

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6504E
As of February 25, 2022

Subject: Procurement for Summers 2022-2023 Under Decision 21-02-028, Decision 21-03-056, and Decision 21-12-015.

Division Assigned: Energy

Date Filed: 02-14-2022

Date to Calendar: 02-16-2022

Authorizing Documents: D2102028

Authorizing Documents: D2103056

Authorizing Documents: D2112015

Disposition:	Accepted
Effective Date:	02-19-2022

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



Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

415-973-4587

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

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

February 14, 2022

Advice 6504-E

Pacific Gas and Electric Company (U 39 E)

Public Utilities Commission of the State of California

**Subject: Procurement for Summers 2022-2023 Under Decision 21-02-028,
Decision 21-03-056, and Decision 21-12-015.**

I. Purpose

Consistent with the guidance provided in Decision (D.) 21-02-028 and pursuant to D.21-03-056 and D.21-12-015 (collectively, the Decisions), Pacific Gas and Electric Company (PG&E) respectfully submits this Tier 1 advice letter seeking the California Public Utilities Commission's (Commission or CPUC) approval of one (1) agreement (the Powerex Emergency Reliability Agreement) to procure firm imported energy to serve load at peak and net peak to prepare for potential extremeweather events in the summers of 2022 and 2023 (2022-2023 Summer Procurement). This agreement is summarized in Confidential Appendices A, B, and C of this Advice Letter. As set forth in the Decisions, PG&E is procuring on behalf of all customers in its service territory and requests that the total costs of the Powerex Emergency Reliability Agreement be allocated to all benefitting customers through the Cost Allocation Mechanism (CAM).

II. Background

As a result of the summer 2020 rotating outages, an Assigned Commissioner's Ruling (ACR) was issued on December 28, 2020 that directed the large investor-owned utilities (IOUs) to immediately seek contracts for incremental capacity, available for peak and net peak in the summers of 2021 and 2022. On February 11, 2021, the Commission subsequently issued D.21-02-028 directing the IOUs to seek contracts for additional capacity or firm import energy (among other procurement types) for summer 2021 reliability and submit those contracts for consideration before the Commission via advice letters of various tiers, with the costs and benefits allocated to all benefitting customers through the CAM.¹

¹ D.21-02-028, p. 12.

On March 25, 2021, the Commission approved D.21-03-056, which directs the IOUs to take a number of actions to decrease peak and net peak demand and increase peak and net peak supply for the summers of 2021 and 2022.² The Decision requires that procured resources must be available to serve load at the peak and net peak, and directs the IOUs to give preference to storage contracts, upgrades resulting in increased efficiency of existing generation resources, and contract terms that are shorter in duration.³

D.21-03-056 authorizes the IOUs to continue their procurement efforts and endeavor to meet and exceed their respective incremental procurement targets to achieve an effective 17.5 percent planning reserve margin (PRM) for the months of May through October 2021 and 2022. Increasing the PRM from 15 percent to an effective 17.5 percent resulted in a minimum incremental procurement target of 450 megawatts (MW) for PG&E.⁴ The Decision further states that Tier 1 Advice Letters may be submitted, for incremental imports, provided the IOUs remain within the “hard cap” procurement limits for supply-side generation and storage resources. The Decision states that resources in excess of an IOU’s 15 percent PRM should be charged to all benefiting customers in the IOU’s service territory via the CAM, and authorizes the IOUs to acquire and pair imports with maximum import capability to be included in CAM procurement costs.⁵

On December 2, 2021, the Commission issued D.21-12-015 and instructed the IOUs to solicit additional resources for summers 2022 and 2023, including a new target range of 900 MW to 1,350 MW for each of the May – October summer months of 2022 and 2023.

Consistent with the parameters in D.21-02-028, D.21-03-056, and D.21-12-015, PG&E engaged in a Powerex Market Request for Proposals (RFP) to procure firm imported energy, which is further described in Confidential Appendices A, B, and C of this Advice Letter.

III. **Powerex Emergency Reliability Agreement**

PG&E is requesting approval of one (1) Emergency Reliability Agreement resulting from PG&E’s Summer 2022-2023 procurement efforts as described below. PG&E remains within the “hard cap” procurement limit for supply-side generation and storage resources and so Tier 1 status is appropriate for this advice letter seeking approval for procurement of incremental imports.

PG&E’s purchase of firm forward import energy was made through the competitive process of a Market RFP, in which pricing was justified as discussed in Confidential Appendix B. Pricing for the executed transaction was evaluated against recent quotes received from brokers and/or pricing from other recent RA Electronic Solicitations for similar delivery periods as applicable.

² D.21-03-056, p. 2.

³ D.21-03-056, p. 46.

⁴ D.21-03-056, p. 43.

⁵ D.21-03-056, p. 47.

Although the Decisions only identify procurement through 2023, Powerex's solicitation had a three-year minimum term requirement. Because of this requirement, PG&E submitted a three-year bid, which resulted in the Powerex Emergency Reliability Agreement. PG&E consulted its Procurement Review Group (PRG) on December 7, 2021 of its participation in Powerex's RFP, in addition to discussing the proposed transactions with the CAM PRG on January 13, 2022, and again on February 7, 2022.

Additional information regarding the Powerex Emergency Reliability Agreement is included in Confidential Appendix A and B. The Powerex Emergency Reliability Agreement is included in Confidential Appendix C.

	Counterparty	Product Type	Used Towards PG&E's Procurement Targets	
			Volume (MW)	Delivery Term
A	Powerex Corp.	Firm Forward Imported Energy	75	June – September 2022-2024

IV. Cost Recovery

As described above, the procurement of the agreement is to meet the reliability needs on behalf of all customers in the PG&E distribution service territory, as authorized in D.21-02-028, D.21-03-056, and D.21-12-015. The contract and associated costs for firm imported energy presented in this Tier 1 advice letter are eligible for cost recovery as CAM-eligible resources, which are recovered through the New System Generation Charge (NSGC). Accordingly, for the months of June through September 2022 - 2024, PG&E requests that the Commission deem the agreement CAM-eligible with recovery through the NSGC and confirm that it counts towards PG&E's emergency reliability procurement targets in D.21-03-056 and D.21-12-015.⁶

V. Confidentiality Treatment

In support of this advice letter, PG&E has provided the confidential information listed below. 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 Public Utilities Code section 454.5(g) or the Investor-Owned Utility Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023. A separate Declaration Seeking Confidential Treatment is being submitted concurrently with this advice letter.

⁶ D.21-12-015, as modified by D.21-12-069, addressed reliability issues for 2023 and directed the IOUs to seek contracts for additional capacity or import energy for the summer of 2023 on behalf of all customers. PG&E may seek cost recovery for future CAM-eligible resources in accordance with the directives authorized in D.21-12-015, as modified by D.21-12-069.

Confidential Appendices

Appendix A: Summary of Powerex Emergency Reliability Agreement (Confidential)

Appendix B: Cost Competitiveness (Confidential)

Appendix C: Powerex Emergency Reliability Agreement (Confidential)

VI. Protests

Pursuant to D.21-02-028 and D.21-12-015, the protest period for Tier 1 advice letters is 10 days after submission. Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than **February 24, 2022**, which is 10 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
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 and 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).

VII. Effective Date

Pursuant to D.21-02-028, this advice letter is submitted with a Tier 1 designation and will be effective no sooner than 5 days after submission. PG&E requests that this advice letter be effective on **February 19, 2022**.

VIII. Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for **R.20-11-003, R.19-11-009, and R.20-05-003**. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

 /S
Sidney Bob Dietz II
Director, Regulatory Relations

cc: Service Lists R.20-11-003, R.19-11-009, and R.20-05-003



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (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) #: 6504-E

Tier Designation: 1

Subject of AL: Procurement for Summers 2022-2023 Under Decision 21-02-028, Decision 21-03-056, and Decision 21-12-015.

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.21-02-028, D.21-03-056, and D.21-12-015

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 Confidential 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: Scott Ranzal, SDRi@pge.com, 415-264-3638.

Resolution required? Yes No

Requested effective date: 2/19/22

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

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

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

**PACIFIC GAS AND ELECTRIC COMPANY
RULEMAKING 20-11-003**

**DECLARATION OF SCOTT RANZAL SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN PG&E'S ADVICE
LETTER FOR APPROVAL OF CONTRACTS RESULTING FROM ITS EXPEDITED
PROCUREMENT PURSUANT TO DECISION 21-02-028, DECISION 21-03-056, AND
DECISION 21-12-015**

I, Scott Ranzal, declare:

1. I am a Director of Portfolio Management in the Energy Procurement and Policy Organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include oversight of commercial activities and interactions with market participants related to firm forward imported energy and Resource Adequacy. 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 procurement and bid-related information.

2. Based on my knowledge and experience, and in accordance with the Decisions 06-06-066, 08-04-023, and relevant Commission rules, I make this declaration seeking confidential treatment for certain procurement and bid-related data and information contained in PG&E's Advice Letter for Procurement for Summers 2022-2023 Under Decision 21-02-028, Decision 21-03-056, and Decision 21-12-015.

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 procurement and bid-related data and information covered by D.06-06-066. 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 February 14, 2022 at San Francisco, California.

/s/

Scott Ranzal
Director, Portfolio Management
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**ADVICE LETTER FOR PROCUREMENT FOR SUMMERS 2022-2023
UNDER DECISION 21-02-028, DECISION 21-03-056, AND DECISION 21-12-015
February 14, 2022**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To	PG&E's Justification for Confidential Treatment	Length of Time
Confidential Appendices			
Appendix A: Summary of Powerex Emergency Reliability Agreement (Confidential)	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)).	The terms of the executed Powerex Emergency Reliability Agreement presented in this appendix are generally confidential. The terms of the executed Powerex Emergency Reliability Agreement that are public pursuant to Item VII. B. are publicly disclosed in Section III. Powerex Emergency Reliability Agreement.	Contract documents and terms of contracts are confidential for three years from the date that the contract states that deliveries are to begin, or until one year following expiration, whichever comes first.
Appendix B: Cost Competitiveness (Confidential)	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)).	The terms of the executed Powerex Emergency Reliability Agreement presented in this appendix are generally confidential. The terms of the executed Powerex Emergency Reliability Agreement that are public pursuant to Item VII. B. are publicly disclosed in Section III. Powerex Emergency Reliability Agreement.	Contract documents and terms of contracts are confidential for three years from the date that the contract states that deliveries are to begin, or until one year following expiration, whichever comes first.
Appendix C: Powerex Emergency Reliability Agreement (Confidential)	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)).	The terms of the executed Powerex Emergency Reliability Agreement presented in this appendix are generally confidential. The terms of the executed Powerex Emergency Reliability Agreement that are public pursuant to Item VII. B. are publicly disclosed in Section III. Powerex Emergency Reliability Agreement.	Contract documents and terms of contracts are confidential for three years from the date that the contract states that deliveries are to begin, or until one year following expiration, whichever comes first.

PACIFIC GAS AND ELECTRIC COMPANY

Appendix A

Summary of Powerex Emergency Reliability

Agreement

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix B

Cost Competitiveness

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix C

Powerex Emergency Reliability Agreement

(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.
Braun Blasing Smith Wynne, P.C.
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
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
International Power Technology

Intertie

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
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

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