

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6604E**  
**As of June 6, 2022**

Subject: Procurement for Summer 2022 Under Decision 21-03-056 and Decision 21-12-015

Division Assigned: Energy

Date Filed: 05-24-2022

Date to Calendar: 05-27-2022

Authorizing Documents: D2103056

Authorizing Documents: D2112015

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>05-29-2022</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

[PGETariffs@pge.com](mailto: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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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](mailto:edtariffunit@cpuc.ca.gov)**

May 24, 2022

**Advice 6604-E**

Pacific Gas and Electric Company (U 39 E)

Public Utilities Commission of the State of California

**Subject: Procurement for Summer 2022 Under Decision 21-03-056 and  
Decision 21-12-015**

**I. Purpose**

Pursuant to Decision (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 twelve (12) short-term agreements (the Emergency Reliability Agreements) to procure incremental capacity to serve load at peak and net peak to prepare for potential extreme weather events in the summer of 2022 (2022 Summer Procurement) with preference for contract terms that are shorter in duration. These short-term agreements are summarized in Confidential Appendices A, B, and G 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 Emergency Reliability Agreements 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 power capacity for summer 2021 reliability and to 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.<sup>1</sup>

On March 25, 2021, the Commission approved D.21-03-056, which directs the IOUs to take actions to decrease peak and net peak demand and increase peak and net peak

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<sup>1</sup> D.21-02-028, p. 12.

supply for the summers of 2021 and 2022.<sup>2</sup> 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.<sup>3</sup>

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 results in a minimum incremental procurement target of 450 megawatts (MW) for PG&E.<sup>4</sup> The Decision further states that all procurement contracts shall be submitted to Energy Division via a Tier 1 advice letter on a continuing basis, except for contracts for incremental gas generation of five years or more, which require a Tier 3 advice letter, and incremental imports.<sup>5</sup> The Decision states that resource adequacy (RA) 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.<sup>6</sup>

On December 6, 2021, the Commission approved 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 PG&E for each of the June – October summer months of 2022 and 2023. Resource types to be considered for procurement include Resource Adequacy (RA)-only contracts and incremental capacity from revised power purchase agreements.<sup>7</sup>

Consistent with the parameters in D.21-03-056 and D.21-12-015, PG&E engaged in a series of bilateral and brokered transactions to procure RA-only contracts and letter agreements for additional energy, which are further described in Confidential Appendices A, B, and G of this Advice Letter.

### **III. Emergency Reliability Agreements**

PG&E is requesting approval of twelve (12) short-term Emergency Reliability Agreements resulting from PG&E's Summer 2022 procurement efforts as described below. Additional information regarding the Emergency Reliability Agreements is included in Confidential

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<sup>2</sup> D.21-03-056, p. 2.

<sup>3</sup> D.21-03-056, p. 46.

<sup>4</sup> D.21-03-056, p. 43.

<sup>5</sup> OP 14, D.21-03-056, p. 82.

<sup>6</sup> D.21-03-056, p. 47.

<sup>7</sup> D. 21-12-015, p. 100-101.

Appendix A and B. The Emergency Reliability Agreements are included in Confidential Appendix G.

### A. Resource Adequacy-Only Agreements

PG&E executed four (4) Resource Adequacy (RA)-only agreements resulting from PG&E's Summer 2022 procurement efforts. PG&E's purchases of capacity were made through competitive processes such as bilateral negotiations and brokered transactions, in which pricing was justified as discussed in Confidential Appendix B. Pricing for bilateral transactions executed were evaluated against recent quotes received from brokers and/or pricing from other recent RA Electronic Solicitations for the same delivery periods as applicable.

	Counterparty	Resource Type per Decisions	Volume (MW)	Delivery Term
A	Calpine Energy Services	System RA	120	Jun-22
B	Calpine Energy Services		70	Jun-22
C	Dynegy Marketing and Trade		30	Jun-22
D	Elk Hills		70	Jun-22

### B. Letter Agreements for Additional Energy

PG&E executed eight (8) Letter Agreements for Additional Energy resulting from PG&E's Summer 2022 procurement efforts. PG&E approached counterparties with resources within its existing portfolio who indicated in summer 2021 that they would endeavor to respond to PG&E during a CAISO system emergency or Flex Alert. The Letter Agreements for Additional Energy are a non-standard product and provide PG&E with the ability to receive incremental energy during a CAISO system emergency or Flex Alert at an established price. While the primary benefit of the agreements is to provide incremental energy for reliability, the amendments could provide price protection against extreme market prices, such as those seen in summer 2020 during emergency conditions.

	Project	Resource Type per Decisions	Volume (MW)	Delivery Term
E	SPI Anderson 2 Biomass	Revised Power Purchase Agreement	7-10 depending on month	Jun – Oct 2022
	SPI Burney Biomass			
	SPI Lincoln Biomass			
	SPI Quincy Biomass			
	SPI Sonora Biomass			
F	Shasta - Sustainable Resource Management Inc		15.9	May – Oct 2022
G	Chevron (Taft/Cadet)		2.2	Jun - Oct 2022
H	Chevron (Cymric)		1.5	Jun - Oct 2022
I	Chevron (Coalinga)		3.2	Jun - Oct 2022
J	Chevron (SE Kern River)		15	Jun – Oct 2022
K	Chevron (McKittrick)		4.5	Jun - Oct 2022
L	Chevron (Eastridge)		3	Jun - Oct 2022

#### IV. Cost Recovery

As described above, the procurement of the twelve (12) short-term agreements is to meet the near-term reliability needs for the summer of 2022 on behalf of all customers in the PG&E distribution service territory, as authorized in D.21-03-056 and D.21-12-015. The contracts and associated costs for incremental capacity 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 May through October 2022, PG&E proposes the twelve (12) agreements be deemed CAM-eligible with recovery through the NSGC and count towards PG&E's emergency reliability procurement targets in D.21-12-015.<sup>8</sup>

#### 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

<sup>8</sup> 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 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.

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.

### **Confidential Appendices**

Appendix A: Summary of Emergency Reliability Agreements (Confidential)

Appendix B: Cost Competitiveness (Confidential)

Appendix C: Independent Evaluator (IE) Report – RA-Only Agreements (Confidential)

Appendix D: Independent Evaluator (IE) Report – RA-Only Agreements (Public)

Appendix E: Independent Evaluator (IE) Report – Letter Agreements for Additional Energy (Confidential)

Appendix F: Independent Evaluator (IE) Report – Letter Agreements for Additional Energy (Public)

Appendix G: Emergency Reliability Agreements (Confidential)

### **VI. Protests**

Pursuant to D.21-02-028, 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 June 3, 2022. 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 May 29, 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 lists 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

Attachments

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 (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) #: 6604-E

Tier Designation: 1

Subject of AL: Procurement for Summer 2022 Under 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.21-03-056 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:

Confidential treatment requested?  Yes  No

If yes, specification of confidential information: See Confidentiality Declaration and Matrix  
 Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Scott Ranzal(scott.ranzal@pge.com), Soumya Sastry(soumya.sastry@pge.com)

Resolution required?  Yes  No

Requested effective date: 5/29/22

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

**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 PROCUREMENT FOR SUMMER 2022 UNDER 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 Summer 2022 Under 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 May 24, 2022 at San Francisco, California.

*/s/*

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Scott Ranzal  
Director, Portfolio Management  
Pacific Gas and Electric Company

**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

**ADVICE LETTER FOR PROCUREMENT FOR SUMMER 2022  
UNDER DECISION 21-03-056 AND DECISION 21-12-015  
May 24, 2022**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To</b>	<b>PG&amp;E's Justification for Confidential Treatment</b>	<b>Length of Time</b>
<b>Confidential Appendices</b>			
Appendix A: Summary of Emergency Reliability Agreements (Confidential)	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)).	The terms of the executed Emergency Reliability Agreements presented in this appendix are generally confidential. The terms of the executed Emergency Reliability Agreements that are public pursuant to Item VII. B. are publicly disclosed in Section III. Emergency Reliability Agreements.	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 Emergency Reliability Agreements presented in this appendix are generally confidential. The terms of the executed Emergency Reliability Agreements that are public pursuant to Item VII. B. are publicly disclosed in Section III. Emergency Reliability Agreements.	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: Independent Evaluator (IE) Report – RA-Only Agreements (Confidential)	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS));  Item VIII. B) Specific quantitative analysis involved in scoring and evaluation of participating bids.	The IE Report contains discussion of the specific terms of the RA-Only agreements and discussions with counterparties.  The IE Report also contains information on PG&E's evaluation methodology and process, which constitutes the confidential results of offer evaluation.	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.  Information under Item VIII. B is confidential

**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

**ADVICE LETTER FOR PROCUREMENT FOR SUMMER 2022  
UNDER DECISION 21-03-056 AND DECISION 21-12-015**

May 24, 2022

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To</b>	<b>PG&amp;E's Justification for Confidential Treatment</b>	<b>Length of Time</b>
			for three years from the date winning contracts are submitted for CPUC approval.
Appendix G: Emergency Reliability Agreements (Confidential)	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)).	The terms of the executed Emergency Reliability Agreements presented in this appendix are generally confidential. The terms of the executed Emergency Reliability Agreements that are public pursuant to Item VII. B. are publicly disclosed in Section III. Emergency Reliability Agreements.	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.

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

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

**DECLARATION OF SOUMYA SASTRY SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED IN PG&E'S ADVICE  
LETTER FOR PROCUREMENT FOR SUMMER 2022 UNDER DECISION 21-03-056  
AND DECISION 21-12-015**

I, Soumya Sastry, declare:

1. I am a Manager of Structured Energy Transactions 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 structured transactions. 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 Summer 2022 Under 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.



**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

**ADVICE LETTER FOR PROCUREMENT FOR SUMMER 2022  
UNDER DECISION 21-03-056 AND DECISION 21-12-015  
May 24, 2022**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To</b>	<b>PG&amp;E's Justification for Confidential Treatment</b>	<b>Length of Time</b>
<b>Confidential Appendices</b>			
Appendix A: Summary of 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 E: Independent Evaluator (IE) Report – Letter Agreements for Additional Energy (Confidential)	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS));  Item VIII. B) Specific quantitative analysis involved in scoring and evaluation of participating bids.	The IE Report contains discussion of the specific terms of the RA-Only agreements and discussions with counterparties.  The IE Report also contains information on PG&E's evaluation methodology and process, which constitutes the confidential results of offer evaluation.	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.  Information under Item VIII. B is confidential

**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

**ADVICE LETTER FOR PROCUREMENT FOR SUMMER 2022  
UNDER DECISION 21-03-056 AND DECISION 21-12-015**

May 24, 2022

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To</b>	<b>PG&amp;E's Justification for Confidential Treatment</b>	<b>Length of Time</b>
			for three years from the date winning contracts are submitted for CPUC approval.
Appendix G: Emergency Reliability Agreements (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 Emergency Reliability Agreements**

**(Confidential)**

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Appendix B**

### **Cost Competitiveness**

**(Confidential)**

**PACIFIC GAS AND ELECTRIC COMPANY**

**Appendix C**

**Independent Evaluator (IE) Report – RA-Only  
Agreements**

**(Confidential)**

**PACIFIC GAS AND ELECTRIC COMPANY**

**Appendix D**

**Independent Evaluator (IE) Report – RA-Only  
Agreements**

**(Public)**



# PACIFIC GAS & ELECTRIC

INDEPENDENT EVALUATOR MEMO  
2022 SUMMER EMERGENCY RELIABILITY  
RESOURCE ADEQUACY PROCUREMENT

**May 2022**

**Los Angeles Office**  
PA Consulting Group Inc.  
601 W. 5th Street  
Suite 910  
Los Angeles  
CA 90071  
USA  
+1 213 689 1515  
**paconsulting.com**

**Prepared by: C. Janecek and L. Farih**  
**Reference: 1950**  
**Version: 1**



## Independent Evaluator Report

PA Consulting Group, Inc. (PA) served as the Independent Evaluator (IE) for Pacific Gas & Electric's (PG&E) 2022 Summer Emergency Reliability Procurement efforts (2022 Summer Reliability Procurement or Procurement). This report provides a summary of PA's evaluation of the Procurement. The Procurement did not solicit formal bids through an open Market Notice, but the Procurement did result in several executed contracts to be recommended to the California Public Utilities Commission (CPUC or Commission).

### Overview of Procurement

In compliance with CPUC Decision (D.) 21-12-015, approved on December 6, 2021, PG&E initiated its 2022 Summer Reliability Procurement efforts.

Through this Procurement, PG&E sought to purchase firm Generic System Resource Adequacy (RA) capacity to help fulfill its summer emergency reliability capacity needs, as outlined in (D.) 21-12-015. PG&E did not provide a broad Market Notice for this Procurement, nor did PG&E formally solicit offers for this Procurement as they have done for previous Balance of Year RA Solicitations and Annual RA Solicitations. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Ultimately, PG&E did not execute any Summer Reliability contracts with any counterparties for the offers found through the [REDACTED]. However, PG&E executed contracts with [REDACTED], through the RA broker and bilateral negotiations, for [REDACTED] in June 2022.

### PA's IE Report

PA's IE reports typically follow the CPUC's Solicitation Shortlist Report Templates. However, as this Procurement was not marketed through a broad Market Notice and did not formally solicit offers from the market, this report is an abbreviated summary of the typical sections in an IE report.

### Main IE Activities During Procurement

PA's role in PG&E's 2022 Summer Reliability Procurement spanned approximately three months from February to May 2022. PA performed the role of IE and was involved from PG&E's selection of potential offers from the [REDACTED] and through the RA broker through to the execution of contracted capacity. PA ensured that the procedures followed by PG&E were aligned with the requirements in (D.) 21-12-015 and that interactions with all counterparties were fair and equitable. PA was in regular contact with PG&E staff throughout the process. The following provides a summary of PA's main activities during this Procurement:

- PA reviewed offers identified for this Procurement in the [REDACTED].
- PG&E and PA discussed the 2022 Summer Reliability Procurement prior to [REDACTED] of PG&E's interest in the offers for the 2022 Summer Reliability Procurement.
- PG&E notified PA of potential offers presented via an RA broker before pursuing the initial offer.

- PA received all communications between PG&E and counterparties. PA directly received all of the emails to and from bidders that were identified in the [REDACTED]. PA was forwarded and cc'd on communications with counterparties identified through the broker.
- PA reviewed the offers that were received via email.
- PA reviewed PG&E's communication with counterparties and the contracting process.

### **Adequacy of PG&E's Outreach**

PG&E's 2022 Summer Reliability Procurement was not launched formally through a typical email Market Notice to PG&E's e-Solicitation RA distribution list. PG&E did identify possible counterparties for the Procurement through the analysis of bids submitted into the [REDACTED]. However, PA understands that PG&E also was in regular contact with an RA broker who was aware of: 1) the type of capacity PG&E was interested in purchasing for the 2022 Summer Reliability Procurement; 2) the amount of capacity PG&E was interested in purchasing; and 3) the price at which PG&E was interested in purchasing the capacity. Through the use of this broker, PG&E engaged in a competitive market with a diversity of market participants. PA believes that though PG&E did not broadly reach out to the market through an emailed Market Notice, PG&E did participate widely with the broader market in the 2022 Summer Reliability Procurement.

### **PG&E's Offer Evaluation Methodology**

PG&E primarily relied on a quantitative evaluation of each offeror's proposed price from the offers identified in the [REDACTED]. Those offers identified were all for months within the Summer of 2022 and were competitively priced. The offers identified via an RA broker were competitively priced, when compared to the offers identified in the [REDACTED]. PA found PG&E's bid evaluation methodology appropriate for this Procurement.

### **PG&E's Shortlisting and Negotiations of Confirm**

As discussed, PG&E identified offers from the [REDACTED]. Not all offers were still available as originally presented. Additionally, in parallel to the initial consideration of these offers, PG&E received offers from an RA broker. The offers received from the broker were for larger allotments of RA and were competitively priced with the offers remaining from the [REDACTED]. As such, PG&E notified the [REDACTED] that PG&E was no longer interested in the offers but would contact them if the situation changed.

PG&E ultimately contracted with [REDACTED], two identified through the RA broker and one bilaterally, [REDACTED] in June 2022. Additionally, there was one other counterparty, identified outside of the [REDACTED], with whom PG&E began to pursue negotiations but ultimately stopped negotiations as PG&E claimed they no longer had a need for that capacity.

### **Summary of PA's Findings**

Overall, PA confirms that PG&E conducted a fair and equitable 2022 Summer Reliability Procurement.

PA's specific findings are noted below:

- PG&E in no way prevented PA from observing its process and analyzing its methods and did not interfere with PA's conducting the Independent Evaluation.
- PA finds that PG&E broadly engaged with the market for the Procurement.
- Based on our review of PG&E's analysis, our participation in calls and meetings and other IE activities, PA finds that PG&E conducted the 2022 Summer Reliability Procurement fairly.



## About PA.

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# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Appendix E**

### **Independent Evaluator (IE) Report – Letter Agreements for Additional Energy**

**(Confidential)**

**PACIFIC GAS AND ELECTRIC COMPANY**

**Appendix F**

**Independent Evaluator (IE) Report – Letter  
Agreements for Additional Energy**

**(Public)**

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May 23, 2022

Don Howerton  
Director  
Structured Energy Transactions  
Pacific Gas & Electric Company  
77 Beale Street  
San Francisco, CA 94105

Subject: Letter Report of Merrimack Energy Group, Inc. ("Merrimack Energy") Regarding Letter Agreements for Additional Energy to Respond to CAISO Declared or Anticipated System Emergency for the Time Period of June 1, 2022 through October 31, 2022

Dear Mr. Howerton:

Pacific Gas & Electric Company ("PG&E") is seeking Commission approval of eight (8) Letter Agreements, encompassing twelve projects for an estimated additional 52.3 to 84.3 MW for summer of 2022 (e.g., June through October). The additional MW and energy output will be provided via existing agreements with counterparties as option agreements, in the event CAISO declares a System Emergency or in PG&E's judgment that the CAISO may declare a System Emergency. Under the Agreements, PG&E has the ability to call on additional firm energy or capacity from existing projects in cases where the CAISO identifies or has a potential System Emergency. The counterparties with whom PG&E has executed the agreements were the same counterparties with whom PG&E executed similar agreements for the summer of 2021, which were approved by the Commission.<sup>1</sup> The agreements which are the subject of this report include agreements for the sale of addition energy or capacity from the same projects for the summer of 2022.

As background to the attached agreements, a Rulemaking<sup>2</sup> instituted by the California Public Utilities Commission ("CPUC") on November 19, 2020 initially resulted in an Assigned Commissioner Ruling ("ACR") on December 28, 2020 directing the large electric IOUs to seek contracts for capacity available for the peak and net peak demand in summer 2021 and/or summer 2022, set parameters for that procurement, and provided guidance for submitting the resulting contracts to the Commission for approval.

On January 8, 2021, a Proposed Decision of ALJ Stevens was issued in Rulemaking 20-11-003 which included revisions to the December 28, 2020 Ruling of the Assigned Commissioner. The Proposed Decision of January 8, 2021 directed and authorized PG&E, Southern California Edison ("SCE"), and San Diego Gas & Electric Company

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<sup>1</sup> Two agreements reach by PG&E for summer of 2021 were not executed at this time. One project has new owners and while PG&E has been engaging the new owners about a potential contract, no agreement appears imminent for inclusion in this filing. An agreement was not reached with a second counterparty.

<sup>2</sup> The impetus for the Rulemaking (20-11-003) was the summer 2020 rolling outages brought on by the prolonged extreme heat event, which required the CAISO to initiate rotating outages in its balancing authority area to prevent wide-spread service interruptions. The rolling outages spotlighted reliability deficiencies in California's electricity system.

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(“SDG&E”) to contract for capacity that is available to serve peak and net peak demand in the summer of 2021 and seek approval for cost recovery in rates.<sup>3</sup>

The Proposed Decision of January 8, 2021 noted that there was little disagreement that a problem exists and there is a risk that outages could occur again in the summer of 2021. The Commission found there is a practical need for action to be taken now to ensure resources would be available by summer 2021. The Proposed Decision therefore ordered the State’s large electric IOUs to pursue contracts for additional incremental capacity procurement on an accelerated timeframe.

The ALJ issued a Proposed Revised Decision on February 8, 2021 which contained the following revisions to the Proposed Decision:

- Asked the IOUs to continue to engage with market participants regarding potential summer 2022 resources;
- Noted that incremental capacity is being procured to provide additional capacity to serve CAISO load. The Revised Decision encouraged CAISO to ensure that these resources do not support exports even if they are not designated as resource adequacy resources;
- Added back Firm Forward Imported Energy to the types of resources that will be considered for procurement;
- Clarified the Commission’s preference for storage resources, shorter duration contracts, and efficiency upgrades.

In response to its Summer 2021–2022 Procurement process, PG&E considered a range of resource types and options through this procurement process including reviewing and evaluating a number of the offers submitted in response to PG&E’s Procurement Notification to bidders in January 2021, including all reasonable offers with a 6/1/2021 or 9/1/2021 COD. In addition, PG&E contacted counterparties with existing QF or RPS contracts who may have extra energy and/or capacity available via shifting energy into peak periods or offering additional resources from an existing unit up to the interconnection limits of the resource based on previous experiences with these projects.<sup>4</sup> PG&E also sought opportunities to extend existing contracts beyond the termination date with a focus on short-term options. Also, once the Proposed Revised Decision of the ALJ added back Firm Forward Imported Energy as an eligible resource, PG&E immediately pursued contracts for Firm Forward Imported Energy for summer 2021 with counterparties who had offered this product in response to the Procurement Notification or other recent procurement processes.

Through this procurement process, PG&E requested and received CPUC approval of the resources procured through its Summer 2021 – 2022 Procurement process for up to 385.3 MW of firm energy/capacity, including ten Letter Agreements for call options for additional energy during peak period for summer 2021 for up to 135.3 MW, and two

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<sup>3</sup> The Proposed Decision of ALJ Stevens made two significant changes to the Assigned Commissioner Ruling including focusing solely on procurement of resources that can come on-line in 2021 and deferring consideration of Firm Forward Imported Energy contracts as eligible resources to a subsequent decision in this proceeding.

<sup>4</sup> PG&E informed the IE that it had executed additional Energy Letter Agreements with several of the same counterparties with whom PG&E had executed agreements during the summers of 2020 and 2021. This process proved successful in allowing PG&E to secure additional peak period energy during the 2020 and 2021 summer emergency period through these agreements.

Confirmations for Firm Forward Imported Energy for 250 MW for July – September of 2021.

PG&E’s assessment of options for the summer of 2022 included projects from which PG&E had identified the potential for additional energy during the peak summer period of 2020 and 2021, based on previous call option agreements with these counterparties. For summer of 2022, PG&E again contacted the same sellers seeking to execute the same or similar contracts for summer 2022. PG&E was successful in executing eight agreements encompassing twelve projects for summer of 2022, all of which were also executed for the summer of 2021. A summary of the contracts executed are included in Table 1. The pricing and terms and conditions are generally the same as the 2021 contracts. The one primary difference is that the total of the MWs provided by the Sierra Pacific Industries (SPI) projects is quite a bit lower than the estimated MWs included in the 2021 Advice Letter filing for the five SPI projects. In addition, the pricing provisions in the Chevron agreements were updated to reflect unit specific heat rates and a GHG cost adder.

**Table 1: Short-Term Call Option Resources for Summer 2022**

Counterparty	Project	Agreement	MW Expected	Term	Pricing
SPI <sup>5</sup>	Anderson 2	Letter Agreement for Additional Energy	5 - 37 <sup>6</sup>	June, July, August, Sept, Oct 2022	Contract price with TOD Adjustments for each option ranging from .59 to 2.38)
SPI	Burney Biomass	Letter Agreement for Additional Energy		June, July, August, Sept, Oct 2022	Contract price with TOD Adjustment
SPI	Lincoln Biomass	Letter Agreement for Additional Energy		June, July, August, Sept, Oct 2022	Contract price with TOD Adjustment
SPI	Quincy Biomass	Letter Agreement for Additional Energy		June, July, August, Sept, Oct 2022	Contract price with TOD Adjustment
SPI	Sonora	Letter Agreement for Additional Energy		June, July, August, Sept, Oct 2022	Contract price with TOD Adjustment
Chevron USA	Taft/Cadet	Letter Agreement for Additional Energy	2.2	June, July, August, Sept, Oct 2022	HR * Gas cost + GHG cost for each MWh of Emergency Energy delivered by Seller; HR = 14,400 Btu/kWh; GHG cost

<sup>5</sup> SPI included five projects. PG&E and SPI executed one Letter Agreement encompassing all five projects listed in Table 1 (i.e., rows 1-5).

<sup>6</sup> For the 2021 contracts, PG&E estimated that the five agreements would provide from 30 – 63 additional MW.

					= [REDACTED]
Chevron USA	Cymric	Letter Agreement for Additional Energy	1.5	June, July, August, Sept, Oct 2022	HR * Gas cost + GHG cost for each MWh of Emergency Energy delivered by Seller; HR = 15,200 Btu/kWh; GHG cost = [REDACTED]
Chevron USA	Coalinga	Letter Agreement for Additional Energy	3.2	June, July, August, Sept, Oct 2022	HR * Gas cost + GHG cost for each MWh of Emergency Energy delivered by Seller; HR = 14,200 Btu/kWh; GHG cost = [REDACTED]
Chevron USA	SE Kern River	Letter Agreement for Additional Energy	15.0	June, July, August, Sept, Oct 2022	HR * Gas cost + GHG cost for each MWh of Emergency Energy delivered by Seller; HR = 12,500 Btu/kWh; GHG cost = [REDACTED]
Chevron USA	East Ridge	Letter Agreement for Additional Energy	3.0	June, July, August, Sept, Oct 2022	HR * Gas cost + GHG cost for each MWh of Emergency Energy delivered by Seller; HR = 12,500 Btu/kWh; GHG cost = [REDACTED]
Chevron USA	McKittrick	Letter Agreement for Additional Energy	4.5	June, July, August, Sept, Oct 2022	HR * Gas cost + GHG cost for each MWh of Emergency Energy delivered by Seller; HR = 12,500 Btu/kWh; GHG cost = [REDACTED]
Shasta Sustainable Resource Management, Inc.	Wheelabrator Shasta Bioenergy	Letter Agreement for Additional Energy	15.9	June, July, August, Sept, Oct 2022	TOD adjusted standard contract price [REDACTED] is [REDACTED]

Most of the above offers are for summer 2022 months only from existing resources under contract to PG&E which include a mix of RPS projects and Qualifying Facilities (QF). Under the proposed letter agreements, the underlying PPAs will remain intact and are not amended by the letter agreements.

For the SPI projects and the subsequent seven projects listed in Table 1 above, counterparties have agreed to sign letter agreements. Under these letter agreements, PG&E has the right to call on the resource to provide additional energy during the peak period when PG&E is noticed by CAISO of an anticipated or declared system emergency/need. The additional energy volumes are above the facility's normal or existing contractually permitted generation levels up to the interconnection limit. The volume of energy available from each resource is dependent on the schedule for the

specific month. Resources are not penalized if it is unable to generate the additional energy when called upon by PG&E.

The SPI Agreement became effective on March 29, 2022 and governs Additional Energy<sup>7</sup> as of June 1, 2022 through and including October 31, 2022. Upon the expiration of this Letter Agreement, Buyer has no obligation to accept and/or pay for Additional Energy. During the Additional Energy Period<sup>8</sup>, Seller shall make commercially reasonable efforts to provide the Available Capacity forecasts.

Under the Agreement, the operating protocol for the Additional Energy shall consist of the following steps:

1. If Buyer determines, in Buyer's professional judgment, that the CAISO may declare a System Emergency, or if the CAISO declares a System Emergency, Buyer will notify Seller regarding a request for Additional Energy during a specified time period;
2. Seller will confirm each Aggregated Generation Facility's ability to generate and the quantity of the Additional Energy to be delivered within the specified time period;
3. Seller shall make commercially reasonable efforts to provide schedule updates reflecting confirmed Additional Energy quantity to be delivered during the Additional Energy Period to Buyer.

From a pricing perspective, the price of the additional energy supplied under each agreement is specific to each resource and has a pre-set price or formula applicable only for the volume requested by PG&E in response to the CAISO's request. For the SPI Agreement, the price is the same as in the original agreement executed in 2012 of [REDACTED] subject to the TOD factors listed in the contract for each of nine periods. The actual pricing will reflect the time period at which the additional energy is produced. For example, additional production during the Super-Peak period during the summer will be subject to a TOD factor of 2.375.

The five Chevron Agreements were executed on April 7, 2022. Similar to the SPI Agreements, the Chevron Agreements are also triggered by CAISO-declared System Emergencies. The contract period is the same (i.e., June 1, 2022 through October 31, 2022). Under the Agreements, Emergency Energy would be delivered to Buyer by Seller only at the request of Buyer. In no event shall Seller be obligated to deliver or seller, or Buyer be obligated to receive or pay for any energy produced from any facility that exceeds the interconnection limit of the Facility. Seller shall make reasonable efforts to provide the available capacity forecasts from PG&E.

Under the Agreement, the operating protocol for the delivery of Emergency Energy shall consist of the following steps:

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<sup>7</sup> Additional Energy is defined as Energy in excess of the volumes provided by seller to Buyer on a monthly basis as included in Exhibit A of the Agreement, including Energy that exceeds 110% of the contract capacity delivered by Seller to Buyer as a result of Buyer's notice under Section 6 of this Letter Agreement. In no event shall Buyer be obligated to receive or pay for, in any hour, any Product produced from any Aggregated Generation Facility that exceeds the interconnection limit of that Aggregated Generation Facility.

<sup>8</sup> The Additional Energy Period is June 1, 2022 through October 31, 2022.

1. Seller availability and volume of the Emergency Energy shall be delivered consistent with Seller's monthly submission of Appendix A (Emergency Energy Volume) for the periods requested by Buyer or the CAISO. Appendix A shall be updated by Seller no later than the 25<sup>th</sup> of the month prior to each month of the period June 1 through October 1, 2022;
2. Upon receipt of Appendix A, PG&E, as Scheduling Coordinator, will submit a schedule into the CAISO for the Power Export Capability Volume in Appendix A;
3. The energy schedule shall not change once the schedule is entered to the CAISO for the Emergency Period, unless Seller notifies Buyer of a need to amend the schedule;
4. The duration of Emergency Energy delivered shall be the longer of the time specified in PG&E's notification or 72 hours;
5. The Buyer shall provide 24 to 48 hours advance notice to Seller of Emergency Energy delivery.

From a pricing perspective, the Buyer shall pay the Seller for delivered Emergency Energy in the amount equal to (a) the Emergency Energy heat rate of each Facility as defined in each of the five Agreements, multiplied by (b) the Emergency Energy gas cost, which shall be equal to the greater of (i) the mid-point of Kern River delivered, or (ii) PG&E Citygate multiplied by 115%, both as reported in Platts Gas Daily, plus (c) the amount of [REDACTED], in relation to the GHG cost for each MWh of the Emergency Energy delivered by Seller.

The Shasta – Sustainable Resources Management, Inc. Agreement, which is also designed to respond to an anticipated CAISO declared system emergency for the period May 1, 2022 through October 31, 2022, was executed on March 28, 2022. The Parties agreed to allow for Surplus Delivered Energy to be delivered from the project. Surplus Delivered Energy means in any Settlement interval, the Delivered Energy that exceeds the product of 100% of Contract Capacity multiplied by a Settlement interval, delivered by Seller to Buyer as a result of Buyer's notice under Section 6 of the Letter Agreement. In no event shall Buyer be obligated to receive or pay for, in any Settlement interval, any Surplus Delivered Energy that exceeds 49.9 MWh.

Under the Agreement, the operating protocol for the Surplus Delivered Energy shall consist of the following steps:

1. If Buyer determines, in Buyer's judgment, that the CAISO may declare a System Emergency, or if the CAISO declares a System Emergency, Buyer will notify Seller regarding a request for Surplus Delivered Energy, during a specified time period. Such specified time period shall (a) commence at least four (4) hours following Buyer's notification to Seller and (b) have a duration of at least twelve (12) consecutive hours;
2. Seller will confirm the Project's ability to generate and the quantity of the Surplus Delivered Energy to be delivered within the specified time period;
3. Seller shall make commercially reasonable efforts to provide Available Capacity forecasts, including making timely updates as soon as possible. Before the Day Ahead Market closes, Seller will make best operational effort to enter schedules in PG&E's website. After Day Ahead Market closes, Seller will communicate updated schedules directly to PG&E's Real Time Desk.

In response to the IE's questions about use of these resources in previous years, PG&E noted that in the summer of 2020 these resources generated for up to 18 days as needed. PG&E asked the Sellers to generate as much as they could generate up to the interconnection capacity limit. It is the IE's understanding that the SPI projects did generate when called on during the summer of 2021. The same is true for the Shasta project. The Chevron projects were not called last summer.

With regard to the evaluation of the Agreements, since PG&E has a "free call option" on each of the above resources, calculation of an expected Net Market Value ("NMV") is not applicable.<sup>9</sup> The Agreements have value based on the option value to PG&E to call on more capacity and energy during an emergency condition, if available. PG&E also has the ability to call on the capacity and energy from individual agreements that provide the most value. For the summer of 2021, PG&E noted that the Chevron contracts were not called. Chevron increased the unit heat rates from the 2021 Agreements and also added a GHG cost. It can be expected that PG&E will call on the energy only in cases where market prices are very high and capacity and energy needs are greatest. Given the nature of these Agreements as no cost options, the IE recommends approval of these Agreements for summer of 2022.

Very Truly Yours,



Wayne Oliver  
President  
Merrimack Energy Group, Inc.  
26 Shipway Place  
Charlestown, Mass. 02129

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<sup>9</sup> Based on this pricing structure, it is expected that these options will be called when power is needed in an emergency, which would coincide with the time of highest market prices in the CAISO. As a result, it is expected that market prices will exceed the contract price which would mean the options would be in the money and actually have a positive value.

*Confidential Market Sensitive Information Protected Under  
Public Utilities Code Section 454.5(g) and D.06-06-066*

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **Appendix G**

### **Emergency Reliability Agreements**

**(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  
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  
Stoel Rives LLP

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