

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6985E
As of August 16, 2023

Subject: Update to Pacific Gas and Electric Company's Bundled Procurement Plan Greenhouse Gas-Free Energy Allocations

Division Assigned: Energy

Date Filed: 07-10-2023

Date to Calendar: 07-19-2023

Authorizing Documents: D2306006

Disposition:	Accepted
Effective Date:	08-09-2023

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

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



July 10, 2023

Advice 6985-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Update to Pacific Gas and Electric Company's Bundled Procurement Plan – Greenhouse Gas-Free Energy Allocations

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits to the California Public Utilities Commission (Commission or CPUC) this advice letter to update interim greenhouse gas (GHG)-free allocations in Appendix P in PG&E's approved Bundled Procurement Plan (BPP) pursuant to Commission Decision (D.) 23-06-006 (Decision).

Background

In D. 15-10-031, the Commission adopted the investor-owned utilities' proposed BPPs with modifications and required PG&E to submit a conformed copy of its BPP, which was submitted on December 10, 2015. Since then, PG&E has updated the BPP as needed when market conditions or electric portfolio changes necessitate modifying the BPP. On March 18, 2021, the Commission approved PG&E's Advice Letter (AL) 5985-E via Resolution E-5129, which extended PG&E's procurement authority under its Conformed 2014 BPP on a rolling basis until an updated or new BPP is approved for PG&E in the Integrated Resource Plan Proceeding (R.20-05-003) or elsewhere.

On August 27, 2020, PG&E submitted AL 5930-E to the Commission to request certain modifications to Appendix P of its Conformed BPP. Appendix P describes the standard and criteria pursuant to which PG&E may allocate and sell certain carbon free energy from its portfolio. On December 18, 2020, the CPUC issued Resolution E-5111 approving AL 5930-E with certain modifications.

On June 13, 2023, the Commission issued the Decision, which modified the calculation of the Power Charge Indifference Adjustment and established a market price benchmark and allocation mechanism for GHG-free hydroelectric energy resources. The Decision requires PG&E to file a Tier 2 AL within 30 days of the effective date of the Decision to revise the portion of its 2014 Conformed BPP that pertains to interim GHG-free allocations. Accordingly, PG&E submits this AL to revise Appendix P pertaining to Carbon Free Energy as required by the Decision.

Summary of Required Revisions

PG&E summarizes the revisions to Appendix P required by Ordering Paragraph 2 of the Decision, as further identified on page 29 of the Decision, in the table below.

Required Revision	Revision
GHG-Free allocations may occur beyond 2023, depending on the IOU's election for any given year;	Section A of Appendix P is revised to state that GHG-Free allocations may occur in 2024 and thereafter.
GHG-Free allocations will be for one year in 2024 or for multi-year periods in any year after 2024, corresponding to RPS compliance cycles;	Section A of Appendix P is revised to state that GHG-Free allocations, if offered by PG&E, will be one year in 2024 or for multi-year periods in any year after 2024, corresponding to RPS compliance cycles.
Unless and until the Commission determines otherwise, only non-RPS-eligible, large hydropower resources will be eligible for GHG-Free allocation beyond 2023;	Section A of Appendix P is revised to state that unless and until the Commission determines otherwise, only non-RPS-eligible, large hydropower resources will be eligible for GHG-free allocation beyond 2023.
The deadline for the IOU to determine whether it will offer allocations in 2025 or beyond is the ERRA Forecast Application deadline for the first year of the associated RPS compliance cycle;	Section A of Appendix P is revised to state that PG&E will indicate in its ERRA Forecast Application for the first year of a multi-year period corresponding to a RPS compliance period, whether PG&E will elect to provide an interim allocation of non-RPS-eligible large hydroelectric energy for that period.
The IOU may continue offering annual allocations of nuclear energy on a voluntary basis after 2023, according to the existing interim allocation processes adopted in Resolution E-5046 for PG&E (revised and extended in Resolution E-5111) and Resolution E-5095 for SCE (extended by D.21-05-030), and separately from the GHG-Free allocation or MPB process.	Section A of Appendix P is revised to state that PG&E will not offer annual allocations of nuclear energy on a voluntary basis after 2023.

The changes required by the Decision, highlighted in the table above, have necessitated other minor conforming changes throughout Appendix P which are presented together with this advice letter all redlined in Attachment A. Moreover, PG&E has proposed to remove the language in Section B. 4. of Appendix P immediately following the first paragraph, which has been rendered unnecessary as a result of the changes required by the Decision. If appropriate and/or necessary, PG&E may include this or similar language in individual sales agreements with counterparties.

Attachments

Attachment A	Proposed Edits to Greenhouse Gas-Free Energy Allocations, BPP Sheets 249–256 (Redline)
Attachment B	Proposed Edits to Greenhouse Gas-Free Energy Allocations, BPP Sheets 249–256 (Clean)

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than July 31, 2023, which is 21¹ days after the date of this submittal. Protests must be submitted to:

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

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

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

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

¹ Pursuant to Rule 1.5 of General Order 96-B, PG&E requests to extend the protest period by one additional day because twenty days following submission of this advice letter is Sunday, July 30, 2023.

Effective Date

Pursuant to GO 96-B, Rule 5.2, (and OP 2 of D.23-06-006), this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, August 9, 2023, which is 30 calendar days after the date of submittal.

Notice

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

/S/

Sidney Bob Dietz II
Director, Regulatory Relations
CPUC Communications

cc: R.17-06-026
R.20-05-003



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

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

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: 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) #: 6985-E

Tier Designation: 2

Subject of AL: Update to Pacific Gas and Electric Company's Bundled Procurement Plan – Greenhouse Gas-Free Energy Allocations

Keywords (choose from CPUC listing): Compliance, Procurement

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.23-06-006

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:

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:

Resolution required? Yes No

Requested effective date: 8/9/23

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

Attachment A

Proposed Edits to Greenhouse Gas-Free Energy
Allocations, BPP Sheets 249–256 (Redline)



Pacific Gas and Electric Company
San Francisco, California

Cal. P.U.C. Sheet No. 249
Pacific Gas and Electric Company
2014 Bundled Procurement Plan

APPENDIX P

~~CARBON GREENHOUSE GAS--~~FREE ENERGY

Issued by
Robert Kenney
Senior Vice President
Regulatory and External Affairs

Date Filed _____
Effective _____
Resolution No. _____



A. Introduction/Background

Appendix P describes the standards and criteria for Pacific Gas and Electric Company's (PG&E's) management and sales of ~~the energy from Greenhouse Gas (GHG) Free Energy produced by~~ large hydroelectric¹ ~~or nuclear~~ resources from PG&E's portfolio (~~GHG-Carbon~~Free Energy).² Appendix P will guide PG&E's actions with respect to sales of ~~Carbon~~GHG-Free Energy. PG&E will submit ~~Appendix P-Carbon~~GHG-Free Energy transactions in the Quarterly Compliance Report (BPP Section IV Line No. 4) to demonstrate compliance with ~~this~~ Appendix P. ~~PG&E will make sales of Carbon Free Energy generated in delivery year 2021 in accordance with the standards and criteria in Appendix P. PG&E may elect to make sales of Carbon Free Energy generated in delivery years 2022 and 2023 in accordance with the standards and criteria in Appendix P by submitting a Tier 1 Advice Letter with the CPUC. If PG&E does not elect to submit such a Tier 1 Advice Letter by October 1st of the year preceding the applicable delivery year, Appendix P will not be in effect for that delivery year, and PG&E will not make sales of Carbon Free Energy generated in that delivery year.~~

~~PG&E will indicate, in its~~the Energy Resource Recovery Account (ERRA) Forecast Application filing for the first year of a multi-year period corresponding to a Renewables Portfolio Standard (RPS) compliance period (Delivery Period), whether PG&E will elect to provide an interim allocation of non-RPS-eligible large hydroelectric

¹ ~~Non-RPS-eligible Large-large~~ hydroelectric is defined in the California Energy Commission's (CEC's) Power Source Disclosure Program Regulations at CCR Title 20, Section 1391(k).

² Unless and until the Commission determines otherwise, only non-RPS-eligible, large hydropower resources will be eligible for GHG-Free allocation beyond 2023. PG&E will not offer annual allocations of nuclear energy on a voluntary basis after 2023.



~~energy for that period. For 2024 only, PG&E may file a Tier 1 advice letter to indicate whether it elects to provide an interim allocation of non-RPS-eligible large hydroelectric energy, in which case it will and (b) update its 2024 ERRA Forecast Application workpapers, to reflect whether its elections to provide an interim allocation of non-RPS-eligible large hydroelectric energy for 2024. For 2024 and any other future years, if PG&E does not timely elect to provide an interim allocation of non-RPS-eligible large hydroelectric energy during a such given year, PG&E will add a new line item to the Power Charge Indifference Adjustment (PCIA) workpapers in its Energy Resource Recovery Account Forecast Application to identify the output and incremental value of non-RPS-eligible large hydroelectric resources, if any. PG&E will use the relevant forecast and true-up market price benchmarks to calculate the value of its large hydroelectric resources, if any. PG&E will provide Energy Index market price benchmark weighting factors and underlying data in Energy Resource Recovery Account Forecast Application filings and will remove only resources that are 300 megawatts or larger from the historical data for Energy Index weightings. PG&E will also serve supplemental testimony in its 2024 ERRA Forecast proceeding to provide Energy Index market price benchmark weighting factors and underlying data by August 15, 2023.~~

B. Overview of ~~Carbon-GHG-Free~~ Energy

This section provides a description of the processes and activities for PG&E’s intended sales of its ~~Carbon-GHG-Free~~ Energy. These processes and activities include: (1) Product Definitions; (2) Allocation Methodology; (3) Commercial Processes; (4) Transaction Description; and (5) Resource Listing.



1. Product Definitions

- a. **Allocation Amount** is defined as the amount of ~~Carbon~~ GHG-Free Energy generated from facilities identified in “Section 5 Resource Listing” corresponding to each Eligible LSE’s Allocation Ratio.
- b. **Allocation Ratio** is defined as the Eligible Load Serving Entity’s (LSE’s) monthly load forecast for ~~Power Charge Indifference Adjustment~~ (PCIA)-paying customers responsible for the costs of these Resources (defined below) according to PG&E’s ERRA Forecast Application (refer to BPP Section IV Line No. 5) compared to the total forecasted load for PCIA-paying customers responsible for the costs of the Resources.
- c. **Confirmed LSE** is defined as an Eligible LSE that accepts PG&E’s offer of an Allocated Amount of GHG-~~Carbon~~-Free Energy and executes a confirmation with PG&E for all or a portion of the Allocated Amount of GHG-~~Carbon~~-Free Energy.
- d. **Eligible LSE** is defined as a ~~Load Serving Entity~~ (LSE) (as defined in the CAISO Tariff) that (1) has forecasted load identified in PG&E’s ERRA Forecast Application for the first calendar year of the Delivery Period in which the Allocation Amount is accepted; and (2) that serves customers who pay the PCIA departing load charges for the above market costs of Resources.
- e. **Resource(s)** is defined as one or more of the facilities in the Resource Pools.
- f. **Resource Pool(s)** ~~is are~~ defined as the ~~two groups of~~ eligible facilities aggregated and indicated as ~~either non-RPS-eligible large hydroelectric (one Resource Pool) or nuclear~~ facilities



(the second Resource Pool), as outlined in Section 5 Resource Listing.

2. Allocation Methodology

The Allocation Amount offered to Eligible LSEs will be reflected in Megawatt Hours based on the LSE’s Allocation Ratio multiplied by the amount of ~~GHG-Carbon~~ Free Energy delivered monthly during the ~~d~~Delivery ~~year~~ ~~p~~Period on a per Resource basis. An example calculation for the 2019 Allocation Ratio and Allocation Amount for the Kerckhoff Power House 2 is provided below in Tables 1 and 2, respectively.

Table 1: Allocation Ratio Example

Monthly Allocation Ratio = Monthly Forecasted Eligible LSE Load / Monthly Forecasted PCIA Eligible Load.

	(a)	(b)	(c)
	Monthly Forecasted Eligible LSE Load (GWh)	Monthly Forecasted PCIA Eligible Load (GWh)	Monthly Allocation Ratio (%) Eligible LSE (a) / (b)
January	500	12,000	4.17%
February	500	12,000	4.17%
March	500	12,000	4.17%
April	700	12,000	5.83%
May	700	12,500	5.60%
June	700	13,000	5.38%
July	700	13,000	5.38%
August	700	14,000	5.00%
September	800	14,000	5.71%
October	800	14,000	5.71%
November	800	12,000	6.67%
December	800	11,000	7.27%

Table 2: Allocation Amount Example



Allocation Amount = Monthly Allocation Ratio x Monthly Generation during the ~~D~~elivery ~~P~~eriod~~year~~ from a Resource ~~_~~within ~~the~~a Resource Pool ~~selected by the~~ Eligible LSE.

Example non-RPS-eligible Large Hydroelectric Unit: Kerckhoff Power House 2 ³			
	(a)	(b)	(c)
	Monthly Delivered Energy (2018 / MWh)	Monthly Allocation Ratio (%) Eligible LSE	Monthly Allocation Amount (2018 / MWh) (a) * (b)
January	13,585	4.17%	566
February	6,472	4.17%	270
March	12,643	4.17%	527
April	64,294	5.83%	3,750
May	73,627	5.60%	4,123
June	48,974	5.38%	2,637
July	44,352	5.38%	2,388
August	28,613	5.00%	1,431
September	25,122	5.71%	1,436
October	102	5.71%	6
November	532	6.67%	35
December	8,949	7.27%	651

An Eligible LSE Allocation Ratio will not change during the course of the year it is determined. The quantities of ~~GHG-Carbon~~ Free Energy for sale will be generated from the first delivery date under a sales confirmation through December 31 of the relevant ~~D~~elivery ~~P~~eriod~~year~~ (an Allocation Period).

³ Kerckhoff PH 2 data is sourced from the CEC's QFER CEC-1304 Power Plant Owner Reporting Database.



3. Commercial Process

This section provides an overview of the commercial process in which PG&E intends to sell ~~Carbon-GHG~~-Free Energy. PG&E will offer to each Eligible LSE their respective Allocation Ratio, which will correspond to an Allocation Amount of ~~Carbon-GHG~~-Free Energy generated from the Resource Pools for the first calendar year of the Delivery Period. The ~~quantities of Carbon Free Energy~~ Allocation Ratios for the following calendar years of the Delivery Period will be determined consistent with the annual process established in Section B.(2) of this Appendix. ~~PG&E will only sale will be offered GHG-Free Energy to Eligible LSEs once per Delivery Period year. PG&E will make the quantities of Carbon Free Energy for delivery years 2021, 2022, and 2023 available to Eligible LSEs on an annual basis.~~

Within thirty (30) business days following the offer, PG&E and each Eligible LSE which has accepted the offer ~~and selected the Resource Pool(s)~~ shall enter into a confirmation to the EEI Master Purchase and Sale Agreement (Sales Agreement) to reflect the sale of such ~~GHG-Carbon~~-Free Energy as reflected in the offer. Offers will be deemed accepted upon execution of a binding confirmation of the transaction.

Following an executed Sales Agreement between an Eligible LSE and PG&E, the Eligible LSE transaction will be considered confirmed, as applicable to the Allocation Period (Confirmed LSE Transaction Date). Following the Confirmed LSE Transaction Date, PG&E shall provide each Confirmed LSE with an estimate of its quarterly Allocation Amount at approximately fifty-five (55) business days after each calendar quarter and shall commence sales of the ~~GHG-Carbon~~-Free Energy to the Confirmed LSEs pursuant to their Sales Agreement.



On or about ~~each~~ April 15th ~~following the most recent calendar of each~~ year ~~end~~, PG&E will notify the Confirmed LSE in writing of actual, finalized Allocation Amount of ~~Carbon-GHG~~-Free Energy delivered to ~~such each~~ Confirmed LSE for the previous calendar year from the Resource Pool(s) selected by the Confirmed LSE. After delivery of finalized annual Allocation Amounts to each Confirmed LSE, PG&E will notify the CEC pursuant to the then current CEC Power Source Disclosure Program regulations of the sale of the GHG-Carbon-Free Energy to the respective Confirmed LSE for purposes of Power Content Label (PCL) reporting on or before the annual reporting deadline.

4. Transaction Description

PG&E will only sell GHG-Carbon-Free Energy to a Confirmed LSE pursuant to a Sales Agreement. PG&E will not post collateral or performance assurance for any sale of ~~Carbon-GHG~~-Free Energy to a Confirmed LSE and will not require a Confirmed LSE to post collateral or performance assurance for such transaction.

~~PG&E's offer to each Eligible LSE is in exchange for the following consideration from each Eligible LSE:~~

- ~~a. Agreement that the sale and delivery of the GHG-Carbon Free Energy is a reasonable manner to manage disposition of the GHG-Carbon Free Energy; and~~
- ~~b. Agreement to waive its ability to make petitions, arguments, or filings to the CPUC or the California Legislature asserting that PG&E has not offered any allocation, sale, or transfer of GHG-Carbon Free Energy or~~



~~environmental attributes associated with such GHG Carbon Free Energy for the Delivery Period of the Sales Agreement.~~

5. Resource Listing

~~In executing the Sales Agreement, Eligible LSEs may select one or both Resource Pools (i.e. nuclear and/or large hydroelectric), which Tthe Resource Pool is-are~~ comprised of the Resources identified below. The list of Resources in the Resource Pools may be modified by PG&E by submitting a Tier 1 Advice Letter with the California Public Utilities Commission (CPUC).

#	Facility Name	Fuel Type	EIA ID
1	Diablo Canyon #1 Gen	NUCLEAR	6099
2	Diablo Canyon #2 Gen	NUCLEAR	6099
13	Balch #1 PH	LARGE HYDRO	217
24	Balch #2 PH	LARGE HYDRO	218
35	Belden	LARGE HYDRO	219
46	Bucks Creek	LARGE HYDRO	220
57	Butt Valley	LARGE HYDRO	221
68	Caribou 1	LARGE HYDRO	222
79	Caribou 2	LARGE HYDRO	223
810	Cresta	LARGE HYDRO	231
911	Drum #1	LARGE HYDRO	235
1012	Drum # 2	LARGE HYDRO	236
1113	Electra	LARGE HYDRO	239
1214	Haas	LARGE HYDRO	240
1315	James B Black	LARGE HYDRO	249
1416	Kerckhoff #2 PH	LARGE HYDRO	682
1517	Kings River	LARGE HYDRO	254
1618	Pit 1	LARGE HYDRO	265
1719	Pit 3	LARGE HYDRO	266
1820	Pit 4	LARGE HYDRO	267
1921	Pit 5	LARGE HYDRO	268
2022	Pit 6	LARGE HYDRO	269
2123	Pit 7	LARGE HYDRO	270
2224	Poe	LARGE HYDRO	272



<u>2325</u>	Rock Creek	LARGE HYDRO	275
<u>2426</u>	Salt Springs	LARGE HYDRO	279
<u>2527</u>	Stanislaus	LARGE HYDRO	285
<u>2628</u>	Tiger Creek	LARGE HYDRO	287
<u>2729</u>	NID-CHICAGO PARK	LARGE HYDRO	412

Attachment B

Proposed Edits to Greenhouse Gas-Free Energy
Allocations, BPP Sheets 249–256 (Clean)



Pacific Gas and Electric Company
San Francisco, California

Cal. P.U.C. Sheet No. 249
Pacific Gas and Electric Company
2014 Bundled Procurement Plan

APPENDIX P
GREENHOUSE GAS-FREE ENERGY

Issued by
Robert Kenney
Senior Vice President
Regulatory and External Affairs

Date Filed _____
Effective _____
Resolution No. _____



A. Introduction/Background

Appendix P describes the standards and criteria for Pacific Gas and Electric Company’s (PG&E’s) management and sales of the Greenhouse Gas (GHG) Free Energy produced by large hydroelectric¹ resources from PG&E’s portfolio (GHG-Free Energy).² Appendix P will guide PG&E’s actions with respect to sales of GHG-Free Energy. PG&E will submit GHG-Free Energy transactions in the Quarterly Compliance Report (BPP Section IV Line No. 4) to demonstrate compliance with Appendix P.

PG&E will indicate, in its Energy Resource Recovery Account (ERRA) Forecast Application filing for the first year of a multi-year period corresponding to a Renewables Portfolio Standard (RPS) compliance period (Delivery Period), whether PG&E will elect to provide an interim allocation of non-RPS-eligible large hydroelectric energy for that period. For 2024 only, PG&E may file a Tier 1 advice letter if it elects to provide an interim allocation of non-RPS-eligible large hydroelectric energy, in which case it will update its 2024 ERRA Forecast Application workpapers, to reflect its election to provide interim allocation of non-RPS-eligible large hydroelectric energy for 2024. For 2024 and any other future years, if PG&E does not timely elect to provide an interim allocation of non-RPS-eligible large hydroelectric energy during such given year, PG&E will add a new line item to the Power Charge Indifference Adjustment (PCIA) workpapers in its

¹ Non-RPS-eligible large hydroelectric is defined in the California Energy Commission’s (CEC’s) Power Source Disclosure Program Regulations at CCR Title 20, Section 1391(k).

² Unless and until the Commission determines otherwise, only non-RPS-eligible, large hydropower resources will be eligible for GHG-Free allocation beyond 2023. PG&E will not offer annual allocations of nuclear energy on a voluntary basis after 2023.



ERRA Forecast Application to identify the output and incremental value of non-RPS-eligible large hydroelectric resources, if any.

B. Overview of GHG-Free Energy

This section provides a description of the processes and activities for PG&E's intended sales of its GHG-Free Energy. These processes and activities include: (1) Product Definitions; (2) Allocation Methodology; (3) Commercial Processes; (4) Transaction Description; and (5) Resource Listing.

1. Product Definitions

- a. **Allocation Amount** is defined as the amount of GHG-Free Energy generated from facilities identified in "Section 5 Resource Listing" corresponding to each Eligible LSE's Allocation Ratio.
- b. **Allocation Ratio** is defined as the Eligible Load Serving Entity's (LSE's) monthly load forecast for PCIA-paying customers responsible for the costs of these Resources (defined below) according to PG&E's ERRA Forecast Application (refer to BPP Section IV Line No. 5) compared to the total forecasted load for PCIA-paying customers responsible for the costs of the Resources.
- c. **Confirmed LSE** is defined as an Eligible LSE that accepts PG&E's offer of an Allocated Amount of GHG-Free Energy and executes a confirmation with PG&E for all or a portion of the Allocated Amount of GHG-Free Energy.
- d. **Eligible LSE** is defined as a LSE (as defined in the CAISO Tariff) that (1) has forecasted load identified in PG&E's ERRA Forecast Application for the first calendar year of the Delivery Period in which the Allocation Amount is accepted;



and (2) that serves customers who pay the PCIA departing load charges for the above market costs of Resources.

- e. **Resource(s)** is defined as one or more of the facilities in the Resource Pool.
- f. **Resource Pool** is defined as the eligible facilities aggregated and indicated as non-RPS-eligible large hydroelectric facilities, as outlined in Section 5 Resource Listing.

2. Allocation Methodology

The Allocation Amount offered to Eligible LSEs will be reflected in Megawatt Hours based on the LSE’s Allocation Ratio multiplied by the amount of GHG-Free Energy delivered monthly during the Delivery Period on a per Resource basis. An example calculation for the 2019 Allocation Ratio and Allocation Amount for the Kerckhoff Power House 2 is provided below in Tables 1 and 2, respectively.

Table 1: Allocation Ratio Example

Monthly Allocation Ratio = Monthly Forecasted Eligible LSE Load / Monthly Forecasted PCIA Eligible Load.

	(a)	(b)	(c)
	Monthly Forecasted Eligible LSE Load (GWh)	Monthly Forecasted PCIA Eligible Load (GWh)	Monthly Allocation Ratio (%) Eligible LSE (a) / (b)
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February	500	12,000	4.17%
March	500	12,000	4.17%
April	700	12,000	5.83%
May	700	12,500	5.60%
June	700	13,000	5.38%
July	700	13,000	5.38%
August	700	14,000	5.00%



September	800	14,000	5.71%
October	800	14,000	5.71%
November	800	12,000	6.67%
December	800	11,000	7.27%

Table 2: Allocation Amount Example

Allocation Amount = Monthly Allocation Ratio x Monthly Generation during the Delivery Period from a Resource within the Resource Pool.

Example non-RPS-eligible Large Hydroelectric Unit: Kerckhoff Power House 2 ³			
	(a)	(b)	(c)
	Monthly Delivered Energy (2018 / MWh)	Monthly Allocation Ratio (%) Eligible LSE	Monthly Allocation Amount (2018 / MWh) (a) * (b)
January	13,585	4.17%	566
February	6,472	4.17%	270
March	12,643	4.17%	527
April	64,294	5.83%	3,750
May	73,627	5.60%	4,123
June	48,974	5.38%	2,637
July	44,352	5.38%	2,388
August	28,613	5.00%	1,431
September	25,122	5.71%	1,436
October	102	5.71%	6
November	532	6.67%	35
December	8,949	7.27%	651

An Eligible LSE Allocation Ratio will not change during the course of the year it is determined. The quantities of GHG-Free Energy for sale will be generated from the

³ Kerckhoff PH 2 data is sourced from the CEC's QFER CEC-1304 Power Plant Owner Reporting Database.



first delivery date under a sales confirmation through December 31 of the relevant Delivery Period (an Allocation Period).

3. Commercial Process

This section provides an overview of the commercial process in which PG&E intends to sell GHG-Free Energy. PG&E will offer to each Eligible LSE their respective Allocation Ratio, which will correspond to an Allocation Amount of GHG-Free Energy generated from the Resource Pool for the first calendar year of the Delivery Period. The Allocation Ratios for the following calendar years of the Delivery Period will be determined consistent with the annual process established in Section B.2 of this Appendix. PG&E will only offer GHG-Free Energy to Eligible LSEs once per Delivery Period.

Within thirty (30) business days following the offer, PG&E and each Eligible LSE which has accepted the offer shall enter into a confirmation to the EEI Master Purchase and Sale Agreement (Sales Agreement) to reflect the sale of such GHG-Free Energy as reflected in the offer. Offers will be deemed accepted upon execution of a binding confirmation of the transaction.

Following an executed Sales Agreement between an Eligible LSE and PG&E, the Eligible LSE transaction will be considered confirmed, as applicable to the Allocation Period (Confirmed LSE Transaction Date). Following the Confirmed LSE Transaction Date, PG&E shall provide each Confirmed LSE with an estimate of its quarterly Allocation Amount at approximately fifty-five (55) business days after each calendar



quarter and shall commence sales of the GHG-Free Energy to the Confirmed LSEs pursuant to their Sales Agreement.

On or about April 15th of each year, PG&E will notify the Confirmed LSE in writing of actual, finalized Allocation Amount of GHG-Free Energy delivered to such Confirmed LSE for the previous calendar year. After delivery of finalized annual Allocation Amounts to each Confirmed LSE, PG&E will notify the CEC pursuant to the then current CEC Power Source Disclosure Program regulations of the sale of the GHG-Free Energy to the respective Confirmed LSE for purposes of Power Content Label (PCL) reporting on or before the annual reporting deadline.

4. Transaction Description

PG&E will only sell GHG-Free Energy to a Confirmed LSE pursuant to a Sales Agreement. PG&E will not post collateral or performance assurance for any sale of GHG-Free Energy to a Confirmed LSE and will not require a Confirmed LSE to post collateral or performance assurance for such transaction.

5. Resource Listing

The Resource Pool is comprised of the Resources identified below. The list of Resources in the Resource Pool may be modified by PG&E by submitting a Tier 1 Advice Letter with the California Public Utilities Commission (CPUC).

#	Facility Name	Fuel Type	EIA ID
1	Balch #1 PH	LARGE HYDRO	217
2	Balch #2 PH	LARGE HYDRO	218
3	Belden	LARGE HYDRO	219
4	Bucks Creek	LARGE HYDRO	220
5	Butt Valley	LARGE HYDRO	221
6	Caribou 1	LARGE HYDRO	222



7	Caribou 2	LARGE HYDRO	223
8	Cresta	LARGE HYDRO	231
9	Drum #1	LARGE HYDRO	235
10	Drum # 2	LARGE HYDRO	236
11	Electra	LARGE HYDRO	239
12	Haas	LARGE HYDRO	240
13	James B Black	LARGE HYDRO	249
14	Kerckhoff #2 PH	LARGE HYDRO	682
15	Kings River	LARGE HYDRO	254
16	Pit 1	LARGE HYDRO	265
17	Pit 3	LARGE HYDRO	266
18	Pit 4	LARGE HYDRO	267
19	Pit 5	LARGE HYDRO	268
20	Pit 6	LARGE HYDRO	269
21	Pit 7	LARGE HYDRO	270
22	Poe	LARGE HYDRO	272
23	Rock Creek	LARGE HYDRO	275
24	Salt Springs	LARGE HYDRO	279
25	Stanislaus	LARGE HYDRO	285
26	Tiger Creek	LARGE HYDRO	287
27	NID-CHICAGO PARK	LARGE HYDRO	412

**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