

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6977E
As of November 21, 2023

Subject: 2023 Long-Term Market Offer Solicitation; Long-Term Power Purchase and Sale Agreements from Long-Term Resources Between Pacific Gas and Electric Company and Multiple Buyers

Division Assigned: Energy

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Resolution Required: Yes

Resolution Number: E-5295

Commission Meeting Date: 11-02-2023

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PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
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To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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- Advice Letter Number
- Name of Filer
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- Subject of Filing
- Date Filed
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Energy Division's Tariff Unit by e-mail to
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June 30 , 2023

Advice 6977-E

Pacific Gas and Electric Company (U 39 E)

Public Utilities Commission of the State of California

Subject: 2023 Long-Term Market Offer Solicitation; Long-Term Power Purchase and Sale Agreements from Long-Term Resources 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 six (6) long-term power purchase and sale agreements (“PPSAs” or “Transactions”) that seek to sell Renewables Portfolio Standard (“RPS”) -eligible products from PG&E’s long-term Power Charge Indifference Adjustment (“PCIA”) portfolio to six 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. PG&E offered both long and short-term contracts in its 2023 Long-Term Market Offer Solicitation. Pursuant to Ordering Paragraphs 3 and 4 of D. 22-11-021, of the volumes remaining following Voluntary Allocation (VA) from its PCIA-eligible long-term resources, PG&E offered 35 percent as long-term, and 65 percent as either long-term or short-term subject to its confidential evaluation methodology. This Advice Letter (“AL” or “Advice”) is seeking approval for six long-term Transactions resulting from PG&E’s Long-Term 2023 Power Charge Indifference Adjustment Renewables Portfolio Standard Market Offer Solicitation (“Solicitation”). PG&E addressed any short-term transactions resulting from the Solicitation in Advice 6961-E submitted on June 15, 2023.

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

General Deal Structure

Describe general characteristics of contract: Contract Summary

In this AL, PG&E only presents transactions for Product C from this Solicitation for CPUC Approval. However, PG&E offered (3) additional products in this Solicitation. Details on Product C can be found below. Additional information on all products offered in this Solicitation be found later in this Advice Letter in Section E.3 Solicitation Design.

Product C: Following Voluntary Allocation, all remaining bundled RPS-eligible energy and associated RECs from facilities with power purchase agreements with remaining terms of more than 10 years from the start date of market offer deliveries in PG&E's PCIA-eligible RPS portfolio that meet the criteria of Public Utilities Code §399.16(b)(1), to be delivered to counterparties from the start date of the market offer deliveries until the Long-Term End Date.¹

Under the PPSAs, PG&E will sell an elected whole integer percentage of the bundled energy and renewable energy credits remaining in PG&E's long-term PCIA portfolio. PG&E either owns, or purchases under contract, the products being sold in this Solicitation. The Transactions must receive final, non-appealable Commission approval before energy deliveries and the transfer of RECs to Buyers may begin under the PPSAs.

PG&E addressed any short-term sales transactions resulting from the Solicitation in Advice Letter 6961-E.

1. Counterparty(s) / Buyer(s)

The counterparties associated with the Transactions resulting from this Solicitation are:

- City of San Jose ("SJCE")
 - The City of San Jose operates San Jose Clean Energy, a not for profit locally controlled electricity generation service provider for San Jose residents and business;

¹ "Long-Term End Date" as defined in PG&E's Long-Term Market Offer Confirms for Product C and Product D is the end date of the contract with the longest term in the Long-Term Resource Pool, excluding contracts with utility owned generation facilities and resources without fixed expiration dates.

- San Diego Community Power (“SDCP”)
 - SDCP is a Community Choice Aggregator (“CCA”) that provides electricity to customers across San Diego County;
- East Bay Community Energy (“EBCE”)
 - EBCE is a CCA that provides electricity to customers across Alameda and San Joaquin counties;
- Calpine Energy Services (“CES”)
 - CES is an Energy Services Provider (“ESP”) that provides retail direct access electricity in California and serves as a gas and power wholesale marketing entity for its parent company Calpine Corporation, the largest generator of gas-fired and geothermal electricity in the U.S.;
- Pilot Power Group (“PPG”)
 - PPG is consulting group that provides energy supply and energy management services to its clients;
- Central Coast Community Energy (“3CE”)
 - 3CE is a CCA that provides electricity to customers in Monterey, San Benito, San Luis Obispo, Santa Cruz, and Santa Barbara counties.

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 SJCE, SDCP, EBCE and 3CE are members 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.

2. Contract Quantity

This AL is only seeking approval for Transactions for Product C, therefore only contract quantity for this product is included here. PG&E filed contract quantity information related to short-term transactions that resulted from the Solicitation in Advice 6961-E.

a. Product C

Counterparty	Portfolio %	Total Estimated Volume (MWh) ²
City of San Jose	10%	6,686,846
San Diego Community Power	7%	4,680,792
East Bay Community Energy	10%	6,686,846
Calpine Energy Services	3%	2,006,054
Pilot Power Group	3%	2,006,054
Central Coast Community Energy	2%	1,337,369
TOTAL	35%	23,403,961

3. Facility Size (MW)

See Appendix H for the resources included in the resource pool for Product C 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 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.

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

See Appendix H for a list of resources, including the applicable contract expiration date of the underlying resources that PG&E anticipate will deliver under the Transactions. 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

² 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 forecasted output from PG&E's long-term PCIA-eligible RPS portfolio. The forecast used is based on assumptions from PG&E's Fall Update to its 2023 ERRR Forecast proceeding (A. 22-05-029) and assumes a Delivery Period start date of 12/1/2023 from the product's respective resource pool. The actual Delivery Period for the transaction shall commence following satisfaction of the Conditions Precedent, including CPUC approval of the Transaction.

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.

Under the Transactions for Product C, product will be delivered to Buyer from contracted resources through the Long-Term End Date.³ Over this delivery period, contracts for underlying resources will expire and leave the resource pool. For additional details, please see Appendix H. PG&E addressed this topic for any short-term transactions resulting from the Solicitation in Advice Letter 6961-E.

5. 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 contracts⁴ to deliver output to PG&E. All resources from which counterparties will be receiving deliveries are defined for each Product in Appendix H.

6. 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 6794-E.

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

Not applicable.

³ See footnote 1

⁴ 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 H or Appendix B to Confirm)	Multiple Projects (See Appendix H or Appendix B of Confirm)	Multiple Projects (See Appendix H or Appendix B of Confirm)	Multiple Projects (See Appendix H or Appendix B of Confirm)	Multiple Projects (See Appendix H or Appendix B of Confirm)	Multiple Projects (See Appendix H or Appendix B of Confirm)
Buyer / Counterparty	City of San Jose	San Diego Community Power	East Bay Community Energy	Calpine Energy Services	Pilot Power Group	Central Coast Community Energy
Technology	solar photovoltaic ("PV"), solar thermal, wind, small hydro, biomass, biogas, and geothermal technologies	solar photovoltaic ("PV"), solar thermal wind, small hydro, biomass, biogas, and geothermal technologies	solar photovoltaic ("PV"), solar thermal, wind, small hydro, biomass, biogas, and geothermal technologies	solar photovoltaic ("PV"), solar thermal, wind, small hydro, biomass, biogas, and geothermal technologies	solar photovoltaic ("PV"), solar thermal, wind, small hydro, biomass, biogas, and geothermal technologies	solar photovoltaic ("PV"), solar thermal, wind, small hydro, biomass, biogas, and geothermal technologies
Capacity (MW)⁵	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Product Purchased	C	C	C	C	C	C
Election	10%	7%	10%	3%	3%	2%
Estimated Volume (MWh/Year)⁶	Various	Various	Various	Various	Various	Various
Estimated Delivery Term (Years)⁷	2023 - 2043	2023 2043	2023- 2043	2023-2043	2023-2043	2023-2043
Location⁸ (city and state)	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple

⁵The 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.

⁶ 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 12/1/2023 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.

⁷ Delivery Term is based on description in Section 3.3 of each respective confirm.

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 35 percent of energy and associated RECs from its remaining PCIA-eligible long-term contracts as a long-term product and 65 percent of this remaining quantity as either long-term or short-term product in its 2023 Long-Term Market Offer Solicitation. To comply with D. 22-11-021, PG&E filed Advice 6794-E governing the Long-Term Market Offer, which was approved by the Commission as effective on February 2, 2023. PG&E's Long-Term Market Offer Solicitation was held consistent with Advice 6794-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 35 percent of energy and associated RECs from its remaining PCIA-eligible long-term portfolio in the Market Offer as long-term, and the remaining 65 percent of this volume and associated RECs as either long or short-term products. To comply with D. 22-11-021, PG&E filed Advice 6794-E governing the Long-Term Market Offer, which was approved by the Commission on February 2, 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 Alternative 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

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

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 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: City of San Jose	Confidential
D2	Contract Summary: San Diego Community Power	Confidential
D3	Contract Summary: East Bay Community Energy	Confidential
D4	Contract Summary: Calpine Energy Services	Confidential
D5	Contract Summary: Pilot Power Group	Confidential
D6	Contract Summary: Central Coast Community Energy	Confidential
E1	Comparison of Contract with Utility's Product C Pro Forma Agreement: City of San Jose	Confidential
E2	Comparison of Contract with Utility's Product C Pro Forma Agreement: San Diego Community Power	Confidential
E3	Comparison of Contract with Utility's Product C Pro Forma Agreement: East Bay Community Energy	Confidential
E4	Comparison of Contract with Utility's Product C Pro Forma Agreement: Calpine Energy Services	Confidential

E5	Comparison of Contract with Utility's Product C Pro Forma Agreement: Pilot Power Group	Confidential
E6	Comparison of Contract with Utility's Product C Pro Forma Agreement: Central Coast Community Energy	Confidential
F1	Sales Agreement: City of San Jose	Confidential
F2	Sales Agreement: San Diego Community Power	Confidential
F3	Sales Agreement: East Bay Community Energy	Confidential
F4	Sales Agreement: Calpine Energy Services	Confidential
F5	Sales Agreement: Pilot Power Group	Confidential
F6	Sales Agreement: Central Coast Community Energy	Confidential
G1	PG&E's Alternative Renewable Net Short Calculation	Confidential
G2	PG&E's Alternative Renewable Net Short Calculation (Redacted)	Public
H	Facility List: Product C	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. On December 19, 2022 PG&E filed AL 6794-E in compliance with D.22-11-021, and included updates to its Track 1 RPS Plan as necessary to address PG&E's requirements for the Solicitation. The CPUC approved AL 6794-E on February 2 ,2023. PG&E complied with all procedural requirements with regard to the submittal of AL 6794-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 its Short-Term Market Offer Solicitation in January of 2023 and executed transactions resulting from that solicitation using the documents and processes approved in AL 6779-E and to comply with D.22-11-021 and D.21-05-030. On December 19, 2022 PG&E filed AL 6794-E in compliance with D.22-11-021. This Advice Letter laid out documents and processes relevant for PG&E's long-term Market Offer Solicitation. The CPUC approved AL 6794-E on February 2, 2023. PG&E conducted its Solicitation and executed Transactions resulting from the Solicitation using the documents and processes approved in AL 6794-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 C (i.e., 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 6794-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 6794-E. PG&E selected qualifying bids based on the criteria listed in Attachment B. Additional information on how PG&E used this framework to evaluate bids and select the sales contracts presented in this Advice Letter can be found in Confidential Attachment A.

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 6794-E for assessing bids received as part of this Solicitations.

- 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 6794-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 6794-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 relevant 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. ¹⁰The pro forma PPSAs and applicable STCs included in the executed contracts as part of this Solicitation were approved via AL 6794-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		City of San Jose		San Diego Community Power		East Bay Community Energy		Calpine Energy Services		Pilot Power Group		Central Coast Community Energy	
Contract Reference		Section	Page Number	Section	Page Number	Section	Page Number	Section	Page Number	Section	Page Number	Section	Page Number
Non-Modifiable Term	STC 1: Seller's Representations, Warranties, and Covenants	8.1, 8.2, 8.3	4,5	8.1, 8.2, 8.3	4,5	8.1, 8.2, 8.3	4,5	8.1, 8.2, 8.3	4,5	8.1, 8.2, 8.3	4,5	8.1, 8.2, 8.3	4,5
	STC 2: Governing Law	10.2 (b)	7	10.2 (b)	7	10.2 (b)	7	10.2 (b)	7	10.2 (b)	7	10.2 (b)	7

¹⁰ Consistent with its Sales Protocol and Advice 6794-E, the PPSAs are in the form of confirms to the Edison Electric Institute ("EEI") Master Contract for bilateral transactions ("EEI Master"). For the purpose of brevity PG&E does not include the EEI Master as part of this Advice Letter.

- 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 C Market Offer Confirmation attached to PG&E's AL 6794-E are included in Confidential Appendices E1, E2, E3, E4, E5, and E6. The non-modifiable terms have been highlighted in each redlined comparison.

E. Solicitation Process

1. Process Overview

PG&E used the pre-approved Framework governed by D. 22-11-021 to establish which bids to select for execution from the Solicitation.

2. Sales solicitation process and schedule

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

Event	Date/Time*
PG&E issues solicitation	March 7, 2023
Participants' Webinar	March 14, 2023 at 10:30 AM
Deadline for Participants to submit bids through Power Advocate	April 11, 2023 at 1:00 PM
PG&E notifies qualified bidders	April 2023
Execution date	May/June 2023 ¹¹
PG&E submits Short-Term Agreements from its 2023 Long Term Market Offer Solicitation for CPUC approval via Tier 1 Advice Letter	June 2023
PG&E submits Long Term Agreements from its 2023 Long Term Market Offer Solicitation for CPUC approval via Tier 3 Advice Letter	June 2023

*Dates are approximate and subject to change.

¹¹ PG&E was able to accelerate the timeframe for execution of some confirms, as allowed in the Protocol.

3. Solicitation Design

In this AL, PG&E only presents Transactions for Product C for CPUC Approval, however an overview of all products and associated attributes offered in this Solicitation is summarized below.

Product	<ul style="list-style-type: none"> • Product C: Following Voluntary Allocation, all remaining bundled RPS-eligible energy and associated renewable energy credit (“RECs”) from facilities with power purchase agreements with remaining terms of more than 10 years from the start date of market offer deliveries in PG&E’s PCIA-eligible RPS portfolio that meet the criteria of Public Utilities Code §399.16(b)(1), to be delivered to counterparties from the start date of the market offer deliveries until the Long-Term End Date¹². • Product D: Following Voluntary Allocation, all remaining RECs from facilities with power purchase agreements with remaining terms of more than 10 years from the start date of market offer deliveries in PG&E’s PCIA-eligible RPS portfolio that do not meet the criteria of Public Utilities Code §399.16(b)(1), to be delivered to counterparties from the start date of the market offer deliveries until the Long-Term End Date¹³. • Product E: Following Voluntary Allocation, all remaining bundled RPS-eligible energy and associated RECs from facilities with power purchase agreements with remaining terms more than 10 years from the start date of market offer deliveries in PG&E’s PCIA-eligible RPS portfolio that meet the criteria of Public Utilities Code §399.16(b)(1), to be delivered to counterparties from the start date of the market offer deliveries until December 31, 2024. • Product F: Following Voluntary Allocation, all remaining RECs from facilities with power purchase agreements with remaining terms of more 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), to be delivered to counterparties from the start date of the market offer deliveries until December 31, 2024.
Pricing	<ul style="list-style-type: none"> • Energy, if applicable – settled at the day-ahead trading hub index price (e.g., NP15, ZP26 and/or SP15) • REC – fixed price

¹² See footnote 1

¹³ See footnote 1.

Location	<ul style="list-style-type: none"> • If applicable, location is to be selected by Seller, or a qualified third-party designated by Seller, in its discretion: such as NP15, SP15, and/or ZP26 Trading Hub.
Delivery Term ¹⁴	<ul style="list-style-type: none"> • 2023 to 2043 (estimated) for Product C • 2023 to 2034 (estimated) for Product D • 2023 to 2024 (estimated) for Product E and Product F • Delivery start date will commence upon final CPUC Approval of Tier 3 Advice Letter for Products C and D or Tier 1 Advice Letter for Products E and F
Agreement	<ul style="list-style-type: none"> • Confirmation under an Edison Electric Institute (“EEI”) Master Agreement

¹⁴ Delivery Period commences upon satisfaction of the Conditions Precedent, including CPUC approval of the respective transaction.

4. Table of Key Terms of 2023 Long 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 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.

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

The criteria utilized to rank bids is outlined in Section I.A. in Confidential Appendix A. Per PG&E's public 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.

PG&E consulted with the PRG at several points throughout this Solicitation process—

- On February 7, 2023, PG&E presented the PRG with an overview of the products offered in the Solicitation and its confidential evaluation methodology.
- On April 13, 2023, PG&E provided the PRG a summary of the bids received and PG&E’s preliminary execution list via email.
- On April 27, 2023, PG&E presented the PRG with PG&E’s solicitation results and updates to PG&E’s preliminary execution list, which was originally shared with the PRG on April 13, 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 Transactions are not short-term contracts.

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 PG&E's proposed confidential bid evaluation methodology for this Solicitation during the February 7, 2023 PRG meeting described above. The IE also provided feedback on the robustness of the solicitation, negotiation process, solicitation results and confidential evaluation methodology during the April 27, 2023 PRG meeting described above as well. 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 confidential and public 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 this advice letter becomes effective no later than the date the Resolution approving this advice letter becomes final and non-appealable. The Resolution 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 6794-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 July 20, 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

This advice letter will become effective after the Commission resolution approving it becomes final and non-appealable.

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 (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) #: 6977-E

Tier Designation: 3

Subject of AL: 2023 Long-Term Market Offer Solicitation; Long-Term Power Purchase and Sale Agreements from Long-Term Resources Between Pacific Gas and Electric Company and Multiple Buyers

Keywords (choose from CPUC listing): Compliance, Agreements

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.21-05-030 and D. 22-11-021

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

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

Confidential treatment requested? Yes No

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

Resolution required? Yes No

Requested effective date: No. of tariff sheets: 0

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

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

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

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

Contact Name:
Title:
Utility/Entity Name:

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

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

Clear Form

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

PACIFIC GAS AND ELECTRIC COMPANY

**DECLARATION OF BRENDAN LUCKER
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED
IN ADVICE LETTER 6977-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 6977-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 6977-E
JUNE 30, 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>

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IDENTIFICATION OF CONFIDENTIAL INFORMATION

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Appendices B1 & B2, Solicitation Overview	<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>

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JUNE 30, 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)
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JUNE 30, 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, D3, D4, D5 & D6 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, E3, E4, E5, & E6 Comparison of PPSAs with PG&E’s 2023 Pro Forma PCIA RPS Long-Term Market Offer Confirmation for Product C and D	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

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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, F3, F4, F5, & F6 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>

Appendix A

Consistency with Commission Decisions and Rules

(Confidential)

Appendix B1

Solicitation Overview and Results

(Confidential)

Appendix B2

Solicitation Overview and Results (Excel Spreadsheet)

(Confidential)

Appendix C1

Final RPS Project Specific Independent Evaluator Report

(Confidential)

Appendix C2

Final RPS Project Specific Independent Evaluator Report

(Public)

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

REPORT OF THE INDEPENDENT
EVALUATOR ON CONTRACTS FOR SALE OF
RENEWABLE ENERGY TO CALPINE ENERGY
SERVICES, L.P., CENTRAL COAST
COMMUNITY ENERGY, EAST BAY
COMMUNITY ENERGY, PILOT POWER
GROUP, LLC, SAN DIEGO COMMUNITY
POWER, AND CITY OF SAN JOSÉ

JUNE 29, 2023

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1. EXECUTIVE SUMMARY

This report provides a review of six sales agreements executed by Pacific Gas and Electric Company (“PG&E”), for renewable energy to be delivered from PG&E’s supply portfolio, for a contract term from final CPUC approval of the contracts to the end date of the upstream contract with the longest delivery term (likely the end of 2043):

- Calpine Energy Services, L.P., an energy services provider (“ESP”) that provides retail direct access electricity in California and serves as a gas and power wholesale marketing entity for its parent company Calpine Corporation, the largest generator of gas-fired and geothermal electricity in the U.S.;
- Central Coast Community Energy (“3CE”), a joint powers authority (“JPA”) and community choice aggregator (“CCA”) that commenced retail energy service in 2017 as Monterey Bay Community Power and now serves retail energy customers in Monterey, San Benito, and Santa Cruz Counties and portions of San Luis Obispo and Santa Barbara Counties;
- East Bay Community Energy (“EBCE”), a JPA and CCA that serves retail customers in Alameda County;
- Pilot Power Group, LLC, an ESP that serves retail direct access electricity in California;
- San Diego Community Power (“SDCP”), a JPA and CCA that began serving retail energy to municipal and commercial accounts within Chula Vista, Encinitas, Imperial Beach, La Mesa, and San Diego in 2021, residential accounts in 2022, and expanded service to National City, Borrego Springs, and unincorporated San Diego County in April 2023;
- The City of San José, a municipality that serves customers within the municipality with retail energy through a CCA program branded as San José Clean Energy (“SJCE”).

The transactions originated from PG&E’s Long-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 and selection 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”).

Note that the focus of this IE report is on PG&E’s process to solicit contracts for RPS deliveries for the roughly two-decade term of Products C and D as described in the solicitation protocol and contracts. A separate IE report, previously filed, detailed findings about PG&E’s sales contracts for short-term RPS deliveries of Products E and F in the 2023-24 period.

Arroyo’s opinion is that PG&E’s outreach to potential buyers was adequate, the solicitation was moderately robust for bidding for Product C but not robust for Product D, 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 might be reasonable, but the California market for RPS-eligible energy lacks liquidity and transparency beyond a time horizon of a few years, so that obtaining market information with which to assess price reasonableness of two-decade contracts that is both fresh and publicly available is infeasible. The transactions are fully consistent with the sales framework described in Advice 6794-E that was accepted by the CPUC in February 2023. The portfolio fit of the contracts ranks high. Based on these observations, Arroyo’s opinion is that the executed agreements with Calpine, 3CE, EBCE, Pilot Power, SDCP and San José 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 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 selected counterparties;

¹ Note that for sales from Blackspring Ridge IA Wind Project and Blackspring Ridge IB Wind Project, which are the resources for delivery of Product D, only Renewable Energy Credits (“RECs”) would 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. The solicitation offered to deliver unbundled RECs to winning bidders, with no energy.

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 March 7, 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 four 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 six confirmation agreements that are the subject of this report are for deliveries of Product C, one of four products that were offered in the solicitation.

- Product C is to be delivered from a resource pool of RPS-eligible generation facilities in PG&E’s supply portfolio, all of which either have more than 10 years remaining in their contract terms, or are PG&E-owned generators such as long-producing small hydroelectric facilities or relatively newer solar photovoltaic facilities that commenced operation after 2009. These resources either have their first point of interconnection in the California Independent System Operator’s (“CAISO’s”) balancing area or have an agreement for dynamic transfer of output to the CAISO (such as use of a pseudo-tie). The confirmation agreement for Product C lists 107 resources in the pool. The delivery term will be from CPUC final approval of the sales agreements through the end date of the longest contract in the pool, which based on the current resource list is the end of 2043.
- Product D would be delivered from two wind generation facilities in Alberta, which have more than 10 years remaining in their contract terms; their first point of interconnection is outside the CAISO’s grid.³ Product D deliveries would be unbundled renewable energy credits (“RECs”), as the energy component of deliveries to PG&E is resold in Alberta.
- Product E will be delivered from the same resource pool of RPS-eligible projects as Product C, but for a delivery term from CPUC final approval through the end of 2024.

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, it is not obvious to Arroyo what PCC these deliveries would be when re-contracted for delivery to a new buyer.

- Product F would be unbundled RECs delivered from the same two Albertan wind generation facilities as Product D, but for a delivery term from final CPUC approval through the end of 2024.

The contractual delivery periods begin when final CPUC approval of the agreements occurs, so rather than a full calendar year of deliveries the winning bidders will receive partial-year volumes for 2023 assuming that approval is received within this year. The confirmation agreements specify an end to deliveries on the end date of the contract with the longest term of projects in the resource pool, which based on Appendix B to the executed confirmation agreements are three solar photovoltaic facilities under 25-year PPAs that were developed by First Solar and have termination dates at the end of 2043. Note that PG&E has a contractual right to modify the list of resources in Appendix B.

The solicitation 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 place), information for the participants' webinar held jointly by the three IOUs, and estimates of the monthly volumes expected to be produced by the resource pool and the two Albertan facilities in 2023, and the annual volumes expected from 2024 through 2043 from the resource pool and through 2034 for the Albertan facilities. PG&E received [REDACTED] for Product C, [REDACTED] for Product D, [REDACTED] for Product E, and [REDACTED] for Product F. As described later, Arroyo believes that some of these bids failed to conform to the requirements of the solicitation. The fairness with how PG&E dealt with non-conforming proposals is discussed below.

A. ADEQUACY OF SOLICITATION OUTREACH

PGE e-mailed the market notice to its standing Request for Offers ("RFO") contact list, which it uses for outreach for procurement solicitations for purchasing energy and capacity products. This large list (more than 2,400 unique contacts) is mainly composed of generation developers or businesses that service their needs, and therefore does not focus on the likeliest candidates to seek to buy RPS-eligible energy, as opposed to those likely to sell it. Figure 1 displays the composition of the version RFO contact list used. Among the sectors likeliest to participate in this specific solicitation to sell energy, wholesale marketers, direct-access ESPs, utilities, and CCAs were included.

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 six 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, a wholesale energy broker, 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 PG&E's RFO contact list.

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.

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 twelve 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 long-term Market Offer was 14 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 23 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, overall, clear to potential bidders. However, there was clearly some confusion or at least misunderstanding of how participants should have interpreted the meaning of the generation forecast provided for the resource pools; some participants did not correctly interpret what volumes were available for long-term vs. short-term contracts. Also, Arroyo believes that the materials were insufficiently clear that bids were binding commitments of the participants.

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 solicitation participants seeking to buy RPS-eligible energy. Other registrants included [REDACTED]. Arroyo's inference is that these latter registrants 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; for them, the materials were likely unclear.

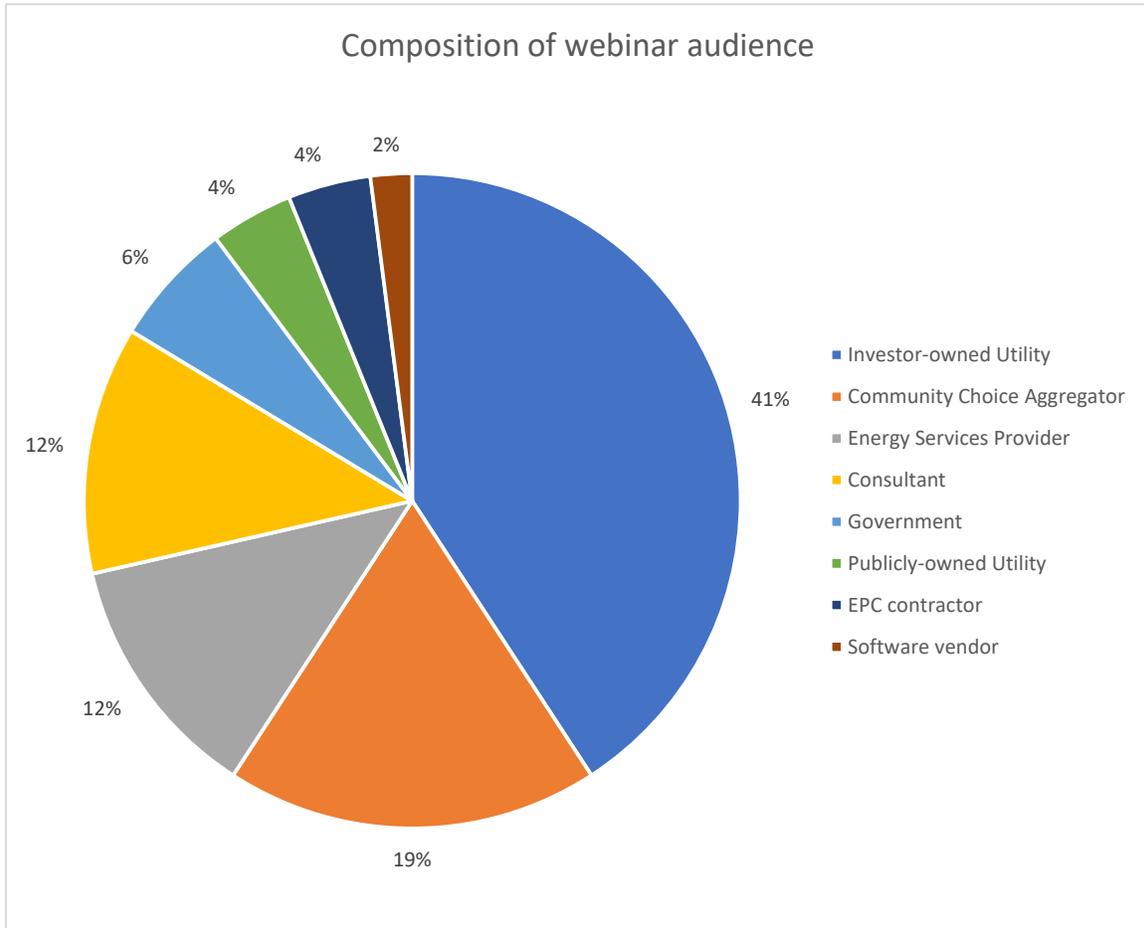
C. BIDDERS' CONFERENCE

PG&E, Edison, and SDG&E jointly convened a participants' webinar on March 14, 2023. The presentation covered an overview of the three IOUs' solicitations, the regulatory background, products offered, and IOU-specific bidding instructions.

The webinar was quite well attended; the log from the web-conference provider suggests that 49 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 of these 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 two municipal utilities. The consultants in attendance were mostly with firms that advise CCAs. Other participants included parties that would have likely have no reason to bid to purchase renewable energy, such as an engineering and construction management firm, a physics professor, and a small software development firm; their presence suggests a lack of clarity in materials provided about the solicitation.

Figure 2.



The question-and-answer session within the webinar was brief. Most of the questions were directed towards Edison. One specific query directed to PG&E sought clarification of an error in the webinar presentation document, which had stated that the bid forms would be MS Word documents, when they are editable .pdf documents.

Unlike most RPS solicitations that PG&E has conducted, no question-and-answer or frequently-asked-questions document was posted on the solicitation webpage. Arroyo believes this omission may have contributed to lack of clarity on the part of participants about details of the solicitation. Edison also failed to post such a document on its public website, while SDG&E posted one on its solicitation webpage, which served to clarify issues such as how bidders might estimate delivery volumes for 2023 and the fact that both short- and long-term deliveries will come from the same resource pool. PG&E provided no such

clarifying guidance, which Arroyo believes could have helped some confused participants understand the issue of short- and long-term delivery volumes.

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 6794-E, its framework for assessing the Long-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 volumes available for delivery in 2023 from the resource pool and the two Albertan wind facilities, and estimated annual volumes for 2024 through 2043.

This section addresses robustness of the response of bidders for Products C and D for long-term deliveries; a prior report provided a narrative of robustness for Products E and F.

The 2023 estimated production volumes for the resource pool from which Products C and E will be sourced totaled about 3.45 TWh; for the Albertan facilities from which Products D and F would be sourced the total was about 330 GWh. For 2024 the estimated volumes for the two resource pools totaled about 3.50 TWh and 324 GWh. The highest estimated volume for the resource pool was about 4.70 TWh in 2025 (some RPS volumes for 2023 and 2024 were already placed through the Voluntary Allocation process); estimates for annual volume decline through 2043 as individual PPAs for resources in the pool terminate. 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 significantly less than the estimate for the full calendar year.

Bids for Product C deliveries in 2023 were received from [REDACTED].
[REDACTED] The total volume of the bids for Product C [REDACTED].
[REDACTED] This was a moderately robust response. For Product D, [REDACTED]. This was not a robust response.

Arroyo notes that some of the compliance entities awarded contracts for Product C are CCAs that are in the process of expanding their service areas to new municipalities (such as SDCP, which has recently expanded retail service to National City, Borrego Springs, and unincorporated San Diego County, and 3CE, which aspires to expand service to Atascadero and unincorporated San Luis Obispo County in 2025) or have members that are switching their default products from lower-RPS-content retail products to 100% RPS content products. It would appear that their appetite to add to their RPS supply portfolios is strong.

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 D deliveries would provide RECs 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 prior to the Short-Term PCIA Market Offer this year, PG&E had 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 (or managed by the CAISO with a dynamic transfer scheme) through its prior Bundled RPS Energy Sale solicitations, so past participants in those solicitations are likely unused to bidding for purchases of this product from PG&E.

E. PARTICIPANTS' FEEDBACK ABOUT THE PROCESS

PG&E has circulated 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 the solicitation:

- Respondents mostly agreed that
 - Overall instructions for preparing and submitting proposals were clear,
 - PG&E clearly identified criteria it would use to evaluate bids,
 - The PowerAdvocate bid submission process was easy to use, and
 - There were no difficulties completing the bid form or the rest of the package.
- Most respondents expressed a willingness to participate in PG&E's future Market Offer solicitations.
- Of the respondents that chose not to participate in the solicitation, most cited the tightness of the bid submission deadline as a reason why, and some cited the contract terms and conditions and/or constraints on the contractual delivery term, or PG&E's slow response to queries as a reason why the bidder ran out of time before the deadline.
- Most of the respondents expressed a view that PG&E was not timely in its responses to questions they submitted, and some expressed frustration with this.
- In addition to seeking additional PCC1 RECs in future solicitations, some respondents mentioned specific interests such as seeking PCC2 and PCC3 RECs, carbon-free hydroelectric generation, and "rolling reserves" (which is not a CAISO ancillary service).

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 consider Price offered as the sole quantitative criterion" to determine awards. This formulation differs

slightly from that of PG&E’s prior Bundled RPS Energy Sale solicitations, in which the stated quantitative criterion was to maximize price.

The confidential framework for assessing MO sales that was attached to Advice 6794-E has a section on “Price Evaluation Criteria”; [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Decision 22-11-021 ordered the IOUs to offer a minimum of 35% of eligible volumes as long-term contracts. The approach outlined in the Price Evaluation Criteria text is [REDACTED] the CPUC’s directive regarding long-term and short-term volumes.

The Decision gave IOUs the choice of offering 65% of eligible volumes as short-term product, or as both short-term and long-term products subject to a methodology to optimize ratepayer value. PG&E chose the latter and stated so in Advice 6794-E. The process described above maximizes ratepayer value, [REDACTED]

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

These were consistent with the approved framework for assessing MO sales.

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. This seems to be less a qualitative evaluation criterion for possible use in ranking bids than a firmer screening factor for identifying and rejecting 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 C and D 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 was in the process of conducting its long-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 6794-E that updated and revised its framework for assessing long-term Market Offer sales, its solicitation protocol, and four 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.

Market Valuation. PG&E did not calculate Portfolio-Adjusted Value ("PAV") for the bids for these renewable energy volumes. Directly employing 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 its price evaluation criteria, as stated in its revised framework for assessing MO sales of RPS volumes included in Advice 6794-E. The quantitative evaluation approach used is far less burdensome than the PAV methodology, and Arroyo does not expect the results of using these criteria to differ at all from using PAV to rank proposals.

[REDACTED]

Other criteria. Because projects from which RPS 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. It is consistent with the directives of Decision 22-11-021. [REDACTED]

[REDACTED]

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 Long-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 6794-E that detailed the framework applicable to the long-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 price offered to select bids. [REDACTED]

[REDACTED] passed a review for the qualitative criteria.

Market Valuation. Bid packages for Product C for deliveries from the resource pool were submitted timely [REDACTED] before the deadline. Figure 3 displays the bid supply curve for Product C deliveries that shows how the submitted bid prices [REDACTED]

[REDACTED]

[REDACTED] This illustrates a lack of clarity in the solicitation materials.)

Bid packages for Product D were submitted timely [REDACTED]

[REDACTED]

Confidential Figure 3.



[REDACTED]

PG&E used the revised framework specified in confidential Attachment B of Advice 6794-E to evaluate these proposals. [REDACTED]

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

Changes to bids after proposal deadline. Some of the bidders chose to alter their proposals after submitting them, despite signing a form attesting that all information provided was true and correct. These bidders had also had an authorized individual sign their confirmation agreements, so that it would only have taken PG&E's countersignature to make a legally binding sales transaction at the bid price and volume. Evidently these parties chose to consider their proposals non-binding, while PG&E's intent was for all bids to be binding upon participants.

[REDACTED]

Credit. PG&E deemed all participants to be sufficiently creditworthy for bids to undergo initial evaluation against the quantitative criterion. Both Central Coast Community Energy and East Bay Community Energy have an A credit rating from Standard and Poor’s (in contrast to PG&E’s rating of BBB-). San Diego Community Power is as yet unrated, though its director of public affairs has stated an intent to obtain a rating later in 2023 by building its cash position. Calpine Energy Services, L.P. is unrated; its ultimate parent, Calpine Corporation, has an S&P rating of BB-. Pilot Power Group, LLC is unrated; it was acquired by Boyne Capital Management, LLC, a private equity firm, in 2020.

While the City of San José has an Aa1 rating from Moody’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 Long-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 Long-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 price 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 Long-Term Market Offer solicitation was consistent with its approved 2022 RPS procurement plan, Decision 22-11-021, and with approved Advice 6794-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 the initially selected participants that their proposals had been selected within two days after bid submittal, and notified participants of the waitlisting of their bids on the third day. PG&E began discussions with counterparties shortly afterwards, resulting in execution of confirmation agreements with Pilot Power Group and SDCP on May 12, San José on May 22, 3CE on May 24, Calpine on May 31, and EBCE on June 5.

Arroyo monitored e-mail communications and web conferencing discussions between PG&E and the selected participants. The starting point for negotiations was the version of confirmation agreements for delivery of Product C 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 3CE, Calpine, EBCE, Pilot Power, SDCP, and San José.

- 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

D. NEGOTIATIONS BETWEEN PG&E AND EAST BAY COMMUNITY ENERGY

PG&E's negotiations with EBCE were lengthy:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EBCE's confirmation was the last one executed, on June 5.

E. NEGOTIATIONS BETWEEN PG&E AND PILOT POWER GROUP, LLC

Discussions with Pilot Power Group were limited to:

[REDACTED]

[REDACTED]

[REDACTED]

F. NEGOTIATIONS BETWEEN PG&E AND SAN DIEGO COMMUNITY POWER

Discussions with SDCP were limited to:

[REDACTED]

[REDACTED]

[REDACTED]

G. NEGOTIATIONS BETWEEN PG&E AND SAN JOSÉ

Negotiations with the city of San José involved several issues:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

H. FAIRNESS OF NEGOTIATIONS

Arroyo’s opinion is that negotiations with the six counterparties were conducted fairly. Each participant was given an equitable opportunity to advance its proposals towards execution. No individual counterparty was granted concessions to improve its contract’s value that were not provided to others. The distribution of risk was equitable across contracts, and ratepayers did not take on disproportionate risk from any individual contract. Arroyo did not observe PG&E provide any individual counterparty with preferential treatment.

Credit requirements. Arroyo’s opinion is that PG&E’s specific treatment of buyers with respect to collateral was based on its commercial judgment of the likely consequences of default, rather than on any unfairly favorable treatment of familiar counterparties or discrimination against any class of counterparty. The CPUC-approved pro forma confirmation agreement for Product C sets Exposure Amount to the lesser of 5% times the volume of as-yet-undelivered RECs times the REC price or the highest consecutive six months of contract payments. To Arroyo’s knowledge, PG&E has never previously executed a sales agreement for long-term deliveries of bundled RPS energy analogous to the 19+ year term for these agreements, so these credit requirements are new to counterparties.

In prior REC sales solicitations, PG&E had

[REDACTED]

[REDACTED]

All agreements that resulted from PG&E's past Bundled RPS Energy Sale solicitations were for delivery terms of two years or less. The delivery term for the Product C contracts from this solicitation is closer to two decades, roughly an order of magnitude longer, and the risk exposure for PG&E's ratepayers, and also for unbundled retail customers on whose behalf the RPS energy is being sold, is therefore significantly greater. On that basis, Arroyo does not believe that PG&E's past practices in its Bundled RPS Energy Sale solicitations necessarily provide a good guidepost for credit requirements for sales of Product C. [REDACTED]

[REDACTED]

Arroyo is however aware of past precedents in which PG&E developed credit requirements for longer-term contracts to sell RPS energy. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Arroyo notes that PG&E's credit policies have generally treated collateral requirements for short-term transactions differently from long-term transactions, reflecting the utility's perception of the different degree of ratepayer exposure to the risk of counterparty default. For example, the solicitation protocols for RPS Requests for Offers set delivery term security to different levels for contracts of 10-, 15-, or 20-year delivery term, with higher collateral requirements for longer-term agreements. In Arroyo's opinion, PG&E's choice to require collateral postings at the levels stated in its pro forma agreement Product C sales is fair. Its requirement in the pro forma agreement for all counterparties to post collateral for long-term RPS energy sales is similar to but different from the one precedent cited above.

Also, Arroyo observes that

[REDACTED]

Arroyo's opinion is that such a choice regarding credit protection falls within the reasonable bounds of commercial judgment that the regulator has granted to the regulated utility,

[REDACTED]

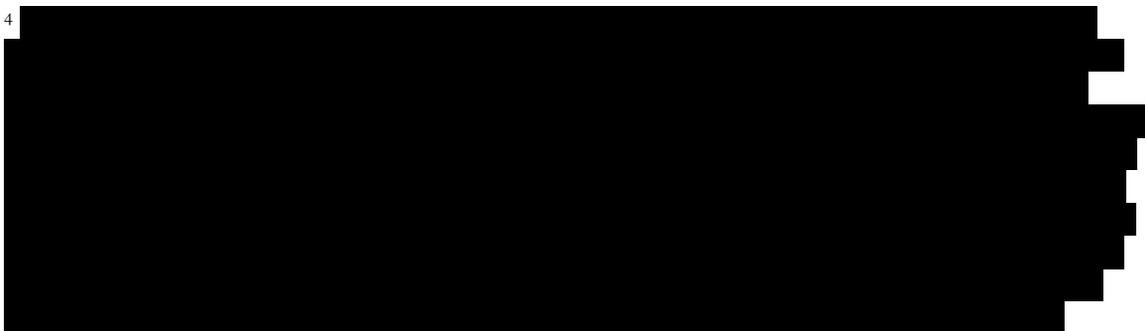
CCA Code of Conduct. The CPUC adopted a code of conduct for IOUs' interactions with CCAs in Decision 12-02-009. Most of the elements of the code govern IOU marketing and lobbying activities, but rule 20 (which restates ordering paragraph 5 from Resolution E-4250) applies to PG&E's conduct of its efforts 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 bidders for Product C include CCAs and a municipality that operates a CCA program. 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. The distribution of costs and risks between buyer and seller was equitable across contracts and counterparties. There was no evidence that PG&E gave disparate or preferential treatment to individual counterparties. PG&E did not provide non-public information to any individual counterparty in a way that uniquely benefited a buyer⁴. All participants whose bids were selected were given equitable opportunities to advance their proposals to executed contracts. Arroyo believes that PG&E’s conduct was consistent with the requirements of the CCA Code of Conduct.

4



7. MERIT FOR CPUC APPROVAL

This chapter provides an independent opinion on whether PG&E's contracts with Central Coast Community Energy, Calpine Energy Services, East Bay Community Energy, Pilot Power Group, San Diego Community Power, and the City of San José 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 approved 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 volumes and prices bid 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 6794-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 price offered as described in the solicitation protocol as the sole quantitative evaluation criterion. [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 6794-E.

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 bundled RPS-eligible renewable energy in 2023 and 2024 produced during the delivery term⁵ from the facilities on the resource list for Product C to

- Central Coast Community Energy, with green attributes priced at [REDACTED]
- Calpine Energy Services, priced at [REDACTED]
- East Bay Community Energy, priced at [REDACTED]
- Pilot Power Group, priced at [REDACTED]
- San Diego Community Power, priced at [REDACTED] and
- The City of San José, priced at [REDACTED]

There are very few publicly available benchmarks available to ascertain whether these are reasonable prices, given the illiquidity and opacity of the market for California RPS-eligible energy and the dearth of long-term transactions that involve pricing of RPS energy on the basis of market index plus a fixed green attribute price (most long-term RPS transactions involve fixed pricing or pricing on an annual schedule). 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 to sell renewable energy from facilities whose first point of interconnection is within the CAISO grid was the Short-Term Market Offer solicitation, which elicited initial bids for 2023 or 2024 bundled RPS energy

⁵ Note that the delivery term for the agreements within 2023 starts upon final CPUC approval; solely for the purposes of planning, PG&E's 2022 RPS procurement plan assumed for calculational purposes that Long-Term MO deliveries will begin on December 1, 2023 though the actual date is yet to be determined.

deliveries. [REDACTED]

[REDACTED] However, Arroyo believes that a price benchmark for a contract delivery of less than two years is wholly inappropriate to use for assessing the reasonableness of a contract for almost two decades of delivery.

There is a very limited amount of pricing data for renewable energy sales to or from publicly-owned utilities and CCAs for deliveries of PCC1 RECs in long-term contracts using a market price index plus fixed REC price that have been made public. Only one of these price benchmarks that Arroyo could identify has an executed contract with deliveries that extend to 2043.

- 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 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.

- 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. NCPA did not execute the proposed contracts, and these projects were later reported to have entered PPAs with northern California CCAs at undisclosed prices.
- In 2022, the city of Redding entered a ten-year confirmation agreement with Shell Energy North America 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.
- In March 2023, the City of Anaheim executed an amendment to its existing PPA with San Gorgonio Farms, Inc. for a ten-year contract extension of bundled PCC1 RPS energy deliveries from the wind facility below Banning Pass. The amendment provides for pricing of the bundled energy at market index plus a \$22/REC price for green attributes.
- In February 2023, Imperial Irrigation District executed a new ten-year PPA with CDG Vidal, LLC for deliveries of bundled PCC1 RPS energy from the 160-MW Vidal Energy Project, sited in the far southeastern corner of San Bernardino County. The PPA prices energy deliveries at \$101/MWh, escalating at 2% p.a., plus \$12/REC.

Other older transactions for PCC1 energy are also publicly visible, but these may be even poorer benchmarks for the current transactions for 2023-2043 deliveries.

Contract deliveries from the resource pool under the six agreements [REDACTED]

[REDACTED] Note that the highest price among these publicly disclosed long-term transactions or indications of pricing is also the most recent, the March 2023 Anaheim contract amendment.

[REDACTED]
[REDACTED]
market participants generally cannot provide insight into pricing beyond a few years.

Arroyo's inference from this mix of scant data is that the prices of the six long-term contracts may likely be 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 RPS-eligible energy is, and particularly when considering two-decade-long contracts.

Portfolio fit. Arroyo believes that it may be advantageous to ratepayers and unbundled retail customers 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 its 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 six agreements were consummated at prices that fall [REDACTED]
[REDACTED]. The 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 roughly consistent with PG&E's past practices (Arroyo notes that this is the first occasion in which the utility is selling bundled RPS energy for a delivery term near two decades, so the specific credit requirements in the contracts are new to counterparties). 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 Central Coast Community Energy, Calpine Energy Services, East Bay Community Energy, Pilot Power Group, San Diego Community Power, and the City of San José all merit CPUC approval.

Appendix D1

Contract Summary: City of San Jose

(Confidential)

Appendix D2

Contract Summary: San Diego Community Power

(Confidential)

Appendix D3

Contract Summary: East Bay Community Energy

(Confidential)

Appendix D4

Contract Summary: Calpine Energy Services

(Confidential)

Appendix D5

Contract Summary: Pilot Power Group

(Confidential)

Appendix D6

Contract Summary: Central Coast Community Energy

(Confidential)

Appendix E1

Comparison of Contract with Utility's Product C Pro Forma
Agreement: City of San Jose

(Confidential)

Appendix E2

Comparison of Contract with Utility's Product C Pro Forma
Agreement: San Diego Community Power

(Confidential)

Appendix E3

Comparison of Contract with Utility's Product C Pro Forma
Agreement: East Bay Community Energy

(Confidential)

Appendix E4

Comparison of Contract with Utility's Product C Pro Forma
Agreement: Calpine Energy Services

(Confidential)

Appendix E5

Comparison of Contract with Utility's Product C Pro Forma
Agreement: Pilot Power Group

(Confidential)

Appendix E6

Comparison of Contract with Utility's Product C Pro Forma
Agreement: Central Coast Community Energy

(Confidential)

Appendix F1

Sales Agreement: City of San Jose

(Confidential)

Appendix F2

Sales Agreement: San Diego Community Power

(Confidential)

Appendix F3

Sales Agreement: East Bay Community Energy

(Confidential)

Appendix F4

Sales Agreement: Calpine Energy Services

(Confidential)

Appendix F5

Sales Agreement: Pilot Power Group

(Confidential)

Appendix F6

Sales Agreement: Central Coast Community Energy

(Confidential)

Appendix G1

PG&E's Alternative Renewable Net Short Calculation

(Confidential)

Appendix G2

PG&E's Alternative Renewable Net Short Calculation

(Public)

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
Date Filed: 1/18/2023

Inputrequired No inputrequired Hard-coded

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	30,068,439	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	11,576,349	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	11,576,349	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	2,735,054	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%	47.6%	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	2,253,470													
Gf	(Ge + C) / A		Stochastically-Adjusted Annual Gross RPS Position (%)	33.0%	38.7%	29.2%	34.7%	34.1%	52.2%	46.0%													
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	28,429,313													
Hb			RECs above the PQR added to Bank	3,665,687	4,730,505	(656,309)	613,324	8,353,207	5,457,106	2,253,470													
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	30,682,783													
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	30,682,783													
J0			Category 0 RECs	2,228,784	2,228,784	1,572,475	2,185,799	2,185,799	3,072,057	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	27,610,726													
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	Ge-Hc-IF(Hb>0, Hb-Ia, IF(Hb <Ha, Hb, 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%	38.5%													

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 Gc 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 Ge) 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

Appendix H

Facility List: Product C

(Public)

APPENDIX H
LIST OF RESOURCES IN LONG-TERM RESOURCE POOL
(PRODUCTS C & E)

Resource Name	Technology	CES RPS ID	PCIA Vintage	End Date
Montezuma Wind Energy Center	Wind	60543A	2010	1/27/2036
High Plains Ranch II	Solar PV	60603A	2008	10/30/2038
Topaz Solar Farm	Solar PV	61698A	2008	10/26/2039
Ivanpah Unit 1	Solar Thermal	62273A	2009	1/20/2039
Ivanpah Unit 3	Solar Thermal	62275A	2009	1/26/2039
AV Solar Ranch One	Solar PV	60790A	2009	11/20/2039
Agua Caliente Solar Project	Solar PV	60894A	2009	6/22/2039
High Plains Ranch III	Solar PV	60603A	2010	9/30/2038
Mojave Solar Project	Solar Thermal	60848A	2009	11/20/2039
Genesis Solar Energy Project	Solar Thermal	60605A	2009	3/6/2039
DTE Stockton	Biomass	60964A	2009	2/20/2039
Alpaugh 50	Solar PV	60945A	2010	3/7/2038
Alpaugh North	Solar PV	60946A	2010	3/7/2038
Atwell Island	Solar PV	60947A	2010	3/11/2038
Corcoran	Solar PV	60948A	2010	8/14/2038
White River	Solar PV	60949A	2010	6/26/2038
Sunshine Landfill	Landfill Gas	60815A	2010	8/31/2034
Potrero Hills Landfill	Landfill Gas	63116A	2010	4/12/2041
Desert Center Solar Farm	Solar PV	61068A	2010	12/16/2039
North Star Solar	Solar PV	61198A	2010	6/19/2035
Vasco Wind Energy Center	Wind	61344A	2010	3/12/2037
Montezuma II Wind Energy Center	Wind	61345A	2010	3/13/2037
Westlands Solar Farms	Solar PV	61755A	2011	4/30/2034
Orion Solar	Solar PV	61570A	2011	6/25/2034
North Sky River Energy Center	Wind	61385A	2011	12/20/2037
Copper Mountain Solar 2	Solar PV	60990A	2011	5/12/2040
Shiloh IV Wind Project	Wind	61617A	2011	1/27/2038
West Antelope	Solar PV	61850A	2012	2/8/2035
Western Antelope Blue Sky Ranch A	Solar PV	61517A	2012	2/16/2035
SPI Biomass Portfolio	Biomass	60088A	2012	9/22/2035
SPI Biomass Portfolio	Biomass	61146A	2012	9/22/2035
SPI Biomass Portfolio	Biomass	60087A	2012	9/22/2035
SPI Biomass Portfolio	Biomass	60089A	2012	9/22/2035

SPI Biomass Portfolio	Biomass	60576A	2012	9/22/2035
Kansas	Solar PV	61263A	2012	12/31/2037
Lost Hills Solar	Solar PV	61893A	2012	12/31/2043
Cuyama Solar Array	Solar PV	61891A	2012	12/31/2043
Blackwell Solar	Solar PV	61892A	2012	12/31/2043
Henrietta Solar	Solar PV	61841A	2012	9/30/2036
Kent South	Solar PV	61262A	2012	2/18/2035
Algonquin SKIC 20 Solar	Solar PV	61558A	2012	3/30/2035
White River Solar 2	Solar PV	62045A	2012	10/1/2034
Mammoth G1	Geothermal	60306A	2012	12/25/2033
Alamo Solar, LLC	Solar PV	61453A	2012	6/29/2035
CID Solar PV Project	Solar PV	62285A	2012	3/19/2035
Old River One	Solar PV	60853A	2013	2/8/2035
Shafter Solar	Solar PV	62325A	2013	7/15/2035
Rising Tree Wind Farm II	Wind	62426A	2013	8/6/2035
Kekawaka Creek Hydroelectric Facility	Small Hydro	60186A	2013	5/31/2035
RE Astoria	Solar PV	62284A	2013	1/2/2034
Midway Solar Farm I	Solar PV	61295A	2013	5/31/2040
California Flats Solar Project	Solar PV	62552A	2013	4/9/2034
Portal Ridge Solar C Project	Solar PV	61684A	2014	4/20/2037
Sunray 2	Solar PV	62694A	2014	8/24/2037
Bayshore Solar A	Solar PV	63133A	2015	4/17/2038
Bayshore Solar B	Solar PV	63134A	2015	4/17/2038
Bayshore Solar C	Solar PV	63135A	2015	4/17/2038
Java Solar	Solar PV	63137C	2016	1/30/2040
RE Gaskell West 3	Solar PV	63619C	2017	3/22/2038
RE Gaskell West 4	Solar PV	63617C	2017	3/22/2038
RE Gaskell West 5	Solar PV	63618C	2017	3/22/2038
PGE Alta	Small Hydro	60033	Pre-2002	N/A
PGE Centerville	Small Hydro	60034	Pre-2002	N/A
PGE Coleman	Small Hydro	60037	Pre-2002	N/A
PGE Cow Creek	Small Hydro	60038	Pre-2002	N/A
PGE Crane Valley	Small Hydro	60039	Pre-2002	N/A
PGE Deer Creek	Small Hydro	60040	Pre-2002	N/A
PGE De Sabla	Small Hydro	60041	Pre-2002	N/A
PGE Dutch Flat 1	Small Hydro	60042	Pre-2002	N/A
PGE Halsey	Small Hydro	60043	Pre-2002	N/A
PGE Hamilton Branch	Small Hydro	60044	Pre-2002	N/A
PGE Hat 1	Small Hydro	60045	Pre-2002	N/A
PGE Hat 2	Small Hydro	60046	Pre-2002	N/A
PGE Inskip	Small Hydro	60047	Pre-2002	N/A

PGE Kerckhoff 1	Small Hydro	62360	Pre-2002	N/A
PGE Kilarc	Small Hydro	60049	Pre-2002	N/A
PGE Lime Saddle	Small Hydro	60050	Pre-2002	N/A
PGE Newcastle	Small Hydro	60053	Pre-2002	N/A
PGE Oak Flat	Small Hydro	60276	Pre-2002	N/A
PGE Phoenix	Small Hydro	60054	Pre-2002	N/A
PGE Potter Valley	Small Hydro	60055	Pre-2002	N/A
PGE Five Points	Solar PV	61432	2010	N/A
PGE Stroud	Solar PV	61434	2010	N/A
PGE Westside	Solar PV	61433	2010	N/A
PGE Cantua	Solar PV	61823	2011	N/A
PGE Giffen	Solar PV	61822	2011	N/A
PGE Huron	Solar PV	61821	2011	N/A
PGE Gates	Solar PV	62353	2012	N/A
PGE Guernsey	Solar PV	62354	2012	N/A
PGE West Gates	Solar PV	62352	2012	N/A
PGE Rock Creek RPS	Small Hydro	62269	Pre-2002	N/A
PGE San Joaquin 1A	Small Hydro	60056	Pre-2002	N/A
PGE San Joaquin 2	Small Hydro	60057	Pre-2002	N/A
PGE San Joaquin 3	Small Hydro	60058	Pre-2002	N/A
PGE South	Small Hydro	60059	Pre-2002	N/A
PGE Spaulding 1	Small Hydro	60060	Pre-2002	N/A
PGE Spaulding 2	Small Hydro	60061	Pre-2002	N/A
PGE Spaulding 3	Small Hydro	60062	Pre-2002	N/A
PGE Spring Gap	Small Hydro	60063	Pre-2002	N/A
PGE Toadtown	Small Hydro	60064	Pre-2002	N/A
PGE Tule River	Small Hydro	60065	Pre-2002	N/A
Vaca-Dixon Solar (PG&E)	Solar PV	60966	2010	N/A
PGE Volta 1	Small Hydro	60066	Pre-2002	N/A
PGE Volta 2	Small Hydro	60067	Pre-2002	N/A
PGE West Point	Small Hydro	60068	Pre-2002	N/A
PGE Wise 1	Small Hydro	60069	Pre-2002	N/A
PGE Wise 2	Small Hydro	60070	Pre-2002	N/A
PGE A.G.Wishon	Small Hydro	60032	Pre-2002	N/A

Appendix I

Model Protective Order and Nondisclosure Certificate

(Public)

(“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 Long Term Market Offer Solicitation;)
Long-Term Power Purchase and Sale Agreements)
Between Pacific Gas and Electric Company and)
Multiple Buyers)

Advice 6977-E

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 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