

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6686E
As of March 2, 2023

Subject: Update to Pacific Gas and Electric Company Bundled Procurement Plan Procurement Methods and Processes and Liquidity Management Strategy

Division Assigned: Energy

Date Filed: 08-19-2022

Date to Calendar: 08-26-2022

Authorizing Documents: None

Disposition:

Signed

Effective Date:

02-23-2023

Resolution Required: Yes

Resolution Number: E-5238

Commission Meeting Date: 02-23-2023

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

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

August 19, 2022

Advice 6686-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Update to Pacific Gas and Electric Company Bundled Procurement Plan — Procurement Methods and Processes and Liquidity Management Strategy

Purpose

Pacific Gas and Electric Company (PG&E) hereby requests approval of two proposed updates to its Electric Portfolio Hedging Plan. First, PG&E seeks to modify its liquidity management strategy in Appendix E of its Bundled Procurement Plan (BPP) in order to optimize liquidity capacity allocation, as described below and in Confidential Attachments to this advice letter. Second, PG&E requests to modify Appendix B of the BPP to obtain authority to enter into bilateral transactions for forward energy for delivery in the same or prompt Resource Adequacy (RA) compliance years.

Background

The BPP establishes the utility's procurement authority on behalf of bundled customers, consistent with Public Utilities Code Section 454.5, which obviates the need for an after-the-fact reasonableness review by the Commission as long as the resulting utility procurement decisions are consistent with the approved plan. The CPUC approved the BPP, including Appendix E, Electric Portfolio Hedging Plan, with modifications, in Decision (D.)15-10-031, as modified by D.16-01-015. In accordance with D.07-12-052 all updates proposed to the BPP are to be made via advice letter. In addition, advice letter updates are to include redlined pages of the BPP, as well as replacement pages.¹ Accordingly, Confidential Attachments A (redlined) and B (clean) reflect the relevant changes to the Liquidity Management Strategy of Appendix E to the BPP requested by PG&E. Confidential Attachment C provides a summary of these proposed changes being presented by PG&E. In addition, Public Attachments D (redlined) and E (clean) reflect the relevant changes to Appendix B with proposed changes to the BPP to obtain authority to enter into bilateral transactions for forward energy for delivery in the same or prompt RA compliance years.

¹ D.07-12-052 at pp. 184-185.

Discussion

PG&E proposes to modify its liquidity management strategy to: (1) improve PG&E's ability to optimize its liquidity capacity allocation based on projected need and seasonal trends, which mitigates need for additional liquidity capacity and reduces customer costs, (2) provide flexibility to utilize liquidity capacity in a timely manner in response to market conditions and procurement needs, and (3) reduce the administrative burden of unnecessary notifications to the Energy Division (ED) and Procurement Review Group (PRG). PG&E submits this advice filing as a Tier 3 filing.

PG&E is currently authorized to transact for RA capacity and Import Allocation Rights bilaterally for longer than one quarter in duration because they are deemed authorized non-standard products under the BPP. However, forward energy is not categorized as an authorized non-standard product, and thus PG&E is unable to benefit PG&E customers through timely procurements of needed forward energy through bilateral transactions for longer than one quarter. As such, in the current competitive forward energy market, the inability to procure forward energy through bilateral transactions results in PG&E losing ripe opportunities to procure forward energy when such opportunities are available to benefit PG&E customers. Accordingly, in order to remove this obstacle, PG&E seeks to modify its BPP to secure the right to be able to transact for forward energy pursuant to bilateral transactions for longer than one quarter in duration solely for the purpose of using the forward energy to meet RA compliance in the same or prompt RA compliance years. PG&E notes that the California Public Utilities Commission (Commission or CPUC) recently approved a similar request for authorization for authority for such transactions from the Southern California Edison (SCE) in Resolution E-5191.

Confidentiality Provisions

In support of this Advice Letter, PG&E submits Confidential Attachments A, B, and C in the manner directed by D.14-10-033, D. 06-06-066, and D.08-04-023 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under D.14-10-033, D.06-06-066, General Order 66-D and Public Utilities Code Section 454.5(g). A separate Declaration Seeking Confidential Treatment is being submitted concurrently with this Advice Letter.

Attachments

Attachment A	Confidential Redline Version, Appendix E (Sheets 111, 112)
Attachment B	Confidential Clean Version, Appendix E (Sheets 111, 112)
Attachment C	Confidential Summary of PG&E's Proposed Liquidity Management Strategy Plan Changes
Attachment D	Redline Version, Appendix B (Sheet 56)
Attachment E	Clean Version, Appendix B (Sheet 56)
Attachment F	Declaration and Matrix of Shahrokh Hessami Seeking Confidential Treatment of Certain Data and Information in Advice 6686-E

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than **September 8, 2022**, which is 20 days after the date of this submittal. Protests must be submitted to:

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

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

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

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

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.3, this advice letter is submitted with a Tier 3 designation. PG&E requests that this Tier 3 advice submittal become effective upon Commission approval.

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. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

cc: Service List 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) #: 6686-E

Tier Designation: 3

Subject of AL: Update to Pacific Gas and Electric Company Bundled Procurement Plan — Procurement Methods and Processes and Liquidity Management Strategy

Keywords (choose from CPUC listing): Procurement

AL Type: Monthly Quarterly Annual One-Time Other:

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

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

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information: See Attachment F

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: Shahrokh Hessami, Shahrokh.Hessami@pge.com

Resolution required? Yes No

Requested effective date:

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

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

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

Telephone (xxx) xxx-xxxx:
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

PACIFIC GAS AND ELECTRIC COMPANY

Attachment A

Redline Version, Appendix E (Sheets 111, 112)

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Attachment B

Clean Version, Appendix E (Sheets 111, 112)

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Attachment C

**Summary of PG&E's Proposed Liquidity
Management Strategy Plan Changes**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Attachment D

Redline Version, Appendix B (Sheet 56)



**TABLE B-1
PACIFIC GAS AND ELECTRIC COMPANY
PROCUREMENT PROCESSES AND METHODS**

Item #	Transaction Process	Description	Initial Authorization
1	Competitive Solicitations	Widely distributed request for offers or proposals. Required items include among other things: Description of product requirements, term, minimum and maximum bid quantities, scheduling and delivery attributes, credit requirements, and pricing attributes.	D.02-10-062 D.04-12-048 AL 2615-E D.07-12-052
2	Direct bilateral contracting with counterparties for short-term products (e.g., three months or less)	Bilateral process for products procured with a term three months or less. IOUs demonstrate that such transactions are reasonable based on available and relevant market data supporting the transaction. The demonstration may include showing competing price offers, result of market surveys, broker and online quotes, and/or other source of price information such as published indices, historical price information for similar time blocks, and comparison to RFOs completed within one month of the transaction.	D.02-10-062 D.04-12-048 AL 2615-E
3	Negotiated bilateral contracts for non-standard products which terms exceed three months provided that the IOUs include a product justification in quarterly compliance filings.	Process to purchase products provided they are included in quarterly compliance filings to justify the need and process in each case. Terms and conditions are benchmarked against the best available market information for similar products recently offered. Resource Adequacy (“RA”) products are non-standard products. <u>Forward Energy with delivery in the same or prompt compliance year for the purpose of satisfying PG&E’s Resource Adequacy or reliability procurement obligations is a non-standard product.</u>	D.03-12-062 D.04-12-048 AL 2615-E D.14-02-040 D.15-10-031
4	Inter-Utility Exchanges	Product exchange with other regulated utilities and other load-serving entities negotiated through private negotiation crafted to best fit the resources and needs of both parties.	D.02-10-062 D.04-12-048 AL 2615-E
5	ISO Markets and Processes: Imbalance Energy, Real-Time, Day-Ahead, Convergence Bids, and Capacity Procurement Mechanism including Competitive Solicitation Process	Spot market transactions are authorized to meet short-term needs. Convergence Bids are authorized to manage specific areas of portfolio risks and renewable scheduling limitations. Participation in the Capacity Procurement Mechanism and Competitive Solicitation Processes are authorized to meet CAISO backstop capacity needs.	D.02-10-062 D.04-12-048 AL 2615-E D.10-12-034 D.15-10-031
6	Transparent Exchanges, such as NYMEX and Intercontinental Exchange, Voice and On-Line Brokers	Electronic trading exchanges for transparent prices.	D.02-10-062 D.03-12-062 D.04-12-048 AL 2615-E
7	Renewables Portfolio Standard (“RPS”)-Eligible Utility Ownership of Generation	Utility ownership of generation can be pursued through an RFO under certain conditions (see D.07-12-052 at 198-205; D.08-11-008 at 18-20) or outside of the RFO process under certain conditions (see D.07-12-052 at 209-213; D.08-11-008 at 20-23).	D.07-12-052 D.08-11-008

PACIFIC GAS AND ELECTRIC COMPANY

Attachment E

Clean Version, Appendix B (Sheet 56)



**TABLE B-1
PACIFIC GAS AND ELECTRIC COMPANY
PROCUREMENT PROCESSES AND METHODS**

Item #	Transaction Process	Description	Initial Authorization
1	Competitive Solicitations	Widely distributed request for offers or proposals. Required items include among other things: Description of product requirements, term, minimum and maximum bid quantities, scheduling and delivery attributes, credit requirements, and pricing attributes.	D.02-10-062 D.04-12-048 AL 2615-E D.07-12-052
2	Direct bilateral contracting with counterparties for short-term products (e.g., three months or less)	Bilateral process for products procured with a term three months or less. IOUs demonstrate that such transactions are reasonable based on available and relevant market data supporting the transaction. The demonstration may include showing competing price offers, result of market surveys, broker and online quotes, and/or other source of price information such as published indices, historical price information for similar time blocks, and comparison to RFOs completed within one month of the transaction.	D.02-10-062 D.04-12-048 AL 2615-E
3	Negotiated bilateral contracts for non-standard products which terms exceed three months provided that the IOUs include a product justification in quarterly compliance filings.	Process to purchase products provided they are included in quarterly compliance filings to justify the need and process in each case. Terms and conditions are benchmarked against the best available market information for similar products recently offered. Resource Adequacy (“RA”) products are non-standard products. Forward Energy with delivery in the same or prompt compliance year for the purpose of satisfying PG&E’s Resource Adequacy or reliability procurement obligations is a non-standard product.	D.03-12-062 D.04-12-048 AL 2615-E D.14-02-040 D.15-10-031
4	Inter-Utility Exchanges	Product exchange with other regulated utilities and other load-serving entities negotiated through private negotiation crafted to best fit the resources and needs of both parties.	D.02-10-062 D.04-12-048 AL 2615-E
5	ISO Markets and Processes: Imbalance Energy, Real-Time, Day-Ahead, Convergence Bids, and Capacity Procurement Mechanism including Competitive Solicitation Process	Spot market transactions are authorized to meet short-term needs. Convergence Bids are authorized to manage specific areas of portfolio risks and renewable scheduling limitations. Participation in the Capacity Procurement Mechanism and Competitive Solicitation Processes are authorized to meet CAISO backstop capacity needs.	D.02-10-062 D.04-12-048 AL 2615-E D.10-12-034 D.15-10-031
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PACIFIC GAS AND ELECTRIC COMPANY

Attachment F

**Declaration and Matrix of Shahrokh Hessami
Seeking Confidential Treatment of Certain
Data and Information in Advice 6686-E**

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

**DECLARATION OF SHAHROKH HESSAMI
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN
ADVICE LETTER 6686-E**

I, Shahrokh Hessami, declare:

1. I am a Senior Director in the Market and Credit Risk Management department within the Finance and Risk Organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include managing and reporting PG&E's market and credit risks. In carrying out these responsibilities, I have acquired knowledge of PG&E's electric hedge positions and trade types, which are the subject of the Electric Portfolio Hedging Strategy appearing in the 2014 Bundled Procurement Plan (BPP).

2. Based on my knowledge and experience, and in accordance with the Decisions 06-06-066 (affirmed in 16-08-024), 08-04-023, 14-10-033, and relevant Commission rules, I make this declaration seeking confidential treatment for certain data and information contained in Advice Letter 6686-E.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes confidential market sensitive data and information covered by D.06-06-066, D.14-10-033, and/or Public Utilities Code Section 454.5(g). 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 August 19, 2022 at San Francisco, California.

/s/

SHAHROKH HESSAMI

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
ADVICE LETTER 6686-E
Submitted on August 19, 2022

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Filename: PG&E's Advice 6686-E.pdf			
Attachment A	D.06-06-066, Appendix 1 (Item I.A.4 – Long Term Fuel (Gas) Buying and Hedging Plans) Pub. Util., Code § 454.5(g)	Information concerning a description of PG&E’s long term buying and hedging strategies, which constitutes market sensitive information that could cause harm to PG&E’s customers and put PG&E at an unfair business advantage if publicly disclosed.	Indefinite
Attachment B	D.06-06-066, Appendix 1 (Item I.A.4 – Long Term Fuel (Gas) Buying and Hedging Plans) Pub. Util., Code § 454.5(g)	Information concerning a description of PG&E’s long term buying and hedging strategies, which constitutes market sensitive information that could cause harm to PG&E’s customers and put PG&E at an unfair business advantage if publicly disclosed.	Indefinite
Attachment C	D.06-06-066, Appendix 1 (Item I.A.4 – Long Term Fuel (Gas) Buying and Hedging Plans) Pub. Util., Code § 454.5(g)	Information concerning a description of PG&E’s long term buying and hedging strategies, which constitutes market sensitive information that could cause harm to PG&E’s customers and put PG&E at an unfair business advantage if publicly disclosed.	Indefinite

**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.

Resource Innovations

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