,112	35,955,954		181,343,376	30,389,000			29,659,214	121,395,966	26,750,122	26,765,331	26,757,390	80,272,843	26,756,800	26,608,827	26,476,985	79,842,612
B			RPS Procurement Quantity Requirement (%)	27.0%	29.0%	31.0%	33.0%	29.5%	35.8%	38.5%	41.3%	44.0%	39.8%	46.7%	49.3%	52.0%	49.3%	54.7%	57.3%	60.0%	57.3%
C	A*B		Gross RPS Procurement Quantity Requirement (MWh)	16,577,248	14,161,313	11,146,346	11,602,172	53,487,077.5	10,864,068	11,870,624	12,587,422	13,050,054	48,372,167.7	12,484,282	13,203,338	13,913,843	39,601,462.4	14,627,943	15,254,840	15,886,191	45,768,974.3
D			Voluntary Margin of Over-procurement (MWh)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E	C+D		Net RPS Procurement Need (MWh)	16,577,248	14,161,313	11,146,346	11,602,172	53,487,078	10,864,068	11,870,624	12,587,422	13,050,054	48,372,168	12,484,282	13,203,338	13,913,843	39,601,462	14,627,943	15,254,840	15,886,191	45,768,974
RPS-Eligible Procurement																					
Fa			Risk-Adjusted RECs from Online Generation (MWh)	22,337,030	20,387,945	20,512,273	20,721,714	83,958,962	20,468,621	18,039,681	17,079,437	16,798,523	72,386,262	16,588,942	16,055,818	15,588,874	48,233,634	15,537,839	14,960,783	14,883,733	45,382,354
Faa			Forecast Failure Rate for Online Generation (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fb			Risk-Adjusted RECs from RPS Facilities in Development (MWh)	-	-	-	18,185	18,185	94,994	176,160	386,887	387,327	1,045,368	385,396	384,376	383,360	1,153,132	383,246	381,344	380,342	1,144,932
Fbb			Forecast Failure Rate for RPS Facilities in Development (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fc			Pre-Approved Generic RECs (MWh)	-	-	-	-	-	2,197	48,415	245,164	441,494	737,270	544,539	681,899	802,412	2,028,850	896,667	931,861	930,871	2,759,399
Fd			Executed REC Sales (MWh)	2,069,230	1,451,000	9,865,054	7,997,290	21,382,574	638,571	310,905	-	-	949,476	-	-	-	-	-	-	-	-
F	Fa+Fb+Fc-Fd		Total RPS Eligible Procurement (MWh)	20,267,800	18,936,945	10,647,219	12,742,609	62,594,573	19,927,241	17,953,352	17,711,488	17,627,343	73,219,425	17,518,877	17,122,094	16,774,646	51,415,616	16,817,752	16,273,988	16,194,946	49,286,685
F0			Category 0 RECs	16,660,807	14,105,833	13,516,487	13,657,295	57,940,423	13,385,139	11,120,703	10,707,314	10,479,051	45,692,206	10,312,177	9,803,344	9,382,125	29,497,647	9,340,796	8,808,595	8,759,479	26,908,871
F1			Category 1 RECs	3,606,993	4,831,112	(2,869,268)	(914,686)	4,654,150	6,542,103	6,832,650	7,004,174	7,148,292	27,527,219	7,206,699	7,318,749	7,392,521	21,917,969	7,476,956	7,465,392	7,435,466	22,377,814
F2			Category 2 RECs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
F3			Category 3 RECs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross RPS Position (Physical Net Short)																					
Ga	F-E		Annual Gross RPS Position (MWh)	3,690,552	4,775,632	(499,127)		9,107,495	9,063,174			4,577,289	24,847,257	5,034,595	3,918,756	2,860,803	11,814,154	2,189,809	1,019,147	308,754	3,517,711
Gb	F/A		Annual Gross RPS Position (%)	33.0%	38.8%	29.6%	36.2%	34.5%	65.6%	58.2%	58.0%	59.4%	60.3%	65.5%	64.0%	62.7%	64.1%	62.9%	61.2%	61.2%	61.7%

PG&E's RNS Table - Stochastic-Adjustment (2020-2030)

Variable	Calculation in Energy Division RNS Calculation Template	Revised Calculation Correcting Apparent Errors in Energy Division Template	Item	2017 Actual	2018 Actual	2019 Actual	2020 Forecast	2017-2020	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2021-2024	2025 Forecast	2026 Forecast	2027 Forecast	2025-2027	2028 Forecast	2029 Forecast	2030 Forecast	2028-2030
Step 2 Result: Stochastically-Adjusted Net Short (Physical Net Short + Stochastic Risk-Adjustment)⁹																					
Gc			Stochastically-Adjusted Annual Gross RPS Position (MWh)	3,690,552	4,775,632	(499,127)															
Gd	(Gc + C) / A		Stochastically-Adjusted Annual Gross RPS Position (%)	33.0%	38.8%	29.6%															
Application of Bank																					
Ha	J-Hc (from previous CP)		Existing Banked RECs above the PQR	12,819,087	16,380,428	21,153,675															
Hb			RECs above the PQR added to Bank	3,561,341	4,773,247	(499,127)															
Hc			Non-bankable RECs above the PQR	129,212	2,385																
H	Ha+Hb		Gross Balance of RECs above the PQR	16,380,428	21,153,675	20,654,548															
Ia			Planned Application of RECs above the PQR towards RPS Compliance	-	-	-															
Ib			Planned Sales of RECs above the PQR	-	-	-															
J	H-Ia-Ib		Net Balance of RECs above the PQR	16,380,428	21,153,675	20,654,548															
J0			Category 0 RECs	430,225	430,225	-															
J1			Category 1 RECs	15,950,203	20,723,450	20,654,548															
J2			Category 2 RECs	-	-	-															
Expiring Contracts																					
K			RECs from Expiring RPS Contracts (MWh)					-	139,174	2,615,652	3,423,692	3,678,924	9,857,442	3,730,970	4,236,800	4,480,274	12,448,044	4,512,466	5,006,737	5,031,052	14,550,255
Net RPS Position (Optimized Net Short)																					
La	Ga+Ia-Ib-Hc	Gc+Ia-Ib-IF(Hb<0,-Hb,0)	Annual Net RPS Position after Bank Optimization (MWh)	3,561,341	4,773,247	-															
Lb	(F+Ia-Ib-Hc)/A	(C + La)/A	Annual Net RPS Position after Bank Optimization (%)	32.8%	38.8%	31.0%															

Note: All values are to be input in MWhs



General Table Notes: Fields in grey are protected as Confidential under CPUC Confidentiality Rules.

(1) (Row A) Forecasts of retail sales through 2024 are reflective of PG&E's internal bundled retail sales forecast. Forecasts post-2024 use the 2019-2020 IRP Cycle forecast (successor to LTPP proceeding planning process).

(2) (Row D) As a portion of the Bank will be used as VMOP, Row D will remain zero. See Draft 2018 RPS Plan for a description of PG&E's VMOP.

(3) (Row Hc) Since PG&E elected to comply early in the 2017-2020 period with the banking rules established in D.17-06-026, PG&E has modeled the new banking rules for the current and future compliance periods.

(4) (Row Ib) The annual RPS sales volume forecast assumption is based the RPS sales framework proposed in PG&E's 2020 RPS Plan, and is included for RPS position planning purposes.

(5) (Row K) Row K now includes only expiring volumes from contracts as of May 2020.

(6) (Rows Gc and Gd) Stochastically-Adjusted Net Short (Physical Net Short + Stochastic Risk-Adjustment) PG&E added rows Gc and Gd to the RNS in order to show the stochastically-adjusted physical net short, which incorporates the risks and uncertainties addressed in the stochastic model. For more details on PG&E's stochastically modeled risks, see the 2017 RPS Plan.

(7) (Row La) Row La incorrectly calculates the Annual Net RPS Position after Bank Optimization when bank is being applied to fill a short position.

(8) (Row Lb) Row Lb incorrectly calculates the Annual Net RPS Position after Bank Optimization.

(9) (Rows La and Lb) Rows La and Lb incorrectly subtract the non-bankable volumes. Although these volumes can not be carried forward, per Decision 12-06-038, these volumes could be used towards meeting compliance in the current period. Therefore, the non-bankable volumes should be included in the Annual Net RPS Position after Bank Optimization.

(10) (Rows La, Lb, Gc, and Gd) RNS template changes / corrections approved by Energy Division.

PACIFIC GAS AND ELECTRIC COMPANY

Appendix H1

Facility List: SVCEA, EBCEA, and 3CE

Name of Facility	Resource	Location	CEC RPS ID	Host Balancing Authority	Facility Size (MW)	Term (Yrs)	Execution Date (MM/DD/YYYY)	Expiration Date (MM/DD/YYYY)
Kansas South	Solar PV	Lemoore, CA	61264A	CAISO	20	20	06/24/11	06/24/33
Westlands Solar Farms	Solar PV	Huron, CA	61755A	CAISO	18	20	06/24/11	04/30/34
Orion Solar	Solar PV	Unincorporated Kern County, CA	61570A	CAISO	12	20	06/24/11	06/25/34
Kent South	Solar PV	Lemoore, CA	61262A	CAISO	20	20	08/30/12	02/18/35
Algonquin SKIC 20 Solar	Solar PV	Taft, CA	61558A	CAISO	20	20	08/30/12	05/14/35
CED Corcoran Solar 3, LLC	Solar PV	Corcoran, CA	62783A	CAISO	20	20	03/23/15	11/30/36
Westside Solar, LLC	Solar PV	Unincorporated Fresno County, CA	61185A	CAISO	20	20	03/23/15	05/01/37
Aspiration Solar G LLC	Solar PV	Tranquility, CA	61486A	CAISO	9	20	03/23/15	10/26/37
Bayshore Solar A	Solar PV	Lancaster, CA	63133A	CAISO	20	20	12/18/15	01/22/38
Bayshore Solar B	Solar PV	Lancaster, CA	63134A	CAISO	20	20	12/18/15	01/22/38
Bayshore Solar C	Solar PV	Lancaster, CA	63135A	CAISO	20	20	12/17/15	01/22/38
West Antelope	Solar PV	Lancaster, CA	61850A	CAISO	20	20	02/27/12	02/08/35
Western Antelope Blue Sky Ranch A	Solar PV	Lancaster, CA	61517A	CAISO	20	20	02/27/12	02/16/35
Wind Resource I	Wind	Tehachapi, CA	61467A	CAISO	8.71	10	02/27/12	12/31/22
SPS White River West	Solar PV	Alpaugh, CA	62045A	CAISO	19.75	20	09/17/12	10/01/34
Wind Resource II	Wind	Tehachapi, CA	61468A	CAISO	19.955	10	09/17/12	09/30/23
Columbia Solar Energy, LLC	Solar PV	Pittsburg, CA	62051A	CAISO	19	20	09/17/12	12/13/35
Alamo Solar, LLC	Solar PV	Oro Grande, CA	61453A	CAISO	20	20	09/17/12	06/29/35
Corcoran Solar LLC	Solar PV	Corcoran, CA	62285A	CAISO	19.76	20	09/17/12	03/19/35
Old River One LLC	Solar PV	Bakersfield, CA	60853A	CAISO	20	20	04/10/13	02/08/35
Shafter Solar	Solar PV	Shafter, CA	62325A	CAISO	19.98	20	04/10/13	07/15/35
Morelos Del Sol	Solar PV	Lost Hills, CA	62272A	CAISO	15	20	04/10/13	02/29/36
Rising Tree Wind Farm II LLC	Wind	Mojave, CA	62426A	CAISO	19.8	20	10/25/13	08/06/35
Kekawaka Creek Hydroelectric Facility	Small Hydro	Zenia, CA	60186A	CAISO	5.5	20	10/25/13	05/31/35
Woodmere Solar Farm	Solar PV	Bakersfield, CA	62429A	CAISO	15	20	10/25/13	02/24/36
Portal Ridge Solar C Project	Solar PV	Lancaster, CA	61684A	CAISO	11.4	20	10/21/14	04/20/37
SR Solis Oro Loma Teresina, LLC - Project A	Solar PV	Unincorporated Fresno County, CA	62841A	CAISO	10	20	11/12/14	02/23/37
SR Solis Oro Loma Teresina, LLC - Project B	Solar PV	Unincorporated Fresno County, CA	62841A	CAISO	10	20	11/12/14	02/23/37
Sunray - 20	Solar PV	Daggett, CA	62694A	CAISO	20	20	10/21/14	08/24/37
SR Solis Rocket, LLC - Project A	Solar PV	Avenal, CA	62840A	CAISO	7.9	20	11/12/14	03/09/37
SR Solis Rocket, LLC - Project B	Solar PV	Avenal, CA	62840A	CAISO	7.9	20	11/12/14	03/09/37
San Joaquin 1A	Solar PV	San Joaquin, CA	61837A	CAISO	19.24	20	12/18/15	12/09/38
Montezuma Wind Energy Center	Wind	Birds Landing, CA	60543A	CAISO	36.8	25	06/03/10	01/27/36
CalRenew-1	Solar PV	Mendota, CA	60475A	CAISO	5	20	06/17/14	04/29/30
Shiloh II Wind Project	Wind	Rio Vista, CA	60639A	CAISO	150	20	01/09/18	01/31/29
High Plains Ranch II	Solar PV	California Valley, CA	60603A	CAISO	210	26	07/23/08	10/30/38
Topaz Solar Farm	Solar PV	Santa Margarita, CA	61698A	CAISO	550	25	07/01/08	10/26/39
Hatchet Ridge	Wind	Burney, CA	60741A	CAISO	103.2	15	08/23/17	12/13/25
CM10 (fka Sempra El Dorado Solar)	Solar PV	Boulder City, NV	60713A	CAISO	10	20	12/19/08	12/31/28
Ivanpah Unit 1	Solar Thermal	Nipton, CA	62273A	CAISO	114.46	25	04/28/09	01/20/39
Ivanpah Unit 3	Solar Thermal	Nipton, CA	62275A	CAISO	126.1	25	04/28/09	01/26/39
AV Solar Ranch One	Solar PV	Lancaster, CA	60790A	CAISO	241.5	25	05/08/09	11/20/39
SFWP (RPS) - Kelly Ridge	Small Hydro	Oroville, CA	60266A	CAISO	23	10	04/28/09	12/18/21
SFWP (RPS) - Sly Creek	Small Hydro	Oroville, CA	60267A	CAISO		10	04/28/09	12/18/21
Alpine Solar Project	Solar PV	Lancaster, CA	60755A	CAISO		66	04/21/10	01/17/33

CM48 (fka Sempra Copper Mountain 1)	Solar PV	Boulder City, NV	60786A	CAISO	48	20	06/22/09	01/31/31
Mt. Poso	Biomass	Bakersfield, CA	60695A	CAISO	44	15	03/08/10	02/20/27
Agua Caliente Solar Project	Solar PV	Roll, AZ	60894A	CAISO	290	25	09/08/09	06/22/39
High Plains Ranch III	Solar PV	California Valley, CA	60603A	CAISO	210	26	07/23/08	10/30/38
Mojave Solar Project	Solar Thermal	Hinkley, CA	60848A	CAISO	250	25	07/15/11	12/03/39
Genesis Solar Energy Project	Solar Thermal	Blythe, CA	60605A	CAISO	250	25	09/28/09	03/06/39
Calpine Geysers - Unit 5 & 6	Geothermal	Middletown, CA	60002A	CAISO	250	12	09/30/09	12/31/21
Calpine Geysers - Units 7 & 8	Geothermal	Middletown, CA	60003A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Unit 12	Geothermal	Middletown, CA	60004A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Unit 13	Geothermal	Middletown, CA	60005A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Unit 16	Geothermal	Middletown, CA	60006A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Unit 17	Geothermal	Middletown, CA	60007A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Unit 18	Geothermal	Middletown, CA	60008A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Unit 20	Geothermal	Middletown, CA	60009A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Sonoma	Geothermal	Middletown, CA	60010A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Unit 11	Geothermal	Middletown, CA	60025A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Unit 14	Geothermal	Middletown, CA	60026A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Calistoga Power Plant	Geothermal	Middletown, CA	60117A	CAISO		12	09/30/09	12/31/21
Calpine Geysers - Aidlin Power Plant	Geothermal	Middletown, CA	60115A	CAISO		12	09/30/09	12/31/21
DTE Stockton	Biomass	Stockton, CA	60964A	CAISO		44.5	25	12/08/09
Big Creek Waterworks	Small Hydro	Hyampom, CA	60900A	CAISO	4.8	20	05/04/10	06/22/30
Norman Ross Burgess - Three Forks Water Power Project	Small Hydro	Zenia, CA	60502A	CAISO	1.625	20	09/22/10	10/31/31
Alpaugh 50	Solar PV	Alpaugh, CA	60945A	CAISO	50	25	01/26/10	03/07/38
Alpaugh North	Solar PV	Alpaugh, CA	60946A	CAISO	20	25	01/26/10	03/07/38
Atwell Island	Solar PV	Alpaugh, CA	60947A	CAISO	20	25	01/26/10	03/11/38
Corcoran	Solar PV	Corcoran, CA	60948A	CAISO	20	25	01/26/10	08/14/38
White River	Solar PV	Alpaugh, CA	60949A	CAISO	20	25	01/26/10	06/26/38
Avenal Park (Eurus)	Solar PV	Avenal, CA	60912A	CAISO	6	20	12/24/09	08/04/31
Sun City Project (Eurus)	Solar PV	Avenal, CA	60913A	CAISO	20	20	12/24/09	08/04/31
Sand Drag (Eurus)	Solar PV	Avenal, CA	60914A	CAISO	19	20	12/24/09	08/04/31
Desert Center Solar Farm	Solar PV	Desert Center, CA	61068A	CAISO	300	25	02/24/10	12/16/39
El Dorado Irrigation District	Small Hydro	Pollock Pines, CA	60601A	CAISO	22	10	03/22/10	05/15/21
Coram Brodie	Wind	Tehachapi, CA	60973A	CAISO	102	20	06/02/10	06/05/32
Mesquite Solar 1	Solar PV	Tonopah, AZ	60875A	CAISO	150	20	07/29/10	03/07/33
Shiloh III Wind Project	Wind	Rio Vista, CA	61069A	CAISO	100	20	07/27/10	03/08/32
North Star Solar 1	Solar PV	Mendota, CA	61198A	CAISO	60	20	09/20/10	06/18/35
Vasco Wind Energy Center	Wind	Livermore, CA	61344A	CAISO	78.2	25	12/17/10	03/12/37
Montezuma II Wind Energy Center	Wind	Collinsville, CA	61345A	CAISO	78.2	25	12/17/10	03/13/37
North Sky River Energy Center	Wind	Tehachapi, CA	61385A	CAISO	162	25	07/15/11	12/20/37

Copper Mountain Solar 2	Solar PV	Boulder City, NV	60990A	CAISO	150	25	07/26/11	05/12/40
Shiloh IV	Wind	Rio Vista, CA	61617A	CAISO	100	25	07/28/11	01/27/38
NID (RPS) - Bowman	Small Hydro	Nevada City, CA	60171A	CAISO	42.6	20	05/09/12	06/30/33
NID (RPS) - Dutch Flat	Small Hydro	Nevada City, CA	60264A	CAISO		20	05/09/12	06/30/33
NID (RPS) - Rollins	Small Hydro	Nevada City, CA	60265A	CAISO		20	05/09/12	06/30/33
SPI Burney	Biomass	Burney, CA	60087A	CAISO		20	08/09/12	09/08/35
SPI Lincoln	Biomass	Lincoln, CA	60088A	CAISO	58	20	08/09/12	09/08/35
SPI Quincy	Biomass	Quincy, CA	60089A	CAISO		20	08/09/12	09/08/35
SPI Sonora	Biomass	Sonora, CA	60576A	CAISO		20	08/09/12	09/08/35
SPI Anderson II	Biomass	Anderson, CA	61146A	CAISO		20	08/09/12	09/08/35
Kansas	Solar PV	Stratford, CA	61263A	CAISO	20	20	08/13/12	12/31/37
Henrietta Solar	Solar PV	Lemoore, CA	61841A	CAISO	100	20	08/16/12	09/30/36
Diablo Winds (2)	Wind	Livermore, CA	60030A	CAISO	18	15	12/16/13	06/30/31
PGE Alta	Small Hydro	Placer, CA	60033A	CAISO	6.4	N/A	N/A	N/A
PGE Centerville	Small Hydro	Butte, CA	60034A	CAISO	1	N/A	N/A	N/A
PGE Chili Bar	Small Hydro	El Dorado, CA	60035A	CAISO	7	N/A	N/A	N/A
PGE Coleman	Small Hydro	Shasta, CA	60037A	CAISO	13	N/A	N/A	N/A
PGE Cow Creek	Small Hydro	Shasta, CA	60038A	CAISO	1.8	N/A	N/A	N/A
PGE Crane Valley	Small Hydro	Madera, CA	60039A	CAISO	0.9	N/A	N/A	N/A
PGE Deer Creek	Small Hydro	Nevada, CA	60040A	CAISO	5.7	N/A	N/A	N/A
PGE De Sabla	Small Hydro	Butte, CA	60041A	CAISO	18.5	N/A	N/A	N/A
PGE Dutch Fiat 1	Small Hydro	Placer, CA	60042A	CAISO	22	N/A	N/A	N/A
PGE Halsey	Small Hydro	Placer, CA	60043A	CAISO	11	N/A	N/A	N/A
PGE Hamilton Branch	Small Hydro	Lassen, CA	60044A	CAISO	4.8	N/A	N/A	N/A
PGE Hat 1	Small Hydro	Shasta, CA	60045A	CAISO	8.5	N/A	N/A	N/A
PGE Hat 2	Small Hydro	Shasta, CA	60046A	CAISO	8.5	N/A	N/A	N/A
PGE Inskip	Small Hydro	Tehama, CA	60047A	CAISO	8	N/A	N/A	N/A
PGE Kerckhoff 1	Small Hydro	Fresno, CA	62360A	CAISO	25.4	N/A	N/A	N/A
PGE Kilarc	Small Hydro	Shasta, CA	60049A	CAISO	1.6	N/A	N/A	N/A
PGE Lime Saddle	Small Hydro	Butte, CA	60050A	CAISO	2	N/A	N/A	N/A
PGE Newcastle	Small Hydro	Placer, CA	60053A	CAISO	11.5	N/A	N/A	N/A
PGE Oak Flat	Small Hydro	Plumas, CA	60276A	CAISO	1.3	N/A	N/A	N/A
PGE Phoenix	Small Hydro	Tuolumne, CA	60054A	CAISO	2	N/A	N/A	N/A
PGE Potter Valley	Small Hydro	Lake, CA	60055A	CAISO	9.2	N/A	N/A	N/A
PGE Rock Creek RPS	Existing Large	Plumas, CA	62269A	CAISO	126*	N/A	N/A	N/A
PGE San Joaquin 1A	Small Hydro	Madera, CA	60056A	CAISO	0.4	N/A	N/A	N/A
PGE San Joaquin 2	Small Hydro	Madera, CA	60057A	CAISO	3.2	N/A	N/A	N/A
PGE San Joaquin 3	Small Hydro	Madera, CA	60058A	CAISO	4.2	N/A	N/A	N/A
PGE South	Small Hydro	Tehama, CA	60059A	CAISO	7	N/A	N/A	N/A
PGE Spaulding 1	Small Hydro	Placer, CA	60060A	CAISO	7	N/A	N/A	N/A
PGE Spaulding 2	Small Hydro	Placer, CA	60061A	CAISO	4.4	N/A	N/A	N/A
PGE Spaulding 3	Small Hydro	Placer, CA	60062A	CAISO	5.8	N/A	N/A	N/A
PGE Spring Gap	Small Hydro	Tuolumne, CA	60063A	CAISO	7	N/A	N/A	N/A
PGE Toadtown	Small Hydro	Butte, CA	60064A	CAISO	6.4	N/A	N/A	N/A
PGE Tule River	Small Hydro	Tulare, CA	60065A	CAISO	1.5	N/A	N/A	N/A
PGE Volta 1	Small Hydro	Tehama, CA	60066A	CAISO	9	N/A	N/A	N/A
PGE Volta 2	Small Hydro	Tehama, CA	60067A	CAISO	0.9	N/A	N/A	N/A
PGE West Point	Small Hydro	Amador, CA	60068A	CAISO	14.5	N/A	N/A	N/A
PGE Wise 1	Small Hydro	Placer, CA	60069A	CAISO	14	N/A	N/A	N/A
PGE Wise 2	Small Hydro	Placer, CA	60070A	CAISO	3.2	N/A	N/A	N/A
PGE A_G_Wishon	Small Hydro	Madera, CA	60032A	CAISO	20	N/A	N/A	N/A
PGE Five Points	Solar PV	Five Points, CA	61432A	CAISO	15	N/A	N/A	N/A
PGE Stroud	Solar PV	Helm, CA	61434A	CAISO	20	N/A	N/A	N/A
PGE Westside	Solar PV	Five Points, CA	61433A	CAISO	15	N/A	N/A	N/A
PGE Cantua	Solar PV	Cantua Creek, CA	61823A	CAISO	20	N/A	N/A	N/A
PGE Giffen	Solar PV	Cantua Creek, CA	61822A	CAISO	10	N/A	N/A	N/A
PGE Huron	Solar PV	Huron, CA	61821A	CAISO	20	N/A	N/A	N/A
PGE Gates	Solar PV	Huron, CA	62353A	CAISO	20	N/A	N/A	N/A
PGE Guernsey	Solar PV	Hanford, CA	62354A	CAISO	20	N/A	N/A	N/A

PGE West Gates	Solar PV	Huron, CA	62352A	CAISO	10	N/A	N/A	N/A
Vaca-Dixon Solar (PG&E)	Solar PV	Vacaville, CA	60966A	CAISO	2	N/A	N/A	N/A

*The portion that is RPS is 8.6% of the generation at Rock Creek Powerhouse.

**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