

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6894E
As of April 24, 2023

Subject: 2023 Short Term Market Offer Solicitation; Power Purchase and Sale Agreement Between Pacific Gas and Electric Company and Multiple Buyers

Division Assigned: Energy

Date Filed: 03-24-2023

Date to Calendar: 03-29-2023

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	03-24-2023

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio
(415) 973-8794
PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

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

March 24, 2023

Advice 6894-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject 2023 Short Term Market Offer Solicitation; Power Purchase and Sale Agreement Between Pacific Gas and Electric Company and Multiple Buyers

I. Introduction

A. Identify the Purpose of the Advice Letter

Pacific Gas and Electric Company (“PG&E”) seeks California Public Utilities Commission (“Commission” or “CPUC”) approval of two (2) power purchase and sale agreements (“PPSAs” or “Transactions”) that seek to sell Renewables Portfolio Standard (“RPS”)-eligible products from PG&E’s Power Charge Indifference Adjustment (“PCIA”) portfolio to two counterparties.

These Transactions are consistent with the rules and requirements laid out in Decisions (D). 21-05-030 and (D). 22-11-021 regarding implementation of the Voluntary Allocation and Market Offer (“VAMO”) mechanism to address portfolio optimization activities associated with RPS resources subject to PCIA cost recovery. Pursuant to Ordering Paragraph 2 of D. 22-11-021, PG&E’s Short-Term Market Offer Solicitation offered 100 percent of PCIA-eligible short-term contracts remaining after Voluntary Allocation. This Advice Letter (“AL” or “Advice”) includes two Transactions resulting from PG&E’s Short-Term Contract 2023 Power Charge Indifference Adjustment Renewables Portfolio Standard Market Offer Solicitation (“Solicitation”).

B. Identify the Subject of the Advice Letter, including contract summary as follows:

General Deal Structure

Describe general characteristics of contract: Contract Summary

PG&E will sell Product A and B volumes under the PPSAs. These two products as defined in PG&E’s Solicitation were:

Product 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); and

Product 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).

Counterparties were asked to make elections for “slices” of the remaining portfolio as whole integer percentages for each delivery year. Counterparties were also asked to submit a Green Attributes Price (in \$/MWh) for each delivery year. PG&E either owns or purchases the product under contracts. The Transactions must receive final, nonappealable Commission approval before energy deliveries and the transfer of renewable energy credits (“RECs”) to Buyers may begin under the PPSAs.

1. Counterparty(s) / Buyer(s)

The counterparties associated with sales resulting from the Solicitation include:

- Clean Power Alliance of Southern California (“CPA”)
 - Clean Power Alliance of Southern California (“CPA”) is a Community Choice Aggregator (“CCA”) that provides electricity to customers across Los Angeles and Ventura Counties.
- Shell Energy North America (US), L.P. (“Shell Energy”)
 - Shell Energy North America (US), L.P. (“Shell Energy”) supplies energy across the US with a portfolio from oil, gas and petrochemicals, to wind and solar and hydrogen.

2. Business Relationship (if applicable, between seller / owner / buyer)

PG&E is not aware of any corporate affiliations between PG&E and the PPSA Buyers. PG&E is aware that CPA is a member of California Community Power, a Joint Powers Agency comprised of ten CCAs. PG&E is not aware of any corporate affiliations between the non-PG&E owned Projects and the PPSA Buyers.

3. Contract Quantity

a. Product A

Counterparty	Portfolio %	Portfolio %	Estimated Volume (MWh) ¹	Estimated Volume (MWh) ²
	2023	2024	2023	2024
CPA	100%	100%	841,413	829,398
TOTAL	100%	100%	841,413	829,398

b. Product B

Counterparty	Portfolio %	Portfolio %	Estimated Volume (MWh) ³	Estimated Volume (MWh) ⁴
	2023	2024	2023	2024
Shell Energy	30%	50%	97,190	123,620
TOTAL	30%	50%	97,190	123,620

4. Facility Size (MW)

See Appendix H1 and H2 for the resources included in the resource pool for each respective product offered in this Solicitation. Please note slice of portfolio elections will not comprise of a specified advanced quantity. Under the Market Offer process, PG&E may add or remove a resource as allowed under Voluntary Allocation and PG&E retains the sole and absolute discretion to modify, enforce, or terminate its power purchase

¹ Market Offer transactions do not comprise of a specified advanced quantity. Under the Market Offer transaction, PG&E may add or remove a resource as allowed under Voluntary Allocation and PG&E retains the sole and absolute discretion to modify, enforce, or terminate its power purchase agreements for resources during the Delivery Period, and Buyer shall not have any right to or discretion to request changes to the resources during the Delivery Period. Estimated volumes are based on a 1/1/2023 start to the Delivery Period with the current resource list. The actual Delivery Period for the transaction shall commence following satisfaction of the Conditions Precedent, including CPUC approval of the transaction.

² See footnote 1.

³ See footnote 1.

⁴ See footnote 1.

agreements for resources during the Delivery Period, and Buyer shall not have any right to or discretion to request changes to the Resources during the Delivery Period. Because the PPSAs are for a slice of a portfolio of resources, individual facility size is not relevant to the product, and has not been included in the facility list.

5. Term of existing contract with the owner / developer (date of contract execution and expiration)

See Appendix H1 and H2 for applicable contract expiration date of the underlying resources for each respective product offered in this Solicitation. The resource lists also appear as Appendix B in each of the PPSA confirms. Under the Market Offer process, PG&E may add or remove a resource as allowed under Voluntary Allocation and PG&E retains the sole and absolute discretion to modify, enforce, or terminate its power purchase agreements for resources during the Delivery Period, and Buyer shall not have any right to or discretion to request changes to the resources during the Delivery Period. Given that the PPSAs executed as part of this Solicitation deliver from contracted resources that are already online until December 31, 2024, the dates of contract execution are not relevant and have not been included in the resource lists.

6. Project background, e.g., expiring QF contract, phased project previous power purchase agreement, contract amendment

All of the Projects that are expected to deliver volumes pursuant to the PPSAs are existing and operating facilities under current PCIA-eligible RPS contracts⁵ to deliver output to PG&E. All resources from which counterparties will be receiving deliveries are defined for each Product in Appendix H1 and H2.

7. Source of agreement, i.e., RPS solicitation year or bilateral negotiation

The PPSAs resulted from PG&E's Solicitation. The solicitation bids were evaluated and executed in accordance with the PG&E's Revised Framework for Assessing Market Offer Sales of Renewables Portfolio Standard Volumes ("Framework") approved as Attachment B to PG&E's AL 6779-E.

8. If an amendment, describe contract terms being amended and reason for amendment

Not applicable.

⁵ PCIA-Eligible RPS portfolio used for Voluntary Allocation as defined in Advice 6305-E (pp 2-4).

General Project(s) Description

Project Name	Multiple Projects (See Appendix H1 of or Appendix B to Confirm)	Multiple Projects (See Appendix H2 or Appendix B of Confirm)
Buyer / Counterparty	CPA	Shell Energy
Technology	solar photovoltaic ("PV"), wind, small hydro, biomass, digester gas, and geothermal technologies	wind
Capacity (MW)⁶	NA	NA
Product Purchased	A	B
Election	100% for 2023, 100% for 2024	30% for 2023, 50% for 2024
Expected Generation (MWh/Year)⁷	841,413 for 2023 829,398 for 2024	97,190 for 2023 123,620 for 2024
Delivery Term (Years)	2023, 2024	2023, 2024
Location⁸ (city and state)	Multiple	Multiple

⁶ The Transactions are for RPS (i.e., energy and RECs) sales and do not include a capacity product. Under the Market Offer process, PG&E may add or remove a resource as allowed under Voluntary Allocation and PG&E retains the sole and absolute discretion to modify, enforce, or terminate its power purchase agreements for resources during the Delivery Period, and Buyer shall not have any right to or discretion to request changes to the Resources during the Delivery Period. As such, facility size is not relevant and has not been included in the facility list.

⁷ Market Offer transactions do not comprise of a specified advanced quantity. Under the Market Offer transaction, PG&E may add or remove a resource as allowed under Voluntary Allocation and PG&E retains the sole and absolute discretion to modify, enforce, or terminate its power purchase agreements for resources during the Delivery Period, and Buyer shall not have any right to or discretion to request changes to the resources during the Delivery Period. Estimated volumes are based on a 1/1/2023 start to the Delivery Period with the current resource list. The actual Delivery Period for the transaction shall commence following satisfaction of the Conditions Precedent, including CPUC approval of the transaction.

⁸ Under the Market Offer process, PG&E may add or remove a resource as allowed under Voluntary Allocation and PG&E retains the sole and absolute discretion to modify, enforce, or terminate its power purchase agreements for resources during the Delivery Period, and Buyer shall not have any right to or discretion to request changes to the Resources during the Delivery Period. As such, facility location is not relevant and has not been included in the facility list.

C. RPS Statutory Goals and Requirements

- 1. Briefly describe the Project's consistency with and contribution towards the RPS program's statutory goals set forth in Public Utilities Code §399.11. These goals include displacing fossil fuel consumption within the state; adding new electrical generating facilities within WECC; reducing air pollution in the state; meeting the state's climate change goals by reducing emissions of greenhouse gases associated with electrical generation; promoting stable retail rates for electric service; a diversified and balanced energy generation portfolio; meeting the state's resource adequacy requirements; safe and reliable operation of the electrical grid; and implementing the state's transmission and land use planning activities.**

These Transactions were carried out to comply with D.21-05-030 establishing the Voluntary Allocation and Market Offer process for portfolio optimization of the PCIA-eligible portfolio. D.22-11-021 modified the Market Offer process and, among other things, ordered PG&E to offer 100 percent of their remaining PCIA-eligible short-term contracts in the Market Offer. To comply with D. 22-11-021, PG&E filed Advice 6779-E governing the Short-Term Market Offer, which was approved by the Commission on January 6, 2023. PG&E's Short-Term Market Offer Solicitation was held consistent with Advice 6779-E.

- 2. Describe how procurement pursuant to the contract will meet IOU's specific RPS compliance period needs. Include Renewable Net Short calculation as part of response. Also, describe, in detail, how these sales will not inhibit the ability for the IOU to meet its RPS targets in all future compliance periods.**

As explained above, the Transactions result from regulatory orders. D.21-05-030 established the Voluntary Allocation and Market Offer process for portfolio optimization of the PCIA-eligible portfolio. D.22-11-021 modified the Market Offer process and, among other things, ordered PG&E to offer 100 percent of their remaining Power Charge Indifference Adjustment (PCIA) eligible short-term contracts in the Market Offer. To comply with D. 22-11-021, PG&E filed Advice 6779-E governing the Short-Term Market Offer, which was approved by the Commission on January 6, 2023. The foregoing orders do not take into consideration PG&E's specific RPS compliance period needs as a condition precedent to the transaction.

However, as illustrated in PG&E's Renewable Net Short ("RNS") appended to its Final 2022 RPS Plan that is in effect,⁹ PG&E's existing and banked RPS portfolio is expected to provide sufficient RPS-eligible deliveries to meet PG&E's RPS compliance requirements through 2028. Since PG&E's Final 2022 RPS Plan assumes that PG&E only retains its own bundled share of available VAMO volumes, and that all remaining

⁹ See Appendix G1 and G2: PG&E's Renewable Net Short Calculation.

Market Offer volumes are successfully sold, its RNS position already accounts for the impact of these transactions.

D. Confidentiality

Explain if confidential treatment of specific material is requested. Describe the information and reason(s) for confidential treatment consistent with the showing required by Decision (“D.”) D.21-11-029.

In support of this Advice Letter, PG&E provides the confidential information listed below. This information includes the PPSAs and other information that more specifically describes the rights and obligations of the parties involved. This information is being submitted in the manner directed by D.08-04-023 as well as D.21-11-029 and the August 22, 2006, Administrative Law Judge’s Ruling Clarifying Interim Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under either the terms of the Investor Owned Utility Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023 as well as D.21-11-029, or Public Utilities Code section 454.5(g). A separate Declaration Seeking Confidential Treatment is being submitted concurrently with this Advice Letter.

Table of Appendices

Appendix	Description	Public or Confidential?
A	Consistency with Commission Decisions and Rules	Confidential
B1	Solicitation Overview and Results	Confidential
B2	Solicitation Overview and Results (Excel Spreadsheet)	Confidential
C1	Final RPS Project-Specific Independent Evaluator Report	Confidential
C2	Final RPS Project-Specific Independent Evaluator Report (Redacted)	Public
D1	Contract Summary: CPA	Confidential
D2	Contract Summary: Shell Energy	Confidential
E1	Comparison of Contract with Utility’s Product A Pro Forma Agreement: CPA	Confidential
E2	Comparison of Contract with Utility’s Product B Pro Forma Agreement: Shell Energy	Confidential
F1	Sales Agreement: CPA	Confidential
F2	Sales Agreement: Shell Energy	Confidential
G1	PG&E’s Renewable Net Short Calculation	Confidential
G2	PG&E’s Renewable Net Short Calculation (Redacted)	Public
H1	Facility List: CPA	Public
H2	Facility List: Shell Energy	Public
I	Model Protective Order and Nondisclosure Certificate	Public

II. Consistency With Commission Decisions

A. RPS Procurement Plan

1. Identify the Commission decision that approved the utility's RPS Procurement Plan. Did the utility adhere to Commission guidelines for filing and revisions?

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 their 2022 RPS Plans. The Commission considered such proposals as part of R. 18-07-003, and issued D. 22-11-021 directing certain modifications to such proposals. Ordering Paragraph 12 of the D. 22-11-021 directed PG&E, SCE, and SDG&E to each file a Tier 1 Advice Letter within 15 days of the decision's issuance date with the changes to the Market Offer process and documents to comply with the decision. On December 5, 2022 PG&E filed AL 6779-E in compliance with D. 22-11-021. Attachment A to AL 6779-E contains the Revised Joint IOU Filing on Track 1- Final 2022 Renewables Portfolio Standard- Market Offer Process. The CPUC approved AL 6779-E on January 6, 2023. PG&E complied with all procedural requirements with regard to the submittal of AL 6779-E to comply with D. 22-11-021.

2. Describe the Procurement Plan's assessment of portfolio needs as well as how these sales are consistent with the Commission decision for sale of RECs.

In compliance with D.21-05-030, the Joint IOUs proposed a Market Offer process and schedule as part of Track 1 of the 2022 RPS Plans. The Commission issued D. 22-11-021 directing certain modifications to such proposals. On December 5, 2022 PG&E filed AL 6779-E in compliance with D. 22-11-021. The CPUC approved AL 6779-E on January 6, 2023. PG&E conducted the Solicitation and executed transactions resulting from the Solicitation using the documents and processes approved in AL 6779-E and to comply with D.22-11-021 and D.21-05-030.

3. Discuss how the Transactions are consistent with the utility's Procurement Plan and meet utility procurement and portfolio needs (e.g., capacity, electrical energy, resource adequacy, or any other product resulting from the Transactions).

The proposed PPSAs are for the sale of Product A and B (ie. energy and associated RECs) generated over the respective contract delivery periods and are done as part of compliance with D. 21-05-030 and D. 22-11-021. As described above, PG&E's 2022 RPS Plan already assumes that PG&E only retains its own respective share of available VAMO volumes.

As further described in Confidential Appendix A, the Transactions are consistent with PG&E Advice 6779-E filed as part of Track 1 of the RPS Plan Proceeding.

4. Sales

- a. Briefly describe IOU's approved sales framework and how the sales contract(s) are consistent with the framework**

The Transactions are consistent with PG&E's Framework filed as Attachment B of PG&E's approved Advice 6779-E. PG&E selected qualifying bids based on the criteria listed in Attachment B.

5. Portfolio Optimization Strategy

- b. Describe how the proposed procurement (or sale) optimizes IOU's RPS portfolio (or entire energy portfolio). Specifically, a response should include:**
- i. Identification of IOU's portfolio optimization strategy objectives that the proposed procurement (or sale) are consistent with.**

See Section II.A.3, above.

- ii. Identification of metrics within portfolio optimization methodology or model (e.g., PPA costs, energy value, capacity value, interest costs, carrying costs, transaction costs, etc.) that are increased/ decreased as a result of the proposed transaction.**

PG&E utilized its pre-approved Framework filed as Attachment B of Advice 6779-E for assessing bids received as part of this Solicitation.

- iii. Identification of risks (e.g., non-compliance with RPS requirements, regulatory risk, over-procurement of non-bankable RPS-eligible products, safety, etc.) and constraints included in optimization strategy that may be decreased or increased due to proposed procurement (or sale).**

The Transactions are consistent with requirements in D. 22-11-021. Given that PG&E only assumed that it retains its own bundled share of eligible VAMO volumes (and that PG&E did in fact elect to retain all of its eligible volumes), it is highly unlikely that these PPSAs will jeopardize PG&E's ability to meet RPS requirements.

- c. Description of how proposed procurement (or sale) is consistent with IOUs overall planned activities and range of Transactions planned to optimize portfolio.**

Each Transaction described here was carried out as part of compliance with D. 22-11-021, following the Framework and guidelines approved by the Commission as part of PG&E Advice 6779-E.

B. Bilateral Contracting – If Applicable

Not applicable.

C. Solicitation Methodology and Evaluation

1. Briefly describe IOU’s Least Cost Best Fit (“LCBF”) Methodology (or other evaluation methodology) and how the Project compared relative to other offers available to the IOU at the time of evaluation.

Not applicable because the Transactions are sales rather than procurement. PG&E has used its approved Framework from Attachment B of Advice 6779-E to evaluate the offers rather than the procurement LCBF evaluation methodology.

D. Compliance With Standard Terms and Conditions (“STCs”)

1. Do the proposed Transactions comply with D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025?

The non-modifiable STCs in the PPSAs conform exactly to the “non-modifiable” terms set forth in D.07-11-025, D.10-03-021, as modified by D.11-01-025 and D.13-11-024. The pro forma PPSAs and applicable STCs included in the executed contracts as part of this Solicitation were approved via AL 6779-E.

2. Using the tabular format, provide the specific page and section number where the RPS non-modifiable STCs are located in the contract.

Counterparty		CPA		Shell Energy	
Contract Reference		Section	Page Number	Section	Page Number
Non-Modifiable Term	STC 1: Seller’s Representations, Warranties, and Covenants	8.1, 8.2, 8.3	5	8.1, 8.2, 8.3	5
	STC 2: Governing Law	10.2(b)	7	10.2(b)	7

- 3. Provide a redline of the contract against the utility's Commission-approved pro forma RPS contract as Confidential Appendix E to the filed advice letter. Highlight modifiable terms in one color and non-modifiable terms in another.**

Redlines comparing each of the executed PPSAs to the form of Product A and B Market Offer Confirmation included as Attachment F.1 and F.2 to PG&E's AL 6779-E are included in Confidential Appendix E. The non-modifiable terms have been highlighted in each redlined comparison.

E. Solicitation Process

1. Process Overview

PG&E used the pre-approved Framework to establish which bids to execute in its 2023 Short Term Market Offer Solicitation, governed by D. 22-11-021.

2. Sales solicitation process and schedule

PG&E's initial solicitation process and schedule is summarized below.

Event	Date/Time*
PG&E issues solicitation	January 9, 2023
Participants' Webinar	January 12, 2023 at 10:30 AM
Deadline for Participants to submit bids through Power Advocate	January 20, 2023 at 1:00 PM
PG&E notifies qualified bidders	February 16, 2023
Execution date	March 2023 ¹⁰
PG&E submits Agreements for CPUC approval via Tier 1 Advice Letter	March 2023

*Dates are approximate and subject to change.

3. Solicitation Design

An overview of the product attributes PG&E solicited is summarized below.

Product	<ul style="list-style-type: none"> Product 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) Product B: Following Voluntary Allocation, all remaining RPS-eligible energy and/or associated RECs from facilities
----------------	--

¹⁰ PG&E was able to accelerate the timeframe for execution, as allowed in the Protocol.

	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)
Pricing	<ul style="list-style-type: none"> • Energy – settled at the day-ahead NP15, ZP26 and/or SP15 Index (Trading Hub Price) • Green Attributes – fixed price
Location	<ul style="list-style-type: none"> • NP15, SP15, and/or ZP26 Trading Hub at Seller's Discretion
Delivery Term¹¹	<ul style="list-style-type: none"> • 2023, 2024
Agreement	<ul style="list-style-type: none"> • Confirmation under an EEI Master Agreement

¹¹ Delivery Period commences in 2023 upon satisfaction of the Conditions Precedent, including CPUC approval of the respective transaction.

4. Table of Key Terms of 2023 Short Term Market Offer Confirmation

Scheduling Obligations	Seller, or a qualified third party designated by Seller, shall act as Scheduling Coordinator for the Project. Buyer hereby authorizes Seller, or its third party Scheduling Coordinator designee, to deliver Product to the CAISO at the Delivery Point.
Seller's Representations, Warranties, and Covenants	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. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Renewable Energy Credits conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in CPUC D. 08-08-028, as may be modified by subsequent CPUC decisions 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. 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.
Seller's Conveyance of Green Attributes	During the Delivery Period, Seller shall convey to Buyer the Green Attributes associated with Product within twenty-five (25) Business Days following the occurrence of both (i) Seller's receipt of the WREGIS Certificates for the Green Attributes for the applicable Calculation Period or calendar year and (ii) Seller's receipt of Buyer's payment of the Monthly Cash Settlement Amount in accordance with Article 6 herein. Seller shall transfer such WREGIS Certificates in an amount equivalent to the Total Amount to Buyer's WREGIS account such that all right, title and interest in and to the WREGIS Certificates shall transfer from Seller to Buyer.

F. Valuation Process: Quantitative and Qualitative Analysis

- 1. For Sales contracts, provide a quantitative analysis that evaluates selling the proposed contracted amount vs. banking the RECs towards future RPS compliance requirements (or any reasonable other options).**

See Section I.A. in Confidential Appendix A.

- 2. Explain the process used to determine price reasonableness, with maximum benefit to ratepayers.**

See Section I.A. in Confidential Appendix A.

- 3. Provide the notional value of each contract, as well as the total of all selected contracts.**

See Confidential Appendix B2 – Solicitation Overview and Results (Excel Spreadsheet).

- 4. Explain any quantitative and qualitative criteria used to rank bids.**

See Section I.A. in Confidential Appendix A. Per PG&E's Framework, PG&E considered price as the sole quantitative criterion.

G. Discussion of Outcome of Solicitation

- 1. For Sales contracts, provide the overall bid solicitation results and the shortlisted bids**
 - a. Quantitative information to include total number of overall and shortlisted responses for solicitation, price per bid, contract term of bids, bid quantity, total forecasted revenues per bid, and expected PCC classification of bid.**

See Confidential Appendix B2 – Solicitation Overview and Results (Excel Spreadsheet).

H. Procurement Review Group (“PRG”) Participation

- 1. List PRG participants (by organization/company).**

The PRG for PG&E includes the Commission's Energy Division, the Public Advocate's Office, Earth Justice, The Utility Reform Network, the Coalition of California Utility Employees, and Coast Economic Consulting.

- 2. Describe the utility's consultation with the PRG, including when information about the contract was provided to the PRG, whether the information was provided in meetings or other correspondence, and the steps of the procurement process where the PRG was consulted.**

On January 7, 2023, PG&E presented its confidential bid evaluation to the PRG, and had the IE assigned for this solicitation present their findings as well. Following the solicitation, PG&E then provided an update via email about the solicitation results on January 25, 2023.

- 3. For short-term contracts, if the PRG was not able to be informed prior to filing, explain why the PRG could not be informed.**

This is not applicable as the PRG was notified in advance of execution.

I. Independent Evaluator ("IE")

The use of an IE is required by D.04-12-048, D.06-05-039, 07-12-052, and D.09-06-050.

- 1. Provide name of IE.**

The IE is Lewis Hashimoto of Arroyo Seco Consulting.

- 2. Describe the oversight provided by the IE.**

The IE provided active oversight of the Solicitation beginning prior to issuance and continuing through contract execution. The IE provided input in advance of the Solicitation's launch with the goal of maximizing the effectiveness of PG&E's outreach. During the Solicitation, the IE reviewed e-mails exchanged between PG&E and the bidders and participated on phone calls between PG&E and the bidders.

- 3. List when the IE made any findings to the Procurement Review Group regarding the applicable solicitation, the project/bid, and/or contract negotiations.**

The IE provided commentary to the PRG related to the robustness of the solicitation and PG&E's proposed confidential bid evaluation methodology for this solicitation during the January 7, 2023 PRG meeting described above. The IE concludes in the IE report that the Transactions merit Commission approval.

- 4. Insert the public version of the project-specific IE Report.**

The public and confidential versions of the IE report are attached to this Advice Letter as Appendices C1 and C2.

III. Safety Considerations

- A. What has the IOU done to ensure that the contract and the facility's (or facilities') operation are: consistent with Public Utilities Code Section 451; do not interfere with the IOU's safe operation of its utility operations and facilities; and will not adversely affect the public health and safety?**

The Transactions cover the resale of energy and RECs purchased under existing PPAs per the rules of the VAMO process as described in D.22-11-021. The Projects are existing resources currently performing under existing PPAs with PG&E and therefore raise no incremental safety matters related to the generation of the energy.

- B. Will the contract lead to any changes in the structure or operations of the underlying facility (or facilities)? Any change in the safety practices at the facility (or facilities)? If so, with what federal, state and local agencies did the seller or facility owner confer or seek permits or permit amendments for these changes?**

The Transactions that are the subject of this Advice Letter have no impact on the underlying PPAs and therefore raise no incremental safety matters related to the generation of the energy.

IV. Request for Commission Disposition

PG&E requests that the Energy Division issue a disposition making this advice letter effective no later than 30 days after submittal. Any such disposition that makes this advice letter effective shall be deemed to constitute the following:

1. Approval of the PPSAs in their entirety, including payments to be received by PG&E, subject to CPUC review of PG&E's administration of the PPSAs;
2. A finding that the PPSAs are consistent with the Framework approved as part of PG&E Advice 6779-E filed pursuant to D.22-11-021 that the sale of the green attributes under each of the PPSAs are reasonable and in the public interest;
3. A finding that all costs of the PPSAs are fully recoverable in rates over the life of the PPSAs, subject to CPUC review of PG&E's administration of the PPSAs; and
4. A finding that the payments received by PG&E pursuant to the Transactions are credited against costs recorded to the Portfolio Allocation Balancing Account ("PABA") on a pro-rata basis across all applicable customer vintages.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than April 13, 2023, which is 20 days after the date of this submittal. Protests must be submitted to:

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

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

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

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

Effective Date

Consistent with its approved Track 1 of its 2022 RPS Plan, PG&E is submitting this advice letter with a Tier 1 designation to be effective upon submittal on March 24, 2023. PG&E will begin deliveries upon receiving final and non-appealable CPUC Approval.

Notice

In accordance with General Order 96-B, Section IV, a copy of this Advice Letter excluding the confidential appendices is being sent electronically to parties shown on the list shown below, including the service lists for R.18-07-003 and R.15-02-020. Non-market participants who are members of PG&E's PRG and have signed appropriate Non-Disclosure Certificates will also receive the Advice Letter and accompanying confidential attachments by overnight mail. Address changes to the General Order 96-B service list should be directed to 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. Advice letter submittals can also be accessed electronically at <http://www.pge.com/tariffs>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

cc: Service List for R.18-07-003 and R.15-02-020
Cheryl Lee – Energy Division

Limited Access to Confidential Material

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protection of Section 583 and 454.5(g) of the Public Utilities Code. This material is protected from public disclosure because it consists of, among other items, the PPSAs themselves, price information, and analysis of the PPSAs, which is protected pursuant to D.06-06-066 and D.08-04-023 and D.21-11-029. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith. In accordance with GO 96-B, a copy of PG&E's Proposed Protective Order is attached as Appendix I. The confidential version of this Advice Letter will be made available to appropriate parties (in accordance with PG&E's Proposed Protective Order) upon execution of the required non-disclosure certificate. Parties wishing to obtain access to the confidential version of this Advice Letter may contact Josephine Wu (josephine.wu@pge.com) to obtain the Protective Order and non-disclosure certificate.



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-8794

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) #: 6894-E

Tier Designation: 1

Subject of AL: 2023 Short Term Market Offer Solicitation; Power Purchase and Sale Agreement Between Pacific Gas and Electric Company and Multiple Buyers

Keywords (choose from CPUC listing): Agreement

AL Type: Monthly Quarterly Annual One-Time Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

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

Confidential treatment requested? Yes No

If yes, specification of confidential information: See Confidentiality Declaration and Matrix Attachment
 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, BSLF@pge.com

Resolution required? Yes No

Requested effective date: 3/24/23

No. of tariff sheets: N/A

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: (415)973-3582
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 6894-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 6894-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,

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6894-E
MARCH 24, 2023

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, as modified by D. 21-11-029, or Separate Confidentiality Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time
<p>Appendix A, Consistency with Commission Decisions and Rules and Project Development Status</p>	<p>Item VIII(A): Bid Information</p> <p>Item VIII(B): Specific quantitative analysis involved in scoring and evaluation of participating bids</p> <p>Public Utilities Code § 454.5(g)</p>	<p>This appendix contains information regarding the confidential terms and conditions of the power purchase and sale agreements (“PPSAs”) that seek to sell RPS-eligible products. Disclosure of this information would provide valuable market sensitive information to market participants regarding the contracts and could be damaging to PG&E’s future negotiations with other counterparties for similar products. Therefore, this information should remain confidential.</p> <p>This appendix also contains details regarding PG&E’s confidential Framework for Assessing Market Offer Sales of Renewables Portfolio Standard Volumes. This information was submitted confidentially in AL 6779-E. In addition, if other market participants learned of market sensitive information concerning PG&E’s sales strategy, they could change their bidding behavior and affect market pricing. This could detrimentally impact PG&E’s customers.</p> <p>This appendix contains confidential bid information and specific bid evaluations from PG&E’s solicitation. If released publicly, this information would provide valuable market sensitive information to market participants; therefore, this information should remain confidential.</p> <p>Finally, following deliveries of products pursuant to the PPSAs, PG&E is obligated to report delivered price information to the Federal Energy Regulatory Commission.</p>	<p>For Items VIII(A): Public after final contracts submitted to CPUC for approval</p> <p>For Items VIII(B): Three years after winning bidders selected</p> <p>Public Utilities Code § 454.5(g): Three years</p>

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6894-E
MARCH 24, 2023

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, as modified by D. 21-11-029, or Separate Confidentiality Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time
<p>Appendices B1 & B2, Solicitation Overview</p>	<p>Item VII (un-numbered category following VII(G)): Score sheets, analyses, evaluations of proposed RPS projects</p> <p>Item VIII(A): Bid Information</p> <p>Item VIII(B): Specific quantitative analysis involved in scoring and evaluation of participating bids</p> <p>Public Utilities Code section 454.5(g)</p>	<p>This appendix contains confidential bid information and bid evaluations from PG&E's solicitation and discusses confidential negotiations between PG&E and counterparties. If released publicly, this information would provide valuable market sensitive information to market participants, could be damaging to future PG&E contract negotiations and ultimately detrimental to PG&E's customers, and could create a disincentive to do business with PG&E and other regulated utilities. Therefore, this information should remain confidential.</p> <p>This appendix also contains information relating to PG&E's Revised Framework for Assessing Market Offer Sales of Renewables Portfolio Standard Volumes, which was deemed confidential in AL 6779-E . In addition, if other market participants learned of market sensitive information concerning PG&E's sales strategy, they could change their bidding behavior and affect market pricing. This could detrimentally impact PG&E's customers.</p>	<p>For Item VII (un-numbered category following VII(G)): Three years</p> <p>For Items VIII(A): Public after final contracts submitted to CPUC for approval</p> <p>For Item VIII(B): Three years after winning bidders selected</p> <p>Public Utilities Code § 454.5(g): Three years</p>

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6894-E
MARCH 24, 2023

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, as modified by D. 21-11-029, or Separate Confidentiality Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time
Appendix C1, Independent Evaluator Report – grey shaded sections	<p>Item VII(G): Renewable Resource Contracts under RPS program</p> <p>Item VII (un-numbered category following VII(G)): Score sheets, analyses, evaluations of proposed RPS projects</p> <p>Item VIII(A): Bid Information</p> <p>Item VIII(B): Specific quantitative analysis involved in scoring and evaluation of participating bids</p> <p>Public Utilities Code section 454.5(g)</p>	<p>This appendix contains the IE report, which includes confidential bid information and bid evaluations from PG&E’s solicitation. The confidential IE report also discusses, analyzes and/or evaluates the terms of the PPSAs and confidential negotiations between PG&E and counterparties. If released publicly, this information would provide valuable market sensitive information to market participants, could be damaging to future PG&E contract negotiations and ultimately detrimental to PG&E’s customers, and could create a disincentive to do business with PG&E and other regulated utilities. Therefore, this information should remain confidential.</p> <p>This appendix also contains information relating to PG&E’s confidential Revised Framework for Assessing Market Offer Sales of Renewables Portfolio Standard Volumes, which was submitted as a confidential appendix AL 6779-E. In addition, if other market participants learned of market sensitive information concerning PG&E’s sales strategy, they could change their bidding behavior and affect market pricing. This could detrimentally impact PG&E’s customers.</p> <p>Finally, following deliveries of products pursuant to the PPSAs, PG&E is obligated to report delivered price information to the Federal Energy Regulatory Commission.</p>	<p>For Item VII(G): Three years after winning bids selected</p> <p>For Item VII (un-numbered category following VII(G)): Three years</p> <p>For Items VIII(A): Public after final contracts submitted to CPUC for approval</p> <p>VIII(B): Three years after winning bidders selected</p> <p>Public Utilities Code § 454.5(g): Three years</p>

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6894-E
MARCH 24, 2023

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, as modified by D. 21-11-029, or Separate Confidentiality Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time
Appendices D1 & D2, Summary of Contracts	<p>Item VII(G): Renewable Resource Contracts under RPS program</p> <p>Item VII (un-numbered category following VII(G)): Score sheets, analyses, evaluations of proposed RPS projects</p> <p>Item VIII(B): Specific quantitative analysis involved in scoring and evaluation of participating bids</p>	<p>This appendix summarizes and analyzes the PPSAs and contains bid evaluation information. If released publicly, this information would provide valuable market sensitive information to market participants and could be damaging to PG&E’s future negotiations with other counterparties for similar products. Therefore, this information should remain confidential.</p> <p>Following deliveries of products pursuant to the PPSAs, PG&E is obligated to report delivered price information to the Federal Energy Regulatory Commission.</p>	<p>For Item VII(G): Three years after winning bidders selected</p> <p>For Item VII (un-numbered category following VII(G)): Three years</p> <p>For Item VIII(B): Three years after winning bidders selected</p>
Appendices E1 & E2, Comparison of PPSAs with PG&E’s 2023 Pro Forma PCIA RPS Short-Term Market Offer Confirmation for Product A and B	Item VII(G): Renewable Resource Contracts under RPS program	<p>These appendices contain each of the PPSAs for which PG&E seeks approval in this Advice Letter filing. Public disclosure of the terms of the PPSAs would provide valuable market sensitive information to market participants and could be damaging to PG&E’s future negotiations with other counterparties for similar products. Therefore, this information should remain confidential.</p> <p>Following deliveries of products pursuant to the PPSAs, PG&E is obligated to report delivered price information to the Federal Energy Regulatory Commission.</p>	For Item VII(G): Three years after winning bidders selected

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
Advice Letter 6894-E
MARCH 24, 2023

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, as modified by D. 21-11-029, or Separate Confidentiality Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time
Appendices F1, & F2, Power Purchase and Sale Agreement	Item VII(G): Renewable Resource Contracts under RPS program	<p>These appendices contain each of the PPSAs for which PG&E seeks approval in this Advice Letter filing. Public disclosure of the terms of the PPSAs would provide valuable market sensitive information to market participants and could be damaging to PG&E’s future negotiations with other counterparties for similar products. Therefore, this information should remain confidential.</p> <p>Following deliveries of products pursuant to the PPSAs, PG&E is obligated to report delivered price information to the Federal Energy Regulatory Commission.</p>	For Item VII(G): Three years after winning bidders selected
Appendix G1, PG&E’s Renewable Net Short Calculation – grey shaded sections	<p>V(C) and V(C.1) – Bundled Customer Total Energy Forecast (MWh)</p> <p>May 21, 2014 ALJ Ruling</p>	<p>Confidential forecast of bundled customer load forecast, RPS compliance load forecast and RPS net short position.</p> <p>Information relates to PG&E’s optimized Renewable Net Short (RNS), including: PG&E’s assumptions for its overall portfolio optimization strategy; any plans to sell forecast Renewable Energy Credits (RECs) above the Procurement Quantity Requirements (PQR); application of forecast RECs above the PQR towards a future RPS compliance requirement; and any plan to procure of RECs above the PQR in future years. This information is expressly deemed confidential by the May 21, 2014 <i>Administrative Law Judge’s Ruling on Renewable Net Short</i> issued in Rulemaking 11-05-005, pages 5 and 24 (“May 21, 2014 ALJ Ruling”). Additionally, this information could be used to determine PG&E’s net open position for RPS-eligible products and constitutes analysis and evaluation of proposed RPS projects, including sales or transactions intended to create a compliance bank.</p>	<p>For Items V(C) and (C.1): For bundled load forecast, front three years of data For RPS Compliance load forecast and RPS net short position, front two years of forecast data</p> <p>May 21, 2014 ALJ Ruling: Indefinite</p>

PACIFIC GAS AND ELECTRIC COMPANY

Appendix A

Consistency with Commission Decisions and Rules

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix B1

Solicitation Overview and Results

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix B2

**Solicitation Overview and Results
(Excel Spreadsheet)**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix C1

**Final RPS Project-Specific Independent
Evaluator Report**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix C2

**Final RPS Project-Specific Independent
Evaluator Report**

(Redacted)

PACIFIC GAS AND
ELECTRIC COMPANY:
SHORT-TERM
CONTRACT 2023 PCIA
RPS MARKET OFFER
SOLICITATION

REPORT OF THE INDEPENDENT
EVALUATOR ON CONTRACTS FOR SALE OF
RENEWABLE ENERGY TO CLEAN POWER
ALLIANCE OF SOUTHERN CALIFORNIA AND
TO SHELL ENERGY NORTH AMERICA (US)
L.P.

MARCH 13, 2023

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	3
2. ROLE OF THE INDEPENDENT EVALUATOR.....	5
3. PG&E'S OUTREACH EFFORTS AND THE ROBUSTNESS OF THE RESPONSE	7
4. FAIRNESS OF PG&E'S BID EVALUATION METHODOLOGY	14
5. FAIRNESS OF PG&E'S BID EVALUATION AND SELECTION PROCESS.....	18
6. FAIRNESS OF CONTRACT-SPECIFIC NEGOTIATIONS.....	24
7. MERIT FOR CPUC APPROVAL.....	28

1. EXECUTIVE SUMMARY

This report provides a review of two sales agreements executed by Pacific Gas and Electric Company (“PG&E”), for renewable energy to be delivered from PG&E’s supply portfolio to:

- Clean Power Alliance of Southern California (“CPA”), formerly Los Angeles County Clean Energy, a joint powers authority (“JPA”) and community choice aggregator (“CCA”) that commenced retail energy service in 2018, now serving customers in numerous municipalities and unincorporated territory in Los Angeles and Ventura Counties and expected to continue expanding its service territory to additional municipalities in 2024; and
- Shell Energy North America (US), L.P. (“SENA”), a U.S. subsidiary of the oil major Shell plc, involved in wholesale marketing and trading of energy commodities, including provision of energy services and scheduling coordinator services to various public entities and direct access retail customers.

The transactions originated from PG&E’s Short-Term Contract 2023 Power Charge Indifference Adjustment (“PCIA”) Renewables Portfolio Standard (“RPS”) Market Offer (“MO”) Solicitation. An Independent Evaluator (“IE”), Arroyo Seco Consulting (“Arroyo”), conducted various activities to observe, test, and check PG&E’s processes as participants sought to negotiate contracts. This report discusses:

- The role of the Independent Evaluator,
- The adequacy of PG&E’s outreach to potential buyers and the robustness of the solicitation,
- The degree to which the design of PG&E’s methodology provided for fair evaluation of bids,
- The fairness with which PG&E’s bid evaluation and selection process was administered,
- The fairness of contract-specific negotiations, and
- Merit of the executed contracts for approval by the California Public Utilities Commission (“CPUC”).

Arroyo’s opinion is that PG&E’s outreach to potential buyers was adequate, the solicitation was robust for bidding for Product A but not robust for Product B, and PG&E’s methodology was designed fairly and administered fairly. Arroyo’s opinion is that contract negotiations were conducted in a manner that was fair to competing buyers and to ratepayers. In Arroyo’s opinion, PG&E fully complied with the CCA Code of Conduct and with the Market Offer Code of Conduct in its administration of the solicitation.

Arroyo believes that the prices of the contracts are likely reasonable, although the California market for RPS-eligible energy is illiquid and not transparent so that obtaining fresh and publicly available comparable pricing information with which to assess price reasonableness is challenging. The transactions are fully consistent with the sales framework

described in Advice 6779-E that was accepted by the CPUC in December 2022. The portfolio fit of the contracts ranks high. Based on these observations, Arroyo's opinion is that the executed agreements with CPA and SENA merit CPUC approval.

2. ROLE OF THE INDEPENDENT EVALUATOR

This chapter describes key roles of the IE and summarizes activities undertaken to fulfill them in PG&E's process of seeking bids for short-term sales of bundled renewable energy¹.

A. KEY INDEPENDENT EVALUATOR ROLES

The CPUC stated its intent for participation of an IE in competitive procurement solicitations to “separately evaluate and report on the investor-owned utility’s (“IOU’s”) entire solicitation, evaluation and selection process”, in order to “serve as an independent check on the process and final selections.”² The CPUC’s Energy Division has provided IEs with a standard template for use in reporting about RPS transactions for which utilities seek approval through advice letters, specifying that such a report should cover topics including:

- Describe the IE’s role.
- How did the IOU conduct outreach to bidders, and was the solicitation robust?
- Was the IOU’s methodology designed such that proposals were fairly evaluated?
- Was the evaluation process fairly administered?
- Were contract-specific negotiations fair?
- Do the contracts merit Commission approval?

The structure of this report is organized around these major topics.

B. IE ACTIVITIES

To fulfill the role of evaluating the renewable energy contracts between PG&E and the six buyers, Arroyo performed various tasks:

- Reviewed the solicitation protocol, PG&E’s framework for the MO solicitations, analyses, and plans, and prior CPUC guidance for MO solicitations;
- Discussed with the PG&E team its plan to pursue sales of bundled renewable energy and analyzed its outreach efforts;
- Observed negotiations between PG&E and the two counterparties;
- Reviewed marked-up drafts of confirmation agreements as parties discussed edits to PG&E’s initial draft form confirmation agreements;

¹ Note that in the case of sales from Halkirk I Wind Project, which is on the resource list for Product B, only Renewable Energy Credits (“RECs”) will be delivered, not bundled RPS Energy. PG&E takes delivery of bundled RPS energy in Alberta and immediately resells the energy and ancillary services at the delivery point that is within the Alberta Electric System Operator grid, and will deliver unbundled RECs to SENA.

² CPUC Decision 06-05-039, May 25, 2006, “Opinion Conditionally Approving Procurement Plans for 2006 RPS Solicitations, Addressing TOD Benchmarking Methodology”, page 46.

- Researched recent comparable transactions of PCC1 and PCC3 renewable energy for publicly available market pricing data to serve as benchmarks for price reasonableness; and
- Provided independent commentary about the solicitation to PG&E's Procurement Review Group ("PRG").

3. PG&E’S OUTREACH EFFORTS AND THE ROBUSTNESS OF THE RESPONSE

On January 9, 2023, PG&E distributed a market notice announcing the issuance of the solicitation. PG&E provided a link to its public webpage for the solicitation that provided two versions of an Edison Electric Institute (“EEI”) short-form confirmation agreement (which also served as bid forms), a public solicitation protocol, a form for participant attestations, and a non-disclosure agreement.

The two confirmation agreements were for deliveries of Product A and of Product B being offered in the solicitation. Product A is to be delivered from a resource pool of RPS-eligible generation facilities in PG&E’s supply portfolio, all of which have less than 10 years remaining in their contract terms, and which have their first point of interconnection in the California Independent System Operator’s (“CAISO’s”) balancing area. The confirmation agreement for Product A lists 22 resources for the pool, though PG&E has the right to add or remove resources from the pool (note that the resource lists attached to both confirmation agreements were updated and corrected between the time PG&E filed them in Advice 6779-E and the time they were posted on the solicitation webpage upon launch of the Market Offer). Product B will be delivered from a different resource pool of RPS-eligible projects with less than 10 years remaining in their contract terms. The three wind generation resources listed for this resource pool in the Product B agreement all have their first point of interconnection outside the CAISO’s grid.³

Participants had the choice of bidding for deliveries of RPS-eligible energy in 2023 or 2024 or both. In the case of 2023, the contractual delivery period begins when CPUC approval of the agreements occurs, so rather than a full calendar year of deliveries the winning bidders will receive partial-year volumes (PG&E’s 2022 RPS procurement plan used a working assumption that deliveries could start on April 1, solely for the purposes of estimating portfolio needs).

The webpage also included documents for PG&E’s pro forma EEI master agreement (for the benefit of counterparties that do not already have an executed master agreement in

³ Note that PG&E does not represent or warrant what Portfolio Content Category (“PCC”) the delivered RPS energy from these agreements will be. That is a determination made solely by the CPUC after delivery, and winning bidders can ascertain the category after Western Renewable Energy Generation Information System (“WREGIS”) certificates are delivered. As part of PG&E’s existing supply portfolio, [REDACTED]

[REDACTED] However, once the Product B RPS-eligible energy is redelivered under a new contract by PG&E to a delivery point selected by PG&E (SP15, ZP26, or NP15) it is not obvious to Arroyo what PCC some of these deliveries would be. As part of PG&E’s supply portfolio, the outputs of the Vantage and Rattlesnake Road wind projects are firm and shaped for delivery to the CAISO at the California-Oregon Border but would be redelivered to other points.

For this solicitation, PG&E did not employ a separately developed customized contact list of potential renewable energy buyers that focuses on load-serving RPS compliance entities, as it had done in some of its Bundled RPS Energy Sale solicitations. As a consequence, about five entities that PG&E had contacted in the past with its market notices for REC sales were skipped in this solicitation, including public-owned utilities, wholesale energy brokers, and an investor-owned utility. Arroyo cannot judge the extent to which the robustness of the solicitation might have been diminished by dropping these contacts from PG&E's outreach for the solicitation.

In the actual event, all of the participants in the solicitation that submitted bids were contacted directly through the RFO contact list.

For this effort, focused on the small universe of RPS compliance entities and on those who serve their wholesale power needs, the utility did not pursue broad outreach through public media such as the electricity trade press or media releases. Arroyo's opinion is that PG&E adequately distributed notices of this solicitation.

For future sales solicitations, PG&E might benefit from adding to its outreach contact list some CCAs that are phasing in retail energy service or expanding their customer base to new municipalities, but that may not yet have been positioned to respond directly to the current solicitation, or have not yet engaged with PG&E as a counterparty. Potential CCA participants that have not been contacted include Baldwin Park Resident Owned Utility District, Desert Community Energy, Pioneer Community Energy, Pomona Choice Energy, San Jacinto Power, and other CCAs outside the PG&E service territory. Also, when PG&E dropped the use of its focused contact list that targeted load-serving entities, it stopped contacting publicly-owned utilities such as those of Banning, Burbank, Cerritos, and Corona; these might usefully be added to the general RFO contact list. Arroyo notes that some of these compliance entities have transacted REC purchases recently, and in light of the less than robust response of bids for Product B it might be helpful to reach out to more CCAs and municipal utilities in the future.

B. CLARITY AND CONCISION OF SOLICITATION MATERIALS

PG&E published on its website a written public protocol to document the MO solicitation's requirements and to communicate the evaluation criteria that the utility would use to make its selection decisions. The protocol was eleven pages long, which is concise for a California IOUs' solicitations, for which protocols can run to dozens of pages. In comparison, San Diego Gas & Electric Company's ("SDG&E's") protocol for its analogous short-term Market Offer was 17 pages long. PG&E's market notice e-mail was also succinct, relying on a link to the solicitation website for participants to obtain details. The three California IOUs jointly held a single participants' webinar, for which the presentation package was 22 pages long. This was more succinct than PG&E's 36-page slide presentation for its Summer 2022 Bundled RPS Energy Sale solicitation.

Arroyo's opinion is that solicitation materials were likely to have been generally clear to potential bidders.

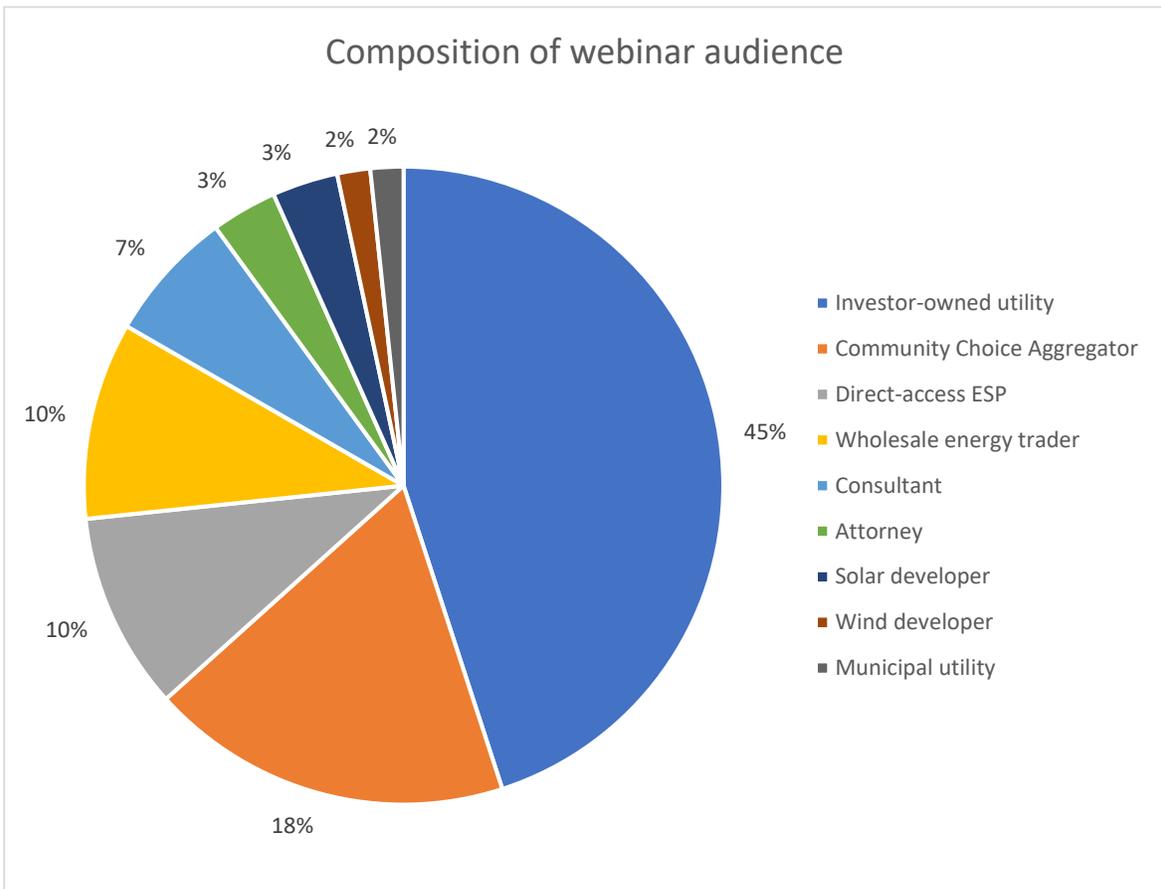
One indicator of clarity is that of [REDACTED] that registered for the solicitation on the on-line platform, [REDACTED] submitted proposals, suggesting that solicitation materials were on point for many of the entities that actively responded to the outreach notices. The other registrants that did not bid included [REDACTED], all of which would be logical participants in a solicitation to buy RPS-eligible energy. Other registrants included [REDACTED]

[REDACTED] Arroyo’s inference is that these latter registrants may have lacked clarity about PG&E’s intent for this energy sale solicitation, seeing that none would have been positioned to purchase renewable energy as part of their businesses.

C. BIDDERS’ CONFERENCE

PG&E, Edison, and SDG&E jointly convened a participants’ webinar on January 12, 2023. The presentation covered an overview of the three IOUs’ solicitations, the regulatory background, products offered, and IOU-specific bidding instructions.

Figure 2.



The webinar was quite well attended; the log from the web-conference provider suggests that 131 individuals joined, though more than half of these did not have identifying information captured for the log. Figure 2 displays the composition of the identified members of audience. Almost half were staff members of the three IOUs involved. Most of the other attendees would be logical participants to seek to purchase RPS-eligible energy in the solicitation, representing compliance entities such as CCAs, direct-access ESPs, and one municipal utility. Exceptions were wind and solar generation developers, for whom it would make more sense to attempt to sell RPS-eligible energy to IOUs rather than to buy it from IOU. The consultants in attendance were with firms that advise CCAs. Among the attorneys who attended was one that has represented another attendee, a wholesale energy marketing and trading entity, before the CPUC. The presence of renewable generation developers in the webinar audience suggests that these firms experienced a lack of clarity from reading solicitation materials.

The question-and-answer session within the webinar was lively, with ten queries posed by the audience. Of these, two were specifically about what product PG&E was offering to sell, e.g., will deliveries of Product A be PCC1 RPS energy, and how do PG&E's product offerings differ from Edison's. Other questions focused on how to estimate what actual delivery volumes will be if a participant can only bid for a fixed percentage of the offered eligible volumes. Questioners sought clarification of the rules for the three IOUs' solicitations, such as whether a participant could offer bids for all three Market Offers and then pick and choose which winning bid to contract (all bids are binding); whether the IOUs will allow a "bid refresh"; and how the bid floor is set. (PG&E's protocol reserves to the IOU the discretion to offer a bid refresh to counterparties; the other IOUs do not.) Overall, the nature of the questions implied that audience members who posed them were attentive to the overall nature of the Market Offer solicitation and sought clarifying details to help guide their bidding approaches.

D. ROBUSTNESS OF THE SOLICITATION

PG&E did not explicitly state a quantitative target for this solicitation in its public protocol, but in the public version of Attachment B of Advice 6779-E, its framework for assessing short-term Market Offer sales of RPS volumes, it stated that "PG&E intends to sell all eligible Market Offer volumes". Among the documents it posted on its public solicitation webpage was an estimate of monthly eligible volumes available for the short-term solicitation. The annual volumes for Product A totaled about 843 GWh for 2023 and 829 GWh for 2024 (two of the agreements with projects on the resource list will be terminating within 2023). For Product B, the annual volumes totaled about 324 GWh for 2023 and 247 GWh for 2024 (one of the wind farm contracts terminates in 2024). Note that PG&E does not guarantee a fixed volume from any sales agreements resulting from the solicitation; actual volumes depend on the performance of the facilities in the resource pool. Also, deliveries in 2023 begin only upon final CPUC approval of agreements, so the total volume actually delivered this year is likely to be less than the estimate for the full calendar year.

Bids for Product A deliveries in 2023 were received from [REDACTED]

[REDACTED] The total volume of the bids for Product A, following a correction by one participant of its non-conforming proposal, [REDACTED]

[REDACTED] This was a strongly robust response. PG&E received a greater volume of bids for annual deliveries than in any of its three most recent bundled RPS sale solicitations.

[REDACTED]

In contrast, for Product B, [REDACTED]

[REDACTED]. This was not a robust response.

Arroyo can only speculate about reasons why that might be. For example, RPS compliance rules require load-serving entities to meet at least 75% of their RPS obligations with PCC1 RECs and no more than 10% with PCC3 RECs during compliance period 4. Product B deliveries will provide energy from resources sited and interconnected outside the CAISO grid. CCAs and other compliance entities seem to spend more of their procurement activities pursuing PCC1 RECs, particularly through new long-term contracts.

While there are compliance entities that rely on unbundled PCC3 RECs as a key part of their strategies to achieve compliance, in part to achieve lower-cost solutions, this does not appear to be the main focus of most entities' strategies. Some CCAs, such as Marin Clean Energy, have publicly stated "an established preference for in-state resources", suggesting a disinclination to relying on unbundled RECs from out-of-state generators. Note that PG&E has not previously attempted to sell RECs from its supply portfolio that are sourced from such facilities that do not have a first point of interconnection in the CAISO through its prior Bundled RPS Energy Sale solicitations, so past participants in those solicitations are unused to bidding for purchases of this product from PG&E.

E. PARTICIPANTS' FEEDBACK ABOUT THE PROCESS

PG&E intends to circulate a survey to seek feedback about the solicitation but results were not yet available when this report was finalized.

There were a few high-level findings from the survey that PG&E conducted following its previous Winter 2021 Bundled RPS Energy Sale solicitation (PG&E did not run a survey for its Summer 2022 solicitation either). While the MO solicitation differs in several respects from the prior REC sale solicitations, there may be some insights from past surveys about the attitudes of participants, that have generally included CCAs, ESPs, and publicly-owned utilities as has been the case for this solicitation:

- Respondents agreed that
 - Instructions for the solicitation were clear,
 - The on-line bid submission process was easy to use, and

- There were no difficulties using the bid form or other parts of the package.
- Most respondents expressed a willingness to participate in PG&E's future short-term bundled RPS energy sale solicitations.
- A respondent indicated that it chose not to participate in the solicitation because of the agreement's terms and conditions.
- A respondent indicated that it viewed PG&E's categories for evaluation criteria as too broad.

4. FAIRNESS OF PG&E’S BID EVALUATION METHODOLOGY

This section describes PG&E’s methodology for evaluating bids and selecting proposals in this solicitation and provides an opinion about its fairness to ratepayers and participants.

A. PRINCIPLES TO EVALUATE PG&E’S BID EVALUATION METHODOLOGY

The Energy Division of the CPUC has suggested a set of principles for evaluating the process used by IOUs for selecting proposals in competitive renewable solicitations, within the template intended for use by IEs in reporting:

- There should be no consideration of any information that might indicate whether the participant is an affiliate.
- Procurement targets, objectives, and preferences were clearly defined in the IOU’s solicitation materials.
- The IOU’s methodology should identify quantitative and qualitative criteria and describe how they will be used to rank bids. These criteria should be applied consistently to all bids.
- The Least-Cost, Best-Fit (“LCBF”) methodology should evaluate proposals in a technology-neutral manner.
- The LCBF methodology should allow for consistent evaluation and comparison of proposals of different sizes, in-service dates, and contract length.

Some additional considerations appear relevant to PG&E’s specific situation.

- The methodology should identify how non-valuation measures will be considered; all non-valuation criteria used in selecting bids should be transparent to participants.
- The logic of how non-valuation criteria or preferences are used to reject higher-value bids and select lower-value bids should be applied consistently and without bias.
- The valuation methodology should be reasonably consistent with industry practices.
- CCAs should not be systematically disadvantaged by using neutral-appearing criteria that discriminate against the entire class of CCAs.

B. PG&E’S METHODOLOGY

PG&E’s public solicitation protocol stated just one quantitative evaluation criterion and a few qualitative criteria:

Quantitative criterion. The solicitation protocol stated that “PG&E will independently consider the 2023 and 2024 volumes and prices” to determine awards. This formulation differs from that of PG&E’s prior Bundled RPS Energy Sale solicitations, in which the

stated quantitative criterion was to maximize price. [REDACTED]

Financial strength. PG&E stated that it could consider the financial strength of bidders, focusing on their ability to fulfill obligations, and on whether entering new agreements may cause excess credit concentration in the utility's exposure to participants or to banks. The solicitation protocol does not refer to credit rating or other explicit measures of creditworthiness, which hypothetically might be used to distinguish between CCAs (some of which do not yet have investment-grade credit ratings) vs. corporations with large wholesale trading and marketing functions (which generally do).

Agreement Modifications. PG&E stated that it would not accept substantive modifications to the pro forma agreements. Consequently, this seems to be less a qualitative evaluation criterion for possible use in ranking bids than a firmer screening factor for identifying non-conforming proposals.

Other criteria. In its protocol, PG&E left open its discretion to employ other qualitative criteria in evaluating bids. These included but were not limited to consideration of past adverse commercial experience doing business with any specific participant, counterparty diversity, bid completeness, and whether or not PG&E has already negotiated and executed an EEI master agreement with a participant. (Having executed a master agreement would facilitate use of the short-form confirmation agreement, as opposed to the potentially more challenging or time-consuming negotiation of a new long-form confirmation agreement or a new EEI master agreement.)

PG&E did not explicitly propose to employ other evaluation criteria that it has employed in prior solicitations, such as supply chain responsibility, supplier diversity, RPS goals, etc.

C. STRENGTHS AND WEAKNESSES OF PG&E'S METHODOLOGY

This section summarizes some of the attributes of PG&E's approach to evaluating bids for deliveries of bundled renewable energy from the Product A and B resource pools.

Consistency with RPS Procurement Plan and other CPUC direction. In PG&E's 2022 RPS procurement plan, accepted with modifications in CPUC Decision 22-12-030, the utility reported that it had launched its short-term Market Offer solicitation, consistent with Decision 22-11-021 that approved, with modifications, the Market Offer process for PCIA-eligible contracts. Pursuant to that Decision, PG&E submitted Advice 6779-E that updated and revised its framework for assessing short-term Market Offer sales, its solicitation protocol, code of conduct, and two confirmation agreements in order to comply with the Decision's specific orders. The protocol and evaluation methodology for the solicitation are consistent with those contained in the advice filing, which was accepted by the CPUC; the

confirmation agreements posted for the solicitation differed from those approved with the advice filing only in the details of the specific facilities stated in both resource lists.

Market Valuation. PG&E did not calculate Portfolio-Adjusted Value (“PAV”) for the bids for these renewable energy volumes. Directly using the PAV metric would have been consistent with its past practice in renewable energy procurement and with the 2022 RPS procurement plan’s statement that the use of PAV ensures procurement provides the best fit for PG&E’s portfolio at the least cost. PG&E instead used an approach to make awards based on price offered and volume elected in each respective delivery year, as stated in its revised framework for assessing MO sales of RPS volumes included in Advice 6779-E. This quantitative evaluation criterion used is far less burdensome than the PAV methodology, and Arroyo does not expect the results of ranking using this criterion to differ at all from using PAV to rank proposals.

The confidential section of the approved, revised framework describing price evaluation criteria [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Other criteria. Because projects from which sales volumes will be delivered are already constructed and operating, transmission network upgrade costs are sunk costs and do not factor into bid selection decisions. Similarly, all the projects are viable by virtue of achieving commercial operation and delivering energy on an ongoing basis, so that project viability is not a consideration. In a sense, the question of the viability of individual bidders to make payments to PG&E is taken into account in the creditworthiness evaluation criterion.

In this solicitation, PG&E made it clear to participants that it would not accommodate any substantive contract modifications. This was a more stringent requirement than that stated in its prior REC sales solicitations, for which agreement modifications were a quantitative evaluation criterion and PG&E stated a strong preference for its standardized form agreement.

Arroyo does not perceive any particular weaknesses in PG&E's methodology. It is generally consistent with those used in the utility's prior Bundled RPS Energy Sale solicitations, which have led to bid selections and contract awards that were approved by the CPUC.

5. FAIRNESS OF PG&E'S BID EVALUATION AND SELECTION PROCESS

This section provides a narrative of how PG&E administered its evaluation and selection methodology to choose bids for contracting in its Short-Term Market Offer solicitation. Arroyo's opinion is that the bid evaluation process was fairly administered.

A. GUIDELINES TO DETERMINE FAIRNESS OF EVALUATION PROCESS

The Energy Division has suggested a set of principles to guide IEs in determining whether an IOU's administration of its evaluation and selection process was fair:

- Were all proposals treated the same regardless of the identity of the bidder?
- Were participants' questions answered fairly and consistently and the answers made available to all participants?
- Did the utility ask for "clarifications" that provided one participant an advantage over others?
- Was the economic evaluation of the proposals fair and consistent?
- Was there a reasonable justification for any fixed parameters that were a part of the IOU's LCBF methodology?
- Were the qualitative and quantitative factors used to evaluate bids fair to all bids?

Other considerations relevant to reviewing PG&E's administration of its methodology:

- Were any decisions to reject higher-value proposals because of preferences other than market valuation applied consistently across all proposals? Were selections of lower-value proposals in preference to higher-valued ones based on their superior attributes in non-valuation criteria made consistently, or were high-value proposals skipped over unfairly?
- If PG&E chose to contract for a different volume or pricing of sales than strictly based on the approved framework, was the decision made fairly in how it affected bidders, and based on factors stated in confidential Attachment B of Advice 6779-E that detailed the framework applicable to the short-term MO solicitation?
- Were the judgments used to make a selection based on evaluation criteria and preferences that were publicly disseminated to participants prior to bid submittal?
- Did PG&E disadvantage any class of participants (such as CCAs) in its administration of the selection methodology?

B. PG&E'S EVALUATION OF BIDS AGAINST CRITERIA

PG&E used the quantitative criterion of considering volumes and prices offered to select bids. [REDACTED] passed a review for the qualitative criteria.

Market Valuation. Bid packages for Product A for 2023 delivery were submitted timely [REDACTED] before the deadline. Figure 3 displays the bid supply curve for 2023 deliveries that shows how the bid prices [REDACTED]

Bid packages for Product A for 2024 delivery were submitted timely [REDACTED] before the deadline; [REDACTED] Figure 4 displays the bid supply curve for 2024 deliveries.

Confidential Figure 3.



[REDACTED]

Confidential Figure 4.



For Product B, [REDACTED]

PG&E used the revised framework specified in confidential Attachment B of Advice 6779-E to evaluate these proposals. [REDACTED]

[REDACTED] For Product A, PG&E accepted CPA's bids for both years; for Product B, PG&E accepted SENA's bid for both years. This evaluation was, in Arroyo's opinion, fully consistent with the CPUC-approved framework for assessing MO sales of RPS volumes attached to approved Advice 6779-E.

Non-conforming proposals. All bid packages were submitted prior to the deadline set in the solicitation protocol. Based on Arroyo's inspection, [REDACTED] proposal packages failed to conform to the requirements of the solicitation protocol.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Credit. PG&E deemed all participants to be sufficiently creditworthy for bids to undergo initial evaluation against the quantitative criterion. Clean Power Alliance is as yet unrated, though it has a stated goal of establishing an investment-grade credit rating. SENA is an investment-grade credit, at A2 from Moody's and A+ from Standard and Poor's.

[REDACTED]

Other criteria. PG&E did not apply other evaluation criteria in making its short list selection. [REDACTED]

Market Offer Solicitation Code of Conduct. Decision 22-11-021 required IEs to "provide the Commission information regarding any code of conduct violation in their IE reports". The Code defines rules for PG&E's participation in its own MO solicitations. PG&E revised its Code according to the orders of the Decision and submitted it in Advice 6779-E; among other things, it restricts the conduct of its bid and evaluation teams and requires individuals to sign certifications. Arroyo did not observe any violations of PG&E's Code of Conduct in the course of the utility's administration of this Short-Term Market Offer solicitation. [REDACTED]

C. RESULTS ANALYSIS

Arroyo agreed with PG&E's decisions regarding selection and rejection of bids. Observations regarding PG&E's administration of its evaluation methodology in this Short-Term Market Offer solicitation include:

- There were no instances in which Arroyo and PG&E disagreed about the utility's administration of the evaluation and selection process.
- PG&E evaluated bids without involving any third party or the Independent Evaluator to conduct any portion of its analysis.
- Arroyo did not observe PG&E treating participants in disparate ways; Arroyo did not, for example, observe PG&E treating participants differently based on prior commercial relationships or on their status as a CCA.
- The economic evaluation of bids was fair and consistent.

- The judgments that served as the basis for selecting bids were based solely on evaluation criteria that were stated publicly in the solicitation protocol.
- The key parameter used in the evaluation and selection was [REDACTED]
- Because PG&E used consideration of “volumes and prices offered” as its quantitative evaluation criterion, it did not consider transmission costs or integration adders in selection. There is no basis for distinguishing between bids using transmission costs or integration adders because deliveries to any winning bid would come from the same resources; it would be inappropriate to involve transmission and integration costs in bid evaluation. The key attributes that distinguished bids were the participants’ proposed pricing for green attributes and requested volumes.
- Arroyo believes that PG&E’s conduct of the Short-Term Market Offer solicitation was consistent with its approved 2022 RPS procurement plan, Decision 22-11-021 and with approved Advice 6779-E.

[REDACTED]

- Arroyo agrees that, based on PG&E’s framework for assessing Market Offer sales of RPS volumes, the utility made reasonable and justifiable decisions to select and reject bids.
- Arroyo did not observe any violations of the Market Offer Code of Conduct.

Arroyo’s opinion is that PG&E’s evaluation and selection process was fairly administered.

6. FAIRNESS OF CONTRACT-SPECIFIC NEGOTIATIONS

This chapter provides an independent review of the extent to which PG&E's negotiations with bidders were conducted fairly with respect to competitors. PG&E notified winning participants that their proposals had been selected within four days after bid submittal, and notified losing participants on February 1. PG&E began discussions with counterparties shortly after each selected bidder accepted its award, resulting in execution of confirmation agreements with CPA on January 27 and SENA on February 3.

Arroyo monitored the e-mail communications between PG&E and the selected participants. Arroyo also reviewed marked-up draft contracts to identify specific proposed modifications made by the parties. The starting point for negotiations were the versions of confirmation agreements for delivery of Product A or Product B that were posted to the solicitation webpage and filled in by participants for use as bid forms.

Arroyo's opinion is that PG&E's negotiations were conducted in a manner that was fair to counterparties and to their competitors. The last chapter of this report describes the degree to which the pricing of the resulting contracts is fair to ratepayers.

A. PRINCIPLES FOR EVALUATING THE FAIRNESS OF NEGOTIATIONS

Arroyo employed specific principles to evaluate the degree of fairness with which PG&E handled negotiations to sell renewable energy to CPA and SENA.

- Were bidders treated fairly and consistently by PG&E during negotiations? Were all bidders given equitable opportunities to advance proposals towards final agreements? Were individual bidders given unique opportunities to move their proposals forward or concessions to improve their contracts' commercial value, opportunities not provided to others?
- Was the distribution of risk between seller and buyer in the agreements distributed equitably across contracts? Did PG&E's ratepayers take on a materially disproportionate share of risks in some contracts and not others? Were individual buyers given opportunities to shift their commercial risks towards ratepayers, opportunities that were not provided to others?
- Was non-public information provided by PG&E shared fairly with all buyers? Were individual buyers uniquely given information that advantaged them in securing contracts or realizing commercial value from those contracts?
- If any individual buyer was given preferential treatment by PG&E in the course of negotiations, is there evidence that other buyers were disadvantaged by that treatment? Were other proposals of comparable value to ratepayers assigned lower priority?

B. NEGOTIATIONS BETWEEN PG&E AND CPA

Terms and conditions in the agreements for sales of Product A were not significantly altered from the pro forma after bids were selected. Discussions focused on:

- Clean-up of confirmation agreement. [REDACTED]

- Exposure amount. [REDACTED]

[REDACTED]

C. NEGOTIATIONS BETWEEN PG&E AND SENA

[REDACTED]

[REDACTED]

[REDACTED]

D. FAIRNESS OF NEGOTIATIONS

Arroyo’s opinion is that negotiations with the two counterparties were conducted fairly. Each participant was given an equitable opportunity to advance its proposals towards execution. The distribution of risk between buyer and seller is generally the same in these contracts as in prior confirmation agreements PG&E has negotiated for sale of bundled RPS energy with ESPs like SENA and southern California CCAs like CPA. Arroyo did not observe PG&E providing any individual participant with any non-public information that materially advantaged a buyer against ratepayers or competitors.

Credit requirements. Arroyo’s opinion is that PG&E’s specific treatment of buyers [REDACTED] was based on [REDACTED], rather than on any unfairly favorable treatment of familiar counterparties or discrimination against any class of counterparty. The requirements of the CPA and SENA agreements are consistent with what PG&E has required of comparable buyers of RPS energy in the past, e.g., southern California CCAs and ESPs respectively.

CCA Code of Conduct. The CPUC adopted a code of conduct for IOUs’ interactions with CCAs in Decision 12-02-009. Most of the elements of the code govern IOU marketing and lobbying activities, but rule 20 (which restates ordering paragraph 5 from Resolution E-4250) applies to PG&E’s conduct of its efforts to make renewable energy sales:

“Electrical corporations may not refuse to make economic sales of excess electricity to a community choice aggregation program, nor refuse in advance to deal with any community choice aggregation program in selling electricity because it is a community choice aggregation program.”

In Arroyo’s opinion, PG&E did not refuse to make economic sales of surplus RPS-eligible energy to any CCAs involved in this solicitation, nor did it refuse in advance to deal with any CCAs. It performed outreach to numerous CCAs in an effort to obtain their

participation. The selected bidder for Product A is a CCA. Arroyo's opinion is that PG&E complied with the requirements of the CCA code of conduct.

Summary. Arroyo's opinion is that PG&E's negotiations with buyers were handled fairly with respect to competitors. Bids were accepted or rejected based on PG&E's CPUC-approved framework for short-term Market Offer sales of RPS volumes, and on evaluation criteria and solicitation requirements that were stated in the public protocol. Arroyo believes that PG&E's conduct was consistent with the requirements of the CCA Code of Conduct.

7. MERIT FOR CPUC APPROVAL

This chapter provides an independent opinion on whether PG&E’s contracts with Clean Power Alliance of Southern California and Shell Energy North America (US), L.P. merit approval by the CPUC. It also addresses other required topics identified in the Energy Division’s template for Independent Evaluators for use in reporting.

A. FAIRNESS OF SOLICITATION

PG&E solicited bids in order to sell RPS-eligible energy for delivery in calendar 2023 and 2024. It provided public solicitation materials that stated the evaluation criteria. In the actual administration of the evaluation and selection process it adhered to the use of those stated criteria, followed its protocol, and employed the revised framework for assessing Market Offer sales of RPS volumes, consistent with its CPUC-approved 2022 renewable energy procurement plan.

The utility did not specifically use its CPUC-approved least-cost, best fit methodology of Portfolio-Adjusted Value as the metric for evaluation; however, Arroyo believes that use of the quantitative evaluation criterion of independently considering the 2023 and 2024 volumes and prices offered resulted in selection decisions that would be identical to using the approved LCBF methodology. The methodology used for evaluating and selecting bids was consistent with the revised framework laid out in confidential Attachment B of Advice 6779-E that was approved by the CPUC. In Arroyo’s opinion, PG&E’s negotiations with participants were handled fairly with respect to competitors, did not shift the balance between buyer and seller from the approved pro forma confirmations, and did not unfairly disadvantage any competing bidders. Arroyo’s opinion is that PG&E’s handling of the solicitation complied fully with the CPUC’s CCA Code of Conduct and with the Market Offer Code of Conduct included with Advice 6779-E.

B. BIDS WITH BEST OVERALL VALUE TO RATEPAYERS

PG&E selected the best proposals among bid packages received, best in terms of considering volumes and prices offered as described in the approved revised framework.

[REDACTED]

C. CONSISTENCY WITH PROTOCOL AND PROCUREMENT PLAN

PG&E’s sales of bundled energy in these contracts conforms to its 2022 RPS procurement plan, in which the utility states its intent to sell through the Market Offers any PCIA-eligible RPS volumes that were not accepted in the Voluntary Allocations. The sales more specifically conform to the detailed framework for assessing Market Offer sales

provided within approved Advice 6779-E. (Note that between the time that PG&E filed this and the time it posted the confirmation agreements for Product A and Product B on its solicitation webpage, the lists of resources for the two products in those agreements had been updated and corrected.)

Arroyo believes that these sales conform to the needs of PG&E's portfolio and its RPS requirements, because they reduce PG&E's excess REC bank by selling now for ratepayer benefits instead of carrying RECs forward to future periods (PG&E states in its 2022 RPS procurement plan that it intends to launch at least one procurement solicitation in 2023, suggesting that, if fully successful Market Offers are conducted, it anticipates a need to add to its supply portfolio for future years). The process of selecting bids was consistent with the solicitation protocol, and Arroyo's opinion is that the selection of bids was reasonable.

D. MERIT FOR CPUC APPROVAL

This section reports on the merits of the sales contracts.

Pricing and market value. PG&E will sell all of the bundled RPS-eligible renewable energy in 2023 and 2024 produced during the delivery term⁴ from the facilities on the resource list for Product A to CPA at market index plus a green attributes price [REDACTED].

PG&E will sell bundled RPS-eligible renewable energy (and, in the case of Halkirk I Wind Project, unbundled RECs only) produced during the delivery term from the facilities on the resource list for Product B to SENA, with green attributes priced at [REDACTED].

There are relatively few public benchmarks available to ascertain whether these are reasonable prices, given the illiquidity and opacity of the market for California RPS-eligible energy. Arroyo does not participate in REC markets and cannot directly monitor non-public commercial transactions other than a subset of PG&E's.

PG&E's most recent prior competitive solicitation in the summer of 2022 to sell renewable energy from facilities whose first point of interconnection is within the CAISO grid elicited initial bids for 2022 bundled RPS energy deliveries priced at [REDACTED].

[REDACTED] The CPUC accepted PG&E's advice letter 6729-E for these transactions in November 2022. [REDACTED]

There is a limited amount of pricing data for renewable energy sales to or from publicly-owned utilities and CCAs for deliveries of PCC1 RECs in 2023 that have been made public:

⁴ Note that the delivery term for both the CPA and SENA agreements within 2023 starts upon CPUC approval; solely for the purposes of planning, PG&E's 2022 RPS procurement plan assumes that short-term MO deliveries will begin on April 1, 2023 though the actual date is unknown.

- At the beginning of 2016, Silicon Valley Power (the municipal utility of the city of Santa Clara) offered a ten-year agreement to sell 36.3 GWh/year of PCC1 energy to Alameda Municipal Power for the 2018 – 2027 period at market index + \$15/MWh. The latter opted instead to execute a fixed price contract but the indicative pricing demonstrates the seller’s view of an acceptable sale price.
- The city of Pasadena contracted with Powerex in April 2018 for deliveries of PCC1 and PCC2 energy. The PCC1 deliveries will be made from 2020 to 2030, at 70 GWh/year, and are priced at market index + \$16.30/MWh.
- In December 2017, the Southern California Public Power Authority, acting as agent on behalf of the cities of Anaheim, Burbank, and Vernon, entered a 25-year PPA with the Desert Harvest II solar facility for deliveries of PCC1 energy at a price of market index + \$15.25/MWh. Deliveries commenced upon commercial operation in January 2021.
- In July 2019, the City of Santa Clara executed a five-year PPA for RPS energy deliveries starting in September 2019 from the Olcese Water District. The energy is generated by the Rio Bravo hydroelectric plant on the lower Kern River. Deliveries are priced at market index + \$17/MWh.
- In April 2021 the city of Riverside entered a Green Power Purchase Agreement with the California Air Resources Board, under which the municipal utility will provide 100% RPS-eligible deliveries to CARB’s new facility for twenty years, priced at the applicable tariff rate plus a premium of \$17.9/MWh. The utility’s staff estimated the cost premium for RPS energy provided by the city over non-renewable energy would average \$16.1/MWh over the first decade, based on the utility’s long-term supply portfolio. This implies that the staff expected a long-term average market price of \$16.1/REC for 2021-31.
- Redwood Coast Energy Authority (“RCEA”) has had a PPA with Humboldt Sawmill Company since 2017 for delivery of RPS-eligible energy from a biomass-fueled cogeneration unit sited with the sawmill in the town of Scotia. While most of the energy deliveries are sold at a base price that has been as high as \$83/MWh and as low as \$63/MWh, if the annual production exceeds 116% of contract quantity the “surplus delivered energy” is sold at hourly market price plus a green attribute price.

The contractual green attribute price had been \$14.50/REC at the beginning of the delivery term. In the spring of 2021, RCEA and Humboldt Sawmill Company negotiated an extension of the delivery term of the PPA to 2031. The extension also reduced the green attribute price to \$11/REC from \$14.50, and the staff report to RCEA’s board stated that this was “in keeping with current market pricing for renewable energy attributes.” This suggests that RCEA perceived a decline in PCC1 REC market price. The \$11 price applies in 2023.

- The city of Moreno Valley executed two short-term purchase agreements for RPS energy deliveries. One, signed in mid-2019, was with Tenaska Power services for deliveries in calendar 2019 from the Coso geothermal projects sited on the China Lake Naval Weapons Center near Ridgecrest. The PCC1 RECs were priced at \$17.75/REC. An earlier, separate agreement was signed with TGP Energy Management (a subsidiary of Terra-Gen Power) for deliveries from 2017-2020 from a pooled set of resources. These PCC1 RECs were priced at \$16/REC.
- In August 2020 the city of Palo Alto embarked on a program to sell PCC1 RECs from its supply portfolio and to use the proceeds to buy greater volumes of PCC3 RECs in order to maintain compliance with its RPS obligations while reducing its compliance costs (while relying more on out-of-state resources than it had previously). In November 2022, the utilities department staff reported to the city council that its estimates for the average sales price of the PCC1 RECs in calendar 2022 was \$14.42/REC for PCC1 RECs and \$5.42/REC for the average purchase price of PCC3 RECs. It reported an estimate for calendar 2023 and 2024 PCC1 RECs of \$17/REC; its estimate for the average price for PCC3 RECs in 2023 and 2024 was \$6/REC. These signaled a forecast of rising market prices from 2022 into 2023 and 2024.
- In January 2022, Northern California Power Agency adopted a fiscal year 2023 budget (July 2022 – June 2023) for its geothermal facilities that assumed a PCC1 REC price of \$12.75/REC.
- In March 2022, the staff of Northern California Power Agency reported to its board that Clearway Renew LLC had proposed a 20-year PPA for its Victory Pass and Arica Solar projects, sited in the Sonoran Desert east of Desert Center. The reported proposed pricing for the solar PV + energy storage facilities was market index for energy plus \$11/REC and \$5/kW-month for Resource Adequacy.
- In March 2022, the cities of Vernon and Cerritos entered 20-year PPAs with Daggett Solar Power 2 Project, a solar PV + energy storage facility sited in the Mojave Desert. Among the provisions of the contracts, the buyers have the right to withhold a portion of payments if the seller is tardy in crediting WREGIS certificates for green attributes to the buyers' accounts. The pricing of the withholding is \$20/REC, which in some sense is a measure of the economic value of the green attributes to the buyers.
- Turlock Irrigation District's posted rate schedule for the fourth quarter of 2022 assigned a short-run marginal cost of environmental attributes to be \$17/REC; this cost rose throughout 2022. TID has not yet posted the cost for the first quarter of 2023.
- In March 2022, Imperial Irrigation District extended an existing ten-year PPA with Desert View Power, a biomass-fueled facility sited in Mecca in the

Coachella Valley, by five years. The contract price of the extension is \$108/MWh escalating at 2% per annum, of which \$98/MWh is for energy and the other \$10/REC is for green attributes. Deliveries from the extension began in April 2022, so the contract price for late 2023 deliveries (analogous to when CPA will take delivery) is \$10.20/REC.

- In 2022, the city of Redding entered a ten-year confirmation agreement with SENA for delivery of PCC1 RECs beginning in 2025, sourced from various wind and solar facilities. The green attributes are priced at \$15.50/REC.
- In 2022, the city of Burbank entered a ten-year confirmation agreement with Powerex for deliveries of PCC1 RECs starting in October 2022. The deliveries are priced at \$16.85/REC.
- In December 2022, the commission of the Northern California Power Agency (“NCPA”) approved an 11-year agreement starting 2025 for delivery of PCC1 RPS energy from Calpine’s Geysers Power Company LLC. The green attributes of deliveries are priced at \$14/REC.

Other older transactions for PCC1 energy are also publicly visible, but these may be poorer benchmarks for the current transactions for 2023 and 2024 deliveries.

Contract deliveries from the CPA agreement [REDACTED]

There seem to be few publicly visible recent transactions for PCC3 RECs besides the city of Palo Alto’s late-2022 estimates of \$5.42/REC for calendar 2022 and \$6/REC for 2023 and 2024 PCC3 sales for its REC exchange program. The Los Angeles Department of Water and Power entered a twenty-year contract with the University of Southern California in June 2022 to sell USC unbundled RECs based on LADWP’s PPA with Springbok 3 Solar Farm. The “Clean Energy Adder” price is \$3/REC. These observations for unbundled REC sale prices may serve as benchmarks for PG&E’s sale of Product B to SENA.

Contract deliveries from the SENA agreement [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Arroyo's inference from this mix of scant data is that the prices of the CPA and SENA contracts are likely fair and reasonable. There will always be some uncertainty about such judgments when dealing with a market that is illiquid and opaque, as the California market for PCC1 and PCC3 RPS-eligible energy is.

Portfolio fit. Arroyo believes that it may be advantageous to ratepayers for PG&E to sell surplus RECs at or above market price now rather than to bank them for RPS compliance needs later. Following the Market Offer sales, it is possible that PG&E may be nearer a balanced RPS portfolio than it has been in years, and the utility noted in its 2022 RPS procurement plan an intent to begin procurement for new RPS resources going forward assuming the MO solicitations succeed in placing all its PCIA-eligible RPS resources.

Summary. The CPA contract was consummated at prices that fall [REDACTED]. The SENA contract was priced [REDACTED]. Both contracts are consistent with PG&E's 2022 RPS procurement plan and its CPUC-approved revised framework for assessing MO sales of RPS volumes, and fit with PG&E's strategy for RPS portfolio management. Arroyo's opinion is that the methodology for evaluating and selecting proposals and the administration of that methodology were fair.

Arroyo's opinion is that PG&E's negotiations with participants were handled fairly with respect to competitors and ratepayers. In Arroyo's opinion, the allocation of costs and risks between ratepayers and buyers that resulted from negotiations was fully consistent with PG&E's past practices. Arroyo believes that PG&E's actions in negotiating and transacting or not transacting with CCAs were compliant with the CCA Code of Conduct, and that PG&E did not violate its Market Order Code of Conduct.

On that basis, Arroyo's opinion is that PG&E's contracts with Clean Power Alliance of Southern California and with Shell Energy North America (US), L.P merit CPUC approval.

PACIFIC GAS AND ELECTRIC COMPANY

Appendix D1

Contract Summary: CPA

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix D2

Contract Summary: Shell Energy

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix E1

**Comparison of Contract with Utility's Product A
Forma Agreement: CPA**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix E2

**Comparison of Contract with Utility's Product B
Pro Forma Agreement: Shell Energy**

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix F1

Sales Agreement: CPA

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix F2

Sales Agreement: Shell Energy

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix G1

PG&E's Renewable Net Short Calculation

(Confidential)

PACIFIC GAS AND ELECTRIC COMPANY

Appendix G2

PG&E's Renewable Net Short Calculation

(Redacted)

CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD PROGRAM

RPS Procurement Plan: Renewable Net Short Quantitative Response

Renewable Net Short calculations are to be submitted by all retail sellers each year with their RPS Procurement Plans, as required by the Public Utilities Code 399.13 and Commission decisions, notably, Decision (D.) 11-12-020, D.11-12-052, D.12-06-038, D.14-12-023, and D.16-12-040. **Any questions concerning the contents or formulas within this spreadsheet should be directed to the Energy Division RPS team at rpscompliance@cpuc.ca.gov.**



Procedural Guidelines

- 1) Public Utilities Code 399.13(a)(1) requires Investor-Owned Utilities (IOUs), Small and Multi-Jurisdictional Utilities (SMJUs), Electric Service Providers (ESPs), and Community Choice Aggregators (CCAs) to submit an RPS Procurement Plan each year to the CPUC to demonstrate that a sufficient amount of renewable energy has been procured to meet the obligations of the California RPS Program requirements.

- 2) Quantitative Responses must be submitted as part of a retail seller's RPS Procurement Plan to the Commission as specified in the Assigned Commissioner Ruling directing filing of RPS Procurement Plans, and the May 21, 2014 Ruling, Administrative Law Judge's Ruling on Renewable Net Short, issued in R.11-05-005, (<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M091/K331/91331194.PDF>)
 - a) **If a PDF version (vs. Excel file) is included in retail seller's RPS Plan, then all pages must be legible.** If a retail sellers seeks confidentiality of any portion of the data, the retail seller is responsible for maintaining

 - b) **Submit a confidential Excel version of this spreadsheet to the Energy Division via the CPUC Secure FTP site (<https://kwftp.cpuc.ca.gov>).** Please only submit this file in .xls or .xlsx format to the FTP site and contact rpscompliance@cpuc.ca.gov with any questions.

Renewable Net Short Calculations - 2022 RPS Procurement Plans

LSE Name:	Pacific Gas & Electric	<input type="text"/>	Input required	<input type="text"/>	No input required	<input type="text"/>	Hard-coded
Date Filed:	1/18/2023						

Variable	Calculation	Revised Calculation Correcting Apparent Errors in Energy Division Template	Item	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2017-2020	2021 Actual	2022 Forecast	2023 Forecast	2024 Forecast	2021-2024	2025 Forecast	2026 Forecast	2027 Forecast	2025-2027	2028 Forecast	2029 Forecast	2030 Forecast	2028-2030	2031 Forecast	2032 Forecast
			Forecast Year					CP3		1	2	3	CP4	4	5	6	CP5	7	8	9	CP6	10	11
Annual RPS Requirement																							
A			Total Retail Sales (MWh)	61,397,214	48,832,111	35,956,100	35,838,070	182,023,494	33,149,379		30,325,930		122,850,897	29,146,179	28,529,178	27,374,140	85,049,496	26,779,773	26,575,104	26,816,197	80,171,074	27,318,099	27,939,932
B			RPS Procurement Quantity Requirement (%)	27.0%	29.0%	31.0%	33.0%	29.5%	35.8%	38.5%	41.3%	44.0%	39.7%	46.7%	49.3%	52.0%	49.3%	54.7%	57.3%	60.0%	57.3%	60.0%	60.0%
C	A*B		Gross RPS Procurement Quantity Requirement (MWh)	16,577,248	14,161,312	11,146,391	11,826,563	53,711,513.8	11,850,903		12,509,446		48,831,843.5	13,602,522	14,073,444	14,234,553	41,910,517.6	14,640,502	15,235,507	16,089,718	45,965,727.4	16,390,860	16,763,959
D			Voluntary Margin of Over-procurement (MWh)					-					-				-	61,873	61,873	61,873	185,620	65,484	65,484
E	C+D		Net RPS Procurement Need (MWh)	16,577,248	14,161,312	11,146,391	11,826,563	53,711,514	11,850,903		12,509,446		48,831,844	13,602,522	14,073,444	14,234,553	41,910,518	14,702,375	15,297,381	16,151,592	46,151,347	16,456,344	16,829,444
RPS-Eligible Procurement																							
Fa			Risk-Adjusted RECs from Online Generation (MWh)	22,335,589	20,385,398	20,299,675	20,075,213	83,095,875	19,879,885	17,086,507	21,430,991	17,265,143	75,662,526	17,125,836	16,585,535	16,257,735	49,969,106	16,187,470	15,624,579	15,547,517	47,359,566	15,190,352	14,632,669
Faa			Forecast Failure Rate for Online Generation (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fb			Risk-Adjusted RECs from RPS Facilities in Development (MWh)	-	-	-	-	-	-	2,653	240,615	467,473	710,741	522,480	522,574	520,846	1,565,900	520,258	517,415	515,712	1,553,384	514,018	513,450
Fbb			Forecast Failure Rate for RPS Facilities in Development (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fc			Pre-Approved Generic RECs (MWh)	-	-	-	-	-	-	-	-	236,208	236,208	996,815	2,090,100	3,181,303	6,268,218	3,663,810	3,967,152	4,086,858	11,717,819	4,124,331	4,126,309
Fd			Executed REC Sales (MWh)	2,069,230	1,451,000	9,744,419	7,566,135	20,830,784	2,111,552	2,777,758	4,598,180	4,595,728	14,083,218	2,614,382	2,604,861	2,595,205	7,814,448	2,591,750	2,576,781	2,567,637	7,736,167	2,559,716	2,555,886
F	Fa+Fb+Fc-Fd		Total RPS Eligible Procurement (MWh)	20,266,359	18,934,398	10,555,256	12,509,078	62,265,091	17,768,333	14,311,403	17,073,425	13,373,097	62,526,258	16,030,749	16,593,349	17,364,679	49,988,777	17,779,787	17,532,365	17,582,450	52,894,601	17,268,984	16,716,542
F0			Category 0 RECs	16,659,366	14,103,286	10,555,256	12,509,078	53,826,987	13,197,486	10,575,085	13,138,425	10,571,595	47,482,590	10,474,596	9,958,534	9,673,847	30,106,977	9,612,245	9,090,318	9,040,522	27,743,085	8,736,032	8,631,408
F1			Category 1 RECs	3,606,993	4,831,112	-	-	8,438,104	4,570,848	3,736,318	3,935,000	2,801,502	15,043,667	5,556,152	6,634,815	7,690,832	19,881,799	8,167,542	8,442,047	8,541,927	25,151,517	8,532,952	8,085,134
F2			Category 2 RECs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
F3			Category 3 RECs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross RPS Position (Physical Net Short)																							
Ga	F-E		Annual Gross RPS Position (MWh)	3,689,111	4,773,086	(591,135)	682,515	8,553,577	5,917,430		4,563,979		13,694,414	2,428,227	2,519,905	3,130,127	8,078,259	3,077,412	2,234,984	1,430,858	6,743,254	812,640	(112,902)
Gb	F/A		Annual Gross RPS Position (%)	33.0%	38.8%	29.4%	34.9%	34.2%	53.6%		56.3%		50.9%	55.0%	58.2%	63.4%	58.8%	66.4%	66.0%	65.6%	66.0%	63.2%	59.8%

PG&E's RNS Stochastic Adjustment (2022-2032)

Variable	Calculation	Revised Calculation Correcting Apparent Errors in Energy Division Template	Item	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2017-2020	2021 Actual	2022 Forecast	2023 Forecast	2024 Forecast	2021-2024	2025 Forecast	2026 Forecast	2027 Forecast	2025-2027	2028 Forecast	2029 Forecast	2030 Forecast	2028-2030	2031 Forecast	2032 Forecast
Step 2 Result: Stochastically-Adjusted Net Short (Physical Net Short + Stochastic Risk-Adjustment)																							
Gc			VAMO-Adjusted Annual Gross RPS Position (MWh)					-															
Gd			VAMO-Adjusted Annual Gross RPS Position (%)					29.5%															
Ge			Stochastically-Adjusted Annual Gross RPS Position (MWh)	3,665,687	4,730,505	(656,309)	613,324	8,353,207	5,457,106														
Gf	(Ge + C) / A		Stochastically-Adjusted Annual Gross RPS Position (%)	33.0%	38.7%	29.2%	34.7%	34.1%	52.2%														
Application of Bank																							
Ha	J-Hc (from previous CP)		Existing Banked RECs above the PQR	14,619,000	18,284,687	23,015,192	22,358,883	14,619,000	22,972,207														
Hb			RECs above the PQR added to Bank	3,665,687	4,730,505	(656,309)	613,324	8,353,207	5,457,106														
Hc			Non-bankable RECs above the PQR																				
H	Ha+Hb		Gross Balance of RECs above the PQR	18,284,687	23,015,192	22,358,883	22,972,207	22,972,207	28,429,313														
Ia			Planned Application of RECs above the PQR towards RPS Compliance	-	-	-	-	-	-														
Ib			Planned Sales of RECs above the PQR	-	-	-	-	-	-														
J	H-Ia-Ib		Net Balance of RECs above the PQR	18,284,687	23,015,192	22,358,883	22,972,207	22,972,207	28,429,313														
J0			Category 0 RECs	2,228,784	2,228,784	1,572,475	2,185,799	2,185,799	3,072,057														
J1			Category 1 RECs	16,055,903	20,786,408	20,786,408	20,786,408	20,786,408	25,357,256														
J2			Category 2 RECs																				
Expiring Contracts																							
K			RECs from Expiring RPS Contracts (MWh)	-	-	-	-	-	-	31,734	394,719	630,507	1,056,960	681,293	1,231,015	1,648,131	3,560,439	2,110,754	2,664,278	2,690,050	7,465,081	2,985,542	3,474,298
Net RPS Position (Optimized Net Short)																							
La	Ga+Ia-Ib-Hc	IF(Ha < 0, 0, -Ha))	Annual Net RPS Position after Bank Optimization (MWh)	-	-	-	-	(0)	-														
Lb	(F+Ia-Ib-Hc)/A	(C + La) / A	Annual Net RPS Position after Bank Optimization (%)	27.0%	29.0%	31.0%	33.0%	29.5%	35.8%														

Note: All values are to be input in MWhs



- (1) (Row A) Forecasts of retail sales through 2032 are reflective of PG&E's internal bundled retail sales forecast.
- (2) (Row Hc) Since PG&E elected to comply early in the 2017-2020 period with the banking rules established in D.17-06-026, PG&E has modeled the new banking rules for the current and future compliance periods.
- (3) (Row K) Row K now includes only expiring volumes from contracts as of May 2022.
- (4) (Rows Gc and Gd) VAMO-Adjusted Net Short (Physical Net Short + Deterministic RPS Allocation) PG&E added rows Gc and Gd to the RNS in order to show the VAMO adjusted physical net short, which incorporates expected RPS Allocations in response to D.21-05-030.
- (5) (Rows Ge and Gf) Stochastically-Adjusted Net Short (Physical Net Short + Stochastic Risk-Adjustment) PG&E added rows Ge and Gd to the RNS in order to show the stochastically-adjusted physical net short, which incorporates the risks and uncertainties addressed in the stochastic model. For more details on PG&E's stochastically modeled risks, see the 2021 RPS Plan.
- (6) (Row Gg) The Stochastically-Adjusted Annual Gross Position (MWh) excludes generation volumes allocated to GTSR customer sales and may differ from Row Ga, the Annual Gross RPS Position (MWh)
- (7) (Row La) Row La incorrectly calculates the Annual Net RPS Position after Bank Optimization when bank is being applied to fill a short position.
- (8) (Row Lb) Row Lb incorrectly calculates the Annual Net RPS Position after Bank Optimization.
- (9) (Rows La and Lb) Rows La and Lb incorrectly subtract the non-bankable volumes. Although these volumes can not be carried forward, per Decision 12-06-038, these volumes could be used towards meeting compliance in the current period. Therefore, the non-bankable volumes should be included in the Annual Net RPS Position after Bank Optimization.
- (10) (Row F) Total RPS Eligible Procurement may differ from volumes presented in P&E's Cost Quantification due to the inclusion of Pre-Approved Generic Volumes in the RNS.

PACIFIC GAS AND ELECTRIC COMPANY

Appendix H1

Facility List: CPA

PRODUCT A
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

PACIFIC GAS AND ELECTRIC COMPANY

Appendix H2

Facility List: Shell Energy

PRODUCT 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

PACIFIC GAS AND ELECTRIC COMPANY

Appendix I

Model Protective Order and Nondisclosure Certificate

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

2023 Short Term Market Offer Solicitation;)
Power Purchase and Sale Agreement Between)
Pacific Gas and Electric Company and Multiple
Buyers

Advice 6894-E

PROTECTIVE ORDER

1. Scope. This Protective Order shall govern access to and the use in connection with the above-referenced Advice Letter (the “Advice Letter”) of Protected Materials, produced by, or on behalf of, any Disclosing Party.

2. Modification. This Protective Order shall remain in effect until it is modified or terminated by the Commission or the Administrative Law Judge Division (“ALJ Division”). The parties acknowledge that the identity of the parties submitting Protected Materials may differ from time to time. In light of this situation, the parties agree that modifications to this Protective Order may become necessary, and they further agree to work cooperatively to devise and implement such modifications in as timely a manner as possible. Each party governed by this Protective Order has the right to seek changes in it as appropriate from the ALJ Division or the Commission.

3. Definitions

A. The term “Protected Material(s)” means (i) trade secret, market sensitive, or other confidential and/or proprietary information as determined by the Disclosing Party in accordance with the provisions of D.06-06-066 and subsequent decisions, General Order 66-Cand 454.5(g), or any other right of confidentiality provided by law, or (ii) any other materials that are made subject to this Protective Order by the ALJ Division, Law and Motion Administrative Law Judge

(“Law and Motion ALJ”), Assigned Commissioner, the Commission, or any court or other body having appropriate authority. Protected Materials also includes memoranda, handwritten notes, spreadsheets, computer files and reports, and any other form of information (including information in electronic form) that copies, discloses, or compiles other Protected Materials or from which such materials may be derived (except that any derivative materials must be separately shown to be confidential). Protected Materials do not include: (i) any information or document contained in the public files of the CPUC or any other state or federal agency, or in any state or federal court; or (ii) any information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Protective Order or any other protective order.

B. The term “redacted” refers to situations in which Protected Materials in a document, whether the document is in paper or electronic form, have been covered, blocked out, or removed. The term “unredacted” refers to situations in which the Protected Materials in a document, whether in paper or electronic form, have not been covered, blocked out, or removed.

C. The term “Disclosing Party” means a party who initially discloses any specified Protected Materials in connection with the Advice Letter.

D. The term “Market Participant” (“MP”) refers to a party that is:

- 1) A person or entity, or an employee of an entity, that engages in the wholesale purchase, sale or marketing of energy or capacity, or the bidding on or purchasing of power plants, or bidding on utility procurement solicitations, or consulting on such matters, subject to the limitations in 3) below.
- 2) A trade association or similar organization, or an employee of such organization,
 - a) whose primary focus in proceedings at the Commission is to advocate for persons/entities that purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations; or
 - b) a majority of whose members purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations; or

- c) formed for the purpose of obtaining market sensitive information; or
 - d) controlled or primarily funded by a person or entity whose primary purpose is to purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations.
- 3) A person or entity that meets the criteria of 1) above is nonetheless not a market participant for purpose of access to market sensitive data unless the person/entity seeking access to market sensitive information has the potential to materially affect the price paid or received for electricity if in possession of such information. An entity will be considered not to have such potential if:
- a) the person or entity's participation in the California electricity market is *de minimis* in nature. In the resource adequacy proceeding (R.05-12-013) it was determined in D.06-06-064 § 3.3.2 that the resource adequacy requirement should be rounded to the nearest megawatt (MW), and load serving entities (LSEs) with local resource adequacy requirements less than 1 MW are not required to make a showing. Therefore, a *de minimis* amount of energy would be less than 1 MW of capacity per year, and/or an equivalent of energy; and/or
 - b) the person or entity has no ability to dictate the price of electricity it purchases or sells because such price is set by a process over which the person or entity has no control, *i.e.*, where the prices for power put to the grid are completely overseen by the Commission, such as subject to a standard offer contract or tariff price. A person or entity that currently has no ability to dictate the price of electricity it purchases or sells under this section, but that will have such ability within one year because its contract is expiring or other circumstances are changing, does not meet this exception; and/or
 - c) the person or entity is a cogenerator that consumes all the power it generates in its own industrial and commercial processes, if it can establish a legitimate need for market sensitive information.

E. A Market Participant's Reviewing Representatives are limited to persons designated by the Market Participant who meet the following criteria:

1. Are outside experts, consultants or attorneys;
2. Are not currently engaged, directly or indirectly, in (a) the purchase, sale, or marketing of electrical energy or capacity or natural gas (or the direct supervision of any employee(s) whose duties include such activities), (b) the bidding on or purchasing of

power plants (or the direct supervision of any employee(s) whose duties include such activities), or (c) consulting with or advising others in connection with any activity set forth in subdivisions (a) or (b) above (or the direct supervision of any employee(s) whose duties include such activities or consulting); and

3. Are not an employee of a market participant.

F. Persons or entities that do not meet the definition of market participant are non-market participants (“NMPs”), and may have access to market sensitive information through their designated Reviewing Representatives. An attorney or consultant that simultaneously represents market participant(s) and non-market participant(s) may not have access to market sensitive data. If, on the other hand, simultaneous representation is of market participant and non-market participant clients involved in completely different types of matters, there should be no bar (although there may be ethical implications of such representation that we do not address here). If, for example, an attorney represents a market participant in matters unrelated to procurement, resource adequacy, RPS, or the wholesale purchase, sale or marketing of energy or capacity, or the bidding on or purchasing of power plants, or bidding on utility procurement solicitations, in a forum other than this Commission, and simultaneously represents a non-market participant in cases related to these topics before the Commission, there should be no bar to the attorney's receipt of market sensitive data (pursuant to a non-disclosure agreement and protective order) in the latter matter. In close cases, the balance should militate to bar simultaneous representation because of the risks it poses.

H. All Reviewing Representatives are required to execute a non-disclosure agreement and are bound by the terms of this Protective Order.

4. Designation of Materials. When submitting materials in connection with the Advice Letter containing Protected Materials, a party shall physically mark such documents on each page (or in the case of non-documentary materials such as computer diskettes, on each item) as “PROTECTED MATERIALS SUBJECT TO PROTECTIVE ORDER,” or with words of similar import as long as one or more of the terms, “Protected Materials,” “Protective Order,” or

“General Order No. 66-C” is included in the designation to indicate that the materials in question are protected.

All materials so designated shall be treated as Protected Materials unless and until (a) the designation is withdrawn pursuant to Paragraph 17 hereof, or (b) an ALJ, Commissioner or other Commission representative makes a determination pursuant to Paragraph 4 hereof changing the designation.

All documents containing Protected Materials that are submitted to Commission Staff in connection with the Advice Letter, or filed with the Commission or served, shall be placed in sealed envelopes or otherwise appropriately protected and shall be endorsed to the effect that they are submitted, filed or served under seal pursuant to this Protective Order. Such documents shall be served upon Reviewing Representatives and persons employed by or working on behalf of the state governmental agencies referred to in Paragraph 12 hereof who are eligible and have requested to review such materials. Service upon the persons specified in the foregoing sentence may either be (a) by electronic mail in accordance with the procedures adopted in connection with advice letters, (b) by facsimile, or (c) by overnight mail or messenger service. Whenever service of a document containing Protected Materials is made by overnight mail or messenger service, Commission Staff and/or the ALJ Division, as may be appropriate for purposes of review and disposition of the Advice Letter, shall be served with such document by hand on the date that service is due.

5. Redaction of Documents. Whenever a party submits to Commission Staff, or files, serves or provides in discovery, a document that includes Protected Materials (including but not limited to briefs, testimony, exhibits, and responses to data requests), such party shall also prepare a redacted version of such document. The redacted version shall enable persons familiar with the Advice Letter to determine with reasonable certainty the nature of the data that has been redacted and where the redactions occurred. The redacted version of a document to be submitted or filed shall be served on all persons on the utility’s advice letter service list and on any third

parties as specified by statute or other Commission order, and the redacted version of a discovery document shall be served on all persons entitled thereto.

6. Selection of Reviewing Representatives. Each MP and NMP selecting a Reviewing Representative shall first identify its proposed Reviewing Representative to the Disclosing Party. An attorney or consultant that simultaneously represents market participant(s) and non-market participant(s) may not have access to market sensitive data, subject to the exception in paragraph 3.F. Any designated Reviewing Representative has a duty to disclose to the Disclosing Party any potential conflict that puts him/her in violation of Decision 06-12-030. A resume or curriculum vitae is reasonable disclosure of such potential conflicts, and should be the default evidence provided in most cases.

7. Access to Protected Materials and Use of Protected Materials. Subject to the terms of this Protective Order, Reviewing Representatives shall be entitled to access to Protected Materials. All other parties in this proceeding shall not be granted access to Protected Materials, but shall instead be limited to reviewing redacted versions of documents. Reviewing Representatives may make copies of Protected Materials, but such copies become Protected Materials. Reviewing Representatives may make notes of Protected Materials, which shall be treated as Notes of Protected Materials if they disclose the contents of Protected Materials. Protected Materials obtained by a party in connection with the Advice Letter may also be requested by that party in a subsequent Commission proceeding, subject to the terms of any protective order governing that subsequent proceeding, without constituting a violation of this order.

8. Maintaining Confidentiality of Protected Materials. Each Reviewing Representative shall treat Protected Materials as confidential in accordance with this Protective Order and the Non-Disclosure Certificate executed pursuant to Paragraph 7 and 8 hereof. Protected Materials shall not be used except as necessary in connection with review and disposition of the Advice Letter, and shall not be disclosed in any manner to any person except (i) Reviewing

Representatives who have executed Non-Disclosure Certificates; (ii) Reviewing Representatives' paralegal employees and administrative personnel, such as clerks, secretaries, and word processors, to the extent necessary to assist the Reviewing Representatives, provided that they shall first ensure that such personnel are familiar with the terms of this Protective Order, and have signed a Non-Disclosure Certificate, (iii) persons employed by or working on behalf of the CEC or other state governmental agencies covered by Paragraph 12. Reviewing Representatives shall adopt suitable measures to maintain the confidentiality of Protected Materials they have obtained pursuant to this Protective Order, and shall treat such Protected Materials in the same manner as they treat their own most highly confidential information. Reviewing Representatives shall be liable for any unauthorized disclosure or use by their paralegal employees or administrative staff. In the event any Reviewing Representative is requested or required by applicable laws or regulations, or in the course of administrative or judicial proceedings (in response to oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of Protected Materials, they shall immediately inform the Disclosing Party of the request, and the Disclosing Party may, at its sole discretion and cost, direct any challenge or defense against the disclosure requirement, and the Reviewing Representative shall cooperate in good faith with such party either to oppose the disclosure of the Protected Materials consistent with applicable law, or to obtain confidential treatment of them by the person or entity who wishes to receive them prior to any such disclosure. If there are multiple requests for substantially similar Protected Materials in the same case or proceeding where a Reviewing Representative has been ordered to produce certain specific Protected Materials, the Reviewing Representative may, upon request for substantially similar materials by another person or entity, respond in a manner consistent with that order to those substantially similar requests.

9. Exception for California Independent System Operator (ISO). Notwithstanding any other provision of this Protective Order, with respect to an ISO Reviewing Representative only, participation in the ISO's operation of the ISO-controlled grid and in its administration of the

ISO-administered markets, including, but not limited to, markets for ancillary services, supplemental energy, congestion management, and local area reliability services, shall not be deemed to be a violation of this Protective Order.

10. Non-Disclosure Certificates. A Reviewing Representative shall not inspect, participate in discussions regarding, or otherwise be granted access to, Protected Materials unless and until he or she has first completed and executed a Non-Disclosure Certificate, attached hereto as Appendix A, and delivered the original, signed Non-Disclosure Certificate to the Disclosing Party. The Disclosing Party shall retain the executed Non-Disclosure Certificates pertaining to the Protected Materials it has disclosed and shall promptly provide copies of the Non-Disclosure Certificates to Commission Staff upon request.

11. Return or Destruction of Protected Materials. Protected Materials shall remain available to Reviewing Representatives until the later of the date that disposition of the Advice Letter becomes no longer subject to review, or the date that any other Commission proceeding relating to the Protected Material is concluded and no longer subject to judicial review. If requested to do so in writing after that date, the Reviewing Representatives shall, within fifteen days of such request, return the Protected Materials (including Notes of Protected Materials) to the Participant that produced them, or shall destroy the materials, except that copies of materials submitted to the Commission in connection with the Advice Letter that contain Protected Materials, and Notes of Protected Material may be retained, if they are maintained in accordance with Paragraph 8. Within such time period each Reviewing Representative, if requested to do so, shall also submit to the Disclosing Party an affidavit stating that, to the best of its knowledge, all Protected Materials and all Notes of Protected Materials have been returned or have been destroyed or will be maintained in accordance with Paragraph 8. To the extent Protected Materials are not returned or destroyed, they shall remain subject to the Protective Order and CPUC General Order No. 66-C. In the event that a Reviewing Representative to whom Protected Material are disclosed ceases to be engaged to provide services in connection with the

Advice Letter, then access to such materials by that person shall be terminated. Even if no longer engaged in connection with the Advice Letter, every such person shall continue to be bound by the provisions of this Protective Order and the Non-Disclosure Certificate.

12. Access and Use by Governmental Entities.

(a) In the event the CPUC receives a request from the CEC for a copy of or access to any party's Protected Materials, the procedure for handling such requests shall be as follows. Not less than five (5) days after delivering written notice to the Disclosing Party of the request, the CPUC shall release such Protected Materials to the CEC upon receipt from the CEC of an Interagency Information Request and Confidentiality Agreement ("Interagency Confidentiality Agreement"). Such Interagency Confidentiality Agreement shall (i) provide that the CEC will treat the requested Protected Materials as confidential in accordance with this Protective Order, (ii) include an explanation of the purpose for the CEC's request, as well as an explanation of how the request relates to furtherance of the CEC's functions, (iii) be signed by a person authorized to bind the CEC contractually, and (iv) expressly state that furnishing of the requested Protected Materials to employees or representatives of the CEC does not, by itself, make such Protected Materials public. In addition, the Interagency Confidentiality Agreement shall include an express acknowledgment of the CPUC's sole authority (subject to judicial review) to make the determination whether the Protected Materials should remain confidential or be disclosed to the public, notwithstanding any provision to the contrary in the statutes or regulations applicable to the CEC.

(b) In the event the CPUC receives a request for a copy of or access to a party's Protected Materials from a state governmental agency other than the CEC that is authorized to enter into a written agreement sufficient to satisfy the requirements for maintaining confidentiality set forth in Government Code Section 6254.5(e), the CPUC may, not less than five (5) days after giving written notice to the Disclosing Party of the request, release such protected material to the requesting governmental agency, upon receiving from the requesting

agency an executed Interagency Confidentiality Agreement that contains the same provisions described in Paragraph 10(a) above.

(c) The CEC may use Protected Materials when needed to fulfill its statutory responsibilities or cooperative agreements with the CPUC. Commission confidentiality designations will be maintained by the CEC in making such assessments, and the CEC will not publish any assessment that directly reveals the data or allows the data submitted by an individual load serving entity (“LSE”) to be “reverse engineered.”

13. Dispute Resolution. All disputes that arise under this Protective Order, including but not limited to alleged violations of this Protective Order and disputes concerning whether materials were properly designated as Protected Materials, shall first attempted to be resolved through meet and confer. If the meet and confer process is unsuccessful, the involved parties may present the dispute for resolution to the ALJ Division.

14. Other Objections to Use or Disclosure. Nothing in this Protective Order shall be construed as limiting the right of a party, the Commission Staff, or a state governmental agency covered by Paragraph 12 from objecting to the use or disclosure of Protected Material on any legal ground, such as relevance or privilege.

15. Remedies. Any violation of this Protective Order shall constitute a violation of an order of the CPUC. Notwithstanding the foregoing, the parties and Commission Staff reserve their rights to pursue any legal or equitable remedies that may be available in the event of an actual or anticipated disclosure of Protected Materials.

16. Withdrawal of Designation. A Disclosing Party may agree at any time to remove the “Protected Materials” designation from any materials of such party if, in its opinion, confidentiality protection is no longer required. In such a case, the Disclosing Party will notify all other parties that the Disclosing Party believes are in possession of such materials of the change of designation.

17. Interpretation. Titles are for convenience only and may not be used to restrict the scope of this Protective Order.

Entered: _____
Administrative Law Judge

Date: _____

APPENDIX A TO PROTECTIVE ORDER

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

2023 Short Term Market Offer Solicitation;)
Power Purchase and Sale Agreement Between) **Advice** 6894-E
Pacific Gas and Electric Company and Multiple)
Buyers)

NON-DISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Protective Order in connection with the above referenced Advice Letter, that I have been given a copy of and have read the Protective Order, and that I agree to be bound by it. I understand that the contents of the Protected Materials, any notes or other memoranda, or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with that Protective Order. I acknowledge that a violation of this certificate constitutes a violation of an order of California Public Utilities Commission.

By: _____
Title: _____
Representing: _____
Date: _____

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising Smith Wynne, P.C.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell
Downey Brand LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy