

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

October 24, 2022

**Advice Letter 6551-E**

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**SUBJECT: Tier 2 Advice Letter of Pacific Gas and Electric Company Requesting Approval of Market Offer Contract for Power Charge Indifference Adjustment Eligible Renewables Portfolio Standard Resources**

Dear Sidney Bob Dietz,

Advice Letters 6551-E and 6551-E-A are approved as of October 19, 2022.

**Background**

On May 24, 2021, the Commission issued Decision (D.) 21-05-030 to authorize new Voluntary Allocation, Market Offer, and Request for Information processes for Renewables Portfolio Standard (RPS) contracts subject to the Power Charge Indifference Adjustment (PCIA). D.21-05-030 adopted a Voluntary Allocation and Market Offer (VAMO) mechanism, which authorizes a process for the investor-owned utilities (IOUs) to allocate a “slice” of their entire PCIA-eligible RPS portfolios to eligible load serving entities (LSEs) in proportion to their vintaged, forecasted annual load share. As part of the VAMO process, Ordering Paragraph (OP) 3 of D.21-05-030 requires that Market Offers of PCIA-eligible RPS resources include the following elements:

- a) The Market Offer shall offer for sale all PCIA-eligible RPS energy remaining after a Voluntary Allocation.
- b) The Market Offer process shall be based upon existing processes, rules, oversight requirements, and reporting requirements for Renewable Energy Credit (REC) solicitations previously approved in the Commission’s RPS proceeding.
- c) The Market Offer process should include rules for utility participation in solicitations they administer.

On January 18, 2022, the Commission issued D.22-01-004, which adopted 2021 RPS Procurement Plans for the large IOUs, Small and Multi-Jurisdiction Utilities, Community Choice Aggregators, and

Energy Service Providers, with modifications. OP 6 of D.22-01-004 directed the IOUs to each submit a Tier 2 Advice Letter proposing their respective Market Offer pro forma contracts for PCIA-eligible RPS resources within 45 days of submission of their RPS Procurement Plans.

On April 4, 2022, Pacific Gas and Electric Company (PG&E) submitted Tier 2 Advice Letter 6551-E requesting approval of its Market Offer pro forma contract for PCIA-eligible RPS resources, pursuant to OP 6 of D.22-01-004.

### **Protests**

On April 25, 2022, the Alliance for Retail Energy Markets (AReM) and California Community Choice Association (CalCCA) timely filed protests to PG&E Advice Letter 6551-E.

AReM's protest asserts that part b) of OP 3 of D.21-05-030 intends that Portfolio Content Category<sup>1</sup> (PCC) 1 and PCC 3 RPS products be sold separately in the IOUs' Market Offers and that "having a Market Offer that combines different PCC products is not consistent with existing processes for renewable product sales."<sup>2</sup> AReM notes that separate contracts for PCC 1 and PCC 3 sales are offered in Southern California Edison's (SCE) pro forma Market Offer contract Advice Letter and that SCE explains that its Market Offer contracts "are based upon existing Portfolio Content Category (PCC) 1 and 3 REC Sales Agreements previously approved in the Commission's RPS proceeding."<sup>3</sup> Further, AReM explains that LSEs may have different objectives for their participation in Market Offers and may require the ability to purchase PCC 1 and PCC 3 products independently of each other.<sup>4</sup> Finally, AReM points out that Market Offers that combine PCC 1 and PCC 3 products, with volumes that will vary annually, makes it difficult for potential buyers to determine fair pricing.<sup>5</sup> Therefore, AReM requests that the Commission direct PG&E to "explicitly classify the PCC content of the resources for sale in their Market Offers in the same manner as done by SCE and offer their PCC 1 and PCC 3 products separately."<sup>6</sup>

AReM also requests that the Commission direct PG&E to include long-term offers of RPS resources in its Market Offer rather than limiting its Market Offer contract terms to only the remainder of the current RPS compliance period.<sup>7</sup> First, AReM asserts that D.21-05-030 does not require that Market Offers be limited to only short-term sales and that D.21-05-30 intended for Market Offers to also feature long-term sales because significant portions of the Decision addressed short- and long-term allocations of RPS resources.<sup>8</sup> Second, AReM asserts that limiting the length of Market Offers could undermine the overall VAMO process.<sup>9</sup> Short term sales of RPS resources in the Market Offer could strip the long-term attributes of these resources, which would lower the value of Market Offer contracts as compared to Voluntary Allocation contracts.<sup>10</sup> This, in turn, might discourage LSEs from participating in the VAMO process.<sup>11</sup> Third, AReM rejects PG&E's rationales that short-term Market Offers provide LSEs with more flexibility while reducing complexity and risk.<sup>12</sup> AReM argues that short-term sales could

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<sup>1</sup> See Public Utilities Code § 399.16(b), § 399.16(c)(3), and D.11-12-052, Decision Implementing Portfolio Content Categories.

<sup>2</sup> AReM Protest of San Diego Gas & Electric Company (SDG&E) AL 3983-E, Pacific Gas and Electric Company (PG&E) AL 6551-E, and Southern California Edison Company (SCE) AL 4759-E, at 2-3.

<sup>3</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 2.

<sup>4</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 3.

<sup>5</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 3.

<sup>6</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 3.

<sup>7</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 7.

<sup>8</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 4.

<sup>9</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 4-5.

<sup>10</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 4-5.

<sup>11</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 4-5.

<sup>12</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 5-6.

convert long-term resources into short-term resources in a subsequent VAMO cycle, which would undermine flexibility for LSEs.<sup>13</sup> Also, AReM points out that because all LSEs, including IOUs, must address risk and complexity in uncertain sales volumes, PG&Es rationales are insufficient reason for limiting Market Offers to only short-term sales.<sup>14</sup>

Similar to AReM's protest, CalCCA's protest requests that PG&E modify its Market Offer pro forma contracts so that bundled and unbundled RECs are offered separately.<sup>15</sup> CalCCA points out that PG&E provides only one pro forma contract that will include a mixture of PG&E's bundled and unbundled resources and that the composition of the mixture of these resources may change during the term of the Market Offer contract.<sup>16</sup> CalCCA asserts that because the mixture of these resources may change, it is "impossible for bidders to establish the ultimate value of the product being offered."<sup>17</sup>

CalCCA's protest also requests that PG&E provide Market Offer contract counterparties with preliminary, non-binding, forecast and meter data of the contract quantity no later than 15 calendar days following the delivery month.<sup>18</sup> CalCCA asserts that since Market Offer contracts deliveries are variable and not fixed, access to timely meter data is required for forecasting, portfolio management, contract validation, other administrative purposes.<sup>19</sup> Further, without the timely receipt of this meter data, LSEs are at a disadvantage because they would be unable to plan for future needs or account for the purchases that they have made on their customers' behalf, which ultimately reduces the value of the contract.<sup>20</sup>

Finally, CalCCA states that it reserves the right to comment further on PG&E's Market Offer pro forma contract following its review of the IOUs' Market Offer Processes.<sup>21</sup> CalCCA argues that further comments are necessary because "without understanding the context of the Market Offer Contract in terms of the Market Offer Process and PG&E's intentions regarding any other future firm or non-firm REC sales, fully evaluating the Market Offer Contract is impossible."<sup>22</sup>

### **PG&Es' Response**

PG&E timely responded to AReM's and CalCCA's protests on May 2, 2022. Although PG&E urged the CPUC to reject portions of these protests, it also agreed to limited modifications of its Market Offer pro forma contracts that were of concern to AReM and CalCCA's protests.

In response to AReM's and CalCCA's requests that PG&E differentiate its Market Offer products based on REC PCC, PG&E agrees to modify its Market Offer pro forma contracts to offer two separate products: (a) resources that meet the criteria of Public Utilities Code §399.16(b)(1) and (b) resources that do not meet the criteria of Public Utilities Code §399.16(b)(1).<sup>23</sup> PG&E states that it will file a supplement to Advice Letter 6551-E by May 23, 2022, to incorporate these changes into the pro forma contract.<sup>24</sup> However, PG&E states that it will not be able to make any representation and warranty on a product's PCC status, as such determination is done by the California Public Utilities Commission (CPUC).<sup>25</sup>

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<sup>13</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 5-6.

<sup>14</sup> AReM Protest of SDG&E AL 3983-E, PG&E AL 6551-E, and SCE AL 4759-E, at 5-6.

<sup>15</sup> CalCCA Protest of PG&E AL 6551-E, at 3.

<sup>16</sup> CalCCA Protest of PG&E AL 6551-E, at 3.

<sup>17</sup> CalCCA Protest of PG&E AL 6551-E, at 3.

<sup>18</sup> CalCCA Protest of PG&E AL 6551-E, at 3-4.

<sup>19</sup> CalCCA Protest of PG&E AL 6551-E, at 3.

<sup>20</sup> CalCCA Protest of PG&E AL 6551-E, at 3.

<sup>21</sup> CalCCA Protest of PG&E AL 6551-E, at 4.

<sup>22</sup> CalCCA Protest of PG&E AL 6551-E, at 4.

<sup>23</sup> Reply of PG&E to Protests of AL 6551-E, at 2 and 3.

<sup>24</sup> Reply of PG&E to Protests of AL 6551-E, at 2 and 3.

<sup>25</sup> Reply of PG&E to Protests of AL 6551-E, at 3.

PG&E disagrees with AReM's rationales for why it should offer long-term offers of RPS resources in its Market Offer.<sup>26</sup> PG&E counters that because D.21-05-030 intended that the IOUs should have flexibility in how they design their Market Offer products, long-term offers of RPS resources are not required as part of its Market Offer.<sup>27</sup> PG&E also disagrees with AReM's assertion that long-term RPS attributes would remain with the IOU if non-IOU LSEs were unable to purchase these products.<sup>28</sup> First, PG&E states that LSEs would still have the chance to request and secure remaining long-term and short-term Voluntary Allocations of RPS resources in the next VAMO cycle.<sup>29</sup> Second, PG&E adds that "an IOU is only entitled to RPS attributes associated with its allocation share that is elected and any Market Offer volumes that are procured."<sup>30</sup> Finally, PG&E reiterates that (1) it would be beneficial for LSEs to review lessons learned from the initial VAMO cycle before they commit themselves to long-term resources in the initial Market Offer, and (2) 90% of its long-term RPS resources will retain their long-term status in next VAMO cycle, which would provide another opportunity for LSEs to secure these resources.<sup>31</sup>

In response to CalCCA's protest, PG&E explains that CalCCA's request for meter data within 15 days of a Calculation Period is impossible to meet, since it does not allow PG&E to adjust the data for bilateral sales contracts, which can only be done upon receipt of Western Renewable Energy Generation Information System certificates, three months after the delivery period.<sup>32</sup>

Finally, in response to CalCCA's statement that it reserves the right to comment further on PG&E's Market Offer pro forma contract following CalCCA's review of the IOUs' Market Offer Processes, PG&E argues that "issues related to the Market Offer Process and PG&E's Sales Strategies are subject to a Commission decision in R. 18-07-003 and are out of scope from Advice 6551-E" and that the scope of Advice Letter 6551-E is limited to "the review of the commercial terms relevant to the Market Offer Contract."<sup>33</sup>

### **Energy Division Disposition**

Energy Division reviewed Advice Letters 6551-E and 6551-E-A, the protests from AReM and CalCCA, and PG&E's response. OP 6 of D.22-01-004 directed PG&E to submit a Tier 2 Advice Letter proposing pro forma contracts that include the commercial terms for its Market Offer of PCIA-eligible RPS resources. Energy Division finds that the Market Offer pro forma contracts submitted in PG&E Advice Letters 6551-E and 6551-E-A comply with OP 6. Second, Energy Division finds that the commercial terms included in the pro forma contracts comply with OP 3(a) and OP 3(b) of D.21-05-030 in that the pro formas (1) permit the sale of all PCIA-eligible RPS energy remaining after a Voluntary Allocation, and (2) are based on contracts from existing RPS sales solicitations.

### **Differentiated RPS Products**

In order to partially accommodate AReM's and CalCCA's protests, PG&E filed supplemental Advice Letter 6551-E-A on May 23, 2022. PG&E's supplemental Advice Letter modifies its Market Offer pro forma contracts to offer both bundled and unbundled RPS products by offering: (a) resources that meet the criteria of Public Utilities Code §399.16(b)(1) and (b) resources that do not meet the criteria of Public Utilities Code §399.16(b)(1). Energy Division approves this modification to PG&E's Market Offer pro forma contract.

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<sup>26</sup> Reply of PG&E to Protests of AL 6551-E, at 2-3.

<sup>27</sup> Reply of PG&E to Protests of AL 6551-E, at 2.

<sup>28</sup> Reply of PG&E to Protests of AL 6551-E, at 2.

<sup>29</sup> Reply of PG&E to Protests of AL 6551-E, at 2.

<sup>30</sup> Reply of PG&E to Protests of AL 6551-E, at 2.

<sup>31</sup> Reply of PG&E to Protests of AL 6551-E, at 3.

<sup>32</sup> Reply of PG&E to Protests of AL 6551-E, at 2-3.

<sup>33</sup> Reply of PG&E to Protests of AL 6551-E, at 4.

However, Energy Division agrees with PG&E that it cannot make any representation and warranty on a product's PCC status because such determination is made by Energy Division. Further, PCC classification of RECs is not in the scope of the Advice Letter requirements established in OP 6 of D.22-01-004. Therefore, AReM's protest, in part, is rejected.

#### Long-term RPS Sales in Market Offers

When establishing the VAMO process for allocating PCIA-eligible RPS resources to LSEs, D.21-05-030 states "we decline to direct the IOUs to structure long-term Market Offer sales in a particular manner in this decision, or to restrict long-term sales to a specific percentage of Market Offer sales."<sup>34</sup> Further, pursuant to D.21-05-030 and the April 11, 2022, Assigned Commissioner and Assigned Administrative Law Judge's Ruling, the IOUs jointly filed their Market Offer Process proposal in R. 18-07-003<sup>35</sup>.

Because the structure of long-term RPS sales in Market Offers is not in the scope of the Advice Letter requirements established in OP 3 of D.21-05-030 and OP 6 of D.22-01-004, AReM's request to direct PG&E to include long-term RPS offers in its Market Offer is denied. Therefore, AReM's protest is rejected, in part. AReM may raise this issue following the CPUC's Rules of Practice and Procedure in the appropriate proceedings, such as the RPS proceeding (R.18-07-003) and the PCIA proceeding (R.17-06-026).

#### Access to Meter Data

Energy Division agrees with PG&E that it would be difficult for PG&E to deliver preliminary meter data within the 15-day timeline requested by CalCCA. In addition, because specific requirements for the delivery of meter data are not in the scope of the Advice Letter requirements established in OP 3 of D.21-05-030 and OP 6 of D.22-01-004, CalCCA's request for meter data is denied. Therefore, CalCCA's protest is rejected, in part.

#### Further Comments on PG&E's Market Offer Pro Forma Contracts

CalCCA argues that it reserves the right to comment further on PG&E's Market Offer pro forma contract following its review of the IOUs' Market Offer Processes. CalCCA's request is both unnecessary and out of scope of the Advice Letter rules because the commercial terms of PG&E's pro forma contracts can be reviewed and approved independently of the review and approval of PG&E's Market Offer Process. Secondly, since there is no procedural vehicle under General Rule 7.4. of General Order 96-B to submit subsequent protests or responses to an Advice Letter, this request is denied. Therefore, CalCCA's protest is rejected, in part.

Advice Letters 6551-E and 6551-E-A are approved as described in this letter.

Sincerely,



Leuwam Tesfai  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division  
California Public Utilities Commission

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<sup>34</sup> D.21-05-030, at 24.

<sup>35</sup> D.21-05-030, at 24. See also the April 11, 2022, "Assigned Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2022 Renewables Portfolio Standard Procurement Plans and Denying Joint IOUs' Motion to File Advice Letters for Market Offer Process", at 12-14.

cc:

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April 4, 2022

**Advice 6551-E**

(Pacific Gas and Electric Company U 39 E)

Public Utilities Commission of the State of California

**Subject: Tier 2 Advice Letter of Pacific Gas and Electric Company Requesting Approval of Market Offer Contract for Power Charge Indifference Adjustment Eligible Renewables Portfolio Standard Resources**

**Purpose**

Pacific Gas and Electric Company (“PG&E”) submits this Tier 2 advice letter in compliance with Decision (“D.”) 22-01-004, dated January 18, 2022, Ordering Paragraph (“OP”) 6, which requires it to submit a Tier 2 advice letter proposing a Market Offer of Power Charge Indifference Adjustment (“PCIA”)-eligible Renewables Portfolio Standard (“RPS”) resources pro forma contract within 45 days of submission of its Final 2021 Procurement Plan (“RPS Plan”).<sup>1</sup> This advice letter meets the requirements by submitting PG&E’s proposed pro forma Market Offer contract (“Market Offer Contract”), attached as Attachment 1.

**Background**

The California Public Utilities Commission (“Commission” or “CPUC”) opened Rulemaking (“R.”)17-06-026 on June 26, 2017, to review, revise and consider alternatives to the PCIA. Among other things, D.18-10-019 opened a second phase of the proceeding with a working group process resulting in four decisions to address three specific topic areas: (1) the market price benchmarks, (2) a voluntary prepayment option, and (3) portfolio optimization and cost reduction of the investor-owned utilities’ (“IOUs”) PCIA portfolios. D.21-05-030 was issued on May 24, 2021, as part of Phase 2 of the PCIA proceeding. Specifically, D.21-05-030 addresses portfolio optimization activities associated with RPS resources subject to PCIA cost recovery. A Voluntary Allocation and Market Offer (“VAMO”) mechanism was adopted, including authorizing a process for the IOUs to allocate a “slice” of an IOU’s entire PCIA-eligible RPS portfolio to eligible load-serving entities (“LSEs”) in proportion to their vintaged, forecasted annual load share.<sup>2</sup>

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<sup>1</sup> D.22-01-004, OP 6, pp. 87-88.

<sup>2</sup> D.21-05-030, OP 2, p. 63.

D. 21-05-030, OP 3, required the Market Offer of any PCIA-eligible RPS Energy to have the following elements:

- (a) The Market Offer shall offer for sale all [PCIA-eligible] RPS energy remaining after a Voluntary Allocation.
- (b) The Market Offer process shall be based upon existing processes, rules, oversight requirements, and reporting requirements for REC solicitations previously approved in the Commission's RPS proceeding.
- (c) The Market Offer process should include rules for utility participation in solicitations they administer.<sup>3</sup>

As described in more detail below, the attached Market Offer Contract takes into account the first of these three elements. A proposal to address the second and third elements is included in the IOUs' joint motion regarding Market Offer process.<sup>4</sup>

Following the adoption of D.21-05-030, the CPUC issued an Administrative Law Judge ("ALJ") ruling on May 26, 2021, seeking additional information from the IOUs in their RPS Plans. On July 22, 2021, an ALJ ruling granted additional time to the retail sellers to update their RPS Plans pursuant to the requirements adopted in D.21-05-030 on the PCIA. PG&E filed its draft 2021 RPS Plan on July 1, 2021. PG&E (and the other IOUs) moved to request the CPUC's authority to submit pro forma contracts associated with the VAMO transactions through a Motion to Update its Draft 2021 RPS Plan on September 13, 2021.<sup>5</sup>

On January 18, 2022, the CPUC issued D.22-01-004, which adopted 2021 RPS Plans for the large IOUs, Small and Multi-Jurisdictional Utilities, Community Choice Aggregators, and Energy Service Providers, with modifications. D.22-01-004, OP 6 states that the IOUs are to submit a Tier 2 advice letter proposing their pro forma Market Offer contracts within 45 days of submission of its RPS Plan.<sup>6</sup> PG&E filed its final 2021 RPS Plan on February 17, 2022.<sup>7</sup>

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<sup>3</sup> D.21-05-030, OP 3, p. 64.

<sup>4</sup> See Joint Motion of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company Concerning Review of Market Offer Process, filed March 10, 2022, in R.18-07-003.

<sup>5</sup> PG&E's Motion to Update Draft 2021 Renewables Portfolio Standard Procurement Plan, dated September 13, 2021, p. 3.

<sup>6</sup> D.22-01-004, OP 6, pp. 87-88.

<sup>7</sup> See PG&E's Renewables Portfolio Standard Final 2021 Renewable Energy Procurement Plan, filed February 17, 2022, in R.18-07-003.



## **Market Offer Contract**

PG&E's Market Offer Contract is provided as Attachment 1 to this advice letter. PG&E's Market Offer Contract is a confirmation to PG&E's Edison Electric Institute ("EEI") Master Power Purchase and Sale Agreement ("Master Agreement"), similar to the existing confirmation used in PG&E's bundled RPS energy sales. Participants in the Market Offer process will need to have a Master Agreement in place with PG&E prior to the execution of the Market Offer Contract.

### **Market Offer Contract Summary**

OP 3 of D.21-05-030 requires that Market Offers of PCIA-eligible RPS resources address the following:

*(a) The Market Offer shall offer for sale all Power Charge Indifference Adjustment-eligible RPS energy remaining after a Voluntary Allocation.*

#### **Product Volume**

Article 2 (Total Amount and Green Attributes Price) provides an opportunity for a participant in the Market Offer to bid for all of the PCIA-eligible RPS portfolio eligible for Voluntary Allocation that remains following Voluntary Allocation.

#### **Product Delivery Period**

Within Article 3 (Delivery), PG&E proposes to deliver all PCIA-eligible RPS energy remaining after Voluntary Allocation over the remaining two years of the current RPS compliance period (i.e., 2023 and 2024).<sup>8</sup> PG&E proposes this delivery period due to the following three reasons below:

1) *Reduced Administrative Risk and Alignment with Existing Short-Term Bundled RPS Energy Sales:* As noted in D.21-05-030, the Commission "will review IOU proposals for Market Offer products in the RPS proceeding. Establishing restrictions on Market Offer product design with our limited record in this proceeding could stifle innovation and result in unintended consequences." PG&E relied on this commentary when designing the proposed product for the Market Offer, noting that the product meets the spirit of the decision by offering the portfolio that remains following Voluntary Allocation while mitigating unintended consequences, such as administrative risk. In the Working Group 3 co-chair proposal on the Voluntary Allocation and Market Offer process, the co-chairs recognized the challenges for IOUs to fulfill long-term sales volumes (i.e., volumes delivered over 10 years or more) in the Market Offer due to issues around

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<sup>8</sup> PG&E proposes this structure for the initial market offer process and is open to reevaluating this approach for subsequent market offer processes.

load migration, portfolio optimization activities, and more.<sup>9</sup> Because such challenges remain, including a lack of clarity concerning Commission review and approval of long-term Market Offer contracts, PG&E initially proposes a Market Offer product that attempts to mitigate this administrative risk for this first VAMO process. Additionally, the delivery period of two years aligns with the delivery periods of most of PG&E's bundled RPS energy sales solicitations that have been successfully administered in recent years. PG&E is open to reevaluating this administrative risk for future periods.

2) *Flexibility For All LSEs*: PG&E believes the proposed Market Offer product and delivery period in this Advice Letter provides much needed flexibility for LSEs by only offering eligible MO products as short-term. Specifically, only offering short-term effectively protects any eligible LSE that declines some or all its long-term allocation by ensuring that they will have a second opportunity to retain their long-term volumes in a subsequent VAMO process (e.g., for the fifth RPS compliance period). This flexibility to all LSEs may be needed due to 1) uncertainty about an LSE's portfolio needs beyond 2024, 2) uncertainty about how the first allocation process may materialize, and 3) uncertainty around the Portfolio Content Category classification for allocated products in the first VAMO process. It will likely benefit LSEs to experience and work out the finer details of the first VAMO process, without being forced to make consequential, binding decisions about long-term products. Once the first VAMO process has been completed, it is reasonable to revisit and consider offering potential long-term products in future Market Offer processes, given additional clarity at that time. Further, approximately 90% of the resources in the long-term resource pool will stay in the long-term resource pool for the next VAMO process run for the fifth RPS compliance period, providing an eligible LSE the opportunity to reevaluate its RPS needs for any allocation of the long-term resource pool with limited consequence.

3) *Reevaluation for Future Market Offers*: PG&E recognizes the complexity of the VAMO process and its impact on the Market Offer overall. PG&E will evaluate the Market Offer in a report filed and served in the PCIA proceeding following the conclusion of this first VAMO and may recommend updates or improvements to the Market Offer product in a such a report.<sup>10</sup>

*(b) The Market Offer process shall be based upon existing processes, rules, oversight requirements, and reporting requirements for REC solicitations previously approved in the Commission's RPS proceeding.<sup>11</sup>*

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<sup>9</sup> D.21-50-030, p. 23.

<sup>10</sup> D.21-05-030, p. 64-65.

<sup>11</sup> *Ibid.*

If the IOUs' joint motion regarding Market Offer process is approved, PG&E intends to include a Market Offer framework with associated processes as part of the advice letter filing described in the joint motion prior to launching the first Market Offer.<sup>12</sup> These processes will be based upon existing bundled RPS energy sales solicitation processes to aid in the review, administration, and approval of potential Market Offer transactions.

*(c) The Market Offer process should include rules for utility participation in solicitations they administer.<sup>13</sup>*

If the IOUs' joint motion regarding Market Offer process is approved, PG&E intends to include a proposal related to potential participation in the Market Offer as part of the advice letter filing described in the joint motion.<sup>14</sup>

### Differences from CPUC-Approved RPS Sale Contracts

The primary differences between PG&E's CPUC-approved bundled RPS energy sale contract ("RPS Sale Contract") and the proposed Market Offer contract are related to the products offered and their respective delivery periods. PG&E's current RPS Sale Contract only includes fixed volumes of bundled RECs available for purchase in calendar year 2022 at a specified price by the buyer.<sup>15</sup> In contrast, the unallocated portions that will be made available for sale as part of the Market Offer contract represent a slice of PG&E's PCIA-eligible RPS portfolio that is eligible for sale after Voluntary Allocation for the delivery period of 2023-2024. This "slice of portfolio" concept is similar to PG&E's existing carbon-free allocation contract that PG&E utilizes to allocate volumes from large hydroelectric resources and nuclear resources to eligible LSEs.<sup>16</sup>

### Deviations from Non-Modifiable Terms and Conditions for RPS Contracts

PG&E includes all non-modifiable terms and conditions from its existing RPS Sales Contract in the proposed Market Offer Contract and similarly supplements certain of the non-modifiable terms and conditions due to the contract structure.

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<sup>12</sup> See Joint Motion of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company Concerning Review of Market Offer Process, filed March 10, 2022, in R.18-07-003.

<sup>13</sup> D.21-05-030, OP 3, p. 64.

<sup>14</sup> See Joint Motion of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company Concerning Review of Market Offer Process, filed March 10, 2022, in R.18-07-003.

<sup>15</sup> See PG&E's Final 2021 RPS Plan, Appendix G.3.

<sup>16</sup> See Advice 6348-E, "Pacific Gas and Electric Company's Conformed Bundled Procurement Plan Intent to Offer Carbon Free Energy Allocations," filed October 1, 2021.

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

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than April 25, 2022, which is 21 days<sup>17</sup> 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).

### **Effective Date**

Pursuant to General Order (GO) 96-B, Rule 5.2, and OP 6 of D.22-01-004, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, on May 4, 2022, which is 30 calendar days after the date of submittal.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R. 17-06-026 and R. 18-07-003. 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

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<sup>17</sup> The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

Commission's Process Office at (415) 703-2021 or at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

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Sidney Bob Dietz II  
Director, Regulatory Relations

Attachment

cc: Service List R.17-06-026 and R.18-07-003



# 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 (ID U39 E)

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) #: 6551-E

Tier Designation: 2

Subject of AL: Tier 2 Advice Letter of Pacific Gas and Electric Company Requesting Approval of Market Offer Contract for Power Charge Indifference Adjustment Eligible Renewables Portfolio Standard Resources

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.22-01-004

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:

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:

Resolution required?  Yes  No

Requested effective date: 5/4/22

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 proposed<sup>1</sup>: N/A

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

<sup>1</sup>Discuss 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](mailto: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:  
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

Advice 6551-E  
April 4, 2022

# **Attachment 1**

**Market Offer Contract**



**MASTER POWER PURCHASE AND SALE AGREEMENT  
RENEWABLES PORTFOLIO STANDARD ENERGY MARKET OFFER  
CONFIRMATION LETTER  
BETWEEN  
[NAME] (“PARTY A”)  
AND  
PACIFIC GAS AND ELECTRIC COMPANY (“PARTY B”)**

This confirmation letter (“Confirmation”) confirms the Transaction between [Name, place of formation, and type of entity] (“Party A” or “Buyer”), and Pacific Gas and Electric Company, a California corporation, (“Party B” or “Seller”), each individually a “Party” and together the “Parties”, which becomes effective on the date fully executed by both Parties (the “Confirmation Effective Date”), in which Seller agrees to provide to Buyer Product, as such term is defined in this Confirmation. This Transaction is governed by the Master Power Purchase and Sale Agreement between the Parties, effective as of [Date of EEI Master between Parties], together with the Cover Sheet, [the Collateral Annex and Paragraph 10 to the Collateral Annex,] and any other annexes thereto (collectively, as amended, restated, supplemented, or otherwise modified from time to time, the “Master Agreement”). The Master Agreement and this Confirmation are collectively referred to herein as the “Agreement”. Capitalized terms used but not otherwise defined in this Confirmation, have the meanings specified for such terms in the Master Agreement, the RPS (defined herein) or the Tariff (defined herein), as applicable. If there is a conflict between the terms in this Confirmation and those in the Master Agreement, this Confirmation shall control. Section references herein are to this Confirmation unless otherwise noted.

**[Standard contract terms and conditions shown in shaded text are those that “may not be modified” per CPUC Decisions (“D.”) 07-11-025; D.10-03-021, as modified by D.11-01-025; and D.13-11-024.]**

**ARTICLE 1**  
**PRODUCT**

1.1 **Product.** “Product” means, following Voluntary Allocation, (a) all remaining RPS Energy and Green Attributes generated and associated with the non-Greengate Resources in the Resource Pools, and (b) all remaining Green Attributes associated with the Greengate Resources in the Resource Pools. Seller shall provide Buyer Product equal to the Total Amount.

1.2 **Buyer’s Exclusive Right.** Buyer has exclusive right to Product for the Total Amount, including the right to account for or report Product equal to the Total Amount to a Governmental Entity.

**ARTICLE 2**  
**TOTAL AMOUNT AND GREEN ATTRIBUTES PRICE**

2.1 **Total Amount.** The “Total Amount” is the sum of all Monthly Amounts in the Delivery Period. For every month in the Delivery Period, the “Monthly Amount” will be the sum

of (a) the product of (i) Election, multiplied by (ii) following Voluntary Allocation, the total remaining RPS Energy for that month for every Resource in the Short-Term Resource Pool, plus (b) the product of (i) Election, multiplied by (ii) following Voluntary Allocation, the total remaining RPS Energy for that month for every Resource in the Long-Term Resource Pool.

2.2 Election. The “Election” is [\_\_\_%].

2.3 Green Attributes Price. The “Green Attributes Price” is [\$\_\_\_\_/MWh].

2.4 Change in Resource Pools. Seller may add or remove a Resource from the Resource Pools as allowed under Voluntary Allocation, and as soon as practicable, Seller will provide Notice to Buyer of any changes to Resource Pools. Seller shall retain the sole and absolute discretion to modify, enforce, or terminate its power purchase agreements for Resources during the Delivery Period. Buyer shall not have any right to or discretion to request changes to the Resources or the Resource Pools during the Delivery Period.

### **ARTICLE 3** **DELIVERY**

3.1 Delivery. Throughout the Delivery Period, Seller shall deliver, and Buyer shall receive, Product in accordance with the Confirmation. Seller, or a qualified third-party designated by Seller, will act as Scheduling Coordinator to deliver Product in each hour to the CAISO at the Delivery Point. Buyer shall take title and risk of loss of Product at the applicable Delivery Point selected by Seller.

3.2 Delivery Point. The “Delivery Point” is and shall mean where Seller, or a qualified third-party designated by Seller, shall deliver to, and Buyer shall take possession of, Product, which shall be NP 15, SP 15, and/or ZP 26, as selected by Seller, except for Product from Greengate Resources, which will be conveyed in accordance with Article 4.

3.3 Delivery Period. The “Delivery Period” shall commence on January 1, 2023 for Product and last through and until December 31, 2024; provided that with regards to the Green Attributes portion of Product, the Delivery Period shall last through and until that date upon which the amount of Green Attributes conveyed to Buyer meets the Total Amount.

### **ARTICLE 4** **CONVEYANCE OF GREEN ATTRIBUTES**

4.1 Green Attributes. Seller represents and warrants that Seller holds the rights to such Green Attributes from the Resources in the Resource Pools and Seller agrees to convey such Green Attributes to Buyer as included in the delivery of Product from the Resources in the Resource Pools subject to the terms and conditions of this Agreement.

4.2 Conveyance of Green Attributes. Seller shall convey to Buyer the Green Attributes associated with Product no later than twenty-five (25) Business Days once the following have occurred: (a) Seller has obtained the WREGIS Certificates for the Green Attributes for the applicable Calculation Period or calendar year and (b) Seller has received Buyer’s payment of the Monthly Cash Settlement Amount in accordance with Article 5 herein. Since WREGIS

Certificates will only be created for whole MWh amounts of RPS Energy generated, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate. During the Delivery Period, Seller shall transfer all right, title, and interest in and to the WREGIS Certificates to Buyer's WREGIS account in an aggregate amount equivalent to the Total Amount.

4.3 WREGIS Certificate True-Up. A "WREGIS Certificate True-Up" means any deficit or surplus in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Monthly Amount for the same calendar month ("True-Up Month"). Any adjustments to resolve a WREGIS Certificate True-Up will be made as an adjustment on Seller's monthly invoice to Buyer in accordance with Article 5, provided that no adjustments will be made for any WREGIS Certificate True-Up after twenty-four (24) months from the True-Up Month.

## **ARTICLE 5** **COMPENSATION**

5.1 Calculation Period. The "Calculation Period" shall be each calendar month or portion thereof that Delivery was conveyed to Buyer.

5.2 Monthly Cash Settlement Amount. Buyer shall pay Seller the Monthly Cash Settlement Amount, in arrears, for each Calculation Period.

The "Monthly Cash Settlement Amount" for a particular Calculation Period shall be equal to (a) plus (b) minus (c), where:

- (a) equals the product of the (i) Index Price multiplied by (ii) Monthly Amount; and
- (b) equals the product of (i) the Green Attributes Price, multiplied by (ii) the Monthly Amount; and
- (c) equals the product of the (i) Index Price multiplied by (ii) the Monthly Amount.

5.3 Payment. Notwithstanding anything to the contrary in Article Six of the Master Agreement, Buyer shall pay Seller the Monthly Cash Settlement Amount four (4) calendar months following the applicable Calculation Period and on or before the later of: (a) the twenty-fifth (25th) day of the month in which Buyer receives from Seller an invoice for the Calculation Period to which the Monthly Cash Settlement Amount pertains, or (b) within fifteen (15) days following receipt of an invoice issued by Seller for such applicable Calculation Period, provided that if such payment due date is not a Business Day, then on the next Business Day. This provision shall survive termination or expiration of the Agreement for all amounts due prior to such termination or expiration.

## **ARTICLE 6** **CREDIT TERMS**

6.1 This Confirmation's credit requirements for the RPS Energy portion of the Product shall be governed by the Master Agreement

6.2 This Confirmation's credit requirements for the Green Attributes portion of the Product shall apply as specified below:

(a) If the Master Agreement has a Collateral Annex, then the Exposure Amount for the Green Attributes portion of Product shall be equal to the product of the following: (i) fifteen percent (15%), multiplied by (ii) the volume of the undelivered Green Attributes for Product, multiplied by (iii) the Green Attributes Price.

(b) In the event the Master Agreement does not have a Collateral Annex and Section 8.2(c), entitled "Collateral Threshold" with respect to "Party B Credit Protection", of the Master Agreement applies, then for the Green Attributes portion of the Product to be delivered to Party B, the definition of Termination Payment in Section 8.2(c) of the Master Agreement will be the product of the following: (i) fifteen percent (15%), multiplied by (ii) the volume of the undelivered Green Attributes for applicable Product(s), multiplied by (iii) the Green Attributes Price.

6.3 Section 8.1 of the Master Agreement, entitled "Party A Credit Protection", and all corresponding provisions of (i) the Cover Sheet to Section 8.1 of the Master Agreement and (ii) the Collateral Annex with respect to such Section 8.1 and the applicable provisions thereto of Paragraph 10 to the Collateral Annex do not apply to this Confirmation.

## ARTICLE 7

### **SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS**

7.1 **Seller Representations and Warranties.** Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(a) For the avoidance of doubt, the term "Project" as used in the immediately preceding paragraph means Resources in the Resource Pool, and the phrase "Delivery Term" means the Delivery Period.

7.2 Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an

Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(a) For the avoidance of doubt, the phrase “Delivery Term” as used in the immediately preceding paragraph means the Delivery Period.

7.3 Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.

(a) For the avoidance of doubt, the term “contract” as used in the immediately preceding paragraph means this Confirmation, and the phrase “first delivery” means the first date of the Delivery Period.

7.4 In addition to the foregoing, Seller warrants, represents and covenants, as of the Confirmation Effective Date and throughout the Delivery Period, that:

(a) Seller has the contractual rights to sell all right, title, and interest in Product required to be delivered hereunder;

(b) at the time of delivery, all rights, title, and interest in Product required to be delivered hereunder are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;

(c) Seller shall not substitute or purchase any Product from any generating resource other than the Resources in the Resource Pools hereunder; and

(d) the facility(s) designated by Seller as the Resources in the Resource Pools and all electrical output from the facility(s) designated as the Resources in the Resource Pools are, or will be, by the first date of the Delivery Period, registered with WREGIS as RPS-eligible.

## **ARTICLE 8**

### **TERMINATION AND CALCULATION OF SETTLEMENT AMOUNT**

In the event this Transaction becomes a Terminated Transaction pursuant to Section 5.2 of the Master Agreement, then the Settlement Amount with respect to this Transaction shall not be calculated in accordance with the Master Agreement, but instead shall be calculated as follows:

The Non-Defaulting Party shall determine its Gains and Losses by determining the Market Quotation Average Price for the Terminated Transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts, to obtain the Market Quotation Average Price with respect to the Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for the Terminated Transaction in a commercially reasonable manner by calculating the arithmetic mean of the quotes of at least three (3) Broker or Index Quotes based on the offers to sell or bids to buy, as applicable, obtained for transactions substantially similar to the Terminated Transaction. Such Broker or Index Quotes must be obtained assuming that the Party obtaining the quote will provide sufficient credit support for the proposed transaction. In the event

the Non-Defaulting Party is not able, after commercially reasonable efforts to obtain at least three (3) such Broker or Index Quotes with respect to the Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner by reference to information supplied to it by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information; provided, however, that such third parties shall not be Affiliates of either Party. Only in the event the Non-Defaulting Party is not able, after using commercially reasonable efforts, to obtain such third-party information, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner using relevant market data it has available to it internally. If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Transaction, the Settlement Amount for this Transaction will be zero.

## **ARTICLE 9**

### **GENERAL PROVISIONS**

9.1 Buyer Audit Rights. In addition to any audit rights provided under the Master Agreement, Seller shall, upon the Confirmation Effective Date and continuing until the end of the Delivery Period, provide documentation (which may include, for example, WREGIS reports) sufficient to demonstrate that Product has been conveyed and delivered to Buyer.

9.2 Governing Law.

(a) Notwithstanding any provision to the contrary in the Master Agreement, the Governing Law applicable to this Agreement shall be as set forth herein. This Section 9.2 does not change the Governing Law applicable to any other confirmation or transaction entered into between the Parties under the Master Agreement.

(b) Governing Law. This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

**ACKNOWLEDGED AND AGREED TO:**

**Buyer, or Party A:**  
[NAME, place of formation, and type of  
entity]

**Seller, or Party B:**  
**PACIFIC GAS AND ELECTRIC  
COMPANY, a California corporation**

Sign: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX A

### DEFINED TERMS

Any capitalized terms used in this Confirmation but not otherwise defined below shall have the meaning ascribed to such term in the Master Agreement:

“Applicable Law” means any statute, law, treaty, rule, tariff, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties, the Product, or the terms of the Agreement.

“Balancing Authority” has the meaning set forth in the Tariff.

“Business Day” means all calendar days other than those days on which the Federal Reserve member banks in New York City are authorized or required by law to be closed, and shall be between the hours of 8:00 a.m. and 5:00 p.m. Pacific Prevailing Time for the relevant Party’s principal place of business where the relevant Party, in each instance unless otherwise specified, shall be the Party from whom written communications or payment or delivery is being sent and by whom written communications or payment or delivery is to be received.

“Buyer” means Party A.

“CAISO” means the California Independent System Operator Corporation or the successor organization to the functions thereof.

“Confirmation Effective Date” means the date in which the Confirmation is fully executed by both Parties.

“CPUC” means the California Public Utilities Commission.

“California Renewables Portfolio Standard” or “RPS” means the California renewables portfolio standard, as set forth in Cal. Pub. Util. Code §§ 399.11 et seq. and Cal. Pub. Res. Code §§ 25740-25751, and as administered by the CEC as set forth in the CEC RPS Eligibility Guidebook (9<sup>th</sup> Ed.), as may be subsequently modified by the CEC, and the California Public Utilities Commission (“CPUC”) as set forth in CPUC Decision (“D”) 08-08-028, D.08-04-009, D.11-01-025, D.11-12-020, D.11-12-052, D.12-06-038 and D.14-12-023, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, and regulations promulgated with respect thereto.

“CEC” means the California Energy Commission.

“CPUC” means the California Public Utilities Commission.

“Delivery Period” has the meaning set forth in Section 3.3.



“Delivery Point” has the meaning set forth in Section 3.2.

“Election” has the meaning set forth in Section 2.2.

“Energy” means electrical energy, measured in MWh.

“FERC” means the Federal Energy Regulatory Commission.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Resource, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (a) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by Law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere ; (c) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state Law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local Law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Electric Energy. Green Attributes do not include (i) any Electric Energy, capacity, reliability or other power attributes from the Resource, (ii) production tax credits associated with the construction or operation of the Resource and other financial incentives in the form of credits, reductions, or allowances associated with the Resource that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Resource for compliance with local, state, or federal operating and/or air quality permits. If the Resource is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Resource.

“Green Attributes Price” has the meaning set forth in Section 2.3.

“Greengate Resources” means the Halkirk I Wind Project, Blackspring Ridge IA Wind Project, and Blackspring Ridge IB Wind Project (all affiliates of Greengate Power Corporation).

“Governmental Authority” or “Governmental Entity” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, or the CAISO or any other transmission authority, having or asserting jurisdiction over a Party or the Agreement.

“Index Price” means the Trading Hub price (as defined in the Tariff) measured in \$/MWh, for each MWh of Product, and associated with the Product to the Delivery Point for each applicable hour as published by the CAISO on the CAISO website; or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

“Long-Term Resource Pool” means Seller’s Resources in Appendix C reflecting power purchase agreements with terms that have 10 years or more remaining from the start of the Delivery Period.

“MWh” means megawatt-hour.

“Monthly Cash Settlement Amount” has the meaning set forth in Section 6.2.

“Monthly Amount” has the meaning set forth in Section 2.1.

“PG&E” means the Pacific Gas and Electric Company, its successors and assigns.

“PCIA” or “Power Charge Indifference Adjustment” is a charge to ensure that both PG&E customers and those who have left PG&E service to purchase electricity from other providers pay for the above-market costs for electric generation resources that were procured by PG&E on their behalf. “Above market” refers to expenditures for generation resources that cannot be fully recovered through sales of these resources at current market prices.

“Product” has the meaning set forth in Section 1.1.

“Renewable Energy Credits” or “REC” has the meaning set forth in California Public Utilities Code Section 399.12(h) and CPUC Decision 08-08-028, as may be amended from time to time or as further defined or supplemented by Law.

“Resource(s)” means generation units owned by Seller or contracted by Seller, which corresponding costs are recovered through the PCIA.

“Resource Pools” means the Short-Term Resource Pool (Appendix B) and Long-Term Resource Pool (Appendix C).

“RPS Energy” means the Energy generated from Resources from the applicable Resource Pool(s).

“Scheduling Coordinator (SC)” means an entity certified by the CAISO to perform the functions as described in the Tariff.

“Seller” means Party B.

“Short-Term Resource Pool” means Seller’s Resources in Appendix B reflecting power purchase agreements with terms that have less than 10 years remaining from the start of the Delivery Period.

“Tariff” means the FERC-approved California Independent System Operator Tariff, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” as may be amended, supplemented or replaced from time to time.

“Total Amount” has the meaning set forth in Section 2.1.

“Voluntary Allocation” means the 2022 process by which PG&E allocates its PCIA-eligible RPS Energy among all PCIA-eligible load-serving entities in its service territory up to their forecasted, vintaged, annual load shares and the actual, vintaged, annual RPS Energy production of resources in the Resource Pools, as defined in CPUC Decision D.21-05-030, or as modified by subsequent decision of the CPUC.

“WREGIS” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

“WREGIS Certificate” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

**APPENDIX B**  
**LIST OF RESOURCES IN SHORT-TERM RESOURCE POOL**

<b>Resource Name</b>	<b>Technology</b>	<b>CEC RPS ID</b>	<b>PCIA Vintage</b>	<b>End Date</b>
Olsen Power Partners	Small Hydro	60175	Non-Vintaged	12/31/2026
El Nido Biomass Facility	Biomass	60473	2005	2/8/2031
Chowchilla Biomass Facility	Biomass	60471	2005	2/8/2031
Klondike Wind Power III Project	Wind	60602	2007	3/31/2023
CalRenew-1	Solar PV	60475	2015	4/29/2030
Shiloh II Wind Project	Wind	60639	2007	1/31/2029
Rattlesnake Road Wind Power Project	Wind	60553	2008	1/4/2024
Hatchet Ridge	Wind	60741	2008	12/13/2025
CM10	Solar PV	60713	2008	12/31/2028
CM48	Solar PV	60786	2009	1/31/2031
Mt. Poso	Biomass	60695	2009	2/20/2027
Vantage Wind Energy Center	Wind	60712	2009	10/3/2025
Big Creek Waterworks	Small Hydro	60900	2009	6/22/2030
Norman Ross Burgess - Three Forks Water Power Project	Small Hydro	60502	2010	10/31/2031
Avenal Park	Solar PV	60912	2009	8/4/2031
Sun City Project	Solar PV	60913	2009	8/4/2031
Sand Drag	Solar PV	60914	2009	8/4/2031
Halkirk I Wind Project	Wind	60989	2010	12/18/2032
Coram Brodie	Wind	60973	2010	6/5/2032
Shiloh III Wind Project	Wind	61069	2010	3/8/2032
Wind Resource II	Wind	61468	2012	9/30/2023
ABEC Bidart-Old River	Digester Gas	62369	2012	3/9/2029
ABEC Bidart-Stockdale	Digester Gas	60886	2012	9/11/2023
Diablo Winds	Wind	60030	2013	6/30/2031

**APPENDIX C**  
**LIST OF RESOURCES IN LONG-TERM RESOURCE POOL**

<b>Resource Name</b>	<b>Technology</b>	<b>CEC RPS ID</b>	<b>PCIA Vintage</b>	<b>End Date</b>
Montezuma Wind Energy Center	Wind	60543	2010	1/27/2036
High Plains Ranch II	Solar PV	60603	2008	10/30/2038
Topaz Solar Farm	Solar PV	61698	2008	10/26/2039
Ivanpah Unit 1	Solar Thermal	62273	2009	1/20/2039
Ivanpah Unit 3	Solar Thermal	62275	2009	1/26/2039
AV Solar Ranch One	Solar PV	60790	2009	11/20/2039
Alpine Solar Project	Solar PV	60755	2010	1/17/2033
Agua Caliente Solar Project	Solar PV	60894	2009	6/22/2039
High Plains Ranch III	Solar PV	60603	2010	9/30/2038
Mojave Solar Project	Solar Thermal	60848	2009	12/3/2039
Genesis Solar Energy Project	Solar Thermal	60605	2009	3/6/2039
DTE Stockton	Biomass	60964	2009	2/20/2039
Alpaugh 50	Solar PV	60945	2010	3/7/2038
Alpaugh North	Solar PV	60946	2010	3/7/2038
Atwell Island	Solar PV	60947	2010	3/11/2038
Corcoran	Solar PV	60948	2010	8/14/2038
White River	Solar PV	60949	2010	6/26/2038
Sunshine Landfill	Landfill Gas	60815	2010	8/31/2034
Potrero Hills Landfill	Landfill Gas	63116	2010	4/12/2041
Blackspring Ridge IA	Wind	60987	2010	5/11/2034
Blackspring Ridge IB	Wind	60988	2010	5/11/2034
Desert Center Solar Farm	Solar PV	61068	2010	12/16/2039
Mesquite Solar 1	Solar PV	60875	2010	3/7/2033
North Star Solar	Solar PV	61198	2010	6/18/2035
Vasco Wind Energy Center	Wind	61344	2010	3/12/2037
Montezuma II Wind Energy Center	Wind	61345	2010	3/13/2037
Kansas South	Solar PV	61264	2011	6/24/2033
Westlands Solar Farms	Solar PV	61755	2011	4/30/2034
Orion Solar	Solar PV	61570	2011	6/25/2034
North Sky River Energy Center	Wind	61385	2011	12/20/2037
Copper Mountain Solar 2	Solar PV	60990	2011	5/12/2040
Shiloh IV Wind Project	Wind	61617	2011	1/27/2038
Mammoth G3	Geothermal	60315	2012	3/31/2033
West Antelope	Solar PV	61850	2012	2/8/2035

Western Antelope Blue Sky Ranch A	Solar PV	61517	2012	2/16/2035
Nevada Irrigation District (NID) - Dutch Flat / Rollins / Bowman	Small Hydro	60264 / 60265 / 60171	2012	6/30/2033
SPI Biomass Portfolio – Anderson 2 / Burney / Lincoln / Sonora / Quincy	Biomass	61146 / 60087 / 60088 / 60576 / 60089	2012	9/8/2035
Kansas	Solar PV	61263	2012	12/31/2037
Lost Hills Solar	Solar PV	61893	2012	12/31/2043
Cuyama Solar Array	Solar PV	61891	2012	12/31/2043
Blackwell Solar	Solar PV	61892	2012	12/31/2043
Henrietta Solar	Solar PV	61841	2012	9/30/2036
Kent South	Solar PV	61262	2012	2/18/2035
Algonquin SKIC 20 Solar	Solar PV	61558	2012	5/14/2035
White River Solar 2	Solar PV	62045	2012	10/1/2034
Mammoth G1	Geothermal	60306	2012	12/25/2033
Alamo Solar, LLC	Solar PV	61453	2012	6/29/2035
CID Solar PV Project	Solar PV	62285	2012	3/19/2035
Old River One	Solar PV	60853	2013	2/8/2035
Shafter Solar	Solar PV	62325	2013	7/15/2035
Rising Tree Wind Farm II	Wind	62426	2013	8/6/2035
Kekawaka Creek Hydroelectric Facility	Small Hydro	60186	2013	5/31/2035
RE Astoria	Solar PV	62284	2013	1/2/2034
Midway Solar Farm I	Solar PV	61295	2013	5/31/2040
California Flats Solar Project	Solar PV	62552	2013	4/9/2034
Portal Ridge Solar C Project	Solar PV	61684	2014	4/20/2037
Sunray 2	Solar PV	62694	2014	8/24/2037
Bayshore Solar A	Solar PV	63133	2015	1/22/2038
Bayshore Solar B	Solar PV	63134	2015	1/22/2038
Bayshore Solar C	Solar PV	63135	2015	1/22/2038
Java Solar	Solar PV	63137	2016	12/31/2039
RE Gaskell West 3	Solar PV	63619	2017	1/14/2038
RE Gaskell West 4	Solar PV	63617	2017	1/14/2038
RE Gaskell West 5	Solar PV	63618	2017	1/14/2038
PGE Alta	Small Hydro	60033	Pre-2002	N/A
PGE Coleman	Small Hydro	60037	Pre-2002	N/A
PGE Cow Creek	Small Hydro	60038	Pre-2002	N/A
PGE Crane Valley	Small Hydro	60039	Pre-2002	N/A
PGE Deer Creek	Small Hydro	60040	Pre-2002	N/A
PGE De Sabla	Small Hydro	60041	Pre-2002	N/A
PGE Dutch Flat 1	Small Hydro	60042	Pre-2002	N/A

PGE Halsey	Small Hydro	60043	Pre-2002	N/A
PGE Hat 1	Small Hydro	60045	Pre-2002	N/A
PGE Hat 2	Small Hydro	60046	Pre-2002	N/A
PGE Newcastle	Small Hydro	60053	Pre-2002	N/A
PGE Oak Flat	Small Hydro	60276	Pre-2002	N/A
PGE Phoenix	Small Hydro	60054	Pre-2002	N/A
PGE Potter Valley	Small Hydro	60055	Pre-2002	N/A
PGE Five Points	Solar PV	61432	2010	N/A
PGE Stroud	Solar PV	61434	2010	N/A
PGE Westside	Solar PV	61433	2010	N/A
PGE Cantua	Solar PV	61823	2011	N/A
PGE Giffen	Solar PV	61822	2011	N/A
PGE Huron	Solar PV	61821	2011	N/A
PGE Gates	Solar PV	62353	2012	N/A
PGE Guernsey	Solar PV	62354	2012	N/A
PGE West Gates	Solar PV	62352	2012	N/A
PGE Rock Creek RPS	Small Hydro	62269	Pre-2002	N/A
PGE San Joaquin 1A	Small Hydro	60056	Pre-2002	N/A
PGE San Joaquin 2	Small Hydro	60057	Pre-2002	N/A
PGE South	Small Hydro	60059	Pre-2002	N/A
PGE Spaulding 1	Small Hydro	60060	Pre-2002	N/A
PGE Spaulding 2	Small Hydro	60061	Pre-2002	N/A
PGE Spaulding 3	Small Hydro	60062	Pre-2002	N/A
PGE Spring Gap	Small Hydro	60063	Pre-2002	N/A
PGE Toadtown	Small Hydro	60064	Pre-2002	N/A
Vaca-Dixon Solar (PG&E)	Solar PV	60966	2010	N/A
PGE Volta 1	Small Hydro	60066	Pre-2002	N/A
PGE Volta 2	Small Hydro	60067	Pre-2002	N/A
PGE West Point	Small Hydro	60068	Pre-2002	N/A
PGE Wise 1	Small Hydro	60069	Pre-2002	N/A
PGE Wise 2	Small Hydro	60070	Pre-2002	N/A
PGE A.G.Wishon	Small Hydro	60032	Pre-2002	N/A

**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  
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  
Uplight  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy