

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6972E**  
**As of January 26, 2024**

Subject: Amendment to Mid-Term Reliability Contract approved in Advice Letter 6477-E

Division Assigned: Energy

Date Filed: 06-27-2023

Date to Calendar: 06-30-2023

Authorizing Documents: D2106035

**Disposition:**

**Signed**

**Effective Date:**

**11-16-2023**

Resolution Required: Yes

Resolution Number: E-5285

Commission Meeting Date: 11-16-2023

CPUC Contact Information:

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

AL Certificate Contact Information:

Stuart Rubio

279-789-6210

[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

June 27, 2023

**Advice 6972-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Amendment to Mid-Term Reliability Contract approved in Advice Letter 6477-E**

**I. Purpose**

Pursuant to Decision (D.) 21-06-035, Pacific Gas and Electric Company (PG&E) requests approval of an amendment to a transaction resulting from PG&E's 2021 Mid-Term Reliability Request for Offers – Phase 1 (MTR RFO – Phase 1) that was presented in Advice Letter 6477-E and approved by the California Public Utilities Commission (Commission or CPUC) in Resolution E-5202 on April 21, 2022 and amended in Advice Letter 6711-E and approved by the CPUC in Resolution E-5243 on December 1, 2022.

The contract amendment included in this Advice Letter is necessary for PG&E to continue to make progress to meet the June 1, 2025, incremental September Net Qualifying Capacity (NQC) procurement requirements mandated in D.21-06-035. For the reasons described herein, the amendment presented by this advice letter are reasonable and in the interest of customers, and thus should be approved.

**II. Background**

On June 30, 2021, the Commission issued D.21-06-035, which takes a number of steps to address the mid-term reliability needs of the electricity system within the California Independent System Operator Corporation's (CAISO) operating system beginning in 2023 due to the pending retirement of the Diablo Canyon Power Plant and the planned retirement of once-through-cooling (OTC) thermal plants in Southern California. In D.21-06-035, the Commission requires incremental procurement of 11,500 MWs of additional NQC resources, of which PG&E is responsible for 2,302 MWs for its bundled service customer portion. Further, the procurement required by D.21-06-035 are expected to deliver at least 2,000 MW to be online by August 1, 2023, an additional 6,000 MW by June 1, 2024, an additional 1,500 MW by June 1, 2025, and an additional 2,000 MW by June 1, 2026. In addition, D.21-06-035 requires that at least 2,500 MW of the resources procured by the LSEs collectively, between 2023 and 2025, be from zero-emission resources that generate electricity, or generation resources paired with storage, or demand response, to replace the current supply of energy from the Diablo Canyon Power Plant and ensure there is no resultant increase in GHG emissions upon its retirement.

Additionally, D. 21-06-035 and subsequent Energy Division memorandum with guidance for incremental effective load carrying capacity (ELCC) values to use for mid-term reliability procurement compliance,<sup>1</sup> affirm that the investor-owned utilities (IOU) are to continue to act as the backstop procurement agent under the framework adopted in D.20-12-044 for Community Choice Aggregators (CCAs) and Energy Service Providers (ESPs) that fail to meet their procurement responsibilities of incremental system resources under the D. 21-06-035.

D. 21-06-035 outlined eligibility requirements for resources to meet the procurement obligations and requirements for the solicitation, including types of resources eligible (e.g., eligibility of imports) and minimum contract lengths.

In accordance with D. 21-06-035, PG&E sought approval for the Nighthawk Energy Storage Project agreement along with eight other agreements, on January 21, 2022, which the Commission approved on April 21, 2022.<sup>2</sup>

PG&E, additionally, sought approval by the Commission for pricing amendments for four of the Phase 1 agreements, including the Nighthawk Energy Storage Project, on September 23, 2022, which the Commission approved on December 1, 2022<sup>3</sup>.

Since the pricing amendments were executed, Nighthawk Energy Storage, LLC informed PG&E that they would not be able to meet the required online date of the project due to interconnection issues and subsequently unable to meet the terms and conditions of their contract with PG&E. The counterparty requested an amendment to their contract to allow them to complete the project which, when developed, will contribute to system reliability. The resulting amendment is described below.

### **A. Negotiation Background**

Since the agreement was amended in 2022, the counterparty has experienced unexpected delays in relation to their interconnection agreement. The counterparty has requested that the project online date be pushed out by one year to remedy these ongoing issues. Absent the delay in project online date, the counterparty has expressed that it would not be able to meet the required online date of the project, and thus default under the contract resulting in termination of the agreement.

Attachment A further describes the negotiations process.

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<sup>1</sup> Energy Division staff e-mailed parties on October 22, 2021, with an updated Incremental ELCC Study for Mid-term Reliability Procurement, by E3 and Astrapé. The materials can be found on [IRP Procurement Track \(ca.gov\)](https://www.cpuc.ca.gov/IRP/ProcurementTrack)

<sup>2</sup> CPUC Res. E-5202

<sup>3</sup> CPUC Res. E-5243

## B. SUMMARY OF AMENDED CONTRACT

The amended contract is as follows:

	Technology	Original Initial Delivery Date	Updated Initial Delivery Date	Term (Years)	Nameplate Size (MW)
Nighthawk Energy Storage, LLC (Nighthawk Storage)	Lithium Ion Batteries	6/1/2024	6/1/2025	15	300

See confidential Attachment A for a description of the Amendment.

### III. Procurement Review Group/Cost Allocation Mechanism

PG&E notified the Procurement Review Group about the amendment on May 9, 2023.

### IV. Confidentiality Treatment

In support of this advice letter, PG&E has provided the confidential information listed below. This information is being submitted in the manner directed by Decision (D.) 08-04-023 establishing procedures for complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under Public Utilities Code section 454.5(g) or the Investor Owned Utility Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023. The Declaration of Mark Muranishi seeking confidential treatment of confidential materials provided herein is being submitted concurrently with this advice letter.

### Confidential Appendices

Appendix A: Key Aspects to the Amendment RAA w/ES Amendment  
 Appendix B: Nighthawk Energy Storage, LLC – Nighthawk Storage (LT RAA w/ES) Amendment

### V. Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than July 17, 2022, which is 20 days after the date of this submittal. Protests must be submitted to:

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

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

Sidney Bob Dietz II  
 Director, Regulatory Relations  
 c/o Megan Lawson

E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order (GO) 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 (GO 96-B, Section 3.11).

**VI. Effective Date**

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

**VII. Notice**

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

          /S/          

Sidney Bob Dietz II  
Director, Regulatory Relations  
CPUC Communications

cc: Service List R.20-05-003  
Nick Dahlberg – Energy Division



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



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

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

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Stuart Rubio  
 Phone #: 279-789-6210  
 E-mail: PGETariffs@pge.com  
 E-mail Disposition Notice to: stuart.rubio@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) #: 6972-E

Tier Designation: 3

Subject of AL: Amendment to Mid-Term Reliability Contract approved in Advice Letter 6477-E

Keywords (choose from CPUC listing): Compliance, Reliability, Contracts

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.21-06-035

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

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested?  Yes  No

If yes, specification of confidential information: see confidential declaration and matrix  
 Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Mark Muranishi, Mark.muranishi@pge.com

Resolution required?  Yes  No

Requested effective date: No. of tariff sheets: 0

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

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

<sup>1</sup>Discuss in AL if more space is needed.

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

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility/Entity Name: Pacific Gas and Electric Company  
  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx:  
Email: PGETariffs@pge.com

Contact Name:  
Title:  
Utility/Entity Name:  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

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

Clear Form

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

**PACIFIC GAS AND ELECTRIC COMPANY  
ADVICE LETTER FOR APPROVAL OF CONTRACT  
TERM AMENDMENTS TO NIGHTHAWK ENERGY  
STORAGE AGREEMENT**

**DECLARATION OF MARK MURANISHI  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION  
CONTAINED IN PG&E'S ADVICE LETTER**

I, Mark Muranishi, declare:

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

2. Based on my knowledge and experience, and in accordance with the Decisions 06-06-066, 08-04-023, and relevant Commission rules, I make this declaration seeking confidential treatment for certain data and information contained in PG&E's Advice Letter for approval of contract term amendments to Nighthawk Energy Storage Agreement.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes confidential market sensitive data and information covered by D.06-06-066, Appendix 1, and Public Utilities Code §454.5(G). The matrix also specifies why confidential protection is justified. Further, the data and information: (1) is not already public; and (2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text that is pertinent to my testimony in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on June 27, 2023 at Oakland, California.

/s/

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Mark Muranishi

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

**ADVICE LETTER FOR APPROVAL OF CONTRACT TERM AMENDMENTS TO  
NIGHTHAWK ENERGY STORAGE AGREEMENT**

June 27, 2023

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To</b>	<b>PG&amp;E's Justification for Confidential Treatment</b>	<b>Length of Time</b>
<b>Confidential Appendices</b>			
Appendix A: Detailed Summary of Amended Terms and Conditions and Negotiation Process	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)), VIII.B (Competitive Solicitation (Bidding) Information – Electric)	The terms of the Long-Term Resource Adequacy Agreement presented in this appendix are generally confidential.	Contract documents and terms of contracts are confidential for three years from the date that the contract states that deliveries are to begin, or until one year following expiration, whichever comes first.
Appendix B: Executed Amendment	Item VII.B (Contracts and Power Purchase Agreements between utilities and non-Affiliated Third Parties (except RPS)), VIII.B (Competitive Solicitation (Bidding) Information – Electric).	The terms of the Long-Term Resource Adequacy Agreement presented in this appendix are generally confidential.	Contract documents and terms of contracts are confidential for three years from the date that the contract states that deliveries are to begin, or until one year following expiration, whichever comes first.

# **Appendix A**

Key Aspects to the Amendment RAA w/ES Amendment

(Confidential)

## **Appendix B**

Nighthawk Energy Storage, LLC – Nighthawk  
Storage (LT RAA w/ES) Amendment

(Confidential)

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

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
Braun Blaising Smith Wynne, P.C.  
California Community Choice Association  
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  
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