

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6292E
As of March 22, 2022

Subject: Initial Delivery Date and Contract Term Amendments to Hummingbird Energy Storage Agreement

Division Assigned: Energy

Date Filed: 08-10-2021

Date to Calendar: 08-13-2021

Authorizing Documents: None

Disposition:	Signed
Effective Date:	12-16-2021

Resolution Required: Yes

Resolution Number: E-5178

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

415-973-4587

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

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



Sidney Bob Dietz II
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

August 10, 2021

Advice 6292-E

(Pacific Gas and Electric Company U 39 E)

Public Utilities Commission of the State of California

Subject: Initial Delivery Date and Contract Term Amendments to Hummingbird Energy Storage Agreement

Purpose

Pacific Gas and Electric Company (PG&E or Utility) respectfully submits this advice letter seeking California Public Utilities Commission (CPUC or Commission) approval of an Amendment to a contract in PG&E's existing energy supply portfolio. The Amendment is to an energy storage capacity Agreement with an energy storage provider arising out of PG&E's Local Sub-Area Energy Storage Request for Offers (LSA ES RFO). The storage agreement is with Hummingbird Energy Storage, LLC (Hummingbird). This Advice Letter refers to the original Energy Storage Resource Adequacy Agreement and the amendments together as the "Agreement" and to the Amendment to the Agreement as the "Amendment".

In the Amendment, PG&E agrees, subject to Commission approval to amend the Agreement to allow for a new Initial Delivery Date of July 1, 2023 for delivery to begin under the Agreement and an extension of the contract term, by one year, to sixteen years.

For the reasons described in this Advice Letter, the Amendment is reasonable and in the interest of customers, and thus should be approved. PG&E respectfully requests that the Commission issue a Final Resolution on this Advice Letter by no later than December 8, 2021, which is 120 days from the submittal date of this advice letter, in order to provide certainty to the parties going forward as to whether the Amendment is effective and to allow the development of the project to continue.

Background

A. Regulatory Background regarding the Storage Agreement

PG&E issued its LSA ES RFO in February 2018 in compliance with Commission Resolution E-4909. That Resolution had directed PG&E to procure energy storage and/or preferred resources in certain local sub-areas. PG&E executed the Energy Storage Resource Adequacy Agreement with Hummingbird as a result of the LSA ES RFO. PG&E submitted Advice Letter 5322-E on June 29, 2018 seeking approval of the Agreement and three other energy storage agreements resulting from the LSA ES RFO. The Commission issued Resolution E-4949 on October 25, 2018 approving each of the LSA ES RFO contracts. The Hummingbird Agreement was further amended in July 2019 and the amendment was approved by Commission Resolution on November 7, 2019 via Resolution E-5027.

Description and Benefits of the Amendment

The general purpose of the Amendment is to resolve uncertainty related to impacts from the Covid-19 virus on the project development so that the project may continue to move forward in the development process.

Closures of municipal facilities in San Jose in spring 2020 in response to the Covid-19 pandemic, resulted in EsVolta¹, the project developer, being unable to receive a required Conditional Use Permit (CUP) from the City of San Jose, despite all efforts by the developer. The CUP is necessary for the transmission provider (PG&E) to begin the work to permit, engineer, and schedule the interconnection work. The interconnection work at this particular substation can only be done in the winter months, and so the delay in receipt of the CUP resulted in missing the deadline to allow the project to be completed in the winter of 2020-2021. The new on-line date required PG&E as the transmission provider to revise its evaluation of the interconnection requirements for the project, resulting in further delays to the project timeline. As a result, the transmission work to interconnect the Hummingbird facility will not be completed until winter 2022-2023. This necessitates a delay of the project's on-line date to summer 2023.

As a result of these changes, the new on-line date for the project will not meet the originally identified need to prevent Reliability Must-Run (RMR) procurement in the South Bay sub-area in the 2022 period,² but the project will continue to meet the overarching

¹ EsVolta, LP is a newly formed company that has partnered with Powin Energy Corp. and Blue Sky Alternative Investments. Hummingbird Energy Storage Project is owned by Hummingbird Energy Storage, LLC (Hummingbird), which is a subsidiary of EsVolta, LP.

² See Resolution E-4909, Ordering Paragraph 5 ("Resources procured pursuant to this solicitation must be on-line and operational on or before a date sufficient to ensure that one or more of the RMR contracts for the three plants – Metcalf Energy Center, Feather River Energy Center, and Yuba City Energy Center – will not be renewed for any year from 2019 through 2022, if feasible and represent a reasonable cost savings to ratepayers.").

objective of Resolution E-4909 to provide local reliability in the South Bay sub-area. The project is also still needed to meet urgent and broader system capacity needs. The Hummingbird project was included in the Integrated Resources Plan proceeding baseline adopted in Decision (D.) 19-11-016,³ from which incremental system needs were calculated. Accordingly, the project's continued development is important in meeting the system needs identified in that Decision. Similarly, the continued development of the Hummingbird project and expedited resolution of this Advice Letter will support the emergency capacity needs identified in Governor Newsom's recent Emergency Proclamation, although the project is currently expected to come online after the October 31, 2022 target date established in that Proclamation.⁴

With the Agreement as amended, the Seller will continue the project development activities, and customers will be able to realize the value of the project. Further, the Amendment has no impact on the notional value of the Agreement, but will provide additional net market value as the contract costs have been amended in favor of the Buyer and deliveries will now begin in higher value periods than under the original Agreement. PG&E has presented the details of the Amendment, and the original and revised net market value calculations in Confidential Attachment A to this Advice Letter.

Impact of Amendment on Cost Recovery

The costs incurred by PG&E pursuant to the Agreement have been approved for recovery from bundled customers and through applicable non-bypassable charges from departed load customers. This section of the Advice Letter summarizes the cost recovery mechanisms already approved. In the absence of explicit findings or orders in the Commission's Resolution of this Advice Letter to the contrary, PG&E will deem approval of this Advice Letter to authorize the continued recovery of costs incurred under the amended Agreement as authorized by the Commission in the past and as summarized in this section. This is appropriate because the the Amendment supporting the continued development of the underlying resource will benefit all customers, both bundled and departed load.

A. Energy Storage Agreement Recovery through the Cost Allocation Mechanism (CAM)

In approving the energy storage Agreement at issue in this Advice Letter, the Commission found: "Ongoing and future local reliability concerns warrant CAM treatment of this

³ D.19-11-016, p. 7 (including resources under development in the baseline for the purpose of determining incremental system needs).

⁴ See Emergency Proclamation to Expedite Clean Energy Projects and Relieve Demand on the Electrical Grid During Extreme Weather Events This Summer as Climate Crisis Threatens Western States, issued by Governor Gavin Newsom, July 31, 2021, Para. 13 (requesting that the Commission take emergency action to expand and expedite storage and other new capacity development).

storage procurement.”⁵ On that basis, the Commission approved PG&E’s proposal to recover the net capacity costs of the storage Agreement through CAM,⁶ which includes allocating the costs to all benefitting load-serving entities on a load-share basis. The amended energy storage Agreement will continue to address local reliability concerns in the South Bay-Moss Landing (SBML) sub-area and will provide system benefits as well, and therefore should continue to be recovered through CAM.

As was true when Resolutions E-4909, E-4949, and E-5027 were adopted, these long-term contracts, along with a recently completed re-rate of the Las Aguilas 230 Kilovolt transmission line, are intended to obviate the need for additional backstop procurement and prevent the possible exercise of market power. In the event that one or more of the existing local generating stations in the South Bay Moss Landing sub-area were to become unavailable in the future, the Hummingbird energy storage contract will reduce or eliminate the need for backstop procurement in the SBML sub-area.

The benefit of the Hummingbird energy storage contract originally identified in Advice Letter 5322-E, and reiterated in 5607-E will remain intact following the requested extension of the on-line date. The later online date will increase the projects’ likelihood of achieving successful completion and realizing the intended benefits. The additional time is necessary and reasonable in light of PG&E’s intervening bankruptcy, which created financing and development challenges to the project, the impact of the Covid-19 pandemic, and further transmission studies that have been required during the project development period.

Request for Commission Approval

PG&E requests that the Commission issue a Final Resolution no later than December 8, 2021, which is 120 days from the submittal date of this advice letter, that:

1. Approves the Amendment in its entirety, including payments to be made by PG&E pursuant to the Agreement as amended by the Amendment, subject to the Commission’s review of PG&E’s administration of the Amendment.
2. Finds that all procurement and administrative costs, as provided by Public Utilities Code section 399.13(g), associated with the Agreement as amended by the Amendment shall be recovered in rates.
3. Adopts the following finding of fact and conclusion of law in support of CPUC Approval:
 - a. The terms of the Amendment are reasonable.

⁵ Resolution E-4949, p. 42 (Finding 16).

⁶ See *id.*, pp. 3, 43 (Order 5).

4. Adopts the following findings of fact and conclusions of law in support of cost recovery for the energy storage Agreement as amended by the Amendment:
 - a. The Utility's payments under the amended Hummingbird energy storage Agreement shall continue to be recovered through the CAM in PG&E's Energy Resource Recovery Account.

Procurement Review Group Participation

PG&E's Procurement Review Group (PRG) includes representatives from: the Commission's Energy Division and the Public Advocates Office; Coalition of California Utility Employees; Coast Economic Consulting; The Utility Reform Network (TURN), Union of Concerned Scientists, and Woodruff Expert Services (representing TURN). The Amendment was presented to the PRG via email on July 16, 2021.

Independent Evaluator

Because the Amendment was negotiated through bilateral negotiations and was not the result of a competitive solicitation, and because the Amendment did not amend the price, PG&E did not engage an Independent Evaluator (IE).⁷

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

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 30, 2021**, which is 20 days after the date of this submittal. Protests must be submitted to:

⁷ Cf. Resolution E-4199, p. 69 (Ordering Paragraph ("OP") 4) (requiring an IE for Amendment to RPS-eligible PPAs that are "negotiated through a competitive solicitation and for which the contract price is above the [Market Price Referent ("MPR")]"; *id.*, pp. 27-28, 69 (OP 5) (requiring an IE's report when an RPS-eligible PPA is amended to increase the price and when the price is above the MPR and eligible for above-market funds ("AMFs")); D.06-05-039, p. 46 (requiring "each IOU to use an Independent Evaluator to separately evaluate and report on the IOU's entire [RPS] solicitation, evaluation and selection process for this and all future [RPS] solicitations"); D.13-10-040, pp. 10-11 (requiring an IE when conducting competitive solicitations for new energy storage contracts).

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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Tier Designation and Effective Date

PG&E designates this Advice Letter as Tier 3 pursuant to General Order 96-B. PG&E respectfully requests that this advice letter become effective upon Commission approval no later than **December 8, 2021**, which is 120 days from the submittal date of this advice letter.

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 executed Amendment, 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.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service lists for **R.18-07-003**, **R.15-03-011**, and **R.17-09-020**. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachment A: Detailed Summary of Amended Terms and Conditions and Negotiation Process (Confidential in its entirety)

Attachment B: Executed Hummingbird Amendment to Energy Storage Resource Adequacy Agreement between PG&E and esVolta (Confidential in its entirety)

cc: Cheryl Lee, Energy Division, cheryl.lee@cpuc.ca.gov.
Service Lists for R.18-07-003, R.15-03-011, and R.17-09-020



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 (U 39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6292-E

Tier Designation: 3

Subject of AL: Initial Delivery Date and Contract Term Amendments to Hummingbird Energy Storage Agreement

Keywords (choose from CPUC listing): Storage

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information: 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: Jeff Henderson, J2H0@pge.com, 415-972-5779.

Resolution required? Yes No

Requested effective date: 12/8/21

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 JEFF HENDERSON
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED
IN ADVICE LETTER 6292-E**

I, Jeff Henderson, declare:

1. I am a Principal Structured Energy Transactions Analyst 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 evaluating and negotiating structured energy transactions, including power purchase agreements, storage agreements, contract amendments and firming and shaping agreements. 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 6292-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

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

ADVICE LETTER 6292-E

August 10, 2021

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Statute or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document: Advice Letter 6292-E and Attachments			
Attachment A (Detailed Summary of Amended Terms and Conditions and Negotiation Process) - in its entirety	VII.E – New Non-Utility Affiliated Bilateral Contracts (Except RPS)	This attachment contains a summary of the confidential terms and conditions of the Amendments to Resource Adequacy contract. Disclosure of this information would provide market sensitive information regarding the contract amendments	Three years from date contract states deliveries to begin; or until one year following expiration, whichever comes first
Attachment B (Executed Amendment to Hummingbird Energy Storage Resource Adequacy Agreement between PG&E and esVolta) - in its entirety	VII.E – New Non-Utility Affiliated Bilateral Contracts (Except RPS)	This attachment contains the confidential contract Amendments. Disclosure of this information would provide market sensitive information regarding the energy storage contract amendments.	Three years from date contract states deliveries to begin; or until one year following expiration, whichever comes first

Advice 6292-E
August 10, 2021

Attachment A

**Detailed Summary of Amended Terms and Conditions
and Negotiation Process**

(Confidential)

Advice 6292-E
August 10, 2021

Attachment B

**Executed Hummingbird Amendment to Energy Storage
Resource Adequacy Agreement between
PG&E and esVolta**

(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