

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6262E
As of August 9, 2021

Subject: Approval of Letter Agreement to Implement the Annual Payment Cap to the Renewable Auction Mechanism Power Purchase Agreement and Bioenergy Procurement Rider between Pacific Gas and Electric Company and Woodland Biomass Power, LLC

Division Assigned: Energy

Date Filed: 07-16-2021

Date to Calendar: 07-21-2021

Authorizing Documents: E-5135

Disposition:	Accepted
Effective Date:	08-13-2021

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

415-973-4587

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov

July 16, 2021

Advice 6262-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Approval of Letter Agreement to Implement the Annual Payment Cap to the Renewable Auction Mechanism Power Purchase Agreement and Bioenergy Procurement Rider between Pacific Gas and Electric Company and Woodland Biomass Power, LLC

I. Purpose

Pacific Gas and Electric Company (“PG&E”) respectfully submits this advice letter seeking California Public Utilities Commissions’ (“CPUC or Commission”) approval of a letter agreement, dated July 7, 2021 (Letter Agreement), amending the Bioenergy Renewable Auction Mechanism (“BioRAM”) contract between PG&E and Woodland Biomass Power, LLC (“Woodland”) executed on October 21, 2020 and approved by the Commission with modification in Resolution E-5135 on April 15, 2021 (the “Resolution”). The purpose of the Letter Agreement is to implement an “Annual Payment Cap,” consistent with the Resolution. PG&E is submitting this Letter Agreement for Commission review pursuant to Ordering Paragraph (“OP 3”) of the Resolution, which authorizes PG&E to submit any amendment to the BioRAM contract between PG&E and Woodland via a Tier 2 Advice Letter.

II. Background

On October 21, 2020, PG&E executed a new Renewable Auction Mechanism Power Purchase Agreement (“RAM PPA”) and BioRAM Rider for a five-year term (collectively the “Agreement”) with Woodland, and the Commission approved the Agreement with modification in Resolution E-5135 on April 15, 2021. The Agreement is subject to a contract price per se reasonableness benchmark established in Resolution E-4977. The Agreement exceeds the price benchmark, and the Commission determined in the Resolution that PG&E’s Advice Letter did not adequately support a finding that the higher price contained in the Agreement was reasonable. Accordingly, the Resolution modified the request for approval by establishing a total cost cap for recovery of \$100 million, calculated as the amount of expected megawatt-hours generated per year under the contract at the benchmark price of \$119/MWh multiplied by the number of years of the contract. Woodland is expected to generate 168,192 MWh/year under the Agreement,

making the total annual costs an estimated \$20 million, and the total contract cost cap an estimated \$100 million.

Per the Resolution, the contract costs under the Agreement up to the total contract cost cap are authorized to be allocated to all ratepayers through the PG&E’s Tree Mortality Non-Bypassable Charge Balancing Account (“TMNBCBA”) over the life of the Agreement.

PG&E initially determined that the limitations imposed by the Resolution were unacceptable to PG&E, and therefore notified Woodland that the Agreement was subject to termination under the standard “CPUC Approval” condition precedent. Following additional negotiations, the parties agreed to amend the Agreement in order to cap the payments PG&E would be required to make to Woodland under the Agreement at the cap established by the Resolution on the amounts that PG&E is authorized to recover from customers.

III. Description of Letter Agreement

A. Annual Payment Cap

Through the Letter Agreement, the parties agree to structure the total cost cap of \$100 million over the 5-year term of the Agreement, such that the total Monthly TOD¹ Payments to Woodland in each year of the term, including any interest payments, is capped at \$20 million (“Annual Payment Cap”).

B. Clarification regarding Resource Adequacy and Scheduling Obligations

The intent of the parties is for PG&E to be able to utilize the capacity of the resource for each and every month of the Delivery Term for PG&E’s Resource Adequacy (“RA”) requirements, regardless if Woodland reaches the Annual Payment Cap. Therefore,

[REDACTED]

C. Clarification regarding California Independent System Operator (“CAISO”) Charges

With the implementation of the Annual Payment Cap, [REDACTED]

¹ TOD stands for “time of delivery” and refers to adjustments made to the price paid depending on the period during which energy is delivered to PG&E.

D. Expected Initial Energy Delivery Date

The Expected Initial Energy Delivery Date is revised from March 1, 2021 to September 1, 2021 to support the summer 2021 reliability need.

IV. Cost Recovery

Resolution E-5135 approved use of PG&E's Tree Mortality Non-Bypassable Charge Balancing Account ("TMNBCBA") as the cost recovery mechanism for the Agreement. This Letter Agreement does not propose a change to the cost recovery mechanism. Accordingly, the costs up to the total contract cost cap will continue to be allocated to all benefitting customers through PG&E's TMNBCBA over the life of the Agreement.

V. Procurement Review Group Participation

PG&E's Procurement Review Group ("PRG") includes representatives from: The Commission's Energy Division and the Public Advocates Office; the Coalition of California Utility Employees ("CUE"); Coast Economic Consulting; The Utility Reform Network ("TURN"); the Union of Concerned Scientists; EarthJustice. The Agreement was presented to the PRG via e-mail on July 1, 2021.

VI. Tier Designation

PG&E is designating this as a Tier 2 Advice Letter, in accordance with OP 3 of Resolution E-5135.

VII. Effective Date

Accordingly, PG&E requests that the Energy Division issue a disposition no later than August 15, 2021.

VIII. Request for Commission Disposition

For the reasons set forth above, PG&E requests that any disposition of this Advice Letter be deemed to provide the following relief:

- Approves the Letter Agreement in its entirety, subject to the Commission's review of PG&E's administration of the Agreement as amended; and
- Finds that the Letter Agreement is appropriately tailored to accomplish the total cost recovery cap established by OP 2 of Resolution E-5135.

IX. 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 Agreement between PG&E and Woodland, which are protected pursuant to D.06-06-066 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is submitted concurrently herewith.

X. Protests

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

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than August 5, 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:

Sidney Bob Dietz II
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



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) #: 6262-E

Tier Designation: 2

Subject of AL: Approval of Letter Agreement to Implement the Annual Payment Cap to the Renewable Auction Mechanism Power Purchase Agreement and Bioenergy Procurement Rider between Pacific Gas and Electric Company and Woodland Biomass Power, LLC

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 #: Res. E-5135

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: Alina Gurova, (415)973-1098, A2GN@pge.com

Resolution required? Yes No

Requested effective date: 8/15/21

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: Sidney Bob Dietz II, 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 ALINA GUROVA
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED
IN ADVICE LETTER 6262-E**

I, Alina Gurova, declare:

1. I am a Manager in Structured Energy Transactions within the Energy Policy and Procurement organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include managing the procurement of various electric resources and products including energy storage and renewable energy. 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 6262-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; 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 July 14, 2021 at San Francisco, California.

_____/s/____

Alina Gurova

Manager, Structured Energy Transactions

Pacific Gas & Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6262-E
July 16, 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
Attachment A, Executed Letter Agreement between PG&E and Woodland	Item VII(G) Renewable Resource Contracts under RPS program	This attachment contains the executed Letter Agreement between PG&E and Woodland Biomass Power, LLC (Woodland), which includes market-sensitive terms.	Three years from contract date for deliveries to start or one year after expiration, whichever comes first.
Attachment B, Executed PPA	Item VII(G) Renewable Resource Contracts under RPS program	This attachment contains the non-public terms of the BioRAM PPA between PG&E and Woodland.	Three years from contract date for deliveries to start or one year after expiration, whichever comes first.
Attachment C, Executed PPA Rider	Item VII(G) Renewable Resource Contracts under RPS program	This attachment contains the non-public terms of the BioRAM PPA Rider between PG&E and Woodland.	Three years from contract date for deliveries to start or one year after expiration, whichever comes first.
Section III. Description of Letter Agreement, Section B	Item VII(G) Renewable Resource Contracts under RPS program	This attachment contains the non-public terms of the BioRAM PPA & PPA Rider between PG&E and Woodland.	Three years from contract date for deliveries to start or one year after expiration, whichever comes first.
Section III. Description of Letter Agreement, Section C	Item VII(G) Renewable Resource Contracts under RPS program	This attachment contains the non-public terms of the BioRAM PPA & PPA Rider between PG&E and Woodland.	Three years from contract date for deliveries to start or one year after expiration, whichever comes first.

PACIFIC GAS AND ELECTRIC COMPANY

Attachment A

**Executed Letter Agreement between PG&E
and Woodland**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Attachment B

Woodland RAM PPA

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Attachment C

Woodland RAM PPA Rider

(Confidential)

**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