

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6733E
As of October 28, 2022

Subject: Request for Approval of Emergency Reliability Procurement for Summer 2022 Under Decision 21-03-056 and Decision 21-12-015

Division Assigned: Energy

Date Filed: 10-12-2022

Date to Calendar: 10-17-2022

Authorizing Documents: D2103056

Authorizing Documents: D2112015

Disposition:	Accepted
Effective Date:	10-17-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

(415) 973-4587

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

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

October 12, 2022

Advice 6733-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Request for Approval of Emergency Reliability Procurement for Summer 2022 Under Decision 21-03-056 and Decision 21-12-015

Purpose

Pursuant to the California Public Utilities Commission (“Commission” or “CPUC”) Decision (D.) 21-03-056 and D.21-12-015 (collectively, the “Decisions”), Pacific Gas and Electric Company (“PG&E”) respectfully requests approval of two letter agreements amending an existing agreement for additional energy deliveries during the recent September heat wave (hereinafter, “Letter Agreements”). The Letter Agreements are summarized in Section II of this advice letter and further described in Appendix B.

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 (“IOU”) 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 Cost Allocation Mechanism (“CAM”) developed by the Commission.¹

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 supply for the summers of 2021 and 2022.² The Decision requires that procured resources must be available to serve load at the peak and net peak, and directs the IOUs to give preference to storage contracts, upgrades resulting in increased efficiency of existing generation resources, and contract terms that are shorter in duration.³

¹ D.21-02-028, p. 12.

² D.21-03-056, p. 2.

³ D.21-03-056, p. 46.

D.21-03-056 also authorizes the IOUs to continue their procurement efforts and endeavor to meet and exceed their respective incremental procurement targets, prescribed by the Decision, 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.⁴ The Decision further states that all procurement contracts shall be submitted to the Commission’s 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.⁵ 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.⁶

On December 6, 2021, the Commission issued D.21-12-015 and instructed the IOUs to solicit additional resources for summers of 2022 and 2023, including a new target range of 900 MW to 1,350 MW for PG&E for each of the June to October summer months of 2022 and 2023. Resource types to be considered for procurement include RA-only contracts and incremental capacity from revised power purchase agreements.⁷

Consistent with the requirements of D.21-03-056 and D.21-12-015, PG&E has engaged in a series of bilateral and brokered transactions to procure incremental capacity and energy. The Letter Agreements presented herein result from this ongoing procurement activity prescribed by the Decisions.

I. Overview of Bilateral Procurement for Summer 2022

In addition to other avenues for incremental procurement in support of the Decisions, PG&E reached out to counterparties within its portfolio for incremental energy from resources under existing contracts, including Crockett Cogeneration (“Crockett”). Prior to the onset of the recent September heat wave, the California Independent System Operator Corporation (“CAISO”) requested that PG&E seek maximum generation during the critical hours of the heat wave from the Crockett facility. Upon learning of the request from the CAISO, Crockett confirmed its interest and ability to supply those additional volumes of energy.

II. Letter Agreements – Crockett Cogeneration

PG&E requests that the Commission approve the Letter Agreements with Crockett. The Letter Agreements provided PG&E with maximum generation during the most critical

⁴ D.21-03-056, p. 43.

⁵ D.21-03-056, OP 14.

⁶ D.21-03-056, p. 47.

⁷ D. 21-12-015, pp. 100-101.

hours on September 3-9, 2022 from the Crockett facility under modified compensation terms, consistent with the goals of the emergency procurement, CAISO's request for maximum generation from the facility and the governor's proclamation. The Letter Agreements are limited in scope and duration. The final executed Letter Agreements can be found in Confidential Appendix A with a description of the modified compensation terms in Appendix B.

III. Cost Recovery

The Letter Agreements were executed to help 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 by the Decisions. 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, PG&E proposes that the Letter Agreements be deemed CAM-eligible with recovery through the NSGC.⁸

IV. 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 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 IOU 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: Letter Agreements (Confidential)

Appendix B: Description of Letter Agreements for Modifying Unit Operation and Compensation Formula (Confidential)

Appendix C: Declaration of Donald Howerton and IOU Matrix

⁸ 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.

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 October 24, 2022.⁹ 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 D.21-02-028, this advice letter is submitted with a Tier 1 designation and will be effective no sooner than five (5) days after submission. PG&E requests that the effective date this advice letter be extended to October 17, 2022.

Notice

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

⁹ Pursuant to Rule 1.5 of General Order 96-B, PG&E requests to extend the protest period deadline by two additional days because 10 days following submission of this advice letter is Saturday, October 22, 2022.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

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



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

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

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6733-E

Tier Designation: 1

Subject of AL: Request for Approval of Emergency Reliability Procurement for Summer 2022 Under Decision 21-03-056 and Decision 21-12-015

Keywords (choose from CPUC listing): Compliance, Procurement

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: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information: See Confidential Declaration and Matrix
 Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Don Howerton, don.howerton@pge.com

Resolution required? Yes No

Requested effective date: 10/17/22

No. of tariff sheets: 0

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

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

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

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

Contact Name:
Title:
Utility/Entity Name:

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

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

Clear Form

Appendix A

Letter Agreements

(Confidential)

Appendix B

Description of Letter Agreements for Modifying Unit Operation and
Compensation Formula

(Confidential)

Appendix C

Declaration of Donald Howerton and IOU Matrix

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

PACIFIC GAS AND ELECTRIC COMPANY

**DECLARATION OF DONALD HOWERTON
SEEKING CONFIDENTIAL TREATMENT FOR CERTAIN INFORMATION
CONTAINED IN ADVICE LETTER 6733-E FOR APPROVAL OF CROCKETT
COGENERATION FOR EMERGENCY RELIABILITY PROCUREMENT
PURSUANT TO DECISION 21-06-035 & DECISION 21-12-015**

I, Donald Howerton, declare:

1. I am a Director in the Energy Procurement and Policy Organization at Pacific Gas and Electric Company (PG&E). In this position, I am responsible for procurement of various electric resources and products including energy storage and renewable energy. This declaration is based on my personal knowledge of PG&E's practices and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive information.

2. Based on my knowledge and experience, and in accordance with Decisions 06-06-066, 08-04-023, and relevant Commission rules, I make this declaration seeking confidential treatment for certain confidential information contained in PG&E's Advice Letter 6733-E, submitted on October 12, 2022.

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 Decision 06-06-066 and Decision 08-04-023. 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.

4. The statement in the foregoing paragraph that the identified confidential data are not already public means that, to my knowledge, PG&E does not have a practice of releasing data of this type to the general public without a protective order or applicable non-disclosure

agreement in place. It is possible that the data have been released publicly by another party, including by the counterparty to a particular procurement contract. Additionally, it is possible that a member of the public could ascertain with reasonable certainty the confidential data using publicly available circumstantial evidence, including through public statements made by third parties. I understand that pursuant to Ordering Paragraph 8 of Decision 06-06-066, if a party seeks access to specific information that is marked confidential in this upload and that party can demonstrate that the information has already been made publicly available, then the Commission may reject PG&E's assertion of confidentiality and disclose the data.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on October 12, 2022, at San Francisco, California.

/s/

DONALD HOWERTON

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**ADVICE LETTER FOR APPROVAL OF CROCKETT COGENERATION AGREEMENTS
PURSUANT TO DECISION 21-06-035 & DECISION 21-12-015
OCTOBER 12, 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
Confidential Appendix A1: Crockett Letter Agreement	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)).	The terms of the Crockett Letter Agreement presented in this appendix are generally confidential. The terms of this contract that are public pursuant to Item VII. B. are publicly disclosed in Section II.	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.
Confidential Appendix A2: Amendment to Crockett Letter Agreement	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)).	The terms of the Amendment to the Crockett Letter Agreement presented in this appendix are generally confidential. The terms of this contract that are public pursuant to Item VII. B. are publicly disclosed in Section II.	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.
Confidential Appendix B: Description of Letter Agreements for Modifying Unit Operation and Compensation Formula	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)).	The Description of Letter Agreements for Modifying Unit Operation and Compensation Formula presented in this appendix is generally confidential. The terms of these contracts that are public pursuant to Item VII. B. are publicly disclosed in Section II.	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.

**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