

December 5, 2022

Advice 6779-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Tier 1 Advice Letter Regarding Market Offer

Purpose

The California Public Utilities Commission (the “Commission”) November 18, 2022 Decision Approving Voluntary Allocations and Modifying Market Offer Process for the Sale of Excess Renewable Resources to Lower Power Charge Indifference Adjustment (“PCIA”) Costs Pursuant to Decision (“D.”) 21-05-030 (“the Market Offer Decision”) clarifies requirements on Pacific Gas and Electric Company (“PG&E”) concerning the Market Offer process. Pursuant to the Commission’s directive regarding Short-Term Market Offer sales, PG&E submits this Tier 1 Advice Letter comprising of the Short-Term Market Offer Process and Protocols, which include a revised timeline for the Market Offer process, and necessary changes to PG&E’s short-term pro forma agreements to conform to directives of the Market Offer Decision.

Background

D. 21-05-030 adopted the Voluntary Allocation and Market Offer (“VAMO”) process for PCIA eligible energy. The VAMO is a two-step process. First, PG&E offered Voluntary Allocations at the Market Price Benchmark in 10% increment slices of each Load Serving Entity (“LSE”) based on its “vintage, forecasted annual load share.” LSE Voluntary Allocation elections were approved by the Market Offer Decision.^{1/}

Second, any PCIA-eligible Renewables Portfolio Standard (“RPS”)-eligible energy not taken by LSEs through the Voluntary Allocation is offered to all market participants through the Market Offer process. D. 21-05-030 directed implementation of the VAMO process through Rulemaking (“R.”) 18-07-003. PG&E, together with Southern California Edison Company (“SCE”), and San Diego Gas and Electric Company (“SDG&E”) (together, the “Joint IOUs”), offered proposals for Market Offer as part of Track 1 of 2022 RPS Plans. The Commission considered such proposals as part of R. 18-07-003, and issued the Market Offer Decision directing certain modifications to such proposals.

1 D. 22-11-021, Ordering Paragraph 1

Ordering Paragraph 12 of the Market Offer Decision directs PG&E, SCE, and SDG&E to each file a Tier 1 Advice Letter within 15 days of the Market Offer Decision's issuance date with "[t]he changes to the Market Offer process and protocols ordered in this decision, their revised timeline for the Market Offer process, and any necessary changes to their Market Offer pro formas to conform to directives of this decision."

The attachments hereto contain materials which address PG&E's requirement to offer 100 percent of the short-term contracts remaining after Voluntary Allocation (i.e., eligible contracts with less than 10 years remaining) as part of a Short-Term Market Offer process.^{2/} PG&E's Tier 1 Advice Letter comprises of conforming revisions to the Joint IOUs' Market Offer Proposal relevant to the Short-Term Market Offer process, and PG&E-specific attachments. Such PG&E specific attachments include changes to PG&E's Market Offer pro forma agreements relevant to the Short-Term Market Offer process. The revised Short-Term pro forma agreements will support the sale of PG&E's short-term contracts (i.e., contracts with less than 10 years remaining) remaining after Voluntary Allocation.

Specifically, PG&E attaches hereto

Attachment A	Revised Joint IOU Filing on Track 1- Final 2022 Renewables Portfolio Standard- Market Offer Process
Attachment B	PG&E's Revised Framework for Assessing Market Offer Sales of Renewables Portfolio Standard Volumes (Confidential)
Attachment C	PG&E's Revised Framework for Assessing Market Offer Sales of Renewables Portfolio Standard Volumes (Public)
Attachment D	PG&E's Revised Market Offer Process Solicitation Protocol
Attachment E	PG&E's Revised Code of Conduct
Attachment F.1	Market Offer Confirm Product A
Attachment F.2	Market Offer Confirm Product B

2 D. 22-11-021, Conclusion of Law 4 and Ordering Paragraph 2.

A summary of PG&E-specific changes to conform to the Market Offer Decision is provided in Tables 1, 2, 3, 4 and 5 below.

Table 1. Summary of Changes to Market Offer Sales Framework		
Reference (Page no and Paragraph)	Modification	Reason for Modification
All References to “2022 Indifference Adjustment (“PCIA”) Renewables Portfolio Standard (“RPS”) Market Offer Solicitation (“Solicitation”) RPS Market Offer”	The year “2022” in references to 2022 PCIA RPS Market Offer Solicitation has been changed “2023”.	Compliance with OP 11 and OP 12 of D.22-11-021.
Page 1 Title	Adds language to clarify that the Market Offer solicitation relates specifically to the Short-Term Market Offer.	Compliance with OP 2 and OP 12 of D.22-11-021.
Page 1, Paragraph 1	Clarifies that the Market Offer solicitation is to be held in Compliance with D.22-11-021 and that the framework maybe updated for subsequent Market Offer solicitations in compliance with OP 3 and OP 4 D.22-11-021.	Compliance with OP 2, OP 3, OP 4, OP 12 and OP 13 of D.22-11-021.
Pages 1 and 2, Paragraphs 3 and 4 Products Sold	Adds language to clarify that products to be offered will be RPS energy and Renewable Energy Credits (“REC”) from facilities with power purchase agreements with delivery terms less than 10 years left in PG&E’s PCIA-eligible RPS portfolio that remains following the Voluntary Allocation process.	Compliance with OP 2 and OP 12 of D.22-11-021.
Page 3, Paragraphs 3 and 4	Adds language to clarify that products to be offered will be RPS energy and Renewable Energy Credits	Compliance with OP 2 of D.22-11-021.

Table 1. Summary of Changes to Market Offer Sales Framework		
Reference (Page no and Paragraph)	Modification	Reason for Modification
Volume Limit for Each Product	("REC") from facilities with power purchase agreements with delivery terms less than 10 years left in PG&E's PCIA-eligible RPS portfolio that remain following the Voluntary Allocation process.	
First bullet point on Page 4	Clarifies that PG&E intends to sell all eligible Market Offer volumes.	Compliance with OP 2 of D.22-11-021.
Second and Third bullets point on Page 4	Adds language to Framework to clarify that PG&E will independently consider the 2023 and 2024 volumes and prices offered when determining awards as LSEs have the opportunity to bid separate percentages in year.	Compliance with OP 12 and OP 14 of D.22-11-021.

Table 2. Summary of Changes to Market Offer Protocol		
Section/Reference	Modification	Reason for Modification
All References to "2022 Indifference Adjustment ("PCIA") Renewables Portfolio Standard ("RPS") Market Offer Solicitation ("Solicitation") RPS Market Offer"	The year "2022" in references to 2022 PCIA RPS Market Offer Solicitation has been changed to "2023".	Compliance with OP 11 and OP 12 of D.22-11-021.
Section I.A Overview	Clarifies that products to be offered will be RPS energy and Renewable	Compliance with OP 2 and OP 6 of D.22-11-021.

Table 2. Summary of Changes to Market Offer Protocol		
Section/Reference	Modification	Reason for Modification
	Energy Credits (“REC”) from facilities with power purchase agreements with contract delivery terms less than 10 years left in PG&E’s RPS eligible for Voluntary Allocation that remains following the Voluntary Allocation process.	
Section I.C Table 1: 2023 PCIA RPS Market Offer Solicitation Schedule of Events	Updates the solicitation schedule of events.	Compliance with OP 11 and OP 12 of D.22-11-021.
Section I.D.(f) Execution of Agreement	Adds language indicating that all agreements from the solicitation must be executed by Participants by March 13, 2023, to ensure timely submission of the Advice Letter for Market Offer transactions resulting from the solicitation.	Compliance with OP 6 and OP 12 of D.22-11-021.*
Section I.E Disclaimers for Rejecting Bids and/or Terminating this Solicitation	Adds language to clarify that PG&E can reject portions of Bid	Compliance with OP 14 of D.22-11-021
Section II A Product Attributes - Product	Adds language to clarify that products to be offered will be RPS energy and Renewable Energy Credits (“REC”) from facilities with power purchase agreements with delivery terms less than 10 years left in PG&E’s PCIA-eligible RPS portfolio that remain following the Voluntary Allocation process.	Compliance with OP 2 and OP 12 of D.22-11-021.

Table 2. Summary of Changes to Market Offer Protocol		
Section/Reference	Modification	Reason for Modification
Section II A Product Attributes – Delivery Term	Clarifies that delivery start date will begin after receipt of final CPUC Approval of Tier 1 Advice Letter for any Market Offer transactions.	Compliance with OP 6 of D.22-11-021.
Section IV.B.1.a Bid Package - Elections	Updates the Protocol to allow bidders bid different percentages for 2023 and 2024 short-term Market Offer products.	Compliance with OP 14 of D.22-11-021.
Section IV.B.1.a Bid Package – Green Attributes Price	Updates Protocol to allow provide different bid prices for 2023 and 2024 short-term Market Offer products.	Compliance with OP 14 of D.22-11-021.
Section III	Updates Protocol to allow PG&E independently to consider the 2023 and 2024 volumes and prices offered when determining awards.	Compliance with OP 14 of D.22-11-021
Section VIII Dispute Resolution	Clarifies that Participant must (i) utilize the Commission’s Alternative Dispute Resolution Forum is the initial forum to seek redress for conduct or results of the solicitation, and (ii) exhaust all of the Commission’s administrative remedies before challenging the solicitation results in state or federal courts.	Compliance with COL 18 and OP 12 of D.22-11-021.
Section IX	Adds language indicating that all agreements from the solicitation must be	Compliance with OP 6 and OP 12 of D.22-11-021.*

Table 2. Summary of Changes to Market Offer Protocol		
Section/Reference	Modification	Reason for Modification
Termination of the Solicitation-Related Matters	executed by March 13, 2023, to ensure timely submission of the Advice Letter for Market Offer transactions within the same time range as the other IOUs.	

* Execution of Agreements by March 13, 2023

D.22-11-021 requires all IOUs to propose Market Offer solicitation timelines and conduct solicitation on similar timelines to ensure that one IOU's Market Offer does not have advantage over another. To give effect to this requirement and ensure timely submission of the Tier 1 AL for CPUC Approval of the Market Offer transactions as requested in OP6 PG&E has included additional language in the Protocol for agreements resulting from the solicitation to be concluded within a reasonable time (i.e. within 25 days from the day qualified bidders are selected and notified).

Table 3. Summary of Changes to Code Conduct		
Reference (Page number and Paragraph)	Modification	Reason for Modification
Initial Paragraph	Removed language on when PG&E intends to initiate the MO Solicitation.	Language is not needed.
Section 1: Applicability Paragraph (a)	Added new section to address that the Code of Conduct is applicable when PG&E participates in their own MO solicitation.	Compliance with OP 9 and OP 9(c) of D.22-11-021.
Section 3: Information Access Paragraph 2	Added language to provide that if PG&E participates in its MO solicitation then it will notify the Independent Evaluator and Procurement Review Group .	Compliance with OP 9(d) of D.22-11-021.
Section 6: Transfers Between Market Offer Bid and Market Offer Solicitation Employees	Modified and clarified the language around transfers between MO bid and	Compliance with OP 9(a) of D.22-11-021.

Table 3. Summary of Changes to Code Conduct		
Reference (Page number and Paragraph)	Modification	Reason for Modification
Paragraph 1	solicitation employees per the Decision.	
Section 7: Term of Code of Conduct	Added language to clarify the term the Code of Conduct is applicable per the Decision.	Compliance with OP 9(b) of D.22-11-021.
Section 8: Violations	Added language around the IE providing the CPUC information of any violation(s) in their IE report(s) per the Decision.	Compliance with OP 9(e) of D.22-11-021

Table 4. Summary of Changes to Market Offer Confirm for Product A		
Section/Reference	Modification	Reason for Modification
Section 1.1 Product	Clarifies definition of Product to be RPS energy and Renewable Energy Credits ("REC") from PG&E's Short-Term Resource Pool.	Compliance with OP 2 and OP 12 of D.22-11-021.
Section 2.1 Total Amount	Clarifies that Total Amount of Product to be delivered by a Buyer will be RPS energy and RECs from PG&E's PCIA-eligible RPS portfolio that remains following the Voluntary Allocation process that fall into PG&E's Short-Term Resource Pool.	Compliance with OP 2 and OP 12 of D.22-11-021.
Section 2.2 Election	Updates contract to allow bidders bid different percentages for 2023 and 2024 short-term Market Offer volumes.	Compliance with OP 14 of D.22-11-021.
Section 2.3 Green Attributes Price	Updates contract to allow bidders provide separate bid prices for 2023 and	Compliance with OP 14 of D.22-11-021.

Table 4. Summary of Changes to Market Offer Confirm for Product A		
Section/Reference	Modification	Reason for Modification
	2024 short-term Market Offer volumes.	
Section 3.3 Delivery Period	Adds language to clarify that the Delivery of Product, subject to the satisfaction of Conditions Precent, will commence upon CPUC approval and continue until December 31, 2024 or December 31, 2023 if the Buyer's election for 2024 is 0%.	Compliance with OP 6 of D.22-11-021.
Section 4 Condition Precedent	Adds a new section to stipulate that deliveries of Product will commence after receipt of satisfaction of Conditions Precedents (i.e. Seller's receipt of final CPUC Approval of Tier 1 Advice Letter for executed Market Offer contract and Seller's receipt of performance assurance).	Compliance with OP 6 of D.22-11-02.*
Appendix A CPUC Approval	Added "CPUC Approval" as a new term and includes definition for the term.	Compliance with OP 6 of D.22-11-021.
Appendix A Voluntary Allocation	Revises definition for "Voluntary Allocation" to remove reference to "Resource Pool" (which was defined to include Long-Term Resource Pool).	Compliance with OP 2 and OP 12 of D.22-11-021.
All references to Long-term Resource Pool	All references to "Long-Term Resource Pool" have been deleted or replaced with references to "Short-Term Resource Pool".	Compliance with OP 2 and OP 12 of D.22-11-021.
All references to Resource Pools	All references to "Resource Pool" (which was defined to include Long-Term Resource Pool)	Compliance with OP 2 and OP 12 of D.22-11-021.

Table 4. Summary of Changes to Market Offer Confirm for Product A		
Section/Reference	Modification	Reason for Modification
	have been deleted or replaced with references to "Short-Term Resource Pool".	

* Conditions Precedent – Performance Assurance

PG&E's AL 6551-E for approval of its Market Offer contracts (which was approved by the Commission on October 19, 2022 included credit and collateral requirements which buyers were to comply with. To ensure that the credit and collateral terms already approved by the Commission can be effected PG&E has included satisfaction of the credit requirements as a condition precedent to commencement of deliveries.

Table 5. Summary of Changes to Market Offer Confirm for Product B		
Section/Reference	Modification	Reason for Modification
Section 1.1 Product	Clarifies definition of Product to be RPS energy and Renewable Energy Credits ("REC") from PG&E's Short-Term Resource Pool.	Compliance with OP 2 and OP 12 of D.22-11-021.
Section 2.1 Total Amount	Clarifies that Total Amount of Product to be delivered by a Buyer will be RPS energy and RECs from PG&E's PCIA-eligible RPS portfolio that remains following the Voluntary Allocation process that fall into PG&E's Short-Term Resource Pool.	Compliance with OP 2 and OP 12 of D.22-11-021.
Section 2.2 Election	Updates contract to allow bidders bid different percentages for 2023 and 2024 short-term Market Offer products	Compliance with OP 14 of D.22-11-021.
Section 2.3 Green Attributes Price	Updates contract to allow bidders provide separate bid prices for 2023 and 2024 short-term Market Offer volumes.	Compliance with OP 14 of D.22-11-021.

Table 5. Summary of Changes to Market Offer Confirm for Product B		
Section/Reference	Modification	Reason for Modification
Section 3.3 Delivery Period	Adds language to clarify that the Delivery of Product, subject to the satisfaction of Conditions Precedent, will commence upon CPUC approval and continue until December 31, 2024 or December 31, 2023 if the Buyer the election for 2024 is 0%.	Compliance with OP 6 and OP 14 of D.22-11-021.
Section 4 Condition Precedent	Adds a new section to stipulate that deliveries of Product will commence after receipt of satisfaction of Conditions Precedents (i.e. Seller's receipt of final CPUC Approval of Tier 1 Advice Letter for executed Market Offer contract and Seller's receipt of performance assurance).	Compliance with OP 6 of D.22-11-02.*
Appendix A CPUC Approval	Added "CPUC Approval" as a new term and includes definition for the term.	Compliance with OP 6 of D.22-11-021.
Appendix A Greengate Resources	Revises definition for "Greengate Resources" to remove references to resources that are not in PG&E's Short-Term Resource Pool.	Compliance with OP 2 and OP 12 of D.22-11-021.
Appendix A Voluntary Allocation	Revises definition for "Voluntary Allocation" to remove reference to "Resource Pool" (which was defined to include Long-Term Resource Pool).	Compliance with OP 2 and OP 12 of D.22-11-021.*
All references to Long-term Resource Pool	All references to "Long-Term Resource Pool" have been deleted or replaced with references to "Short-Term Resource Pool".	Compliance with OP 2 and OP 12 of D.22-11-021.

Table 5. Summary of Changes to Market Offer Confirm for Product B		
Section/Reference	Modification	Reason for Modification
All references to Resource Pools	All references to “Resource Pool” (which was defined to include Long-Term Resource Pool) have been deleted or replaced with references to “Short-Term Resource Pool”.	Compliance with OP 2 and OP 12 of D.22-11-021.

* Conditions Precedent – Performance Assurance

PG&E’s AL 6551-E for approval of its Market Offer contracts (which was approved by the Commission on October 19, 2022 included credit and collateral requirements which buyers were to comply with. To ensure that the credit and collateral terms already approved by the Commission can be effected, PG&E has included satisfaction of the credit requirements as a condition precedent to commencement of deliveries.

Subsequent to this Tier 1 Advice Letter, PG&E will submit a Tier 2 Advice Letter by December 19, 2022 relevant to the solicitation for long-term contracts remaining after Voluntary Allocation, with applicable changes to the Market Offer process and protocols. PG&E’s Tier 2 filing will include a revised timeline for the Market Offer process for the long-term solicitation, and any necessary changes to PG&E’s Market Offer pro formas to conform to directives of the Market Offer Decision.^{3/} Consistent with Ordering Paragraphs 3 and 4 of the Market Offer Decision, PG&E anticipates that its Tier 2 Advice Filing will include a methodology to optimize the value of bids for ratepayers, so that as part of the long-term market offer process, it may offer 65 percent of the remaining Power Charge Indifference Adjustment eligible long-term contracts in the Market Offer as long-term or short-term product.^{4/}

3 D. 22-11-021, Ordering Paragraph

4 See *also* D. 22-11-021 pp. 20-21 (stating “To optimize their portfolios when selling the remaining 65 percent of their long-term contracts, the IOUs may offer to sell them as both short-term or long-term contracts in the long-term solicitation. If an IOU decides to offer both long-term and short-term offers in the long-term solicitation, they should request approval for their methodology to optimize short-term and long-term bids in the Tier 2 Advice Letter file.”)

PG&E requests that the Energy Division issue a disposition letter no later than January 5, 2023. Any such disposition that makes this advice letter effective shall be deemed to constitute the following:

1. A finding that the PG&E Market Offer Process and Protocols for the short-term solicitation are approved, consistent with Ordering Paragraph 2 of Decision 21-11-021; and
2. A finding that the PG&E Market Offer Process and Protocols for the short-term solicitation, including the revised timeline for the Market Offer process, and the necessary changes to PG&E Market Offer pro forma to conform to directives of D. 21-11-021 are approved, consistent with Ordering Paragraph 12 of Decision 21-11-021.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than December 27, 2022, which is 22⁵ 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).

⁵ Pursuant to Rule 1.5 of General Order 96-B, PG&E requests to extend the protest period by two additional days because twenty days following submission of this advice letter is Sunday, December 25, 2022 and the Christmas holiday will be observed on Monday, December 26, 2022.

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.1, and OP 12 of D.22-11-021, this advice letter is submitted with a Tier 1 designation. PG&E requests that this Tier 1 advice submittal become effective upon date of submittal, which is December 5, 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 service lists R.17-06-026 and R.18-07-003. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

 /S/

Sidney Bob Dietz II
Director, Regulatory Relations

Cc: Service Lists R.17-06-026 and R.18-07-003



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (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) #: 6779-E

Tier Designation: 1

Subject of AL: Tier 1 Advice Letter Regarding Market Offer

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.22-11-021

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: Brendan Lucker, Brendan.lucker@pge.com

Resolution required? Yes No

Requested effective date: 12/5/22

No. of tariff sheets: 0

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

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

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

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

Contact Name:
Title:
Utility/Entity Name:

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

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

Clear Form

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

PACIFIC GAS AND ELECTRIC COMPANY

**DECLARATION OF BRENDAN LUCKER
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED
IN ADVICE LETTER 6779-E**

I, Brendan Lucker, declare:

1. I am a Senior Manager of Energy Transactions and Solicitations within the Energy Policy and Procurement organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include overseeing the negotiations for the purchase and sale of Renewables Portfolio Standard (RPS) energy as well as designing and administering solicitations for the purchase and sale of energy and energy-related products. 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, 21-11-029, and relevant Commission rules, I make this declaration seeking confidential treatment for certain data and information contained in the attachments to Advice Letter 6779-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 Public Utilities Code section 454.5(g), D.06-06-066, D.08-04-023, D.21-11-029, and/or relevant Commission rules. 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 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 December 1, 2022 at Danville, California.

 /s/ *Brendan Lucker*
Brendan Lucker
Senior Manager, Energy Transactions and
Solicitations
Pacific Gas & Electric Company

ATTACHMENT C
PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E) TRACK 1- REVISED 2022 RENEWABLES PORTFOLIO
STANDARD PROCUREMENT PLAN - MARKET OFFER PROCESS
IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06- 066, D. 21-11-029 Appendix 1, or Separate Confidentiality Statute or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Grey Shading in Attachment C	VII – Score sheets, analysis and evaluation for RPS Projects	Confidential score sheets, analyses and evaluation for RPS contracts.	Three years

Attachment A

Revised Joint IOU Filing on Track 1 - Final 2022 Renewables
Portfolio Standard-Market Offer Process

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

Order Instituting Rulemaking to Continue
Implementation and Administration, and
Consider Further Development, of California
Renewables Portfolio Standard Program.

Rulemaking 18-07-003

**REVISED JOINT FILING ON TRACK 1 – FINAL 2022 RENEWABLES PORTFOLIO
STANDARD PROCUREMENT PLAN - MARKET OFFER PROCESS**

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Dated: **December 5, 2022**

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

Order Instituting Rulemaking to Continue
Implementation and Administration, and
Consider Further Development, of California
Renewables Portfolio Standard Program.

Rulemaking 18-07-003

**REVISED JOINT FILING ON TRACK 1 – FINAL 2022 RENEWABLES PORTFOLIO
STANDARD PROCUREMENT PLAN - MARKET OFFER PROCESS**

I.

EXECUTIVE SUMMARY

Pursuant to Ordering Paragraph (“OP”) 12 of Decision (“D.”) 22-11-021, issued November 18, 2022, , Southern California Edison Company (U 338-E), Pacific Gas and Electric Company (U 39 E), and San Diego Gas & Electric Company (U 902 E) (hereinafter referred to as the “Joint Investor Owned Utilities” or “Joint IOUs”)¹ hereby separately submit their Revised Joint Track 1 - Draft 2022 RPS Procurement Plan (“RPS Plan”) on the Market Offer Process for their Power Charge Indifference Adjustment (“PCIA”)-eligible RPS energy (“RECs”) as an attachment to each of their Tier 1 Advice Letters.² This Joint Revised Track 1 - RPS Plan for the Market Offer Process focuses solely on the following elements of this first Market Offer Process:

¹ The Joint IOUs are Southern California Edison Company (“SCE”), Pacific Gas and Electric Company (“PG&E”), and San Diego Gas & Electric Company (“SDG&E”).

² OP 12, of D.22-11-021, requires the Joint IOUs to each submit a Tier 1 Advice Letter within 15 days of its issuance date of November 18, 2022, which is December 3, 2022. The next business day after December 3, 2022 is December 5, 2022, the date on which the Joint IOUs will submit their Tier 1 Advice Letters with this Revised Joint Track 1 – 2022 RPS Procurement Plan for the Market Offer Process.

- The Joint IOUs will offer for sale to all market participants all RECs that were not allocated to PCIA-eligible Load Serving Entities (“LSEs”) through the Voluntary Allocations ordered by Decision No. (“D.”) 21-05-030.
 - Pursuant to OP 2, of D.22-11-021, the Joint IOUs will offer 100 percent of their remaining PCIA-eligible short-term contracts in the Market Offer.
 - Pursuant to OP 3, of D.22-11-021, the Joint IOUs will offer a minimum of 35 percent of the remaining PCIA-eligible long-term contracts in the Market Offer as long-term contracts.
 - Pursuant to OP 4, of D. 22-11-021, the Joint IOUs may offer 65 percent of the remaining PCIA-eligible long-term contracts in the Market Offer as:
 - Long-term product, or
 - Short-term product
 - Pursuant to OP 5, of D.22-11-021, the term for sales of the long-term RECs should last through the end of the term of the longest contract in the IOUs PCIA-eligible RPS portfolio.
- Market Offer sales will only occur through one competitive solicitation, described by each IOU in its section of Appendix B on Market Offer Process Solicitation Protocols, which may include that IOU as a bidder pursuant to each IOUs’ separate Market Offer Code of Conduct attached in its section of Appendix C.
- Pursuant to OP 6 of D.22-11-021, the Joint IOUs will seek Tier 1 Advice Letter approval of all signed pro forma short term Market Offer Contracts consistent with the treatment of REC Sales Agreements in their Final 2021 RPS Plan and will seek Tier 3 Advice Letter approval of signed pro forma long term Market Offer contracts.
- Pursuant to OP 7, of D.22-11-021, the Joint IOUs will allow Market Offer bids as a quantity of RPS eligible resources in percentage increments , which must be represented in whole numbers.

- Pursuant to OP 8, of D. 22-11-021, SCE will base its bid floor on the approved method in D.21-01-005.
- Pursuant to OP 9, D.22-11-021, the Joint IOUs have modified their respective code of conduct to include the changes required that decision.
- Pursuant to OP 10, of D.22-11-021, the Joint IOUs shall each not conduct concurrent non-Market Offer solicitations for similar RPS products during the same solicitation period.
- Pursuant to p.39 and OP 11, of D.22-11-021, the Joint IOUs set forth a timeline for their short-term Market Offer solicitation in Section III.G below. The Joint IOUs will propose a schedule for the long-term Market Offer solicitation in their Tier 2 Advice Letter
- The Joint IOUs propose in Section IV below, how sales revenue from the Market Offer Process will be treated consistent with discussion on pp.36-38, of D.22-11-021.

The Joint IOUs urge the Commission to take timely action approving the Market Offer Process so that solicitations are complete and Market Offer Contracts are signed and approved in an expeditious manner.

II.

PROCEDURAL BACKGROUND AND OVERVIEW

D.21-05-030 adopted the Voluntary Allocation and Market Offer (“VAMO”) process for PCIA-eligible RPS energy. The VAMO is a two-step process. First, the Joint IOUs will offer Voluntary Allocations at the MPB in 10% increment slices of each LSE’s “vintage, forecasted annual load share.”³ Second, any PCIA-eligible RPS energy not taken by LSEs through the Voluntary Allocation will be offered to all market participants through the Market Offer process.

³ D.21-05-030, OP 2(b), p. 63.

D.21-05-030 gave the IOUs discretion “to propose how to structure long-term sales products and which portion of unallocated shares to offer as long-term sales.”⁴

D.21-05-030 indicates that the Commission “will review IOUs proposals for Market Offer products in the RPS proceeding.”⁵ This Joint Revised Track 1 RPS Plan – Market Offer Process contains the Joint IOUs’ proposal for offering Market Offer products, except for the confidential portions of their proposals which will each be separate appendices to their Tier 1 Advice Letters. D.21-05-030, Ordering Paragraph (“OP”) 2, ordered the Joint IOUs to initiate Voluntary Allocations of its PCIA-eligible RPS resources, which allow LSEs to elect to take, in 10% increments a “slice” of the IOU’s portfolio in short- and long-term allocations of RPS energy in proportion to their vintage, forecasted annual load share.

The Joint IOUs initiated the Voluntary Allocations of their PCIA-eligible RPS energy on February 28, 2022, by submitting Tier 2 Advice Letters seeking approval of their pro forma Voluntary Allocation Contracts. The Joint IOUs then proceeded to share or intend to share Load Forecast information with each LSE eligible for a Voluntary Allocation so that each LSE can understand what amount of RPS energy it can elect to receive through the Voluntary Allocation process. The Joint IOUs had the LSEs indicate the amounts that they are taking of the Voluntary Allocations and sign pro forma Voluntary Allocation Contracts by July 1, 2022. The Assigned Commissioner’s Ruling and Assigned Administrative Law Judge’s Ruling Identifying Issues and Schedule of Review for 2022 Renewables Portfolio Standard (“RPS”) Procurement Plans and Denying Joint IOUs’ Motion to File Advice Letter for Market Offer Process, dated April 11, 2022 (“April 11 ACR”) states that the Track 2 Draft 2022 RPS Plans should include reporting on Voluntary Allocations including “delivery volumes and period and should indicate if Voluntary Allocation elections are short- or long-term allocations.” In the Motion to Update the Track 2 Procurement Plan, each Joint IOUs include reporting on the Voluntary Allocations it entered

⁴ *Id.* at p. 24.

⁵ *Id.*

into, including delivery volumes and period and indicating if Voluntary Allocation elections are short- or long-term allocations. D.22-11-021, Conclusion of Law (“COL”) 1 and OP 1, approved these Voluntary Allocation.

Any RECs not taken through Voluntary Allocations will be offered to all market participants through the Market Offer process described in this Joint Revised Track 1 Draft 2022 RPS Plan – Market Offer Process.

III.

RENEWABLE ENERGY CREDITS SALES FRAMEWORK

D.21-05-030 states the expectation “that the IOUs’ Market Offer proposals will be based upon processes and mechanisms for IOU REC sales previously approved in the Commission’s RPS proceeding.”⁶ D. 22-11-021 approves Voluntary Allocation elections of LSEs, and directs the IOUs to offer PCIA-eligible volumes remaining after Voluntary Allocation through the Market Offer process.⁷ Specifically, D. 22-11-021 orders the Joint IOUs to offer PCIA-eligible volumes remaining after Voluntary Allocation through the Market Offer process, through short and long-term transactions, specifically ordering (1) 100 percent of eligible short-term contracts as a short-term product;⁸ (2) 35 percent of eligible long-term volumes as a long-term product;⁹ and (3) 65 percent of eligible long-term volumes as long-or short-term products, subject to a methodology to optimize the value of bids for ratepayers.¹⁰ This Sales Framework is applicable to the sale of products through the Market Offer process.¹¹

⁶ D.21-05-030, p. 24.

⁷ D. 22-11-021, COL 1 and OP 1.

⁸ D. 22-11-021, OP 2.

⁹ D. 22-11-021, OP 3.

¹⁰ D. 22-11-021, OP 4.

¹¹ D. 22-11-021, OP 13 orders the Joint IOUs to each file a Tier 2 Advice Letter within 30 days of issuance of D. 22-11-021 for the long-term solicitation, with the changes to the Market Offer process and protocols, a revised timeline for the Market Offer process, and any necessary changes to their Market Offer pro formas to conform to D. 22-11-021. See also pp.21-22 (stating “If an IOU decides to offer both long-term and short-term offers in the long-term solicitation, they should request

Continued on the next page

A. Short-Term REC Sales Framework

The Joint IOUs' Short-Term Market Offer Process is based upon their Final 2021 RPS Procurement Plan REC Sales Frameworks with the following noteworthy exceptions related to the requirements of the VAMO process as clarified by D. 22-11-021:

- There will not be a fixed amount of short-term RECs provided to buyers; instead, they will purchase a slice of each IOU's RPS portfolio that remains following the Voluntary Allocation, and will accept whatever output the eligible portfolio generates associated with the procured short-term slice, but not a fixed number of RECs. The sale of a slice of the IOU's portfolio will also be subject to on-going portfolio optimization by the IOU. This is consistent with the product offered through Voluntary Allocations.
- Buyers may bid different percentages for 2023 and 2024 short-term Market Offer products.¹²
- The sales volume limit will be forecast as the amount of short-term PCIA-eligible RPS energy and/or RECs eligible remaining after the Voluntary Allocation elections, instead of through a confidential sales volume limit.
- Sales pursuant to the Market Offer Process will be limited to the competitive solicitation and no bilateral contracts will be allowed as approved by D. 22-11-021.¹³
- Each Joint IOU will discuss whether additional Market Offer Process solicitations will be offered in its report on the Market Offer Process offered within 90 days of completing the second Market Offer solicitation, which is required in D.21-05-030,

approval for their methodology to optimize short-term and long-term bids in the Tier 2 Advice Letter file.”)

¹² D. 22-11-021, p. 42, COL 25, and OP 14.

¹³ D. 22-11-021, Finding of Fact 9.

OP 4,¹⁴ rather than identifying the total number of anticipated solicitations to be held during the RPS Plan period.

- Each Joint IOU has an option to participate in the Market Offer Process subject to adherence to that IOU's Market Offer Code of Conduct, as modified by D. 22-11-021, as attached in each IOU's Tier 1 Advice Letter .

The elements of the Short-Term Market Offer Process consistent with the REC Sales Framework in the Final 2021 RPS Procurement Plan are:

- PG&E, SCE, and SDG&E will offer short-term REC sales, limited to the remaining years of the current Compliance Period 4 (2021-2024), but will not sell any 2021 or 2022 PCC 3 RECs.
- The Joint IOUs will each offer for sale a slice of their entire portfolios that remain after the Voluntary Allocation elections, as described below. SCE will offer for sale a slice of its PCC 1 and PCC 3 portfolios of resources that remain after the Voluntary Allocation elections PG&E will offer for sale a slice of its PCC 1, PCC 2, and PCC 3 portfolios that remain after the Voluntary Allocation elections. SDG&E will offer for sale a slice of its PCC 1 and PCC 3 portfolios of resources that remain after the Voluntary Allocation elections.
- Each Joint IOU will have separate confidential pricing standards.
- Each IOU will hold a competitive solicitation consistent with the Market Offer Process Solicitation Protocols, in its section of Appendix B, which are based on those in its Final 2021 RPS Plan.

¹⁴ D.21-05-030, OP 4, pp. 64-65. As described above, D. 22-11-021 orders a subsequent Market Offer process for the sale of long and/or short-term products. The Joint IOU report on the Market Offer process will follow the conclusion of the Market Offer process.

- The Joint IOUs will use pro forma Market Offer short-term REC Sales Agreements from the Tier 2 Advice Letter process initiated on April 4, 2022, with any relevant modifications to the Market Offer process adopted by D. 22-11-021.¹⁵
- The Joint IOUs will submit a Tier 1 Advice Letter for Commission approval of executed Market Offer REC Sales Agreements.¹⁶

B. Long-Term REC Sales Framework

The Joint IOUs will offer their joint Long-Term REC Market Offer Framework as part of Tier 2 Advice Letter on December 19, 2022.

C. Products Offered

The RECs offered through the Market Offer will be re-sale transactions as envisioned in D.11-12-052. Therefore, pursuant to D.11-12-052, all PCC 0 and PCC 1 RECs transferred to other market participants through the Market Offer that meet the PCC 1 criteria set out in Public Utilities Code §399.16(b)(1)(A) will be transferred as PCC 1 RECs. Public Utilities Code §399.16(b)(1)(A) states that PCC 1 eligible renewable resources must:

Have a first point of interconnection with a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source. The use of another source to provide real-time ancillary services required to maintain an hourly or subhourly import schedule into a California balancing authority shall be permitted, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this portfolio content category.

¹⁵ Insert reference to Advice Letter Numbers of Tier 2 Advice Letters, submitted April 4, 2022. SCE's Advice Letter No. 4759-E, PG&E's Advice Letter No. 6551-E, and SDG&E's Advice Letter No. 3983-E.

¹⁶ D. 22-11-021, OP 6.

Any PCC 0 RECs, which do not meet the criteria of Public Utilities Code §399.16(b)(1)(A), must also be sold through the Market Offer but may produce PCC 2 or PCC 3 RECs, depending upon whether they meet the criteria of 399.16(b)(2) or 399.16(b)(3).

D.21-05-030, OP 3(a) requires that “The Market Offer shall offer for sales all [PCIA]-eligible RPS energy remaining after a Voluntary Allocation.”¹⁷ The Joint IOUs interpret this as requiring that the RPS energy rejected through Voluntary Allocation be offered through the Market Offer. The RPS energy offered through Market Offer is not a fixed amount of RECs provided to buyers; instead, it is a slice of an IOU’s RPS portfolio on resale. So, the Buyer must accept a slice of an IOU’s RPS portfolio through the Market Offer, not a fixed amount of RECs, as each IOU would typically offer through a REC Sales solicitation. As a result, the RECs purchased will not have a specified quantity of PCC 1, PCC 2, and/or PCC 3 RECs. The RECs received by the Buyer will be the output of the slice of the IOU’s RPS portfolio that the Buyer successfully bids for. For SCE and SDG&E, that slice can consist of PCC 1 and/or PCC 3 RECs produced by that slice depending on how the Buyer bids. For PG&E, it will be a slice of PCC 1 RECs and/or a slice of the non-PCC 1 RECs remaining in PG&E’s portfolio after Voluntary Allocation, depending on how the Buyer bids.

Joint IOUs will offer bundled RPS energy from resources that are PCIA-eligible that may provide PCC 1, PCC 2, and/or PCC 3 RECs. For CPUC-jurisdictional LSEs, the ultimate PCC category of any RPS-eligible resource utilized for RPS compliance is determined by the Commission. Joint IOUs will only sell forward products; the Joint IOUs will not sell any RECs associated with any prior generation. They will only sell RPS-eligible energy and RECs that they would have allocated through Voluntary Allocation.

¹⁷ D. 21-05-030, p. 64.

The RECs offered by SCE, PG&E, and SDG&E will be short-term only and will be offered only for the remainder of Compliance Period 4 (2023-2024). In a subsequent Market Offer, the Joint IOUs will offer (a) 35 percent of eligible long-term volumes as a long-term product;¹⁸ and (2) 65 percent of eligible long-term volumes as long-or short-term products, subject to a methodology to optimize the value of bids for ratepayers.¹⁹

1. PCC 1

The Joint IOUs will offer bundled RPS energy from PCIA-eligible resources that provide PCC 1 RECs. These PCC 1 RECs will flow from PCIA-eligible RPS resources that would produce either PCC 0 or PCC 1 RECs for the Joint IOUs for re-sale, consistent with the requirements of Public Utilities Code §399.16(b)(1)(A).

2. PCC 2

PG&E's PCIA-eligible portfolio includes RPS-eligible procurement contracts, executed prior to June 1, 2010, that provide PG&E with RPS-eligible energy from out-of-state renewable resources. Under certain of PG&E's procurement arrangements, the renewable energy from out-of-state renewable resource is paired with a substitute energy resource that is imported into the state. While RECs associated with such procurement arrangements satisfy the PCC 0 criteria for PG&E due to the legacy status of the procurement arrangement, certain of PG&E's procurement transactions meet the criteria of Public Utilities Code §399.16 (b)(2) to provide PCC 2 RECs, but is not so categorized for PG&E due to its legacy status of the procurement arrangement. PG&E will offer energy and RECs from these resources through a "non-PCC 1 REC" sales process, together with other RPS products that do not meet the requirements of Public Utilities Code §399.16(b)(1)(A).²⁰

¹⁸ D. 22-11-021, OP 3.

¹⁹ D. 22-11-021, OP 4.

²⁰ Consistent with its Commission-approved proforma RPS sales contracts, PG&E makes no representation regarding the Commission's PCC categorization of any RPS product sold. The Commission ultimately determines PCC categorization of California RPS compliance products for Commission-jurisdictional LSEs.

3. PCC 3

The Joint IOUs will offer RPS energy from PCIA-eligible resources that cannot meet the requirements of Public Utilities Code §399.16(b)(1)(A), because they do not have a first point of interconnection with a California Balancing Authority. This RPS energy will provide PCC 3 RECs.

D. Confidential Sales Framework

On April 15, 2022, the Joint IOUs submitted an extension request to the Administrative Law Judges in this proceeding that also requested authority for each IOU to submit confidential, market sensitive information supporting its Market Offer transactions through separate, confidential filings. On April 21, 2022, an Administrative Law Judge Ruling was issued granting the Joint IOUs authority to separately file Confidential Market Offer Strategies Supporting the Market Offer and separate Motions to Leave to File Under Seal the confidential, market sensitive information concerning each IOUs Market Offer process. Accordingly, each IOU's May 16, 2022 filing set out the proposed confidential pricing standards and/or other commercially sensitive information supporting each IOUs' Market Offer process.

D. 22-11-021 addressed the Joint IOUs confidential sales protocols. Specifically, D. 22-11-021 determined that bid floors, should they be used by an IOU, promote competitive solicitations and avoid market manipulation, benefitting ratepayers.²¹ As such, D. 22-11-021 states that IOUs may use bid floors in their Market Offer process.²² Bid floors, if used, must be vetted with each IOUs' respective Procurement Review Group and Independent Evaluator in advance of the solicitation.²³ D. 22-11-021 also directs SCE to follow the bid floor methodology approved in D.21-01-005 for its 2021 RPS Plan, should SCE use bid floors.²⁴ Each IOU

²¹ D. 22-11-021, p. 25.

²² D. 22-11-029, COL 29.

²³ D. 22-11-021, Finding of Fact 18.

²⁴ D. 22-11-021, COL 9.

provides updates to its Sales Framework, if any, adherent to the directives set forth in D. 22-11-021, in a confidential attachment to its Tier 1 Advice Letter.

E. Sales Limits

As noted above, D.21-05-030, OP 3(a) requires that “The Market Offer shall offer for sales all [PCIA]-eligible RPS energy remaining after a Voluntary Allocation.”²⁵ This finding sets the Sales Limit for the Market Offer Process at all PCIA-eligible RPS energy remaining after a Voluntary Allocation. While D. 22-11-021 adopted such proposed overall sales limit as uncontested, that Decision also ordered that short- and long-term product solicitations be held, subject to the criteria described above. As such, for each sales solicitation, the Sales Limit for such solicitation shall be 100 percent of eligible contracts relevant to the solicitation remaining after Voluntary Allocation.²⁶

F. Competitive Solicitation Only

1. Open to All Market Participants

The Joint IOUs propose that the Market Offer process be open to all market participants. The Working Group 3 (“WG3”) Proposal, addressed in D.21-05-030 “recommends making the Market Offer process open to all market participants, including the IOU administering process.”²⁷ D.21-05-030, in Conclusion of Law (“COL”) 4, states that “The Commission should approve the WG3 Proposal regarding Voluntary Allocations and Market Offers of PCIA-eligible RPS resources to the extent that it is consistent with the Commission’s compliance programs and proceedings, as well as tailored to mitigate risks of unintended consequences.”²⁸ The inclusion of all market participants in the Market Offer process is

²⁵ D. 21-05-030, p. 64.

²⁶ D. 22-11-021, OP 2.

²⁷ D.21-05-030, p. 25.

²⁸ D.21-05-030, COL 4, p. 58.

consistent with the Commission’s compliance programs and proceedings. In particular, all market participants are eligible to bid into the Joint IOUs’ REC sales solicitations entered into pursuant to the Commission-adopted Final 2021 RPS Procurement Plans.²⁹ The Joint IOUs see no unintended consequences associated with all market participants being eligible to participate in the Market Offer process. Indeed, the inclusion of all market participants should make the Market Offer process more competitive because it significantly increases the number of bidders eligible to participate in the solicitation.

2. Joint IOUs may participate through Market Offer Code of Conducts

D.21-05-030, in OP 3(c), states that “[t]he Market Offer process should include rules for utility participation in solicitations they administer.” The Joint IOUs have each included in Appendix C their respective Market Offer Codes of Conduct (MO COC). Each MO COC defines rules for each IOU’s utility’s participation in solicitations they administer. The Joint IOUs propose adoption of each MO COC as part of the Commission’s adoption of the Market Offer process to give the Joint IOUs the option to participate in the solicitations that they administer. If the Joint IOUs opt to participate in their Market Offer solicitations, they will follow the rules in their respective MO COC for documenting the process and will obtain Commission review and approval through the Tier 1 Advice Letter process.

D.22-11-021 adopted restrictions to be included in the COCs for IOU participation in the Market Offers in which they administer. Specifically, the IOUs’ MO COCs will restrict members of its bid teams and evaluation teams from transferring between the groups for the duration of the Market Offer process until all executed agreements are filed are submitted to the Commission for approval,³⁰ will remain effective until the submission of IOU’s Market Offer contracts are submitted for Commission approval,³¹ and will require all employees

²⁹ See D. 22-01-004, OP 1, p. 86.

³⁰ D.22-11-021, Ordering Paragraph 9(a).

³¹ *Id.*, at Ordering Paragraph 9(b).

involved in their Market Offer processes to sign a compliance certification to their respective MO COC.³² Lastly, per D.22-11-021, the IOUs' MO COCs must require its bid teams to provide bids into its own Market Offer to the Independent Evaluator (IE) Procurement Review Group (PRG) prior to submission for Commission approval,³³ and that the IOUs make the IE aware of its MO COC rules and tasks the IE with reporting any MO COC violations by the IOU during the Market Offer process.³⁴

G. Commission Approval of Short-Term Sales Through Tier 1 Advice Letter, Long-Term Sales Through Tier 3 Advice Letter

For any short-term RPS sales resulting from the market offer process, which shall be equal to the length of the RPS Compliance Period that the Market Offer solicitation seeks to sell, the Joint IOUs propose to use the Tier 1 Advice Letter approval process for executed short-term REC sales, as established in D.14-11-042.³⁵

For any long-term transactions executed in the Market Offer, which shall last through the end of the term of the longest contract in the IOUs PCIA-eligible RPS portfolio,³⁶ the Joint IOUs will seek Commission approval through a Tier 3 Advice Letter, consistent with D.22-11-021.³⁷

H. Involvement of Procurement Review Group (PRG) and Independent Evaluator (IE)

Pursuant to D.02-08-071, the IOUs are required to meet with a Procurement Review Group ("PRG"), comprised of non-market participants, to review and assess the details of procurement activities. As a part of this requirement, IOUs must meet with the PRG quarterly to review portfolio positions and any transactions. Each IOU intends to review Market Offer

³² *Id.*, at Ordering Paragraph 9(c).

³³ *Id.*, at Ordering Paragraph 9(d).

³⁴ *Id.*, at Ordering Paragraph 9(e).

³⁵ Also see, D.21-11-021, Ordering Paragraph 6.

³⁶ *Id.*, at Ordering Paragraph 5.

³⁷ *Id.*, at Ordering Paragraph 6.

activities, including the overall results of the Market Offer and the selected bids, with its respective PRG.

The IOUs will also utilize an Independent Evaluator (“IE”) as part of the Market Offer. The intent for an IE is to “separately evaluate and report on the investor-owned utility’s entire solicitation, evaluation and selection process” in order to “serve as an independent check on the process and final selections.”³⁸ The CPUC’s Energy Division has provided a standard reporting template for RPS transactions that will be used by the IE and included in any advice letter seeking approval of Market Offer transactions. Each IOU will also review confidential bid floors, if any, with its PRG and IE in advance of the solicitation.³⁹

I. Short-Term Market Offer Proposed Timeline

The Joint IOUs have aligned on a proposed timeline for the Short-Term Market Offer. The proposed timeline allows for each IOU to seek CPUC approval of any transactions that result from the Market Offer although the Short-Term Market Offer deliveries will start in May 2023 and not coincide with Voluntary Allocation deliveries starting in January 2023. At the minimum, each IOU will launch the solicitation and receive bids on the same dates to not advantage one IOU’s Market Offer over another. Dates are subject to change and dependent upon prior CPUC approval of the Short-Term Market Offer process.

³⁸ D.06-05-039, p. 46.

³⁹ D. 22-11-021, FoF 18.

Proposed Short-Term Market Offer Timeline for 2022

Event	Date*
Participants may register online at [IOU website] to receive notices regarding the solicitation.	Ongoing
[IOU] issues the solicitation	January 9, 2023
Participants' webinar	January 12, 2023
Bids due	January 20, 2023, at 1 PM
[IOU] notifies qualified Participants	February 16, 2023
[IOU] and qualified Participants execute an Agreement	March 2023
[IOU] submits Agreements for CPUC Approval	March 2023

*Dates are approximate and subject to change.

J. Long-Term Market Offer Proposed Timeline

The Joint IOUs will offer their joint Long-Term Market Offer Proposed Timeline in their Tier 2 Advice Letters with their Long-Term Market Offer Pro Forma Contracts on December 19, 2022.⁴⁰

IV.

ALLOCATION OF SALES REVENUE

A. Ratemaking for Market Offer Sales Revenues

As described above, under the Joint IOUs' Market Offer process, a Buyer will purchase volumes remaining after a Voluntary Allocation process. Under each of the IOU's proposed transactions, the Buyer procures quantities of REC's; no vintage-specific product is offered. Accordingly, the Joint IOUs proposed a ratemaking framework, adopted by D. 22-11-021,⁴¹

⁴⁰ D. 22-11-021, OP 13, requires the Joint IOUs to each submit a Tier 2 Advice Letter with their Long-Term Market Offer Pro Forma Contracts and Proposed Timeline within 30 days of its issuance date of November 18, 2022, which is December 18, 2022. The next business day after December 18, 2022 is December 19, 2022, the date on which the Joint IOUs will submit their Tier 2 Advice Letters.

⁴¹ D. 22-11-021 FoF 24. See also p. 37 (stating "proposal to use the same accounting rules as Voluntary Allocations is reasonable because it lends consistency to the process of allocating sales revenue. Additionally, the Joint Market Offer Proposal for allocating Market Offer sales revenue was uncontested and is generally consistent with the principles of cost causation and with the guidance provided by D.21-05-030 and D.19-10-001. Therefore, sales revenue from Market Offer transactions should follow the same rules as Voluntary Allocations.")

wherein revenues from third party Market Offer REC sales are shared pro rata across all applicable PCIA customer vintages.⁴² Similar to IOUs participating in the Voluntary Allocation process, an IOU participating in its own Market Offer process for its own PCIA eligible resources will not enter into a contract to remit funds to itself for a product in its own portfolio. Therefore, consistent with D. 21-05-030's determination of ratemaking for IOU Voluntary Allocation transactions, the IOU pay any Market Offer award as a debit from the ERRA balancing account at the transacted price, and a credit to applicable PABA customer vintages.⁴³ The Joint IOUs ratemaking proposal was adopted by D. 22-11-021.

The Joint IOU Market Offer ratemaking will provide customers that pay for vintage PCIA charges with a pro rata share of revenues resulting from Market Offer REC sales transactions. Consistent with Conclusion of Law 20 of D. 19-10-001, the value of unsold RECs is zero. D. 22-11-021 further clarifies that "the volumes of RECs eligible for Market Offer and that are unsold or not procured by the IOU are valued at zero for the purposes of PCIA ratemaking."⁴⁴ As such, volumes of RECs available for Market Offer as of January 1, 2023 and that are not sold or procured by the IOU will be valued at zero.

D. 22-11-021 was issued following the Joint IOUs' respective 2023 Energy Resource Recovery Account ("ERRA") Forecast Applications filings and Fall Updates. D. 22-11-021 addresses the IOUs' future ERRA Forecast Applications where Market Offer transactions will be known.⁴⁵ In future ERRA Forecast Applications the IOUs will allocate forecast sales revenues using executed transaction prices and to continue to apply sales revenues to the applicable PABA vintage subaccount. Consistent with D. 19-10-001, executed Market Offer transactions will be considered "Actual Sold" RPS volumes for PCIA forecasting purposes,⁴⁶

⁴² D. 22-11-021, FoF 23.

⁴³ D. 22-11-021, COL 19.

⁴⁴ D. 22-11-021, p. 38.

⁴⁵ D. 22-11-021, p. 38.

⁴⁶ D. 22-11-021, p. 28.

1. IOUs Should Use the Best Available Information to Forecast Market Offer Sales

For the purposes of ratemaking, Market Offer revenues are to be forecast in the IOUs' annual ERRA Forecast Applications as sales using the best available information concerning Market Offer transactions at the time of filing.⁴⁷ On a forecast basis, forecasted sales revenues reduce the overall forecast cost of the vintage PCIA portfolios.

In future years, Market Offer transactions will be known in advance of the ERRA Forecast test year. As such, in future ERRA Forecast filings, the IOUs will forecast each Market Offer transaction at the actual transacted price applicable to the Market Offer procurement transaction.⁴⁸ The IOUs will continue to pay for their allocations from a ratemaking perspective as a debit from the ERRA balancing account and a credit to applicable PABA subaccounts at the price the IOU bid for the awarded Market Offer transaction.⁴⁹

2. IOUs Should Record Actual Market Offer Revenues to PABA Vintage Subaccounts

After a Market Offer transaction is forecast, actual results may differ from the forecasted revenues and quantities associated with the transaction. Under the IOUs standard accounting practices, PABA revenues associated with the Market Offer transaction are updated based on the actual generation by PCIA vintaged resource and revenues resulting from each Market Offer transaction. Through the IOUs standard accounting practices recording actual market revenues to PABA subaccounts, forecasted revenues are ultimately “trued up” to actual revenues in the annual disposition of the PABA balancing account in rates.⁵⁰

⁴⁷ D. 22-11-021, FoF 22.

⁴⁸ Id. See also pp. 27-28.

⁴⁹ D. 22-11-021, COL 19.

⁵⁰ See D. 22-11-021, pp. 27-28 (approving Joint IOU ratemaking proposal) and FOF 24.

Attachment B

PG&E's Revised Framework for Assessing Market Offer
Sales of Renewables Portfolio Standard Volumes

(Confidential)

Attachment C

PG&E's Revised Framework for Assessing Market Offer
Sales of Renewables Portfolio Standard Volumes

(Public)

PG&E's Revised Framework for Assessing Market Offer Sales of Renewables Portfolio Standard Volumes: Short-Term Market Offer

This Appendix A describes Pacific Gas and Electric Company's (PG&E) framework (Sales Framework) for sales of Renewables Portfolio Standard (RPS) volumes through the 2023 Power Charge Indifference Adjustment (PCIA) RPS Market Offer process held in compliance with Ordering Paragraph 2 of Decision 22-11-021 for Market Offer RPS sales with deliveries in years 2023-2024. This Sales Framework governs only PG&E's Market Offer sales that are conducted in compliance with Ordering Paragraph 2 of Decision 22-11-021 as part of Track 1 of PG&E's 2022 RPS Plan.¹ PG&E may update this Sales Framework as part of subsequent RPS Plan filings that include Market Offer solicitations, including as part of Market Offer solicitations that are conducted in compliance with Ordering Paragraphs 3 and 4 of Decision 22-11-021, PG&E may therefore adjust its methodology and the resulting calculations of volumes for sale in any future Market Offer solicitation.

Products Sold:

As described in the Track 1 Draft RPS Plan, PG&E will offer Product A and Product B.

Product A: Following Voluntary Allocation, remaining bundled RPS-eligible energy and associated Renewable Energy Credits (RECs) from facilities with power purchase agreements with terms less than 10 years remaining from the start date of market offer deliveries in PG&E's PCIA-eligible RPS portfolio that meet the criteria of Public Utilities Code §399.16(b)(1).

Product B: Following Voluntary Allocation, remaining RPS-eligible energy and/or associated RECs from facilities with power purchase agreements with terms less than

¹ Southern California Edison Company, PG&E, and San Diego Gas & Electric Company jointly filed a Draft 2022 Renewables Portfolio Standard Procurement Plan – Market Offer Process, on May 2, 2022 in Rulemaking 18-07-003 and D. 22-11-021 ordered revisions to such filing as provided by an attachment to PG&E's Tier 1 Advice Letter Filing (hereinafter referred to as Track 1 Draft 2022 RPS Plan).

10 years remaining from the start date of market offer deliveries in PG&E's PCIA RPS-eligible portfolio that do not meet the criteria of Public Utilities Code §399.16(b)(1).

Price Evaluation Criteria:

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Volume Limits for Each Product:

As described in the Track 1 Draft RPS Plan, the volume offered in the 2023 PCIA RPS Market Offer will be equal to the remaining eligible volumes, if any, following PG&E's Voluntary Allocation process.⁴

PG&E will use the following steps to establish an amount of RPS volume available for sale.

- Step 1: Determine the Solicitation Volume Limit for Product A: Following Voluntary Allocation, all remaining bundled RPS-eligible energy and associated Renewable Energy Credits (RECs) from facilities with power purchase agreements with terms less than 10 years remaining from the start date of market offer deliveries in PG&E's PCIA-eligible RPS portfolio that meet the criteria of Public Utilities Code §399.16(b)(1) will be included in the Solicitation Volume Limit for Product A.
- Step 2: Determine the Solicitation Volume Limit for Product B: Following Voluntary Allocation, all remaining RPS-eligible energy and/or associated RECs from facilities with power purchase agreements with terms less than 10 years remaining from the start date of market offer deliveries in PG&E's PCIA RPS-eligible portfolio that do not meet the criteria of Public Utilities Code §399.16(b)(1) will be included in the Solicitation Volume Limit for Product B.

PG&E will calculate the Solicitation Volume Limits prior to the solicitation and adhere to the following processes:

- PG&E will issue one solicitation for volumes of Product A and Product B remaining after Voluntary Allocation from facilities with power purchase agreements with terms less than 10 years remaining from the start date of market offer deliveries governed by Track 1 of the 2022 RPS Plan.
- PG&E will utilize the Solicitation Protocol included as Appendix B.2 to the Track 1 Draft 2022 RPS Plan or as amended by Commission Order, and PG&E will execute sales using the pro forma sales agreement resulting from the disposition of Advice 6551-E-A, as is subsequently amended in compliance with D.22-11-021. PG&E will show any necessary changes to the pro forma sales agreement in a redline filed with its Advice Letter seeking approval of executed sales agreements.

⁴ See Track 1 Draft 2022 RPS Plan, p. 3. For a description of the Voluntary Allocation process, see Track 1 Draft 2022 RPS Plan, pp. 3-4.

- PG&E intends to sell all eligible Market Offer volumes.
- PG&E will independently consider each bid based on price offered and volume elected for each respective year.
- PG&E will evaluate bids for volumes from each delivery year separately to determine which set of offers have the greatest value in each year, as LSEs have the opportunity to bid separate percentages in each year.
- PG&E retains the discretion, subject to Commission review, to decline to accept any bids and/or to discontinue the sales solicitation under any circumstances in which there is evidence of market manipulation.

[REDACTED]

Attachment D

PG&E's Revised Market Offer Process Solicitation Protocol



2023 PCIA RPS Market Offer – Short Term Solicitation Protocol

Issuance Date: [.] , 2023

2023 PCIA RPS Short Term Market Offer Solicitation Protocol

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Attachment B: 2023 PCIA RPS Market Offer - Participant Attestations

Attachment C: 2023 PCIA RPS Market Offer - Confidentiality Agreement

I. Overview

A. Overview

Pacific Gas and Electric Company (“PG&E”) is issuing the Short-Term Contract 2023 Power Charge Indifference Adjustment (“PCIA”) Renewables Portfolio Standard (“RPS”) Market Offer Solicitation (“Solicitation”) to solicit bids (“Bids”) from participants (“Participants”) to purchase RPS-eligible energy and/or Renewable Energy Credits (“REC”) from facilities with power purchase agreements with delivery terms of less than 10 years in PG&E’s RPS portfolio eligible for Voluntary Allocation that remains following the Voluntary Allocation process (collectively, “Product”) pursuant to a confirmation (“Agreement”). This Solicitation protocol (“Solicitation Protocol”) describes the process by which PG&E seeks, evaluates, and accepts Bids in this Solicitation from winning Participants (“Buyers”).

The Short-Term Solicitation complies with the Joint Track 1 2022 RPS Plan, which was approved by the California Public Utilities Commission (“CPUC” or “Commission”) in Decision (“D.”) 22-11-021. Pursuant to Ordering Paragraph 2 of D. 22-11-021, PG&E’s Short Term Solicitation offers 100 percent of PCIA-eligible short-term contracts remaining after Voluntary Allocation in the this Market Offer solicitation.

PG&E will make all sales according to the terms and conditions set forth in the Agreement. This Solicitation Protocol sets forth the procedures a Participant must follow in order to participate in the Solicitation. Capitalized terms used in this Solicitation Protocol, but not otherwise defined herein, have the meanings set forth in the Agreement.

B. PCIA RPS Market Offer Solicitation Communication

PG&E has established the Solicitation website at [[website here](#)] where Participants can register for the Solicitation. All Solicitation documents, information, announcements and questions and answers will be posted and available to Participants at this website.

To promote accuracy and consistency of the information provided to all Participants, Participant must submit any inquiries via e-mail to <mailto:PCIAVAMO@pge.com> for matters related to the Solicitation. With respect to matters of general interest raised by any Participant, PG&E may, without reference to the specific Participant raising such matter or initiating the inquiry, post the questions and responses on its website. PG&E may, in its sole discretion, decline to respond to any email or other inquiry.

Any exchange of material information regarding this Solicitation between Participant and PG&E must be submitted to both PG&E and the Independent Evaluator (“IE”), [*First Name, Last Name*], at [*email address*]. The IE is an independent, third-party evaluator who is required by CPUC D.04-12-048 to ensure this Solicitation is conducted in a reasonable and neutral manner.

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C. Schedule

The Solicitation schedule is subject to change to conform to any CPUC requirements and at the discretion of PG&E. PG&E will post any schedule changes on PG&E’s Solicitation website. PG&E is planning an expeditious Solicitation process in order to facilitate timely approval of resulting sales. To enable successful involvement in this Solicitation, **PG&E encourages all Participants to begin any internal approval processes at the earliest opportunity possible**, in anticipation of the expedited timelines described below. Also, as further described below, Participants may register at PG&E’s Request for Offer (“RFO”) website to receive notice of these and other Solicitation changes by electronic mail. PG&E will have no liability or responsibility to any Participant for any change in the schedule or for failing to provide notice of any change.

The schedule for this Solicitation is (all times are in Pacific Prevailing Time):

Table 1: 2023 PCIA RPS Market Offer Solicitation Schedule of Events

Date/Time*	Event
Ongoing	Participants may register online at PG&E’s RFO website to receive notices regarding the Solicitation.
January 9, 2023	PG&E issues the Solicitation.
January 12, 2023	Participants’ Webinar.
January 20, 2023	Bids Due. Participants must submit Bid(s) to the online platform at Power Advocate by 1 PM (PPT).
February 16, 2023	PG&E notifies qualified Participants.
March 2023	PG&E and each qualified Participant execute an Agreement, which shall be subject to “CPUC Approval,” as provided in the Agreement.
March 2023	PG&E submits Agreements for CPUC Approval.

*Dates are approximate and subject to change.

D. Events in the Solicitation Schedule

- a. Registration. Participants may register online to receive announcements and updates about this Solicitation through [[website here](#)].
- b. Issuance. PG&E will issue the Solicitation and post the Solicitation Protocol, form of Agreement, and all other solicitation materials on the Solicitation website.
- c. Participants’ Webinar. PG&E will hold a Participants’ Webinar to review key Protocol items related to this Solicitation.
- d. Bids Due. Bids must be submitted via Power Advocate and must include all of the documents described in Section IV, Required Information. By submitting a Bid(s) and responding to this Solicitation, the Participant agrees to be bound by

2023 PCIA RPS Short Term Market Offer Solicitation Protocol

all of the terms, conditions and other provisions of this Solicitation and any changes or supplements to it that may be issued by PG&E.

- e. PG&E Selects Qualified Bid List. PG&E will notify Participants via email if their Bids have been selected (“Qualified Bids”). PG&E will select Qualified Bids according to the evaluation criteria described in Section III, Evaluation Criteria. Notification of a Qualified Bid does not constitute an offer to sell by PG&E and PG&E may select Qualified Bids in excess of the number of Bids ultimately executed as part of the Solicitation.
- f. Execution of Agreement. PG&E and each Participant with a Qualified Bid may execute an Agreement. All Agreements from the Solicitation must be executed by the Participant by March 13, 2023 to enable timely submission of the Advice Letter in line with Section I.C.
- g. Regulatory Approval. PG&E will submit all such Agreements to the CPUC for approval via an advice letter filing. Additional regulatory approval information is provided in Section VII, Regulatory Approval.

E. Disclaimers for Rejecting Bids and/or Terminating this Solicitation

This Solicitation does not constitute an offer to sell and creates no obligation to execute any Agreement or to enter into a transaction under an Agreement as a consequence of the Solicitation. PG&E shall retain the right at any time, at its sole discretion, to offer Participants the opportunity to refresh their Bid price, or reject any Bid on the grounds that it does not conform to the terms and conditions of this Solicitation, and further reserves the right to request information at any time during the Solicitation process.

PG&E retains the discretion, subject to, if applicable, the approval of the CPUC, to: (a) reject any Bid or any portion(s) of a Bid for any reason, including but not limited to the basis that a Bid is the result of market manipulation or is not cost-competitive or any other applicable reason; (b) modify this Solicitation and the form Agreement as it deems appropriate to implement the Solicitation and to comply with applicable law or other decisions or direction provided by the CPUC; and (c) terminate the Solicitation should the CPUC not authorize PG&E to sell the Product in the manner proposed in this Solicitation. In addition, PG&E reserves the right to either suspend or terminate this Solicitation at any time if such suspension is required by or with the approval of the CPUC. PG&E will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination or any other action described in this Solicitation Protocol to any Participant, whether submitting a Bid or not.

II. Solicitation Product

PG&E is seeking to sell eligible Product with the attributes listed below.

2023 PCIA RPS Short Term Market Offer Solicitation Protocol

A. Product Attributes

Product Attributes for 2023 PCIA RPS Market Offer Solicitation	
Product	<ul style="list-style-type: none"> • A: Following Voluntary Allocation, all remaining bundled RPS-eligible energy and associated RECs from facilities with power purchase agreements with remaining terms of less than 10 years from the start date of market offer deliveries in PG&E’s PCIA RPS-eligible portfolio that meet the criteria of Public Utilities Code §399.16(b)(1) • B: Following Voluntary Allocation, all remaining RPS-eligible energy and/or associated RECs from facilities with power purchase agreements with remaining terms of less than 10 years from the start date of market offer deliveries in PG&E’s PCIA RPS-eligible portfolio that do not meet the criteria of Public Utilities Code §399.16(b)(1) <p>Forecasted estimated volumes of Product A and Product B will be made available by PG&E on its Solicitation website concurrent with the RFO’s launch.</p>
Pricing	<ul style="list-style-type: none"> • Energy, if applicable – settled at the day-ahead trading hub index price (e.g. NP15, ZP26 and/or SP15) • REC – fixed price
Location	<ul style="list-style-type: none"> • Selected by Seller, or a qualified third-party designated by Seller, in its discretion: such as NP15, SP15, and/or ZP26 Trading Hub
Delivery Term	<ul style="list-style-type: none"> • 2023, 2024 • Delivery start date will commence upon final CPUC Approval of Tier 1 Advice Letter
Agreement	<ul style="list-style-type: none"> • Confirm under an Edison Electric Institute (“EEI”) Master Agreement

III. Evaluation Criteria

PG&E will evaluate Bids using the evaluation criteria outlined below.

A. Quantitative Evaluation

For the Solicitation, PG&E will independently consider the 2023 and 2024 volumes and prices offered when determining awards, as LSEs have the opportunity to bid separate percentages in each year.

PG&E has full discretion regarding offering a bid refresh to counterparties. There is no certainty that a counterparty will be offered an opportunity to refresh a bid.

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PG&E may consider the Participant’s capability to perform all of its financial obligations under the Agreement and PG&E’s overall credit concentration with the Participant or Participant’s bank used to meet its credit requirements, if applicable, including any of Participant’s affiliates.

2. Agreement Modifications

PG&E will not accept substantive modifications to the Agreement.

3. Other Qualitative Considerations

In addition to the criteria specifically listed above, PG&E may consider other qualitative factors that could impact the value of Bids, including, but not limited to: previous adverse commercial experience between PG&E and Participant; counterparty diversity; completeness of Bid; and status of an acceptable EEI Master Agreement between PG&E and Participant.

IV. Required Information

A. Submission Overview

All Bid submittal information pertaining to this Solicitation will be hosted on the Power Advocate site. Telephonic, hardcopy or facsimile transmission of a Bid is not acceptable. In order to participate in this Solicitation, Participants must register and be accepted through Power Advocate at the Public Registration Link:

[Public Registration Link To Be Added Here]

PG&E strongly encourages Participants to register with Power Advocate at least a week before Bids are due. PG&E will provide relevant Solicitation data to Participants registered through the Power Advocate site. Detailed instructions for submitting Bid(s) and using Power Advocate are on PG&E’s Solicitation website.

Electronic Documents: The electronic documents for the attachments must be in a Microsoft Word, Excel file or Adobe Acrobat PDF file as applicable. For each document, please include the Participant’s company name in each file name. For the bid form file name, please create a file name as follows: NAME_Attachment A _2022MO_Date submitted [YYMMDD]. For example, a company named Blue Power submitting their bid using Attachment A would use the file name: BLUEPOWER_A_2022MO_220930. The Participant should not provide documents in other electronic formats, unless specifically requested.

B. Required Forms

1. Bid Package

The following documents, which are on the PG&E’s Solicitation website, must be

2023 PCIA RPS Short Term Market Offer Solicitation Protocol

completed and included with each PowerAdvocate Bid submission:

- a. Bid Form – (Attachment A1, Attachment A2)
 - i. The Bid Form is a Word document of the EEI Agreement Confirmation. Attachment A1 is the Bid Form for Product A. Attachment A2 is the Bid Form for Product B. PG&E has highlighted in yellow the areas of the confirm that counterparties are required to input. Counterparties should input into the yellow highlighted fields using track changes. Any changes to language in the confirm not highlighted in yellow will not be considered. PG&E will consider edits to the Agreement in the following sections:
 1. Election [Whole Percentage]
 - (a) For Products to be delivered in year 2023, the “Election” is [Whole Percentage].
 - (b) For Products to be delivered in year 2024, the “Election” is [Whole Percentage].
 2. Green Attributes Price [\$/MWh]
 - (a) For Products to be delivered in year 2023, the Green Attribute Price is [Insert Price in \$/MWh].
 - (b) For Products to be delivered in year 2024, the Green Attribute Price is [Insert Price in \$/MWh].
 - ii. The EEI Agreement Confirmation is specific to transactions executed under an EEI Master Agreement with Collateral Annex and as such, Participants will need to have an EEI Master and Collateral Annex in place with PG&E prior to the execution of an Agreement in this Solicitation. Participants interested in establishing an EEI Master Agreement with PG&E should send an email to the Market Offer mailbox at PCIAVAMO@pge.com with such request as soon as possible.
 - iii. Participant must provide all applicable information requested in the form, and all inputs must match the respective information provided in other required documentation.
 - iv. PG&E will accept one Bid Form (Word doc) per Product per counterparty. Brokers submitting on behalf of one or multiple counterparties may do so, but must designate the name of the Buyer in the bid form (“Bid Form”).
- b. Participant Attestations (Attachment B)

2023 PCIA RPS Short Term Market Offer Solicitation Protocol

- c. Executed Confidentiality Agreement (Attachment C)
- d. Documentation of Entity Legal Status from the California Secretary of State or Joint Powers Authority
 - i. Participant or end-user counterparty must demonstrate that it has an “Active” legal status authorized by the California Secretary of State in order to engage in business with PG&E. A webpage screenshot verifying Participant or end-user counterparty’s “Active” legal status via the California Secretary of State’s webpage is acceptable. The California Secretary of State website is located at <https://businesssearch.sos.ca.gov/>. Note, a Joint Powers Authority (“JPA”) is also acceptable.

V. Confidentiality

No Participant shall collaborate on or discuss with any other Participant [or market participant involved in the purchase or sale of Product:] (a) potential Bidding strategies; (b) the substance of any Bid(s), including without limitation the price or any other terms or conditions of any Bid(s); or (c) whether PG&E has qualified Bids or not.

All information and documents in Participant’s Package that have been clearly identified and marked by Participant as “Proprietary and Confidential” on each page on which confidential information appears shall be considered confidential information. PG&E shall not disclose such confidential information and documents to any third parties except for PG&E’s employees, agents, counsel, accountants, advisors, or contractors who have a need to know such information and have agreed to keep such information confidential and except as provided otherwise in this section. In addition, Participant’s Package will be disclosed to the IE.

Notwithstanding the foregoing, it is expressly contemplated that the information and documents submitted by Participant in connection with this Solicitation, including Participant’s confidential information, may be provided to the CPUC, its staff, and the Procurement Review Group (“PRG”), and established pursuant to D.02-08-071. PG&E retains the right to disclose any information or documents provided by Participant to the CPUC, the PRG, in the advice letter filing or in order to comply with any applicable law, regulation, or any exchange, control area or California Independent System Operator rule, or order issued by a court or entity with competent jurisdiction over PG&E at any time even in the absence of a protective order, confidentiality agreement, or nondisclosure agreement, as the case may be, without notification to Participant and without liability or any responsibility of PG&E to Participant. PG&E cannot ensure that the CPUC will afford confidential treatment to Participant’s confidential information, or that confidentiality agreement or orders will be obtained from and/or honored by the PRG, the California Energy Commission, or the CPUC. By submitting a Bid, Participant agrees to adhere and be bound by the confidentiality provisions described in this section.

The treatment of confidential information described above shall continue to apply to information related to Qualified Bids.

VI. Procurement Review Group Review

Following completion of the evaluation and ranking of Bids, PG&E will submit the results of the evaluation and its review to its PRG members. PG&E, in its sole discretion, shall determine whether any alternatives proposed by the PRG should be adopted. PG&E has no obligation to obtain the concurrence of the PRG with respect to any Bids.

PG&E assumes no responsibility for the actions of the PRG, including actions that may delay or otherwise affect the schedule for this Solicitation, including the timing of the selection of Bids and the obtaining of Regulatory Approval.

VII. Regulatory Approval

After Agreement execution, PG&E is required to submit executed Agreements to the CPUC for approval via an advice letter filing.

The effectiveness of any executed Agreement is expressly conditioned on PG&E's receipt of final and non-appealable CPUC approval of such Agreement ("Regulatory Approval").

VIII. Dispute Resolution

Except as expressly set forth in this Solicitation Protocol, by submitting a Bid, Participant knowingly and voluntarily waives all remedies or damages at law or equity concerning or related in any way to the Solicitation, the Solicitation Protocol and/or any attachments to the Solicitation Protocol ("Waived Claims"). The assertion of any Waived Claims by Participant may, to the extent that Participant's Package has not already been disqualified, automatically disqualify such Bid from further consideration in the Solicitation.

By submitting a Bid, Participant agrees that the initial forum in which Participant may assert any challenge with respect to the conduct or results of the Solicitation is through processes at the CPUC, including the Alternative Dispute Resolution ("ADR") services provided by the CPUC pursuant to Resolution ALJ-185, August 25, 2005.

The ADR process is voluntary in nature, and does not include processes, such as binding arbitration, that impose a solution on the disputing parties. PG&E will consider the use of ADR under the appropriate circumstances. Additional information about this program is available on the CPUC's website at the following link:

<https://www.cpuc.ca.gov/proceedings-and-rulemaking/alternative-dispute-resolution>.

In addition to the initial ADR process referenced above, Participant further agrees that the Participant must exhaust all CPUC administrative remedies before directly challenging Market Offer bid solicitation results in state or federal court. Specifically, should Participant wish to challenge the conduct or results of the Solicitation, Participant agrees to protest PG&E's Advice Letter Filing seeking approval of one or more Agreements entered into as a result of the Solicitation, that the sole basis for any such protest shall be that PG&E allegedly failed in a material respect to conduct the Solicitation in accordance with this Solicitation Protocol, and the exclusive remedy available to Participant in the case of such a protest shall be an order of the CPUC that PG&E again conduct any portion of the Solicitation that the CPUC determines was not previously conducted in

2023 PCIA RPS Short Term Market Offer Solicitation Protocol

accordance with the Solicitation Protocol. Participant expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs, and/or attorneys' fees. Unless PG&E elects to do otherwise in its sole discretion during the pendency of such a protest or ADR process, the Solicitation and any related regulatory proceedings related to the Solicitation, will continue as if the protest had not been filed, unless the CPUC has issued an order suspending the Solicitation or PG&E has elected to terminate the Solicitation.

Participant agrees to indemnify and hold PG&E harmless from any and all claims by any other Participant asserted in response to the assertion of a Waived Claim by Participant or as a result of a Participant's protest to an advice letter filing with the CPUC resulting from the Solicitation.

Except as expressly provided in this Solicitation Protocol, nothing herein including Participant's waiver of the Waived Claims as set forth above, shall in any way limit or otherwise affect the rights and remedies of PG&E. Nothing in this Solicitation Protocol is intended to prevent any Participant from informally communicating with the CPUC or its staff regarding this Solicitation.

IX. Termination of the Solicitation-Related Matters

PG&E reserves the right at any time, in its sole discretion, to terminate the Solicitation for any reason without prior notification to Participants and without liability to, or responsibility of, PG&E or anyone acting on PG&E's behalf. Without limitation, grounds for termination of the Solicitation may include the assertion of any Waived Claims by a Participant or a determination by PG&E that, following evaluation of the Bids, there are no Bids that meet the requirements of this Solicitation.

PG&E reserves the right to terminate further participation in this process by any Participant, to accept any Bid or to enter into any Agreement, and to reject any or all Bids, all without notice and without assigning any reasons and without liability to PG&E or anyone acting on PG&E's behalf. PG&E shall have no obligation to consider any Bids.

In the event of termination of the Solicitation for any reason, PG&E will not reimburse Participant for any expenses incurred in connection with the Solicitation. PG&E shall have no obligation to reimburse any Participant's expenses regardless of whether such Participant's Package is selected, not selected, rejected or disqualified. Unless earlier terminated, the Solicitation will terminate automatically upon the execution of one or more Agreements by Participants with Selected Bids. All Agreements from the Solicitation must be executed by Participants by March 13, 2023 to enable timely submission of the Advice Letter in line with Section I.C. .

X. Participant's Representations and Warranties

1. By submitting a Bid, Participant agrees to be bound by the conditions of the Solicitation, and makes the following representations, warranties, and covenants to PG&E, which representations, warranties, and covenants shall be deemed to be incorporated in their entirety into each of Participant's Package. Participant agrees

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that an electronic signature of a duly authorized representative of Participant shall be the same as delivery of an executed original document for purposes of the Bid Form.

- Participant agrees to adhere and be bound by the confidentiality provisions described in the 2023 PCIA RPS Market Offer Solicitation Protocol and the Confidentiality Agreement included as Attachment C to the Solicitation Protocol.
- Participant has read, understands and agrees to be bound by all terms, conditions and other provisions of this Solicitation Protocol;
- Participant has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the Solicitation and this Solicitation Protocol, including the submittal forms and documents listed in this Solicitation Protocol which are posted on the Solicitation website;
- Participant has obtained all necessary authorizations, approvals and waivers, if any, required by Participant to submit its Bid pursuant to the terms of this Solicitation Protocol and to enter into an Agreement with PG&E;
- Participant's Package complies with all applicable laws;
- Participant has not engaged, and covenants that it will not engage, in any communications with any other actual or potential Participant in the Solicitation concerning this Solicitation, price terms in Participant's Package, or related matters and has not engaged in collusion or other unlawful or unfair business practices in connection with the Solicitation;
- Any Bid submitted by Participant is subject only to PG&E's acceptance, in PG&E's sole discretion; and
- The information submitted by Participant to PG&E in connection with the Solicitation and all information submitted as part of any Bid is true and accurate as of the date of Participant's submission. Participant also covenants that it will promptly update such information with PG&E upon any material change thereto.

2. By submitting a Bid, Participant acknowledges and agrees:

- That PG&E may rely on any or all of Participant's representations, warranties, and covenants in the Solicitation (including any Bid submitted by Participant); and
- That in PG&E's evaluation of Bids pursuant to the Solicitation, PG&E has the right to disqualify a Participant that is unwilling or unable to meet any other requirement of the Solicitation, as determined by PG&E in its sole discretion.

BY SUBMITTING A BID, PARTICIPANT HEREBY ACKNOWLEDGES AND

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AGREES THAT ANY BREACH BY PARTICIPANT OF ANY OF THE REPRESENTATIONS, WARRANTIES AND COVENANTS IN THESE SOLICITATION INSTRUCTIONS SHALL CONSTITUTE GROUNDS FOR IMMEDIATE DISQUALIFICATION OF SUCH PARTICIPANT, IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE TO PG&E UNDER APPLICABLE LAW, AND DEPENDING ON THE NATURE OF THE BREACH, MAY ALSO BE GROUNDS FOR TERMINATING THE SOLICITATION IN ITS ENTIRETY.

Attachment E

PG&E's Revised Code of Conduct

**Pacific Gas and Electric Company
Market Offer Solicitation
Confidentiality Protocol and Code of Conduct**

This Pacific Gas and Electric Company (“PG&E”) Market Offer Solicitation (“MO Solicitation”) Confidentiality Protocol and Code of Conduct (“Code of Conduct”) applies to all PG&E employees, contractors, and consultants engaged in the MO Solicitation in compliance with Decision (“D”.) 22-11-021.

1. Applicability

- a. This Code of Conduct is only applicable if PG&E participates as a bidder in its own MO Solicitation. If the Code of Conduct applies, then all applicable PG&E employees shall certify their understanding and compliance by executing this document.

2. Categories of Employees:

- a. Employees who develop and approve the bids PG&E intends to submit as part of the MO Solicitation shall be referred to as the “MO Bid Development Employees”.
- b. Employees, contractors, and consultants who evaluate offers submitted in response to PG&E’s MO Solicitation to enable PG&E to develop its final execution list for the MO Solicitation shall be referred to as “MO Solicitation Employees.”
- c. Employees who approve the selection of the offers submitted in response to PG&E’s MO Solicitation for PG&E’s shortlist of bids and/or final execution list shall be referred to as “MO Solicitation Decision-makers.”
- d. Officers and other executives who are not directly responsible for MO Bid Development commercial decisions, but who may nevertheless receive information from both the MO Solicitation Employees and the MO Bid Development Employees for risk management, budgeting, or other business purposes shall be referred to as “Executives/Officers.”
- e. Employees, contractors, and consultants who are involved in policy advocacy, contract management and settlements, administrative support for solicitations,

quantitative evaluation support, compliance, regulatory, credit risk/treasury, accounting, legal, and other ministerial departments shall be referred to as “MO Administrative Employees.”

3. Information Access:

“Confidential MO Solicitation Information” is generally defined as any non-public MO Solicitation information that a participant in the MO Solicitation would find commercially useful in developing a bid to submit as part of the MO Solicitation, including, but not limited to, non-public MO Solicitation evaluation protocols, input assumptions, evaluation results or MO Solicitation negotiation strategy or tactics.

With the exception of Confidential MO Solicitation Information, information that is required to perform regular job duties in the normal course of business can be shared between the MO Bid Development Employees and the MO Solicitation Employees and Decision-makers.

In addition, if PG&E intends to participate in its own MO Solicitation then it will notify the Independent Evaluator (IE) and Procurement Review Group of its bid proposals before submitting it in the MO Solicitation before third-party bids are due.

4. Restrictions on Information Access:

a. Access to Confidential MO Solicitation Information.

i. MO Solicitation Employees shall have full access to Confidential MO Solicitation Information.

ii. MO Solicitation Decision-makers shall have full access to Confidential MO Solicitation Information.

iii. MO Bid Development Employees may not have access to Confidential MO Solicitation Information.

iv. Executives/Officers may not have access to Confidential MO Solicitation Information except as follows: Executives/Officers are entitled to access Confidential MO Solicitation Information as necessary for the performance of their duties, including,

but not limited to, access to executed contracts and information related to product deliveries and payments during the course of solicitation administration, quantitative and qualitative evaluation of offers, and contract execution and administration.

Executives/Officers and MO Administrative Employees who are provided Confidential MO Information pursuant to the foregoing exception shall not use such Confidential MO Information to gain a specific advantage on behalf of PG&E bundled service customers.

b. Protection of Confidential MO Solicitation Information

To the extent practicable, PG&E will restrict access to shared network drives, folders and databases, and files that contain Confidential MO Solicitation Information. Only MO Solicitation Employees and MO Decision-makers, Executives/Officers and MO Administrative Employees who require access to the Confidential MO Solicitation Information to provide support to the MO Solicitation Employees will have access to shared network drives, folders, databases, or files in which Confidential MO Solicitation Information is stored. Sharing of MO Solicitation equipment and related passwords by Market Offer Solicitation Employees, MO Decision-maker Employees, and Utility Executives is prohibited.

5. Non-discrimination Requirements for Offer Evaluation:

MO Bid Employees, MO Solicitation Employees, and MO Solicitation Decision-makers will evaluate all MO Solicitation offers on a non-discriminatory basis and will not engage in any activity to preferentially benefit utility bids.

6. Transfers Between Market Offer Bid and Market Offer Solicitation Employees:

Neither a MO Solicitation Decision-maker nor a MO Solicitation Employee may transfer to become MO Bid Employee (and vice versa) until the MO Solicitation process is completed and until after submission of the last MO contracts to the CPUC for approval for short-term and long-term solicitations. Any MO Decision-maker or MO Solicitation Employee transferring to the MO Bid Employee team after the prohibition against such transfer is ended is expressly prohibited from using Confidential MO Solicitation Information in a discriminatory or exclusive fashion, to

the benefit of the MO Bid Employee team or to the detriment of other unaffiliated service providers.

7. Term of Code of Conduct:

If this Code of Conduct is applicable, then the term will commence on the short-term MO Solicitation launch date and will remain in effect through the long-term MO Solicitation and until all executed short-term and long-term MO contracts are submitted for CPUC approval.

8. Violations:

If an employee violates this Code of Conduct, PG&E will provide notice of the violation to the Energy Division, PG&E's Procurement Review Group ("PRG"), and the IE. PG&E will consult with the Energy Division, PRG, and the IE regarding the appropriate remedies to address any Code of Conduct violation. Individuals should report any violations or raise questions regarding compliance to the PG&E attorney representing the Market Offer and to Risk, Compliance and Reporting in Energy Policy and Procurement. The IE shall provide the CPUC information regarding any Code of Conduct violation(s) in their IE Report(s).

By signing below, I certify that I have read and agree to comply with the Market Offer Solicitation Code of Conduct.

Name

Signature (electronic)

Local Area Network (LAN) ID

Department

Date

Submit completed form with electronic signature via email to: Mike Morrissey, Energy Compliance and Reporting. Please keep a copy for your records.

Attachment F1

Market Offer Confirm Product A

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

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

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

**ARTICLE 1
PRODUCT**

1.1 Product. “Product” means, following Voluntary Allocation, all remaining RPS Energy and Green Attributes generated and associated with Resources in the Short-Term Resource Pool. Seller shall provide Buyer Product equal to the Total Amount.

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

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

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

(i) Election for the applicable calendar year, multiplied by (ii) following Voluntary Allocation, the total remaining RPS Energy for that month for every Resource in the Short-Term Resource Pool.

2.2 Election.

- (a) For Products to be delivered in year 2023, the “Election” is [___%].
- (b) For Products to be delivered in year 2024, the “Election” is [___%].

2.3 Green Attributes Price.

- (a) For Products to be delivered in year 2023, the “Green Attributes Price” is [\$_____/MWh].
- (b) For Products to be delivered in year 2024, the “Green Attributes Price” is [\$_____/MWh].

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

ARTICLE 3
DELIVERY

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

3.2 Delivery Point. The “Delivery Point” is and shall mean where Seller, or a qualified third-party designated by Seller, shall deliver to, and Buyer shall take possession of, Product, which shall be NP 15, SP 15, and/or ZP 26, as selected by Seller.

3.3 Delivery Period. Subject to the satisfaction of the Conditions Precedent, the “Delivery Period” shall commence as of the date upon which CPUC approval occurs and last through and until December 21, 2024 (or if the election in Article 2.2 for Products delivered in year 2024 is 0%, December 31, 2023); Provided that with regards to the green attributes portion of Product, the Delivery Period shall last through until the date upon which the amount of green attributes conveyed to the buyer meets the total amount.

ARTICLE 4
CONDITIONS PRECEDENT

4.1 Conditions Precedent. Notwithstanding any other provision of this Confirmation to the contrary, all of the Parties' obligations are conditioned upon (a) Seller's receipt, of CPUC Approval; and (b) Seller's receipt of the Performance Assurance described in Article 7 as applicable from Buyer no later than five (5) Business Days following Seller's Notice to Buyer of CPUC Approval (collectively, "Conditions Precedent").

ARTICLE 5
CONVEYANCE OF GREEN ATTRIBUTES

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

5.2 Conveyance of Green Attributes. Seller shall convey to Buyer the Green Attributes associated with Product no later than twenty-five (25) Business Days once the following have occurred: (a) Seller has obtained the WREGIS Certificates for the Green Attributes for the applicable Calculation Period or calendar year and (b) Seller has received Buyer's payment of the Monthly Cash Settlement Amount in accordance with Article 6 herein. Since WREGIS Certificates will only be created for whole MWh amounts of RPS Energy generated, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate. During the Delivery Period, Seller shall transfer all right, title, and interest in and to the WREGIS Certificates to Buyer's WREGIS account in an aggregate amount equivalent to the Total Amount.

5.3 WREGIS Certificate True-Up. A "WREGIS Certificate True-Up" means any deficit or surplus in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Monthly Amount for the same calendar month ("True-Up Month"). Any adjustments to resolve a WREGIS Certificate True-Up will be made as an adjustment on Seller's monthly invoice to Buyer in accordance with Article 6, provided that no adjustments will be made for any WREGIS Certificate True-Up after twenty-four (24) months from the True-Up Month.

ARTICLE 6
COMPENSATION

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

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

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

(a) equals the product of the (i) Index Price multiplied by (ii) Monthly Amount; and

(b) equals the product of (i) the Green Attributes Price, multiplied by (ii) the Monthly Amount; and

(c) equals the product of the (i) Index Price multiplied by (ii) the Monthly Amount.

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

ARTICLE 7

CREDIT TERMS

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

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

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

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

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

ARTICLE 8

SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS

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

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

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

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

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

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

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

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

(b) Seller shall not substitute or purchase any Product from any generating resource other than the Resource(s) in the Short-Term Resource Pool hereunder;

(c) the facility(s) designated by Seller as the Resource(s) in the Short-Term Resource Pool and all electrical output from the facility(s) designated as the

Resource(s) in the Short-Term Resource Pool are, or will be, by the first date of the Delivery Period, registered with WREGIS as RPS-eligible.

(d) As of the Confirmation Effective Date and throughout the Delivery Period, Seller represents, warrants and covenants that the Resource(s) in the Short-Term Resource Pool meet the criteria in either (i) or (ii)

(i) The facility(s) designated by Seller as the Resource(s) in the Short-Term Resource Pool either has a first point of interconnection with a California Balancing Authority, or a first point of interconnection with distribution facilities used to serve end users within a California Balancing Authority Area; or;

(ii) The facility(s) designated by Seller as the Resource(s) in the Short-Term Resource Pool has an agreement to dynamically transfer electricity to a California Balancing Authority.

(e) If and to the extent that the Product sold by Seller is a resale of part or all of a power purchase agreement between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below as of the Confirmation Effective Date and throughout the Delivery Period:

(i) The original upstream third party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1)(A);

(ii) This Agreement transfers only RPS Energy and Green Attributes that have not yet been generated prior to the commencement of the Delivery Period;

(iii) The RPS Energy transferred hereunder is transferred to Buyer in real time; and

(iv) If a Resource has an agreement to dynamically transfer electricity to a California Balancing Authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a Balancing Authority participating in the dynamic transfer arrangement.

ARTICLE 9

TERMINATION AND CALCULATION OF SETTLEMENT AMOUNT

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

The Non-Defaulting Party shall determine its Gains and Losses by determining the Market Quotation Average Price for the Terminated Transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts, to obtain the Market Quotation Average Price with respect to the Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for the Terminated Transaction in a commercially reasonable manner by calculating

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

ARTICLE 10

GENERAL PROVISIONS

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

10.2 Governing Law.

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

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

ACKNOWLEDGED AND AGREED TO:

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

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

Sign: _____

Sign: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX A

DEFINED TERMS

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

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

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

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

“Buyer” means Party A.

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

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

“CPUC” means the California Public Utilities Commission.

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer's administration of the Agreement. CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable. For the purpose of this definition of “CPUC Approval”, a CPUC Energy Division disposition which contains such findings, or deems approved an advice letter requesting such findings, shall be deemed to satisfy the CPUC decision requirement set forth above. Also, for the purpose of this definition of “CPUC Approval” only, the references therein to “Buyer” shall mean “Seller”.

“California Renewables Portfolio Standard” or “RPS” means the California renewables portfolio standard, as set forth in Cal. Pub. Util. Code §§ 399.11 et seq. and Cal. Pub. Res. Code §§ 25740-25751, and as administered by the CEC as set forth in the CEC RPS Eligibility Guidebook (9th Ed.), as may be subsequently modified by the CEC, and the California Public

Utilities Commission (“CPUC”) as set forth in CPUC Decision (“D”) 08-08-028, D.08-04-009, D.11-01-025, D.11-12-020, D.11-12-052, D.12-06-038 and D.14-12-023, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, and regulations promulgated with respect thereto.

“CEC” means the California Energy Commission.

“CPUC” means the California Public Utilities Commission.

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

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

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

“Energy” means electrical energy, measured in MWh.

“FERC” means the Federal Energy Regulatory Commission.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Resource, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (a) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by Law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere ; (c) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state Law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local Law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any Energy, capacity, reliability or other power attributes from the Resource, (ii) production tax credits associated with the construction or operation of the Resource and other financial incentives in the form of credits, reductions, or allowances associated with the Resource that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Resource for compliance with local, state, or federal operating and/or air quality permits. If the Resource is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Resource.

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

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

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

"MWh" means megawatt-hour.

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

"Monthly Amount" has the meaning set forth in Section 2.1.

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

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

"Product" has the meaning set forth in Section 1.1.

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

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

"RPS Energy" means the Energy generated from Resources from the Short- Term Resource Pool.

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

"Seller" means Party B.

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

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

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

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

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

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

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

Resource Name	Technology	CEC RPS ID	PCIA Vintage	End Date
El Nido Biomass Facility	Biomass	60473	2005	2/8/2031
Chowchilla Biomass Facility	Biomass	60471	2005	2/8/2031
Shiloh II Wind Project	Wind	60639	2007	1/31/2029
Hatchet Ridge	Wind	60741	2008	12/13/2025
CM10	Solar PV	60713	2008	12/31/2028
CM48	Solar PV	60786	2009	1/31/2031
Mt. Poso	Biomass	60695	2009	2/20/2027
Big Creek Waterworks	Small Hydro	60900	2009	6/22/2030
Avenal Park	Solar PV	60912	2009	8/4/2031
Sun City Project	Solar PV	60913	2009	8/4/2031
Sand Drag	Solar PV	60914	2009	8/4/2031
Norman Ross Burgess - Three Forks Water Power Project	Small Hydro	60502	2010	10/31/2031
Coram Brodie	Wind	60973	2010	6/5/2032
Shiloh III Wind Project	Wind	61069	2010	3/8/2032
Alpine Solar Project	Solar PV	60755A	2010	1/17/2033
Mesquite Solar 1	Solar PV	60875A	2010	3/7/2033
Wind Resource II	Wind	61468	2012	9/30/2023
ABEC Bidart-Old River	Digester Gas	62369	2012	3/9/2029
ABEC Bidart-Stockdale	Digester Gas	60886	2012	9/11/2023
Mammoth G3	Geothermal	60315A	2012	3/31/2033
Diablo Winds	Wind	60030	2013	6/30/2031
CalRenew-1	Solar PV	60475	2015	4/29/2030

Attachment F2

Market Offer Confirm Product B

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

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

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

ARTICLE 1
PRODUCT

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

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

ARTICLE 2
TOTAL AMOUNT AND GREEN ATTRIBUTES PRICE

2.1 Total Amount. The “Total Amount” is the sum of all Monthly Amounts in the Delivery Period. For every month in the Delivery Period, the “Monthly Amount” the product of (i) Election for the applicable calendar year, multiplied by (ii) following Voluntary Allocation, the total remaining RPS Energy for that month for every Resource in the Short-Term Resource Pool.

2.2 Election.

- (a) For Products to be delivered in year 2023, the “Election” is [____%].
- (b) For Products to be delivered in year 2024, the “Election” is [____%].

2.3 Green Attributes Price.

- (a) For Products to be delivered in year 2023, the “Green Attributes Price” is [\$____/MWh].
- (b) For Products to be delivered in year 2024, the “Green Attributes Price is” [\$____/MWh].

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

ARTICLE 3
DELIVERY

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

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

3.3 Delivery Period. Subject to the satisfaction of the Conditions Precedent, the “Delivery Period” will commence as of that date upon which CPUC Approval occurs and last through and until December 31, 2024 (or, if the Election in Article 2.2 for Products to delivered in year 2024 is 0%, December 31, 2023); provided that with regards to the Green Attributes portion

of Product, the Delivery Period shall last through and until that date upon which the amount of Green Attributes conveyed to Buyer meets the Total Amount.

ARTICLE 4 **CONDITIONS PRECEDENT**

4.1 Conditions Precedent. Notwithstanding any other provision of this Confirmation to the contrary, all of the Parties' obligations are conditioned upon (a) Seller's receipt, of CPUC Approval; and (b) Seller's receipt of the Performance Assurance described in Article 7 as applicable from Buyer no later than five (5) Business Days following Seller's Notice to Buyer of CPUC Approval (collectively, "Conditions Precedent").

ARTICLE 5 **CONVEYANCE OF GREEN ATTRIBUTES**

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

5.2 Conveyance of Green Attributes. Seller shall convey to Buyer the Green Attributes associated with Product no later than twenty-five (25) Business Days once the following have occurred: (a) Seller has obtained the WREGIS Certificates for the Green Attributes for the applicable Calculation Period or calendar year and (b) Seller has received Buyer's payment of the Monthly Cash Settlement Amount in accordance with Article 6 herein. Since WREGIS Certificates will only be created for whole MWh amounts of RPS Energy generated, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate. During the Delivery Period, Seller shall transfer all right, title, and interest in and to the WREGIS Certificates to Buyer's WREGIS account in an aggregate amount equivalent to the Total Amount.

5.3 WREGIS Certificate True-Up. A "WREGIS Certificate True-Up" means any deficit or surplus in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Monthly Amount for the same calendar month ("True-Up Month"). Any adjustments to resolve a WREGIS Certificate True-Up will be made as an adjustment on Seller's monthly invoice to Buyer in accordance with Article 6, provided that no adjustments will be made for any WREGIS Certificate True-Up after twenty-four (24) months from the True-Up Month.

ARTICLE 6 **COMPENSATION**

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

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

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

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

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

ARTICLE 7

CREDIT TERMS

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

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

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

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

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

ARTICLE 8
SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS

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

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

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

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

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

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

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

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

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

(c) Seller shall not substitute or purchase any Product from any generating resource other than the Resource(s) in the Short-Term Resource Pool hereunder;

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

ARTICLE 9

TERMINATION AND CALCULATION OF SETTLEMENT AMOUNT

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

The Non-Defaulting Party shall determine its Gains and Losses by determining the Market Quotation Average Price for the Terminated Transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts, to obtain the Market Quotation Average Price with respect to the Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for the Terminated Transaction in a commercially reasonable manner by calculating the arithmetic mean of the quotes of at least three (3) Broker or Index Quotes based on the offers to sell or bids to buy, as applicable, obtained for transactions substantially similar to the Terminated Transaction. Such Broker or Index Quotes must be obtained assuming that the Party obtaining the quote will provide sufficient credit support for the proposed transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts to obtain at least three (3) such Broker or Index Quotes with respect to the Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner by reference to information supplied to it by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information; provided, however, that such third parties shall not be Affiliates of either Party. Only in the event the Non-Defaulting Party is not able, after using commercially reasonable efforts, to obtain such third-party information, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner using relevant market data it has available to it internally. If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Transaction, the Settlement Amount for this Transaction will be zero.

ARTICLE 10
GENERAL PROVISIONS

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

10.2 Governing Law.

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

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

ACKNOWLEDGED AND AGREED TO:

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

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

Sign: _____

Sign: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX A

DEFINED TERMS

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

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

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

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

“Buyer” means Party A.

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

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

“CPUC” means the California Public Utilities Commission.

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer's administration of the Agreement. CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable. For the purpose of this definition of “CPUC Approval”, a CPUC Energy Division disposition which contains such findings, or deems approved an advice letter requesting such findings, shall be deemed to satisfy the CPUC decision requirement set forth above. Also, for the purpose of this definition of “CPUC Approval” only, the references herein to “Buyer” shall mean “Seller”.

“California Renewables Portfolio Standard” or “RPS” means the California renewables portfolio standard, as set forth in Cal. Pub. Util. Code §§ 399.11 et seq. and Cal. Pub. Res. Code §§ 25740-25751, and as administered by the CEC as set forth in the CEC RPS Eligibility Guidebook (9th Ed.), as may be subsequently modified by the CEC, and the California Public Utilities Commission (“CPUC”) as set forth in CPUC Decision (“D”) 08-08-028, D.08-04-009,

D.11-01-025, D.11-12-020, D.11-12-052, D.12-06-038 and D.14-12-023, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, and regulations promulgated with respect thereto.

“CEC” means the California Energy Commission.

“CPUC” means the California Public Utilities Commission.

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

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

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

“Energy” means electrical energy, measured in MWh.

“FERC” means the Federal Energy Regulatory Commission.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Resource, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (a) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by Law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere ; (c) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state Law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local Law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Electric Energy. Green Attributes do not include (i) any Electric Energy, capacity, reliability or other power attributes from the Resource, (ii) production tax credits associated with the construction or operation of the Resource and other financial incentives in the form of credits, reductions, or allowances associated with the Resource that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Resource for compliance with local, state, or federal operating and/or air quality permits. If the Resource is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Resource.

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

"Greengate Resources" means Halkirk I Wind Project (affiliate of Greengate Power Corporation).

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

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

"MWh" means megawatt-hour.

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

"Monthly Amount" has the meaning set forth in Section 2.1.

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

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

"Product" has the meaning set forth in Section 1.1.

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

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

"RPS Energy" means the Energy generated from Resources from the Short- Term Resource Pool.

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

"Seller" means Party B.

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

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

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

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

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

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

APPENDIX B
LIST OF RESOURCES IN SHORT-TERM RESOURCE POOL

Resource Name	Technology	CEC RPS ID	PCIA Vintage	End Date
Rattlesnake Road Wind Power Project	Wind	60553	2008	1/4/2024
Vantage Wind Energy Center	Wind	60712	2009	10/3/2025
Halkirk I Wind Project	Wind	60989	2010	12/18/2032

**PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV**

AT&T Albion Power Company	East Bay Community Energy Ellison Schneider & Harris LLP Engineers and Scientists of California	Pioneer Community Energy
Alta Power Group, LLC Anderson & Poole	GenOn Energy, Inc. Goodin, MacBride, Squeri, Schlotz & Ritchie Green Power Institute Hanna & Morton ICF	Public Advocates Office Redwood Coast Energy Authority Regulatory & Cogeneration Service, Inc.
Atlas ReFuel BART	iCommLaw International Power Technology Intertie	Resource Innovations SCD Energy Solutions San Diego Gas & Electric Company
Barkovich & Yap, Inc. Braun Blaising Smith Wynne, P.C. California Cotton Ginners & Growers Assn California Energy Commission	Intestate Gas Services, Inc.	SPURR San Francisco Water Power and Sewer Sempra Utilities
California Hub for Energy Efficiency Financing	Johnston, Kevin Kelly Group Ken Bohn Consulting Keyes & Fox LLP Leviton Manufacturing Co., Inc.	Sierra Telephone Company, Inc. Southern California Edison Company Southern California Gas Company Spark Energy Sun Light & Power Sunshine Design Stoel Rives LLP
California Alternative Energy and Advanced Transportation Financing Authority California Public Utilities Commission Calpine	Los Angeles County Integrated Waste Management Task Force MRW & Associates Manatt Phelps Phillips Marin Energy Authority McClintock IP McKenzie & Associates	Tecogen, Inc. TerraVerde Renewable Partners Tiger Natural Gas, Inc.
Cameron-Daniel, P.C. Casner, Steve Center for Biological Diversity	Modesto Irrigation District NLine Energy, Inc. NRG Solar	TransCanada Utility Cost Management Utility Power Solutions Water and Energy Consulting Wellhead Electric Company Western Manufactured Housing Communities Association (WMA) Yep Energy
Chevron Pipeline and Power City of Palo Alto	OnGrid Solar Pacific Gas and Electric Company Peninsula Clean Energy	
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 Dish Wireless L.L.C.		