

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



**Pacific Gas & Electric Company  
ELC (Corp ID 39)  
Status of Advice Letter 7027E  
As of January 23, 2024**

Subject: Pacific Gas and Electric Company ("PG&E") Central Procurement Entity ("CPE") 2023 Annual Compliance Report

Division Assigned: Energy

Date Filed: 09-19-2023

Date to Calendar: 09-22-2023

Authorizing Documents: D2006002

|                        |                   |
|------------------------|-------------------|
| <b>Disposition:</b>    | <b>Accepted</b>   |
| <b>Effective Date:</b> | <b>10-19-2023</b> |

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

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

September 19, 2023

**Advice Letter 7027-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Pacific Gas and Electric Company (“PG&E”) Central Procurement Entity (“CPE”) 2023 Annual Compliance Report**

**Purpose**

Pursuant to Decision (“D.”) 20-06-002, the Central Procurement Entity Decision (“CPE Decision”), Pacific Gas and Electric Company (“PG&E”), acting as the Central Procurement Entity (“CPE” or “PGE CPE”) for its electric distribution service area, hereby submits this Advice Letter. Ordering Paragraph (“OP”) 23 of the CPE Decision instructed the CPE to submit an annual compliance report that includes all contract terms, as well as the criteria and methodology used to select local resource adequacy (“RA”) resources.

**Background**

On June 17, 2020, the California Public Utilities Commission (“Commission”) adopted a hybrid central procurement framework, and designated PG&E and Southern California Edison Company (“SCE”) to act as the CPEs to procure local resource adequacy (“RA”) capacity to meet the multi-year local RA requirement on behalf of all LSEs in their electric distribution service area beginning in 2021 for the 2023 RA compliance year.

The CPE Decision instructed the PG&E CPE to conduct a competitive, all-source solicitation for local RA procurement with specified requirements,<sup>1</sup> and utilize certain specified criteria and methodologies to guide the selection of local resources.<sup>2</sup> The CPE Decision further adopted a portfolio approval process whereby a CPE procurement action for an executed contract with a five-year term or less shall be deemed reasonable and preapproved under certain conditions.<sup>3</sup> For any executed contract that exceeded a five-year term, the Central Procurement Entity is instructed to file a Tier 3 Advice Letter for approval.

On December 4, 2020, the Commission issued D. 20-12-006, adopting the local capacity requirement reduction compensation mechanism (“LCR RCM”) and competitive neutrality rules that govern how confidential, market-sensitive information received from third-party market participants through CPE procurement activities will be protected from unauthorized sharing

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<sup>1</sup> D. 20-06-002, p. 93, OP 8.

<sup>2</sup> *Id.* at 95, OP 14.

<sup>3</sup> *Id.*, OP 22.

beyond employees involved in CPE activities.<sup>4</sup> On March 18, 2022, the Commission issued D. 22-03-034, adopting the modifications to the CPE structure adopted in the CPE Decision, and the LCR RCM Decision, including revisions to the requirements for self-shown resources, revisions to the solicitation criteria, and revisions to the RA timeline.

On July 5, 2023, the Commission issued D. 23-06-029, with an effective date of June 29, 2023, adopting the local capacity obligations for 2024-2026 compliance years and further RA program refinements, which included additional reporting requirements for the CPEs, modifications to the CPE confidentiality protections, and modifications to the CPE self-showing process.

In accordance with the CPE Decision, “[t]he purpose of this annual compliance report is to demonstrate that PG&E as CPE has complied with the requirements and objectives adopted in the CPE Decision, the LCR RCM Decision, as well as the multi-year local RA requirements.”<sup>5</sup>

### **Compliance Requirements**

Pursuant to OP 23 of the CPE Decision, the CPE is required to file a Tier 2 Advice Letter within 30 days after the CPE makes its local RA showing to the Commission, in both confidential and public (redacted) form. The final IE report is filed as part of this annual compliance report in both confidential and public (redacted) form.

### **Confidentiality**

In support of this Advice Letter, PG&E has provided the confidential information in Confidential Attachments A, B, C, D and E of this Advice Letter. This information is being submitted in the manner directed by Decision 22-03-034, as modified in Decision 23-06-029, General Order 66-D, and the “Second Revised Protective Order Regarding Confidentiality of Market Sensitive Load and Resource Data and Information” (SRPO) that ALJ Wetzell issued in his March 1, 2007 ruling to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under the SRPO and applicable law, including Appendix A of Decision 22-03-034, as modified by Appendix A of Decision 23-06-029. Separate Declarations Seeking Confidential Treatment are being submitted concurrently with this Advice Letter.

### **Public Attachments**

- Attachment 1: Narrative
- Attachment 2: PG&E CPE Aggregate Procurement Summary and Additional Reporting (Public Attachment A)
- Attachment 3: Public Version of the Independent Evaluator (“IE”) Report (Public Attachment D)
- Attachment 4: Deferred Procurement (Public Attachment E)

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<sup>4</sup> PG&E’s competitive neutrality rule was adopted in D. 20-12-006, OP 9, p. 49.

<sup>5</sup> D.20-06-002, p. 63.

- Attachment 5: (a) CPE Solicitation Protocol, (b) Market Notice Announcement of the Issuance of the RFO, and (c) Compliance with Ordering Paragraphs of CPUC Decisions 20-06-022, 20-12-006, 22-03-034, and 23-06-029
- Attachment 6: Confidentiality Declarations and Matrices

### **Confidential Attachments**

- Attachment A: Attestations and New Contracts Executed/Contracts Amended
- Attachment B: Counterparty Information
- Attachment C: Key Briefing Packages
- Attachment D: Independent Evaluation (IE) Reports
- Attachment E: Deferred Procurement

The public version of this annual compliance report is provided to the service lists for Rulemaking (“R.”) 21-10-002. The confidential version of this annual compliance report is provided to Energy Division.

This submittal will not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than October 9th, 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 either 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**

The requested effective date of this Tier 2 advice letter is October 19th, 2023, which is 30 days after the date of submittal.

**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 the service lists for R. 21-10-002. Address changes to the General Order 96-B service list and all electronic approvals should be sent to e-mail 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  
CPUC Communications

cc: Service List R. 21-10-002 (Public Version)  
Energy Division (Confidential Version)

**Public Attachments**

- Attachment 1: Narrative
- Attachment 2: PG&E CPE Aggregate Procurement Summary and Additional Reporting (Public Attachment A)
- Attachment 3: Public Version of the Independent Evaluator ("IE") Report (Public Attachment D)
- Attachment 4: Deferred Procurement (Public Attachment E)
- Attachment 5: (a) CPE Solicitation Protocol, (b) Market Notice Announcement of the Issuance of the RFO, and (c) Compliance with Ordering Paragraphs of CPUC Decisions 20-06-022, 20-12-006, 22-03-034, and 23-06-029
- Attachment 6: Confidentiality Declarations and Matrices



# 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: Michael Finnerty  
 Phone #: (279) 789-6216  
 E-mail: PGETariffs@pge.com  
 E-mail Disposition Notice to: michael.finnerty@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) #: 7027-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company ("PG&E") Central Procurement Entity ("CPE") 2023 Annual Compliance Report

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. 20-06-002

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: Amol Patel, Amol.Patel@pge.com

Resolution required?  Yes  No

Requested effective date: 10/19/23      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 proposed<sup>1</sup>: N/A

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

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

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

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

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

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

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

Clear Form

# **Attachment 1**

Narrative

(Public)

**PACIFIC GAS AND ELECTRIC COMPANY  
CENTRAL PROCUREMENT ENTITY (“CPE”)  
ANNUAL COMPLIANCE REPORT**

**SEPTEMBER 19, 2023**

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## **Summary of Public Attachments**

- Public Attachment A: *PG&E CPE Aggregate Procurement Summary and Additional Reporting.*
- Public Attachment D: *Independent Evaluator Report*, provides the independent evaluator report completed for the compliance period redacted to protect confidential information.
- Public Attachment E: *Deferred Procurement*, provides the rationale for the Pacific Gas and Electric Company Central Procurement Entity deferring to backstop procurement redacted to protect confidential information.
- Public Attachment 5: (a) *CPE Solicitation Protocol*;  
(b) *Market notice for issuance of the RFO*; and  
(c) *Compliance with Ordering Paragraphs of CPUC Decisions 20-06-022, 20-12-006, 22-03-034, and 23-03-034.*

## **Summary of Confidential Attachments**

- Confidential Attachment A: *Attestations and New Contracts Executed/Contracts Amended*, provides a summary of all attestations/new agreements executed for this compliance period.
- Confidential Attachment B: *Counterparty Information*, provides a summary of all non-investment grade counterparties with whom the Pacific Gas and Electric Company Central Procurement Entity transacted.
- Confidential Attachment C: *Key Briefing Packages*, provides a summary of all relevant cost allocation mechanism procurement review group agendas and presentations.
- Confidential Attachment D: *Independent Evaluator Report*, provides the independent evaluator report completed for the compliance period.
- Confidential Attachment E: *Deferred Procurement*, provides the rationale for the Pacific Gas and Electric Company Central Procurement Entity deferring to backstop procurement.

## **A. Introduction**

### **1. Overview of Annual Compliance Report Required Information and Additional Compliance Information**

Ordering Paragraph (“OP”) 23 of Decision (“D.”) 20-06-002 (“CPE Decision”), requires the Pacific Gas and Electric Company (“PG&E”) Central Procurement Entity (“CPE”) to submit an Annual Compliance Report (“ACR”) through a Tier 2 advice letter in both confidential and public form.<sup>1</sup> The purpose of the ACR is to demonstrate that PG&E CPE has complied with the requirements and objectives adopted in the CPE Decision, OP 17 of D. 22-03-034 (“RA OIR Phase 1 Decision”), OP 12 of D. 23-06-029 (“RA OIR Phase 3 Program Refinements Decision”), as well as the multi-year local resource adequacy (“RA”) program for the 2024, 2025, and 2026 RA compliance period.

In combination, the decisions listed above require the following information that must be included in the CPE ACR each year.

First, pursuant to OP 23 of the CPE Decision, PG&E CPE must include all contract terms in the ACR. Section B.2 below addresses this requirement for contracts executed to date by PG&E CPE from the 2023 PG&E CPE Local RA RFO, which are included in Confidential Attachment A.

Second, OP 23 requires PG&E CPE to include the criteria and methodology used to select local RA resources in the ACR. Section B.1.b of this ACR addresses this requirement for PG&E CPE procurement activities to date.

Third, OP 23 of the CPE Decision requires PG&E CPE to include the Independent Evaluator (“IE”) report in both confidential and public form in the ACR. The IE report associated with PG&E CPE procurement activities to date is addressed in Section C.2 below and included as Public Attachment D and Confidential Attachment D.

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<sup>1</sup> CPE Decision, p.99, OP 23.

Fourth, in accordance with OP 26 of the CPE Decision, the ACR must also indicate whether PG&E CPE deferred to backstop procurement and provide the reason for any deferral to backstop procurement, prices offered in the solicitation, which generators did not participate in the solicitation (if any), and other relevant information.<sup>2</sup> This information related to the PG&E CPE's procurement activity to date is addressed in Section D below and included as Public Attachment E and Confidential Attachment E.

Fifth, OP 17 of the RA OIR Phase 1 Decision specifies that the CPE's report an aggregate procurement summary and other aggregate data regarding preferred resources offered into the CPE's RFO and not selected, as well as resources procured that are located in a disadvantaged community (DAC).<sup>3</sup>

Sixth, OP 12 of the RA OIR Phase 3 Program Refinements Decision adopts additional reporting requirements for aggregated information related to resources offered but not procured, resources offered in but not selected due to various categories, and additional information regarding outreach done by the CPE that PG&E CPE must include in the ACR.<sup>4</sup> Section D below addresses these additional reporting requirements from OP 17 of RA OIR Phase 1 Decision and OP 12 of RA OIR Phase 3 Program Refinements Decision.

In addition to the information required above by the CPE Decision, the RA OIR Phase 1 Decision, and the RA OIR Phase 3 Program Refinements Decision, this ACR also includes a demonstration related to the portfolio approval process adopted in OP 22 of the CPE Decision for competitive solicitations and OP 12 of the RA OIR Phase 1 Decision for broker or bilateral transactions, if applicable, whereby procurement actions for executed contracts with a delivery term of five-years or less are deemed reasonable and preapproved, and are not subject to after-the-fact reasonableness review, provided the

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<sup>2</sup> CPE Decision, p.100, OP 26.

<sup>3</sup> RA OIR Phase 1 Decision, p. 77, OP 17.

<sup>4</sup> RA OIR Phase 3 Program Refinements Decision, pp. 139-140, OP 12.

following conditions are met: (1) the procured resource meets the established local capacity requirements and underlying data supporting those requirements, which are based on the California Independent System Operator (“CAISO”) Corporation local capacity requirements technical study; (2) the Cost Allocation Mechanism Procurement Review Group (“CAM PRG”) was properly consulted, as described in OP 13; and (3) the procurement was deemed by the IE to have followed all relevant California Public Utilities Commission (“Commission”) guidance, including the least cost best fit (“LCBF”) and other noted selection criteria.<sup>5</sup> Below in Sections B.2 and C.1-2 of this ACR, including the applicable attachments referenced in each section, PG&E demonstrates that each of the conditions for deemed reasonableness and preapproval have been met for all 2023 PG&E CPE procurement actions associated with executed contracts with terms of five years or less.<sup>6</sup>

PG&E CPE also provides demonstrations of compliance with OPs 8, 13, 14, 15, 17, 18, 21, 24, 25, 26, and 28 of the CPE Decision; OPs 3, 4, 5, 6, 9, and 10 of D.20-12-006, the local capacity requirement reduction compensation mechanism (“LCR RCM”) decision; OPs 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 15, 17, and 19 of the RA OIR Phase 1 Decision; and OPs 12 of the RA OIR Phase 3 Program Refinements Decision in *Attachment 5c, Compliance with Certain Ordering Paragraphs of Decisions 20-06-002, 20-12-006, 22-03-034, and 23-06-029.*

While not required by the CPE Decision, additional helpful information is included in Sections B and C. Of note, OP 22 of the CPE Decision and OP 12 of the RA OIR Phase 1 Decision requires PG&E CPE to seek approval of any procurement actions that result in executed contracts with terms greater than five years through a Tier 3 advice letter.<sup>7</sup> Any

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<sup>5</sup> See CPE Decision, pp. 62, 98-99, OP 22. See also RA OIR Phase 1 Decision, pp.74-75, OP 12.

<sup>6</sup> CPE Decision, pp. 98-99, OP 22. RA OIR Phase 1 Decision, pp.74-75, OP 12.

<sup>7</sup> CPE Decision, pp. 98-99, OP 22. RA OIR Phase 1 Decision, pp.74-75, OP 12.

such procurement actions taken by PG&E CPE in 2023 are described below in Section B.4 and will be submitted to the Commission for approval via Tier 3 advice letter.

## 2. Overview of PG&E CPE

Pursuant to the CPE Decision, the Commission designated PG&E to act as the CPE for the multi-year local RA program to procure local RA capacity to meet the three-year forward requirements on behalf of all load-serving entities (“LSE”) in its electric distribution service area beginning with the 2023 RA compliance year.<sup>8</sup>

The LCR RCM Decision includes additional guidance related to the LCR RCM and adopts PG&E CPE’s competitive neutrality rule as required pursuant to OP 24 of the CPE Decision.<sup>9</sup>

Subsequently, the Commission issued the RA OIR Phase 1 Decision which adopted modifications to the CPE structure originally adopted in the CPE Decision and LCR RCM Decision. The modifications included revisions to the requirements for self-shown local resources, revisions to the CPE’s solicitation selection criteria, and revisions to the RA timeline.

Pursuant to OP 2 of the CPE Decision, beginning in 2021, PG&E acting as CPE assumed the full local RA obligation as adopted by the Commission for the PG&E distribution service area.<sup>10</sup> As such, the PG&E CPE has conducted annual competitive solicitations since 2021 to procure local RA to meet the three-year-forward local RA requirements, which is set at 100 percent of the local RA obligation for years 1 and 2, and 50% of the local RA obligation for year 3.<sup>11</sup>

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<sup>8</sup> See CPE Decision, p. 91, OP 2.

<sup>9</sup> See LCR RCM Decision, p.49, OP 9.

<sup>10</sup> The local capacity requirements for the 2024-2026 compliance period used to set the local RA obligations for the CPUC’s RA program were established by the CAISO’s Final 2024 Local Capacity Technical (LCT) Study issued on April 28, 2023 and adopted by the Commission in D.23-06-029 on June 29, 2023 for the 2024-2026 RA compliance years. See CAISO’s 2024 LCT Study: <http://www.caiso.com/InitiativeDocuments/Final-2024-Local-Capacity-Technical-Report.pdf>. See also, D.23-06-029, pp. 6-9, and 135, Ops 1-3.

<sup>11</sup> See CPE Decision, p.91, OP 2.

In order to meet these local RA obligations, the PG&E CPE issued its 2023 PG&E CPE Local RA Request for Offers (“RFO”) in March 2023 to procure for the 2024-2026 compliance period.<sup>12</sup>

## **B. Summary of the CPE Procurement Process**

### **1. PG&E CPE 2023 Local RA RFO**

PG&E CPE issued its 2023 PG&E CPE Local RA RFO on March 22, 2023. All transactions were conducted using the procurement processes and methods described below and outlined in PG&E CPE’s solicitation protocol.

#### **a) Procurement Processes for Self-Shown and Competitively Offered Resources.**

##### **i. Electric Procurement – Description**

Pursuant to OP 8 of the CPE Decision, PG&E CPE is authorized to procure local RA resources to meet the Commission’s three year forward local RA requirements through an all-source competitive solicitation.<sup>13</sup>

In accordance with OPs 2 through 4 of the RA OIR Phase 1 Decision and the PG&E CPE 2023 Local RA RFO solicitation protocol, a Commission-Jurisdictional LSE may reduce the PG&E CPE’s overall procurement obligation by providing a non-compensated self-shown commitment or a competitive offer for a compensated self-shown commitment.

For self-shown commitments, Commission-Jurisdictional LSEs that decide to self-show capacity to the CPE must submit an attestation (“Self-Shown Attestation”) “that provides that: (a) The LSE has the capacity rights to the RA resource for the period it is self-showing; (b) The LSE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible

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<sup>12</sup> See PG&E CPE’s 2023 CPE Local RA RFO Website: [https://www.pge.com/en\\_US/for-our-business-partners/central-procurement-entity/2023-cpe-rfo.page](https://www.pge.com/en_US/for-our-business-partners/central-procurement-entity/2023-cpe-rfo.page).

<sup>13</sup> See CPE Decision, pp. 93-94, OP 8.

RA needs; and (c) If applicable, the resource that the LSE intends to self-show for compensation under the LCR RCM meets the eligibility requirements pursuant to D. 20-12-006.”<sup>14</sup> The attestation requirements apply to all self-shown local resources, including where an LSE “bids a local resource and states that if the bid is not selected, the LSE will self-show the local resource for no compensation. The attestation shall be submitted at the time the LSE submits its bid into the CPE’s solicitation.”<sup>15</sup>

In addition to a Self-Shown Attestation, the CPE has discretion to require a self-showing LSE that submits a competitive offer for a compensated self-shown commitment to either “execute an agreement between the CPE and self-showing LSE that provides payment information and other relevant terms” or submit an attestation that identifies the resource as a preferred resource and provides the LSE’s payment information if selected for procurement.<sup>16</sup>

Through the RA OIR Phase 3 Program Refinements Decision, the Commission adopted further modifications to the self-showing process that permits LSEs that have previously committed self-shown capacity to the CPE to be able to sell that capacity to another LSE, so long as the purchasing LSE commits to self-show the same capacity on its own RA plans.<sup>17</sup> Both LSEs are required to submit attestations to the CPE that indicate the sale/purchase that modifies the previous showing commitment.

### **Local RA Request for Offers**

PG&E CPE conducted its third annual competitive, all-source solicitation pursuant to OP 8 of the CPE Decision in the form of an RFO to procure

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<sup>14</sup> See RA OIR Phase 1 Decision, p.71, OP 2. See also PG&E CPE’s 2023 CPE Local RA RFO Solicitation Protocol.

<sup>15</sup> See RA OIR Phase 1 Decision, p. 71, OP 3.

<sup>16</sup> See RA OIR Phase 1 Decision, p.72, OP 4.

<sup>17</sup> See RA OIR Phase 3 Program Refinements Decision, pp. 49-51, and 140-141, OPs 14-15.

capacity from local resources within the seven local areas that make up PG&E’s distribution service territory.<sup>18</sup> PG&E CPE also obtained self-shown resource commitments as part of the RFO to reduce PG&E CPE’s overall local procurement compliance obligation. Participants submitted competitive offers and self-shown resource commitments to PG&E CPE using the two distinct processes as described below.

| Process                                       | Commitment or Product   | Participant                     |
|---|---|---------------------------------|
| Non-Compensated Self-Shown Commitment Process | Non-Compensated Self-Shown Commitment   | Commission- Jurisdictional LSEs |
| Competitive Offer Process                     | Compensated Self-Shown Commitment (LCR RCM)   | Commission- Jurisdictional LSEs |
|   | Bundled RA or Bundled RA with Energy Settlement<br><br><i>Option for Commission-Jurisdictional LSEs only: May indicate in their Competitive Offers that the Local RA attributes associated with the Competitive Offer for Bundled RA will be a Non-Compensated Self-Shown Commitment if the Competitive Offer is not selected as part of the Competitive Offer Process.</i> | All Market Participants         |

- Non-Compensated Self-Shown Commitment Process:
  - *Non-Compensated Self-Shown Commitments* - PG&E CPE obtained executed attestations from Commission-jurisdictional LSEs for commitments to self-show local RA with no compensation.<sup>19</sup>
- Competitive Offer Process:
  - *Compensated Self-Shown Commitments* - PG&E CPE sought to obtain compensated self-shown commitments through executed attestations and contracts with Commission-jurisdictional LSEs for commitments to self-show local RA with compensation if selected for procurement.<sup>20</sup> LSEs

<sup>18</sup> PG&E CPE’s 2023 Local RA RFO solicited offers limited to Local RA resources within the Local Capacity Areas for the PG&E electric distribution area, as defined by the CAISO’s 2023 LCT Study for 2023. See PG&E CPE’s solicitation protocol: [https://www.pge.com/pge\\_global/common/pdfs/for-our-business-partners/resource-adequacy-central-procurement/2023\\_CPE/2023\\_CPE\\_Local\\_RA\\_RFO\\_Solicitation\\_Protocol\\_NewFinal\\_Updated\\_20230712\\_clean.pdf](https://www.pge.com/pge_global/common/pdfs/for-our-business-partners/resource-adequacy-central-procurement/2023_CPE/2023_CPE_Local_RA_RFO_Solicitation_Protocol_NewFinal_Updated_20230712_clean.pdf)

<sup>19</sup> See RA OIR Phase 1 Decision, p. 71, OP 2.

<sup>20</sup> See RA OIR Phase 1 Decision, p. 72, OPs 2 and 4.

showing these local resources are compensated through the LCR RCM and must meet the requirements set forth in the LCR RCM Decision to be eligible.<sup>21</sup>

- *Bundled RA and Bundled RA with Energy Settlement* - PG&E CPE sought to execute contracts with market participants for bundled RA capacity products which include local, system, and flexible RA attributes where applicable.
  - Market participants had the option to include energy value as part of their competitive offer to stipulate how the resource will bid into the energy markets, which took the form of a bundled capacity product with a financial settlement component.

Relevant information is included in Confidential Attachments: A, *Attestations and New Contracts Executed/Contracts Amended*; C, *Key Briefing Packages*; and D, *Independent Evaluator Report*.

### **Procurement Outside of Annual RA Solicitation through Bilateral or Brokered Transactions**

OP 11 of the RA OIR Phase 1 Decision authorizes the PG&E CPE to use broker markets or bilateral transactions to procure to fill short positions for any deficiencies in the applicable three-year forward period where the CPE does not procure sufficient resources to meet its multi-year local RA requirements following the annual all-source solicitation.<sup>22</sup>

At the time of this filing, PG&E CPE had not executed any broker or bilateral transactions.

#### **ii. Electric Procurement – Justification**

OP 23 of the CPE Decision requires PG&E CPE to include the criteria and methodology used to select local RA resources in the ACR. The criteria are provided in this Section B.1.b and the methodology to evaluate the criteria is

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<sup>21</sup> See LCR RCM Decision, pp. 45-47, OPs 3-6.

<sup>22</sup> See RA OIR Phase 1 Decision, p.73, OP 11.

included Confidential Attachment A: *Attestations and New Contracts Executed/Contracts Amended.*

- For the RFO held by PG&E CPE, describe the process used to rank offers and select winning offers(s)
  - Non-Compensated Self-Shown Commitment Process:

Each non-compensated self-shown commitment was reviewed to determine whether it met the applicable requirements and eligibility criteria specified in the solicitation protocol.<sup>23</sup>
  - Competitive Offer Process:

PG&E CPE reviewed each competitive offer for completeness and assessed conformance against the eligibility requirements and criteria specified in PG&E CPE’s solicitation protocol to first determine qualification. Following qualification, all viable competitive offers were evaluated using the same guidelines and criteria, consistent with the requirements of OP 14 of the CPE Decision, which requires the use of the all-source selection criteria, including the loading order and LCBF methodology adopted in D.04-07-029, and the selection criteria as modified in OP 8 of the RA OIR Phase 1 Decision.<sup>24</sup> The quantitative and qualitative criteria include the following:
  - Quantitative attributes:
    - Compares offer’s costs to its benefits, where “costs may consist of contract fixed cost, variable cost, and transmission network upgrade cost, and where the benefit may consist of capacity value and energy value, to the extent provided in the Agreement.”<sup>25</sup>
  - Qualitative attributes:
    - Future needs in local and sub-local areas;
    - Resource costs;

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<sup>23</sup> Eligible resources are defined in PG&E CPE’s solicitation protocol as any new or existing resource that is located within the PG&E local capacity areas and meets the solicitation requirements.

<sup>24</sup> See RA OIR Phase 1 Decision, p. 73, OP 8.

<sup>25</sup> See PG&E CPE’s solicitation protocol, pp.35-36.

- Operational characteristics of the resources (facility type);
  - Location of the facility (with consideration for environmental justice);<sup>26</sup>
  - Costs of potential alternatives;
  - Greenhouse Gas adders;
  - Energy-use limitations; and
  - Procurement of preferred resources and energy storage (to be prioritized over fossil generation).<sup>27</sup>
- Additional Qualitative factors considered include, but are not limited to:
- Viability of the resource;
  - Flexibility of the resource;
  - Safety;
  - Contract tenor;
  - Counterparty concentration; and
  - Previous experience with a counterparty.

Relevant information is included in Confidential Attachments: A, *Attestations and New Contracts Executed/Amended*; C, *Key Briefing Packages*; and D, *Independent Evaluator Report*.

## 2. Contracts and Contract Terms

Pursuant to OP 23 of the CPE Decision, PG&E CPE must include all contract terms in the ACR. The potential contract types and terms of the forms of contracts are outlined in PG&E CPE’s Solicitation Protocol and are available on the PG&E CPE RFO website.<sup>28</sup> A list of executed attestations/contracts and contracts amended by PG&E CPE

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<sup>26</sup> Footnote 16 of PG&E CPE’s solicitation protocol explains this factor in more detail as follows: “Per OP 9 of D.22-03-034, “In its solicitation, the central procurement entity shall direct bidders to include the CalEnviroScreen score of the resource location (or if unavailable, the pollution burden of the resource location).” Per the California Office of Environmental Health Hazard Assessment, “CalEnviroScreen ranks census tracts in California based on potential exposures to pollutants, adverse environmental conditions, socioeconomic factors, and prevalence of certain health conditions.” For more information, please visit: <https://oehha.ca.gov/calenviroscreen>. ” See also RA OIR Phase 1 Decision, p. 73, OP 9.

<sup>27</sup> CPE Decision, pp. 95-96, OP 14.

<sup>28</sup> CPE Website: [https://www.pge.com/en\\_US/for-our-business-partners/central-procurement-entity/2023-cpe-rfo.page](https://www.pge.com/en_US/for-our-business-partners/central-procurement-entity/2023-cpe-rfo.page)

in connection with its 2023 procurement activities described in this ACR is included in Confidential Attachment A, *Attestations and New Contracts Executed/Amended*.<sup>29</sup>

Copies of the PG&E CPE attestations, and contract documents, including all contract terms as required by OP 23 of the CPE Decision, are also included in Confidential Attachment A. All PG&E CPE form agreements include the point of interconnection and local capacity area, based on the CAISO's local capacity requirements technical study, of each resource procured by PG&E CPE.

### **3. Evaluation Results for Executed and Amended Contracts**

PG&E CPE provides the evaluation results for the contracts submitted via this ACR in Confidential Attachment A, *Attestations and New Contracts Executed/Contracts Amended*.

### **4. Other Procurement Activities (Approval Through Separate Advice Filing or Regulatory Process)**

Per OP 22 of the CPE Decision and OP 12 of the RA OIR Phase 1 Decision, approval of contracts that exceed a five-year term are required to be requested through a Tier 3 advice letter submittal.<sup>30</sup> For informational purposes only, the next paragraph of this Section B.4 references any such procurement actions taken by PG&E CPE to date.

For the 2023 PG&E CPE Local RA RFO, the PG&E CPE did not execute contracts exceeding a five-year term.

## **C. Procurement Oversight**

### **1. CAM PRG**

Pursuant to OP 20 of the CPE Decision, in 2023, PG&E CPE consulted with the CAM PRG throughout the solicitation process on a wide range of activities, including updates to the PG&E CPE code of conduct, the PG&E CPE's 2023 solicitation protocol,

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<sup>29</sup> See RA OIR Phase 1 Decision, p. 72, OP 5.

<sup>30</sup> See CPE Decision, pp. 98-99, OP 22 and RA OIR Phase 1 Decision, p. 74, OP 12.

offer forms and other solicitation documents, the evaluation criteria including proposed transactions, and feedback received from market participants.<sup>31</sup>

PG&E CPE actively solicited feedback from CAM PRG members throughout the solicitation process and has provided all applicable materials in accordance with OP 13 and OP 20 of the CPE Decision and OP 12 of the RA OIR Phase 1 Decision in Confidential Attachment C, *Key Briefing Packages*. Confidential Attachment C includes the following:

- Email dated April 25, 2023, to the CAM PRG and IE submitting all IOU offers received;<sup>32</sup>
- Presentations prepared by the PG&E CPE team for each meeting;
- Meeting summaries distributed by the PG&E PRG coordinators from each meeting held with the CAM PRG members including a list of attendees;
- Calendar invites sent by the PG&E CPE to the CAM PRG Members for each meeting held with the CAM PRG members; and
- All other communications made by PG&E CPE to its CAM PRG members.

Please refer to Confidential Attachment C, *Key Briefing Packages*, for full documentation.

## 2. Independent Evaluator

OP 23 of the CPE Decision requires PG&E CPE to include the IE report in both confidential and public form in the ACR. As directed by OP 21, PG&E CPE utilized an IE, Merrimack Energy, to monitor the solicitation process to ensure fairness, transparency, and equal treatment of all participants through contract execution.<sup>33</sup> The IE was consulted regarding updates to the PG&E CPE code of conduct, development of the 2023 RFO solicitation protocol, offer forms and other solicitation documents, the

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<sup>31</sup> See CPE Decision, p. 97, OP 20.

<sup>32</sup> OP 13 of the CPE Decision requires that IOU bids be submitted to the CAM PRG and IE in advance of the receipt of bids from any other entities. Per the PG&E CPE's solicitation protocol for the 2023 Local RA RFO, competitive offers from the IOU were due on April 25, 2023, and competitive offers from all other entities were due on April 26, 2023.

<sup>33</sup> CPE Decision, pp. 97-98, OP 21.

evaluation criteria including proposed transactions, and feedback received from market participants throughout the solicitation process. The IE was provided with access to all information, negotiations, and communications related to all offers that were submitted by all participants to the PG&E CPE in the 2023 PG&E CPE Local RA RFO and attended all CAM PRG meetings to brief the group on the procurement process and any other concerns.

The IE Report is available as a public, redacted version in Public Attachment D, *Independent Evaluator Report*, and confidential version in Confidential Attachment D, *Independent Evaluator Report*.

### **3. Competitive Neutrality Rules and PG&E CPE Code of Conduct**

Consistent with the OPs 24 and 25 of the CPE Decision, PG&E CPE established and adhered to its competitive neutrality rule, as adopted in the LCR RCM Decision.<sup>34</sup>

In order to prevent the sharing of confidential, market sensitive information that PG&E CPE receives from third-parties as part of the CPE procurement process, PG&E CPE developed a strict code of conduct, through collaboration with the CAM PRG, its IE, and the Commission's Energy Division and continues to update it as necessary to maintain compliance. PG&E personnel, including management and officers, that were involved in the solicitation and procurement process, were each individually required to sign the code of conduct as a precondition to engaging in the PG&E CPE solicitation and procurement process.

Other details can be found in the following Confidential Attachments: C, *Key Briefing Packages* and D, *Independent Evaluator Reports*.

PG&E CPE also adopted other preventive measures and safeguards to ensure protection of confidential, market-sensitive information that resulted from the PG&E CPE's procurement and solicitation processes. Network drives, including shared drive

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<sup>34</sup> See CPE Decision, pp. 99-100, OP 24-25. See also LCR RCM Decision, p. 49, OP 9.

folders, databases, and/or files that contain PG&E CPE confidential, market-sensitive information are restricted to the PG&E CPE procurement group. PG&E CPE administrative employees and executives/officers with a business need are granted limited access to the confidential, market-sensitive information only to the extent necessary to fulfill their job duties. Utility bid development employees do not have access to any confidential, market-sensitive PG&E CPE information and are physically separated from PG&E CPE procurement group employees.

In addition, PG&E has established a separate line of business in its energy trade and risk management system (“ENDUR”). Confidential, market-sensitive PG&E CPE transaction data within ENDUR are restricted to PG&E CPE transactors and personnel within administrative support functions who require access to carry out their duties.

**D. Discussion of how the transactions meet the goals of the CPE Decision, the LCR RCM Decision, the RA OIR Phase 1 Decision, and the RA OIR Phase 3 Program Refinements Decision**

As described herein, from 2021 through 2023, PG&E CPE executed transactions in accordance with the CPE Decision, the LCR RCM Decision, and the RA OIR Phase 1 Decision. The RA OIR Phase 3 Program Refinements Decision was issued on July 5, 2023, with an effective date of June 29, 2023, and did not adopt modifications that impacted the competitive solicitation process of the CPE for the 2023 procurement cycle. However, in accordance with that decision, the PG&E CPE will make updates to its self-shown attestations for LSEs to re-sell committed capacity pursuant to OPs 14-15 of the RA OIR Phase 3 Program Refinements Decision moving forward.

Relevant information is included in Confidential Attachments: A, *Attestations and New Contracts Executed/Contracts Amended*; C, *Key Briefing Packages*; D, *Independent Evaluator Report*; and Public Attachment 5(c), *Compliance with Certain Ordering*

*Paragraphs of Decision 20-06-002, Decision 20-12-006, Decision 22-03-034, and Decision 23-06-029.*

**E. Additional Reporting Requirements Pursuant to the CPE Decision, the RA OIR Phase 1 Decision, and the RA OIR Phase 3 Program Refinements Decision**

**1. Deferred Procurement**

In the event that the CPE defers to backstop procurement, OP 26 of the CPE Decision requires PG&E CPE to provide certain information through the ACR, including the reason for the deferral to backstop procurement, the prices offered in the solicitation, which generators did not participate in the solicitation (if any), and other relevant information.<sup>35</sup>

Information related to any deferred procurement is provided in Public Attachment E, *Deferred Procurement*, as well as in Confidential Attachments: C, *Key Briefing Packages*; D, *Independent Evaluator Report*; and E, *Deferred Procurement*.

**2. Additional Data Reporting**

OP 17 of RA OIR Phase 1 Decision adopted additional reporting requirements that the CPE must include in the ACR to provides aggregate data information regarding the solicitation process that includes aggregated portfolio information, data related to preferred resources offered into CPE solicitations, and data related to procured resources located in a DAC.<sup>36</sup>

Similar to the previous decision, OP 12 of the RA OIR Phase 3 Program Refinements Decision adopted further additional reporting requirements for aggregated data related to CPE procurement. OP 12 requires the CPE to report in both the August multi-year RA showing to the CPUC and the September ACR, similar aggregate portfolio data, and the incremental information below:

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<sup>35</sup> CPE Decision at 100, OP 26.

<sup>36</sup> See RA OIR Phase 1 Decision, pp.74-75, OP 12

- a) “Total aggregate monthly megawatt (MW) amount of procurement not offered to the CPE in deficient areas;
- b) Total sum of (i) aggregate monthly MW amounts of deferred procurement that were the result of unreasonable prices, (ii) aggregate monthly MW amounts not procured due to inability to reach an agreement with request for offers participant, and (iii) aggregate monthly MW amounts of procurement offered in and then later withdrawn over the compliance period, where the total sum of these 3 months exceeds 10 MWs; and
- c) Any additional information on outreach conducted by the CPE to resources that did not participate and/or withdrew their bids and the outcome of that outreach.”<sup>37</sup>

The additional reporting requirements from OP 17 of the RA OIR Phase 1 Decision and OP 12 of the RA OIR Phase 3 Program Refinements Decision are provided in Public Attachment A, *PG&E CPE Aggregate Procurement Summary and Additional Reporting*. Other relevant information is also included in Public Attachment E, *Deferred Procurement*, as well as in Confidential Attachments: C, *Key Briefing Packages*; D, *Independent Evaluator Report*; and E, *Deferred Procurement*.

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<sup>37</sup> RA OIR Phase 3 Program Refinements Decision at 139-140, OP 12.

## **Attachment 2**

PG&E CPE Aggregate Procurement Summary and  
Additional Reporting

(Public Attachment A)

Attachment A - PG&E CPE Aggregate Procurement Summary - PG&E CPE Aggregate Procurement Summary for 2024-2029

| Table 1: PG&E CPE 2024 Procurement Summary as of 9/19/23 |               |               |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Jan-2024 (MW) | Feb-2024 (MW) | Mar-2024 (MW) | Apr-2024 (MW) | May-2024 (MW) | Jun-2024 (MW) | Jul-2024 (MW) | Aug-2024 (MW) | Sep-2024 (MW) | Oct-2024 (MW) | Nov-2024 (MW) | Dec-2024 (MW) |
| 1 PG&E CPE CPUC Allocation (Excluding DR) <sup>1</sup>   | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    | (11543.00)    |
| 2 CPUC Allocated IOU DR Capacity <sup>2</sup>            | 112.61        | 121.37        | 127.38        | 131.29        | 135.95        | 157.52        | 159.40        | 160.93        | 154.11        | 150.28        | 122.78        | 112.74        |
| 3 Local CAM Capacity <sup>2</sup>                        | 482.93        | 497.74        | 482.92        | 485.47        | 483.41        | 483.16        | 489.54        | 485.83        | 482.50        | 493.84        | 499.06        | 482.50        |
| 4 PG&E CPE Self-Shown Capacity <sup>3</sup>              | 4870.55       | 5358.41       | 4815.49       | 5737.15       | 5684.36       | 5814.93       | 5944.89       | 5911.30       | 5758.12       | 5302.71       | 4538.50       | 4229.13       |
| 5 PG&E CPE Purchased Capacity <sup>3</sup>               | 2352.88       | 2350.46       | 2346.75       | 2333.48       | 2325.30       | 2418.01       | 2407.57       | 2408.65       | 2419.21       | 2446.24       | 2461.87       | 2473.91       |
| 6 Net Local RA Position                                  | (3724.03)     | (3215.02)     | (3770.46)     | (2855.61)     | (2913.98)     | (2669.38)     | (2541.60)     | (2576.29)     | (2729.06)     | (3149.93)     | (3920.79)     | (4244.72)     |

| Table 2: PG&E CPE 2025 Procurement Summary as of 9/19/23 |               |               |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Jan-2025 (MW) | Feb-2025 (MW) | Mar-2025 (MW) | Apr-2025 (MW) | May-2025 (MW) | Jun-2025 (MW) | Jul-2025 (MW) | Aug-2025 (MW) | Sep-2025 (MW) | Oct-2025 (MW) | Nov-2025 (MW) | Dec-2025 (MW) |
| 1 PG&E CPE CPUC Allocation (Excluding DR) <sup>1</sup>   | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    | (12019.00)    |
| 2 CPUC Allocated IOU DR Capacity <sup>2</sup>            | 112.61        | 121.37        | 127.38        | 131.29        | 136.01        | 156.16        | 158.09        | 159.69        | 153.07        | 149.67        | 124.74        | 113.99        |
| 3 Local CAM Capacity <sup>2</sup>                        | 482.50        | 489.96        | 482.69        | 482.50        | 482.50        | 482.50        | 488.99        | 485.83        | 482.50        | 493.84        | 499.06        | 482.50        |
| 4 PG&E CPE Self-Shown Capacity <sup>3</sup>              | 3251.59       | 2855.08       | 3240.20       | 3371.49       | 4273.80       | 4320.07       | 4457.78       | 4481.70       | 4278.35       | 3956.87       | 3983.37       | 4129.98       |
| 5 PG&E CPE Purchased Capacity <sup>3</sup>               | 4770.11       | 4767.54       | 4766.78       | 4741.19       | 4719.74       | 4681.75       | 4660.71       | 4658.79       | 4675.85       | 4725.30       | 4765.79       | 4773.81       |
| 6 Net Local RA Position                                  | (3402.19)     | (3785.05)     | (3401.95)     | (3292.53)     | (2406.95)     | (2378.52)     | (2253.43)     | (2232.99)     | (2429.23)     | (2693.32)     | (2646.04)     | (2514.70)     |

| Table 3: PG&E CPE 2026 Procurement Summary as of 9/19/23 |               |               |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Jan-2026 (MW) | Feb-2026 (MW) | Mar-2026 (MW) | Apr-2026 (MW) | May-2026 (MW) | Jun-2026 (MW) | Jul-2026 (MW) | Aug-2026 (MW) | Sep-2026 (MW) | Oct-2026 (MW) | Nov-2026 (MW) | Dec-2026 (MW) |
| 1 PG&E CPE CPUC Allocation (Excluding DR) <sup>1</sup>   | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     | (6129.00)     |
| 2 CPUC Allocated IOU DR Capacity <sup>2</sup>            | 113.84        | 122.60        | 129.20        | 133.48        | 137.13        | 156.86        | 158.82        | 160.53        | 154.15        | 150.71        | 124.74        | 113.99        |
| 3 Local CAM Capacity <sup>2</sup>                        | 482.50        | 489.96        | 482.69        | 482.50        | 482.50        | 482.50        | 488.99        | 482.50        | 482.50        | 482.50        | 482.50        | 482.50        |
| 4 PG&E CPE Self-Shown Capacity <sup>3</sup>              | 817.05        | 273.94        | 1222.26       | 1250.11       | 1227.61       | 1084.99       | 1081.69       | 1075.94       | 1074.76       | 1062.42       | 1068.59       | 1216.89       |
| 5 PG&E CPE Purchased Capacity <sup>3</sup>               | 4260.11       | 4257.54       | 4256.78       | 4231.19       | 4209.74       | 4171.75       | 4150.71       | 4148.79       | 3684.51       | 3721.33       | 3756.45       | 3759.80       |
| 6 Net Local RA Position                                  | (455.50)      | (984.96)      | (38.07)       | (31.72)       | (72.02)       | (232.90)      | (248.79)      | (261.24)      | (733.08)      | (712.04)      | (696.72)      | (555.82)      |

| Table 4: PG&E CPE 2027 Procurement Summary as of 9/19/23 |               |               |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Jan-2027 (MW) | Feb-2027 (MW) | Mar-2027 (MW) | Apr-2027 (MW) | May-2027 (MW) | Jun-2027 (MW) | Jul-2027 (MW) | Aug-2027 (MW) | Sep-2027 (MW) | Oct-2027 (MW) | Nov-2027 (MW) | Dec-2027 (MW) |
| 1 PG&E CPE CPUC Allocation (Excluding DR) <sup>1</sup>   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 2 CPUC Allocated IOU DR Capacity <sup>2</sup>            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 3 Local CAM Capacity <sup>2</sup>                        | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         |
| 4 PG&E CPE Self-Shown Capacity <sup>3</sup>              | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| 5 PG&E CPE Purchased Capacity <sup>3</sup>               | 3183.08       | 3182.93       | 3185.88       | 3173.56       | 3160.29       | 3140.93       | 3127.53       | 3124.99       | 3131.49       | 3157.91       | 3187.77       | 3189.68       |
| 6 Net Local RA Position                                  | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |

| Table 5: PG&E CPE 2028 Procurement Summary as of 9/19/23 |               |               |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Jan-2028 (MW) | Feb-2028 (MW) | Mar-2028 (MW) | Apr-2028 (MW) | May-2028 (MW) | Jun-2028 (MW) | Jul-2028 (MW) | Aug-2028 (MW) | Sep-2028 (MW) | Oct-2028 (MW) | Nov-2028 (MW) | Dec-2028 (MW) |
| 1 PG&E CPE CPUC Allocation (Excluding DR) <sup>1</sup>   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 2 CPUC Allocated IOU DR Capacity <sup>2</sup>            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 3 Local CAM Capacity <sup>2</sup>                        | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         |
| 4 PG&E CPE Self-Shown Capacity <sup>3</sup>              | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| 5 PG&E CPE Purchased Capacity <sup>3</sup>               | 3183.08       | 3182.93       | 3185.88       | 3173.56       | 3160.29       | 3140.93       | 3127.53       | 3124.99       | 3131.49       | 3157.91       | 3187.77       | 3189.68       |
| 6 Net Local RA Position                                  | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |

| Table 6: PG&E CPE 2029 Procurement Summary as of 9/19/23 |               |               |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Jan-2029 (MW) | Feb-2029 (MW) | Mar-2029 (MW) | Apr-2029 (MW) | May-2029 (MW) | Jun-2029 (MW) | Jul-2029 (MW) | Aug-2029 (MW) | Sep-2029 (MW) | Oct-2029 (MW) | Nov-2029 (MW) | Dec-2029 (MW) |
| 1 PG&E CPE CPUC Allocation (Excluding DR) <sup>1</sup>   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 2 CPUC Allocated IOU DR Capacity <sup>2</sup>            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 3 Local CAM Capacity <sup>2</sup>                        | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         | 482.5         |
| 4 PG&E CPE Self-Shown Capacity <sup>3</sup>              | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| 5 PG&E CPE Purchased Capacity <sup>3</sup>               | 3088.54       | 3088.39       | 3091.34       | 3079.02       | 2952.75       | 2935.05       | 2924.45       | 2921.45       | 2927.95       | 2950.37       | 2975.23       | 2975.23       |
| 6 Net Local RA Position                                  | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |

1 Based on PG&E CPE 2024 Year-Ahead Initial Allocation provided by the CPUC on 7/11/2023 and updated on 8/1/2023 and the 2025-2026 PG&E Demand Response Totals (<https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/public-pge-file-py2024-py2026-lmr-and-sr-dr-lip-nqcs-wdfl.xlsx>)

2 Local CAM Capacity from 2024 Initial Year Ahead IOU CAM List (<https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/cam-allocation/2024-initial-year-cam-list-public.xlsx>)

3 Capacity data based on the 2023 NQC list for CPUC Compliance dated August 9, 2023.

**Attachment A - PG&E CPE Aggregate Procurement Summary - Additional Reporting Requirements Pursuant to OP 12 of D.23-06-029**

| Year | Month     | (a) Total Aggregate Capacity Not Offered to the PG&E CPE in Deficient Areas (MW) in the 2023 CPE Local RA RFO | (b) Total Aggregate Capacity Offered but Not Procured (MW) in the 2023 CPE Local RA RFO |
|------|-----------|---|---|
| 2024 | January   | 5245.23   | 777.00  |
| 2024 | February  | 5426.96   | 275.00  |
| 2024 | March     | 5423.84   | 790.00  |
| 2024 | April     | 5449.15   | 0.00  |
| 2024 | May       | 5466.36   | 0.00  |
| 2024 | June      | 5548.59   | 0.00  |
| 2024 | July      | 5727.58   | 0.00  |
| 2024 | August    | 5719.62   | 0.00  |
| 2024 | September | 5748.27   | 0.00  |
| 2024 | October   | 5743.58   | 0.00  |
| 2024 | November  | 5695.45   | 723.00  |
| 2024 | December  | 5730.30   | 1277.00   |
| 2025 | January   | 3955.62   | 1340.05   |
| 2025 | February  | 4725.80   | 1714.05   |
| 2025 | March     | 4133.82   | 1220.50   |
| 2025 | April     | 4172.16   | 1230.54   |
| 2025 | May       | 4313.85   | 255.00  |
| 2025 | June      | 4464.22   | 255.00  |
| 2025 | July      | 4645.18   | 255.00  |
| 2025 | August    | 4590.76   | 255.00  |
| 2025 | September | 4654.24   | 255.00  |
| 2025 | October   | 4509.12   | 255.00  |
| 2025 | November  | 4476.46   | 255.00  |
| 2025 | December  | 4532.43   | 255.00  |
| 2026 | January   | 5409.32   | 526.49  |
| 2026 | February  | 5203.14   | 1021.52   |
| 2026 | March     | 5242.81   | 255.00  |
| 2026 | April     | 5345.56   | 255.00  |
| 2026 | May       | 5526.00   | 255.00  |
| 2026 | June      | 3425.30   | 510.00  |
| 2026 | July      | 3574.20   | 510.00  |
| 2026 | August    | 3567.45   | 510.00  |
| 2026 | September | 3437.63   | 991.34  |
| 2026 | October   | 3133.79   | 1203.64   |
| 2026 | November  | 3115.10   | 1210.32   |
| 2026 | December  | 5121.64   | 1222.23   |

**(c) Any additional information on outreach conducted by the CPE to resources that did not participate and/or withdrew their bids and the outcome of that outreach**

PG&E CPE conducted market outreach to over thirty potential RFO participants prior to launching the 2023 CPE Local RA RFO to increase awareness of the upcoming RFO, encourage participation, and seek general market feedback. Through the outreach, most generator owners communicated they would have limited or no capacity to offer for the compliance period given the demand and pricing they were seeing in the System RA market. Feedback from CPUC LSE's included some concerns over the Self-Shown Commitment process and what a commitment would mean for their portfolio flexibility as well as some questions over the implementation of the slice-of-day framework and what that would mean for CPE procurement processes.

Following the conclusion of the 2023 PG&E CPE Local RA RFO, PG&E CPE reviewed and attempted to identify owners of the resources that did not participate or withdrew from the RFO in order to conduct outreach to potentially procure additional resources in the local areas in which PG&E CPE had not met its local obligation. The outreach did not yield opportunities for PG&E CPE to bilaterally procure additional capacity for the compliance years 2024 -2026.

**Notes:**

Capacity data based on the 2023 NQC list for CPUC Compliance dated August 9,2023.

PG&E as CPE received additional offers for capacity that were not procured in its 2023 Local RA RFO. These offers have been omitted from this table due to the offers having IDs outside of the 2024-2026 compliance window.

Aggregate capacity offered but not procured does not include capacity offered in local areas where PG&E CPE is not deficient

**Attachment A - PG&E CPE Aggregate Procurement Summary - Information Regarding Preferred Resources and Resources Procured Located in DAC**

| Year | Month     | Total Capacity of Preferred Resources that were bid or shown to CPE in the 2023 RFO (MW) | Total Capacity of Preferred Resources not selected by the CPE in the 2023 RFO (MW) | Total Capacity of MW procured by the CPE from generation facilities located in DAC in the 2023 RFO |
|------|-----------|--|--|--|
| 2024 | January   | 525.72   | 279.00   | 0.00   |
| 2024 | February  | 603.85   | 347.00   | 0.00   |
| 2024 | March     | 364.60   | 0.00   | 0.00   |
| 2024 | April     | 603.36   | 0.00   | 0.00   |
| 2024 | May       | 255.50   | 0.00   | 0.00   |
| 2024 | June      | 236.41   | 0.00   | 0.00   |
| 2024 | July      | 193.28   | 0.00   | 0.00   |
| 2024 | August    | 190.70   | 0.00   | 0.00   |
| 2024 | September | 191.86   | 0.00   | 0.00   |
| 2024 | October   | 92.06  | 0.00   | 0.00   |
| 2024 | November  | 463.87   | 225.00   | 0.00   |
| 2024 | December  | 455.45   | 207.00   | 0.00   |
| 2025 | January   | 1510.85  | 246.38   | 0.00   |
| 2025 | February  | 1459.21  | 617.83   | 0.00   |
| 2025 | March     | 1421.57  | 199.03   | 0.00   |
| 2025 | April     | 1476.40  | 177.99   | 0.00   |
| 2025 | May       | 1411.24  | 0  | 0.00   |
| 2025 | June      | 1520.54  | 0  | 0.00   |
| 2025 | July      | 1596.13  | 0  | 0.00   |
| 2025 | August    | 1632.96  | 0  | 0.00   |
| 2025 | September | 1461.69  | 0  | 0.00   |
| 2025 | October   | 1310.72  | 0  | 0.00   |
| 2025 | November  | 1325.65  | 0  | 0.00   |
| 2025 | December  | 1430.80  | 0  | 0.00   |
| 2026 | January   | 677.79   | 49.26  | 0.00   |
| 2026 | February  | 1179.41  | 542.63   | 0.00   |
| 2026 | March     | 1037.41  | 0.00   | 0.00   |
| 2026 | April     | 1042.25  | 0.00   | 0.00   |
| 2026 | May       | 1047.49  | 0.00   | 0.00   |
| 2026 | June      | 1702.83  | 282.00   | 0.00   |
| 2026 | July      | 1699.53  | 282.00   | 0.00   |
| 2026 | August    | 1693.78  | 282.00   | 0.00   |
| 2026 | September | 1692.60  | 282.00   | 0.00   |
| 2026 | October   | 1680.26  | 282.00   | 0.00   |
| 2026 | November  | 1686.43  | 282.00   | 0.00   |
| 2026 | December  | 1288.00  | 282.00   | 0.00   |
| 2027 | January   | 288.00   | 288.00   | 0.00   |
| 2027 | February  | 288.00   | 288.00   | 0.00   |
| 2027 | March     | 288.00   | 288.00   | 0.00   |
| 2027 | April     | 288.00   | 288.00   | 0.00   |
| 2027 | May       | 288.00   | 288.00   | 0.00   |
| 2027 | June      | 288.00   | 288.00   | 0.00   |
| 2027 | July      | 288.00   | 288.00   | 0.00   |
| 2027 | August    | 288.00   | 288.00   | 0.00   |
| 2027 | September | 288.00   | 288.00   | 0.00   |
| 2027 | October   | 288.00   | 288.00   | 0.00   |
| 2027 | November  | 288.00   | 288.00   | 0.00   |
| 2027 | December  | 288.00   | 288.00   | 0.00   |
| 2028 | January   | 288.00   | 288.00   | 0.00   |
| 2028 | February  | 288.00   | 288.00   | 0.00   |
| 2028 | March     | 288.00   | 288.00   | 0.00   |
| 2028 | April     | 288.00   | 288.00   | 0.00   |
| 2028 | May       | 288.00   | 288.00   | 0.00   |
| 2028 | June      | 588.00   | 588.00   | 0.00   |
| 2028 | July      | 588.00   | 588.00   | 0.00   |
| 2028 | August    | 588.00   | 588.00   | 0.00   |
| 2028 | September | 588.00   | 588.00   | 0.00   |

|      |           |         |         |      |
|------|-----------|---------|---------|------|
| 2028 | October   | 588.00  | 588.00  | 0.00 |
| 2028 | November  | 588.00  | 588.00  | 0.00 |
| 2028 | December  | 2513.00 | 2513.00 | 0.00 |
| 2029 | January   | 2513.00 | 2513.00 | 0.00 |
| 2029 | February  | 2513.00 | 2513.00 | 0.00 |
| 2029 | March     | 2513.00 | 2513.00 | 0.00 |
| 2029 | April     | 2513.00 | 2513.00 | 0.00 |
| 2029 | May       | 2513.00 | 2513.00 | 0.00 |
| 2029 | June      | 2513.00 | 2513.00 | 0.00 |
| 2029 | July      | 2513.00 | 2513.00 | 0.00 |
| 2029 | August    | 2513.00 | 2513.00 | 0.00 |
| 2029 | September | 2513.00 | 2513.00 | 0.00 |
| 2029 | October   | 2513.00 | 2513.00 | 0.00 |
| 2029 | November  | 2513.00 | 2513.00 | 0.00 |
| 2029 | December  | 2513.00 | 2513.00 | 0.00 |
| 2030 | January   | 2513.00 | 2513.00 | 0.00 |
| 2030 | February  | 2513.00 | 2513.00 | 0.00 |
| 2030 | March     | 2513.00 | 2513.00 | 0.00 |
| 2030 | April     | 2513.00 | 2513.00 | 0.00 |
| 2030 | May       | 2513.00 | 2513.00 | 0.00 |
| 2030 | June      | 2513.00 | 2513.00 | 0.00 |
| 2030 | July      | 2513.00 | 2513.00 | 0.00 |
| 2030 | August    | 2513.00 | 2513.00 | 0.00 |
| 2030 | September | 2513.00 | 2513.00 | 0.00 |
| 2030 | October   | 2513.00 | 2513.00 | 0.00 |
| 2030 | November  | 2513.00 | 2513.00 | 0.00 |
| 2030 | December  | 2513.00 | 2513.00 | 0.00 |
| 2031 | January   | 2513.00 | 2513.00 | 0.00 |
| 2031 | February  | 2513.00 | 2513.00 | 0.00 |
| 2031 | March     | 2513.00 | 2513.00 | 0.00 |
| 2031 | April     | 2513.00 | 2513.00 | 0.00 |
| 2031 | May       | 2513.00 | 2513.00 | 0.00 |
| 2031 | June      | 2513.00 | 2513.00 | 0.00 |
| 2031 | July      | 2513.00 | 2513.00 | 0.00 |
| 2031 | August    | 2513.00 | 2513.00 | 0.00 |
| 2031 | September | 2513.00 | 2513.00 | 0.00 |
| 2031 | October   | 2513.00 | 2513.00 | 0.00 |
| 2031 | November  | 2513.00 | 2513.00 | 0.00 |
| 2031 | December  | 2513.00 | 2513.00 | 0.00 |
| 2032 | January   | 2513.00 | 2513.00 | 0.00 |
| 2032 | February  | 2513.00 | 2513.00 | 0.00 |
| 2032 | March     | 2513.00 | 2513.00 | 0.00 |
| 2032 | April     | 2513.00 | 2513.00 | 0.00 |
| 2032 | May       | 2513.00 | 2513.00 | 0.00 |
| 2032 | June      | 2513.00 | 2513.00 | 0.00 |
| 2032 | July      | 2513.00 | 2513.00 | 0.00 |
| 2032 | August    | 2513.00 | 2513.00 | 0.00 |
| 2032 | September | 2513.00 | 2513.00 | 0.00 |
| 2032 | October   | 2513.00 | 2513.00 | 0.00 |
| 2032 | November  | 2513.00 | 2513.00 | 0.00 |
| 2032 | December  | 2513.00 | 2513.00 | 0.00 |
| 2033 | January   | 2513.00 | 2513.00 | 0.00 |
| 2033 | February  | 2513.00 | 2513.00 | 0.00 |
| 2033 | March     | 2513.00 | 2513.00 | 0.00 |
| 2033 | April     | 2513.00 | 2513.00 | 0.00 |
| 2033 | May       | 2513.00 | 2513.00 | 0.00 |
| 2033 | June      | 2513.00 | 2513.00 | 0.00 |
| 2033 | July      | 2513.00 | 2513.00 | 0.00 |
| 2033 | August    | 2513.00 | 2513.00 | 0.00 |
| 2033 | September | 2513.00 | 2513.00 | 0.00 |
| 2033 | October   | 2513.00 | 2513.00 | 0.00 |
| 2033 | November  | 2513.00 | 2513.00 | 0.00 |
| 2033 | December  | 2513.00 | 2513.00 | 0.00 |
| 2034 | January   | 2513.00 | 2513.00 | 0.00 |

|      |           |         |         |      |
|------|-----------|---------|---------|------|
| 2034 | February  | 2513.00 | 2513.00 | 0.00 |
| 2034 | March     | 2513.00 | 2513.00 | 0.00 |
| 2034 | April     | 2513.00 | 2513.00 | 0.00 |
| 2034 | May       | 2513.00 | 2513.00 | 0.00 |
| 2034 | June      | 2513.00 | 2513.00 | 0.00 |
| 2034 | July      | 2513.00 | 2513.00 | 0.00 |
| 2034 | August    | 2513.00 | 2513.00 | 0.00 |
| 2034 | September | 2513.00 | 2513.00 | 0.00 |
| 2034 | October   | 2513.00 | 2513.00 | 0.00 |
| 2034 | November  | 2513.00 | 2513.00 | 0.00 |
| 2034 | December  | 2513.00 | 2513.00 | 0.00 |
| 2035 | January   | 2513.00 | 2513.00 | 0.00 |
| 2035 | February  | 2513.00 | 2513.00 | 0.00 |
| 2035 | March     | 2513.00 | 2513.00 | 0.00 |
| 2035 | April     | 2513.00 | 2513.00 | 0.00 |
| 2035 | May       | 2513.00 | 2513.00 | 0.00 |
| 2035 | June      | 2513.00 | 2513.00 | 0.00 |
| 2035 | July      | 2513.00 | 2513.00 | 0.00 |
| 2035 | August    | 2513.00 | 2513.00 | 0.00 |
| 2035 | September | 2513.00 | 2513.00 | 0.00 |
| 2035 | October   | 2513.00 | 2513.00 | 0.00 |
| 2035 | November  | 2513.00 | 2513.00 | 0.00 |
| 2035 | December  | 2513.00 | 2513.00 | 0.00 |
| 2036 | January   | 2513.00 | 2513.00 | 0.00 |
| 2036 | February  | 2513.00 | 2513.00 | 0.00 |
| 2036 | March     | 2513.00 | 2513.00 | 0.00 |
| 2036 | April     | 2513.00 | 2513.00 | 0.00 |
| 2036 | May       | 2513.00 | 2513.00 | 0.00 |
| 2036 | June      | 2513.00 | 2513.00 | 0.00 |
| 2036 | July      | 2513.00 | 2513.00 | 0.00 |
| 2036 | August    | 2513.00 | 2513.00 | 0.00 |
| 2036 | September | 2513.00 | 2513.00 | 0.00 |
| 2036 | October   | 2513.00 | 2513.00 | 0.00 |
| 2036 | November  | 2513.00 | 2513.00 | 0.00 |
| 2036 | December  | 2513.00 | 2513.00 | 0.00 |
| 2037 | January   | 2513.00 | 2513.00 | 0.00 |
| 2037 | February  | 2513.00 | 2513.00 | 0.00 |
| 2037 | March     | 2513.00 | 2513.00 | 0.00 |
| 2037 | April     | 2513.00 | 2513.00 | 0.00 |
| 2037 | May       | 2513.00 | 2513.00 | 0.00 |
| 2037 | June      | 2513.00 | 2513.00 | 0.00 |
| 2037 | July      | 2513.00 | 2513.00 | 0.00 |
| 2037 | August    | 2513.00 | 2513.00 | 0.00 |
| 2037 | September | 2513.00 | 2513.00 | 0.00 |
| 2037 | October   | 2513.00 | 2513.00 | 0.00 |
| 2037 | November  | 2513.00 | 2513.00 | 0.00 |
| 2037 | December  | 2513.00 | 2513.00 | 0.00 |
| 2038 | January   | 2513.00 | 2513.00 | 0.00 |
| 2038 | February  | 2513.00 | 2513.00 | 0.00 |
| 2038 | March     | 2513.00 | 2513.00 | 0.00 |
| 2038 | April     | 2513.00 | 2513.00 | 0.00 |
| 2038 | May       | 2513.00 | 2513.00 | 0.00 |
| 2038 | June      | 2213.00 | 2213.00 | 0.00 |
| 2038 | July      | 2213.00 | 2213.00 | 0.00 |
| 2038 | August    | 2213.00 | 2213.00 | 0.00 |
| 2038 | September | 2213.00 | 2213.00 | 0.00 |
| 2038 | October   | 2213.00 | 2213.00 | 0.00 |
| 2038 | November  | 2213.00 | 2213.00 | 0.00 |
| 2038 | December  | 788.00  | 788.00  | 0.00 |
| 2039 | January   | 788.00  | 788.00  | 0.00 |
| 2039 | February  | 788.00  | 788.00  | 0.00 |
| 2039 | March     | 788.00  | 788.00  | 0.00 |
| 2039 | April     | 788.00  | 788.00  | 0.00 |
| 2039 | May       | 788.00  | 788.00  | 0.00 |

|      |           |        |        |      |
|------|-----------|--------|--------|------|
| 2039 | June      | 788.00 | 788.00 | 0.00 |
| 2039 | July      | 788.00 | 788.00 | 0.00 |
| 2039 | August    | 788.00 | 788.00 | 0.00 |
| 2039 | September | 788.00 | 788.00 | 0.00 |
| 2039 | October   | 788.00 | 788.00 | 0.00 |
| 2039 | November  | 788.00 | 788.00 | 0.00 |
| 2039 | December  | 788.00 | 788.00 | 0.00 |
| 2040 | January   | 788.00 | 788.00 | 0.00 |
| 2040 | February  | 788.00 | 788.00 | 0.00 |
| 2040 | March     | 788.00 | 788.00 | 0.00 |
| 2040 | April     | 788.00 | 788.00 | 0.00 |
| 2040 | May       | 788.00 | 788.00 | 0.00 |
| 2040 | June      | 788.00 | 788.00 | 0.00 |
| 2040 | July      | 788.00 | 788.00 | 0.00 |
| 2040 | August    | 788.00 | 788.00 | 0.00 |
| 2040 | September | 788.00 | 788.00 | 0.00 |
| 2040 | October   | 788.00 | 788.00 | 0.00 |
| 2040 | November  | 788.00 | 788.00 | 0.00 |
| 2040 | December  | 788.00 | 788.00 | 0.00 |
| 2041 | January   | 788.00 | 788.00 | 0.00 |
| 2041 | February  | 788.00 | 788.00 | 0.00 |
| 2041 | March     | 788.00 | 788.00 | 0.00 |
| 2041 | April     | 788.00 | 788.00 | 0.00 |
| 2041 | May       | 788.00 | 788.00 | 0.00 |
| 2041 | June      | 788.00 | 788.00 | 0.00 |
| 2041 | July      | 788.00 | 788.00 | 0.00 |
| 2041 | August    | 788.00 | 788.00 | 0.00 |
| 2041 | September | 788.00 | 788.00 | 0.00 |
| 2041 | October   | 788.00 | 788.00 | 0.00 |
| 2041 | November  | 788.00 | 788.00 | 0.00 |
| 2041 | December  | 788.00 | 788.00 | 0.00 |
| 2042 | January   | 788.00 | 788.00 | 0.00 |
| 2042 | February  | 788.00 | 788.00 | 0.00 |
| 2042 | March     | 788.00 | 788.00 | 0.00 |
| 2042 | April     | 788.00 | 788.00 | 0.00 |
| 2042 | May       | 788.00 | 788.00 | 0.00 |
| 2042 | June      | 788.00 | 788.00 | 0.00 |
| 2042 | July      | 788.00 | 788.00 | 0.00 |
| 2042 | August    | 788.00 | 788.00 | 0.00 |
| 2042 | September | 788.00 | 788.00 | 0.00 |
| 2042 | October   | 788.00 | 788.00 | 0.00 |
| 2042 | November  | 788.00 | 788.00 | 0.00 |
| 2042 | December  | 788.00 | 788.00 | 0.00 |
| 2043 | January   | 788.00 | 788.00 | 0.00 |
| 2043 | February  | 788.00 | 788.00 | 0.00 |
| 2043 | March     | 788.00 | 788.00 | 0.00 |
| 2043 | April     | 788.00 | 788.00 | 0.00 |
| 2043 | May       | 788.00 | 788.00 | 0.00 |
| 2043 | June      | 788.00 | 788.00 | 0.00 |
| 2043 | July      | 788.00 | 788.00 | 0.00 |
| 2043 | August    | 788.00 | 788.00 | 0.00 |
| 2043 | September | 788.00 | 788.00 | 0.00 |
| 2043 | October   | 788.00 | 788.00 | 0.00 |
| 2043 | November  | 788.00 | 788.00 | 0.00 |
| 2043 | December  | 288.00 | 288.00 | 0.00 |
| 2044 | January   | 288.00 | 288.00 | 0.00 |
| 2044 | February  | 288.00 | 288.00 | 0.00 |
| 2044 | March     | 288.00 | 288.00 | 0.00 |
| 2044 | April     | 288.00 | 288.00 | 0.00 |
| 2044 | May       | 288.00 | 288.00 | 0.00 |
| 2044 | June      | 288.00 | 288.00 | 0.00 |
| 2044 | July      | 288.00 | 288.00 | 0.00 |
| 2044 | August    | 288.00 | 288.00 | 0.00 |
| 2044 | September | 288.00 | 288.00 | 0.00 |

|      |           |        |        |      |
|------|-----------|--------|--------|------|
| 2044 | October   | 288.00 | 288.00 | 0.00 |
| 2044 | November  | 288.00 | 288.00 | 0.00 |
| 2044 | December  | 288.00 | 288.00 | 0.00 |
| 2045 | January   | 288.00 | 288.00 | 0.00 |
| 2045 | February  | 288.00 | 288.00 | 0.00 |
| 2045 | March     | 288.00 | 288.00 | 0.00 |
| 2045 | April     | 288.00 | 288.00 | 0.00 |
| 2045 | May       | 288.00 | 288.00 | 0.00 |
| 2045 | June      | 288.00 | 288.00 | 0.00 |
| 2045 | July      | 288.00 | 288.00 | 0.00 |
| 2045 | August    | 288.00 | 288.00 | 0.00 |
| 2045 | September | 288.00 | 288.00 | 0.00 |
| 2045 | October   | 288.00 | 288.00 | 0.00 |
| 2045 | November  | 288.00 | 288.00 | 0.00 |
| 2045 | December  | 288.00 | 288.00 | 0.00 |
| 2046 | January   | 288.00 | 288.00 | 0.00 |
| 2046 | February  | 288.00 | 288.00 | 0.00 |
| 2046 | March     | 288.00 | 288.00 | 0.00 |
| 2046 | April     | 288.00 | 288.00 | 0.00 |
| 2046 | May       | 288.00 | 288.00 | 0.00 |
| 2046 | June      | 200.00 | 200.00 | 0.00 |
| 2046 | July      | 200.00 | 200.00 | 0.00 |
| 2046 | August    | 200.00 | 200.00 | 0.00 |
| 2046 | September | 200.00 | 200.00 | 0.00 |
| 2046 | October   | 200.00 | 200.00 | 0.00 |
| 2046 | November  | 200.00 | 200.00 | 0.00 |
| 2046 | December  | 200.00 | 200.00 | 0.00 |
| 2047 | January   | 200.00 | 200.00 | 0.00 |
| 2047 | February  | 200.00 | 200.00 | 0.00 |
| 2047 | March     | 200.00 | 200.00 | 0.00 |
| 2047 | April     | 200.00 | 200.00 | 0.00 |
| 2047 | May       | 200.00 | 200.00 | 0.00 |
| 2047 | June      | 0.00   | 0.00   | 0.00 |
| 2047 | July      | 0.00   | 0.00   | 0.00 |
| 2047 | August    | 0.00   | 0.00   | 0.00 |
| 2047 | September | 0.00   | 0.00   | 0.00 |
| 2047 | October   | 0.00   | 0.00   | 0.00 |
| 2047 | November  | 0.00   | 0.00   | 0.00 |
| 2047 | December  | 0.00   | 0.00   | 0.00 |

## **Attachment 3**

Public Version of the Independent Evaluator  
("IE") Report

(Public Attachment D)

**PACIFIC GAS & ELECTRIC COMPANY**

September, 2023

**2023 CENTRAL PROCUREMENT  
ENTITY LOCAL RESOURCE  
ADEQUACY REQUEST FOR  
OFFERS**

**Independent Evaluator Report**

**Prepared By**



**MERRIMACK**  
ENERGY GROUP, INC.

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## 1 INTRODUCTION

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### 1.1 OVERVIEW OF PG&E'S 2023 CPE LOCAL RA RFO

---

On March 22, 2023, Pacific Gas & Electric Company's Central Procurement Entity ("CPE" or "PG&E CPE") issued its third Request for Offers ("RFO") to prospective market Participants to procure Local Resource Adequacy ("Local RA") capacity pursuant to California Public Utility Commission's ("CPUC" or "Commission") June 17, 2020 Decision D.20-06-002, the Central Procurement Entity Decision ("CPE Decision"), Decision D.20-12-006, the Local Capacity Requirement Reduction Compensation Mechanism Decision ("LCR RCM Decision") and the CPUC RA OIR Phase 1 Decision (D.22-03-034). The CPUC's CPE Decision adopted a framework that designates a central buyer to procure local, multi-year resource adequacy in the PG&E and Southern California Edison ("SCE") distribution service areas. As stated in the press release accompanying the Decision, beginning in 2021, PG&E and SCE will serve as the central procurement entities for their respective distribution service areas and begin procuring local resource adequacy for the 2023 compliance year. D.22-03-034 issued on March 17, 2022 adopted modifications to the CPE structure originally adopted in the CPE and LCR RCM Decisions. For this third CPE RFO, PG&E CPE is required to procure or obtain self-shown commitments for (1) 100% of the CPUC's 2024 Local RA requirements in PG&E's distribution service area; (2) 100% of the CPUC's 2025 Local RA requirements in PG&E's distribution service area; and (3) 50% of the CPUC's 2026 Local RA requirements in PG&E's distribution service area.

The CPUC's CPE Decision adopted a hybrid procurement model that tasks the CPEs with the responsibility to procure the entire amount of local resource adequacy on behalf of all CPUC jurisdictional load serving entities ("LSEs"), while still allowing individual LSEs the opportunity to procure their own local resources. If an LSE procures its own resources, it may (1) sell the capacity to the CPE, (2) utilize the resource for its own system and flexible resource needs, or (3) voluntarily show the resource to meet its own system and flexible resource adequacy needs and reduce the amount of local resource adequacy the central procurement entities will need to procure for the amount of time the LSE has agreed to show the resource.

The press release noted that the purpose of the CPE Decision was to create the necessary single-entity purchasing power for local resource adequacy. As the CPE Decision noted, the central procurement entities framework must comply with all past CPUC direction regarding the favoring of preferred resources in the development of solicitation criteria, including use of the loading order adopted in D.04-07-020 and the added selection criteria that procurement of preferred

and energy storage resources will be prioritized over fossil fuel generation. As such, the CPUC expects preferred resources to be procured by the CPEs.

The CPE Decision also directs an Independent Evaluator (“IE”) report to be filed annually with the CPE’s compliance filing, which will increase transparency into any gas-fired procurement by including the basis for any fossil fuel procurement that exceeds the minimum multi-year requirements. The IE report will also assess the neutrality of the procurement process, any market power or aggregate pricing concerns, procurement of preferred resources (e.g., on what basis preferred resources were not selected), and consideration of disadvantaged communities in the procurement process.

Merrimack Energy was retained as IE for the 2023 CPE solicitation process in February 2023. PG&E’s CPE issued its 2023 CPE Solicitation Protocol to the market on March 22, 2023.

---

## 1.2 REGULATORY BACKGROUND

---

As background, Decision 20-06-002, Decision on Central Procurement of the Resource Adequacy Program, issued on June 17, 2020 addressed ten provisions associated with the implementation of the CPE process.

Table 1 provides a list of the specific provisions listed in the CPE Decision and the Commission decision relative to each provision.

Table 1: Summary of Commission Decision on CPE Entity RA Program

| Provision                    | Commission Decision  |
|------------------------------|--|
| Scope of Central Procurement | The CPUC adopted a hybrid central procurement framework beginning for the 2023 RA compliance year. The hybrid approach allowed the CPE to secure a portfolio of the most effective local resources, using its purchasing power in constrained local areas, mitigate the need for costly backup procurement in certain local areas, and ensured a least cost solution for customers and equitable cost allocation. The hybrid approach also allowed individual LSEs to voluntarily procure local resources to meet their system and flexible RA requirements and count them towards their collective local RA requirements, providing LSEs flexibility and autonomy to procure local resources. If an LSE-procured resource also meets a local RA need, the LSE may choose to either (a) show the resource to |

|  |   |
|--|---|
|  | <p>reduce the CPE's overall local procurement obligation; (b) bid the resource into the CPE solicitation; or (c) elect not to show or bid the resource to the CPE and only use the resource to meet its own system and flexible RA needs.</p>   |
| Identity of a Central Procurement Entity | <p>The CPUC stands by its conclusions reached in D.19-02-022 that the distribution utilities are the candidates with the resources, knowledge, and experience to procure local reliability resources on behalf of all LSEs without excessive delay. The CPUC continues to believe that a central procurement structure is appropriate and necessary for procurement of multi-year local RA resources. The CPUC adopted a hybrid procurement model, which provided individual LSEs an opportunity to self-procure local resources if they so choose.</p> |
| Procurement Mechanism                    | <p>The CPUC found that an RFO process gives the CPE the flexibility to select resources based on multiple targeted criteria, in addition to costs and local needs, including broader environmental goals, such as preferred resources. The CPUC adopted a competitive solicitation process as the appropriate central procurement mechanism. The CPE is permitted to conduct multiple solicitations per year, as needed.</p>  |
| Compensation Mechanism                   | <p>The CPUC recognized that a financial credit mechanism for preferred and energy storage resources that considers local effectiveness factors and use limitations to the shown MW value would more closely align the financial compensation with the actual LCR MW reduction the resource provided. The CPUC referred to this as the LCR reduction compensation mechanism. The CPUC also noted that a key purpose in creating a CPE framework was to reduce costs to ratepayers by mitigating local market power.</p>                                  |
| Transition Period to the CPE Structure   | <p>The adopted three-year local requirements and procurement percentages will apply to the CPE, as they currently do for LSEs. Therefore, the CPE will begin local procurement responsibilities in 2021 for 100 percent of the 2023 local requirements and 50 percent of the 2024 local requirements. In 2022, the CPE will be responsible for procuring the entire current 3-year local requirements for the 2023, 2024, and 2025 compliance years.</p>  |

|                                 |  |
|---------------------------------|--|
| Resources to be Solicited       | <p>The CPUC found it reasonable that the CPE use similar requirements for its solicitation process, as adopted in D.04-12-048. Accordingly, the CPE shall run an all-source solicitation that is transparent, competitive, and open to all resources. Any existing local resource that does not have a contract, any new local resource that can be brought online in time to meet solicitation requirements, or any LSE or third-party with an existing local RA contract can bid into the solicitation. It is also reasonable for the IOU to bid its resources into the CPE's RFO, including utility-owned generation (UOG) or contractually committed resources that are not already allocated to all benefitting customers, at their levelized fixed costs. The CPUC also directs the IOU to submit its procurement bids to the Procurement Review Group and the Independent Evaluator in advance of the receipt of bids from any other entities. The CPUC also strongly encouraged the CPE to procure dispatch rights along with the RA capacity, whenever doing so is in the financial interest of all ratepayers (e.g., when the benefits of least cost dispatch requirements outweigh increased contract costs) because this will reduce the local RA costs paid by all LSEs after the energy benefits are netted out of the total contract. The Commission also clarified with regard to minimum requirements, that the three-year requirements do not preclude the CPE from entering into contracts exceeding three years or from procuring in excess of the adopted percentages if it is the ratepayer's interest to do so.</p> |
| Solicitation Selection Criteria | <p>The CPUC stated that the CPE shall evaluate resources using the least cost best fit methodology adopted in D.04-07-029. The least cost best fit methodology employed shall include the following selection criteria: (a) future needs in local and sub-local areas; (b) local effectiveness factors as published in the CAISO's LCRTS; (c) resource costs; (d) operational characteristics of the resources (efficiency, heat rate, age, ramp rate, flexibility, start-up time, facility type); (e) location of the facility (with consideration for environmental justice); (f) cost of potential alternatives; (g) greenhouse gas adders; (h) energy-use limitations; (i) procurement of preferred resources and energy storage (to be prioritized over fossil generation).</p>   |

|                                     |  |
|-------------------------------------|--|
| <p>Cost Allocation</p>              | <p>The CPUC applied the Cost Allocation Mechanism (“CAM”) methodology as the cost recovery mechanism to cover the procurement costs incurred by the CPE. The administrative costs incurred by the CPE in serving the central procurement function shall be recoverable under the cost allocation mechanism.</p>  |
| <p>Procurement Oversight</p>        | <p>The CPE is required to consult with the CAM Procurement Review Group (“PRG”) members (including Energy Division) and an Independent Evaluator as the CPE outlines procurement plans, drafts RFO solicitation bid documents, and collects feedback from market participants regarding the RFO process for potential refinements. This section of the CPE Decision also outlines the requirements for the IE, including specific issues the IE must address in its report. These requirements are discussed in more detail later in the report in Section II. In addition, in this section of the CPE Decision, the Commission stated that for contracts of five years or less, a procurement action is deemed reasonable and preapproved if the resource procured by the CPE: (1) meets the established local capacity requirements and underlying data supporting those requirements, which are based on the CAISO’s Local Capacity Technical Study (“LCTS”) and adopted annually by Commission Decision; (2) if the CAM PRG was properly consulted, and (3) if procurement was deemed by the IE to have followed all relevant Commission guidance, including least cost best fit methodology and other noted selection criteria. The Commission also directed the CPE to establish a rule or procedure that will govern how confidential, market sensitive information received by the CPE from generators, LSEs, or third-party marketers as part of the central procurement solicitation and process will be protected, as well as what firewall safeguards will be implemented to prevent the sharing of information beyond those employees involved in the central solicitation and procurement process.</p> |
| <p>Modifications to RA Timeline</p> | <p>Section 3.10 contains the detailed timeline for CPE solicitations which is based on the current RA timeline with modifications proposed by the Energy Division. The process starts in April-May and lasts through October.</p>  |

On October 7, 2021, the CPUC issued an Order Instituting Rulemaking, R.21-10-002 to oversee the RA program. On December 2, 2021 a Scoping Memo was issued that established two tracks for the proceeding: (1) the Implementation Track; and (2) the Reform Track. The Scoping Memo divided the Implementation Track into Phases 1, 2, and 3. Phase 1 of the Implementation Track was required to consider critical modifications to the CPE structure and process.

On March 17, 2022, the CPUC issued the RA OIR Phase 1 Decision (D.22-03-034), which adopted modifications to the CPE structure originally adopted in the CPE and LCR RCM Decisions. A summary of the key changes adopted by the RA OIR Phase 1 Decision are summarized below. Table 2 provides an outline of the key changes adopted by the RA OIR Phase 1 Decision that are relevant for the 2022 CPE Local RA RFO:

Table 2: Description of Changes in 2022 CPE Local RFO

| Area of Change           | Description of Change   |
|--------------------------|---|
| Self-Showing Attestation | <p>OP 2 requires a CPUC LSE that elects to self-show a local resource to the CPE to execute an attestation that proves:</p> <ul style="list-style-type: none"> <li>• The LSE has the capacity rights to the RA resource for the period it is self-showing.</li> <li>• The LE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs.</li> <li>• The resource that the LSE intends to self-show for compensation under the LCR RCM meets the eligibility requirements pursuant to D.20-12-006.</li> </ul> <p>The attestation requirement replaces the previous requirement in the LCR RCM Decision that a self-shown resource must be documented on an agreement.</p> <p>For a resource self-shown through LCR RCM, OP 4 allows the CPE the discretion to require an LSE to execute an agreement between the CPE and self-showing LSE that provides payment information and other relevant terms, or submit an attestation that provides the LSE's payment information.</p> <p>OP 5 requires existing self-shown contracts to be amended to include a provision resulting in automatic termination of the contract upon submission by a CPUC LSE of an attestation, provided that the attestation complies with the relevant requirements and conforms to the self-shown</p> |

|   |  |
|---|--|
|   | commitment originally entered into through the contract between the CPE and CPUC LSE.  |
| Self-Shown Resource Performance         | <p>OP 1 adopts the following requirements for non-performance of self-shown local resources</p> <ul style="list-style-type: none"> <li>• A self-showing LSE shall be allowed to provide a like-for-like local resource to replace non-performing self-shown resources.</li> <li>• If the CAISO makes a local CPM designation for an individual deficiency, the CPE shall be charged any associated backstop procurement costs. Any backstop procurement costs allocated to the CPE shall be allocated to all LSEs in the CPE's Transmission Access Charge area on a load ratio share basis through CAM.</li> </ul> <p>Non-Performance is defined as the failure to provide:</p> <ul style="list-style-type: none"> <li>• The CPUC with an RA plan with the self-shown local resource.</li> <li>• The CAISO with a matching supply plan for the self-shown local resource.</li> </ul> |
| Eligible Delivery Terms                 | OP 10 requires the CPE to consider bids of any contract term length greater than or equal to one month.  |
| CPE Selection Criteria                  | <p>OP 8 modifies the required CPE selection criteria as established in OP 14 of the CPE Decision.</p> <ul style="list-style-type: none"> <li>• Remove the Local Effectiveness Factors, as published in the CAISO's LCTS as required by the CPE selection criteria.</li> <li>• Removal of efficiency, age, and flexibility as required components of the CPE's evaluation of "operational characteristics of the resources."</li> </ul> <p>OP 9 removes facility age, heat rate, start-up time, and ramp rate from the data participants are required to provide to the CPE in its solicitation process as established in OP 15 of the CPE Decision.</p>  |
| LSE Justification for Non-Participation | OP 6 requires that if an LSE either a) declines to self-show a local resource to the CPE, or b) declines to bid a local resource into the CPE's solicitation process, the LSE shall file a justification statement in its year-ahead RA filing explaining why the LSE declined to self-show or offer the local resource to the CPE.  |

In addition to the changes listed in Table 2, OP 13 modifies the CPE procurement timeline as detailed in Table 3, below:

Table 3: CPE Procurement Timeline Changes

| Event | 2021 Timeline | 2022 Timeline |
|-------|---------------|---------------|
|-------|---------------|---------------|

|  |                              |                          |
|--|------------------------------|--------------------------|
| LSEs Commit Self-Shown Resources to CPE  | April-May                    | No Later Than Mid-May    |
| CPUC Adopts Multi-Year Local RA Requirements   | June                         | No Later Than June       |
| CPE Receives Total Jurisdictional Share of Multi-Year Local RA Requirements                                | June                         | No Later Than Early July |
| CPE Makes Local RA Showing to the CPUC   | Late September               | Mid-August               |
| LSEs in PG&E's TAC Area are Allocated CAM Credits for Any System and Flexible Capacity Procured by the CPE | Late September/Early October | September                |
| LSEs Make Year-Ahead System & Flexible RA Showings   | End of October               | End of October           |

While not required by any new ruling prior to the issuance of the 2023 CPE Local RA RFO, PG&E CPE implemented several changes from the 2022 CPE Local RA RFO framework and process. These changes included:

- The CPE will use qualification notices to accept offers and begin negotiations with participants.
- The new process will separate the negotiations and execution timelines into two tracks.
  - Track 1 will prioritize negotiations for offers that include 2024 RA delivery with an execution deadline by the end of June.
  - Track 2 will prioritize negotiations for all remaining shortlisted offers with an execution deadline by early August.
- PG&E CPE expanded new build offer eligibility by allowing the Initial Delivery Date (“IDD”) for new resources from January 2024 through December 2028.

The changes implemented for the 2023 solicitation were contemplated as a result of discussions with and feedback provided by general market in the regulatory proceedings, as well as feedback provided by participants in previous solicitations based on surveys conducted by PG&E CPE and communications with participants after the completion of the CPE processes.

---

### 1.3 2023 PG&E CPE LOCAL RA RFO SOLICITATION PROTOCOL SUMMARY

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On March 22, 2023 PG&E CPE published the 2023 Central Procurement Entity Local Resource Adequacy Request for Offers & Commitment Solicitation Protocol (“Protocol”) document on its website. In the 2023 CPE Local RA RFO Protocol document, PG&E CPE listed a number of requirements and preferences to inform prospective Participants of the requirements for competing in the procurement process. A summary of the key provisions of the final Protocol posted on March 22, 2023 is provided in Table 4:

Table 4: Provisions for PG&E's 2023 CPE Local RA RFO Protocol

| 2023 PG&E CPE Local RA RFO Requirements or Characteristics | Description of Key Provisions  |
|--|--|
| PG&E CPE Resource Needs                                    | <p>In order to meet its central procurement obligations ordered in the Decision, PG&amp;E CPE seeks to:</p> <ol style="list-style-type: none"> <li>1. Obtain commitments from CPUC LSEs that will self-show their resources to reduce the total Local RA need in PG&amp;E's distribution service area; and</li> <li>2. Procure RA capacity from new and existing resources that are located in PG&amp;E's Local Capacity Areas to meet the local RA requirements allocated to PG&amp;E CPE by the CPUC.</li> </ol>   |
| Local RA Program   | <p>The RA program requires all CPUC LSEs to procure sufficient generation capacity, or RA, for their customers' expected load plus a planning reserve margin. The CPUC's RA program contains three distinct requirements including Local RA requirements (effective January 1, 2007). The Local RA program incorporates a three-year forward multi-year requirement for procurement of generation capacity in areas within California that are transmission constrained. Local capacity requirements are determined through the CAISO annual Local Capacity Technical Study. Local Capacity Areas within PG&amp;E's service area includes Humboldt, North Coast/Bay Area, Sierra, Stockton, Greater Bay, Fresno, and Kern.</p> |
| Objectives of RFO  | <p>In 2023 PG&amp;E CPE is required to procure or obtain self-shown commitments for: 1) 100% of the CPUC's 2024 Local RA requirements in PG&amp;E's distribution service area; 2) 100% of the CPUC's 2025 Local RA requirements in PG&amp;E's distribution service area; and 3) 50% of the CPUC's 2026 Local RA requirements in PG&amp;E's distribution service area.</p>  |
| Proposed Schedule  | <p>The Schedule contained in PG&amp;E CPE's 2023 CPE Local RA RFO Protocol document included the following key dates:</p>  |

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|                         | <ul style="list-style-type: none"> <li>• March 22, 2023 – PG&amp;E CPE issues RFO</li> <li>• March 30, 2023 – Participants' Webinar</li> <li>• April 18, 2023 at 1PM (PPT) – Deadline for CPUC LSEs to submit Non-Compensated Self-Shown Commitments</li> <li>• April 25, 2023 at 1PM (PPT) – Deadline for PG&amp;E Participant to submit Competitive Offers via Power Advocate</li> <li>• April 26, 2023 at 1PM (PPT) – Deadline for Non-PG&amp;E Participants to submit Competitive Offers via Power Advocate.</li> <li>• Mid-May 2023 – PG&amp;E CPE notifies Participants that their Competitive Offer(s) are Qualified. PG&amp;E CPE notifies the CAM PRG of all Competitive Offers that are deemed Qualified</li> <li>• End of June 2023 – Estimated time frame for execution of Agreement(s) from the Track 1 Competitive Offer process<sup>1</sup></li> <li>• Early August 2023 – Estimated time frame for execution of Agreement(s) from the Track 2 Competitive Offer process</li> <li>• Mid-August 2023 – PG&amp;E CPE's estimated Local RA Showing for the 2024, 2025, and 2026 compliance years with the CPUC</li> </ul> |
| Commitment and Products | <p>Overview of 2023 CPE Local RA RFO Commitments, Products, and Processes:</p> <ul style="list-style-type: none"> <li>• Non-Compensated Self-Shown Commitment Process: CPUC LSEs <ul style="list-style-type: none"> <li>○ Any Existing or New resource under contract with or owned by a CPUC jurisdictional LSE that meets the minimum eligibility requirements of the RFO;</li> </ul> </li> <li>• Competitive Offer <ul style="list-style-type: none"> <li>○ Compensated Self-Shown Commitment: CPUC LSEs <ul style="list-style-type: none"> <li>▪ Any preferred resource or energy storage resource with an original contract executed on or after June 17, 2020 that meets the minimum eligibility requirements of the RFO. For utility-owned generation, any</li> </ul> </li> </ul> </li> </ul>  |

<sup>1</sup> As described later in this report, this milestone was pushed out to mid-July.

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|  | <p>resource approved by the Commission or by Advice Letter on or after June 17, 2020 that meets the minimum eligibility requirements of the RFO.</p> <ul style="list-style-type: none"><li>○ Bundled RA: Any Participant<ul style="list-style-type: none"><li>▪ <u>Option for CPUC LSEs only:</u> May indicate in their Competitive Offers that the Local RA attributes associated with the Competitive Offer for Bundled RA will be a Non-Compensated Self-Shown Commitment if the Competitive Offer is not selected as part of the Competitive Offer Process</li></ul></li><li>○ Bundled RA with Energy Settlement: Any Participant<ul style="list-style-type: none"><li>▪ <u>Option for CPUC LSEs only:</u> May indicate in their Competitive Offers that the Local RA attributes associated with the Competitive Offer for Bundled RA with Energy Settlement will be a Non-Compensated Self-Shown Commitment if the Competitive Offer is not selected as part of the Competitive Offer Process</li></ul></li><li>● Default to Self-Shown<ul style="list-style-type: none"><li>▪ Per the CPE Decision, CPUC LSEs may indicate in their Competitive Offers that the Local RA attributes associated with such Competitive Offer will be a Non-Compensated Self-Shown Commitment if their Competitive Offer is not selected by PG&amp;E CPE as part of the Competitive Offer Process. CPUC LSEs may only elect for the Default to Self-Shown Option with resources that are owned or under an existing contract. CPUC LSEs electing this option must also meet the requirements for the Non-</li></ul></li></ul> |
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|                                   | Compensated Self-Shown Commitment Process.  |
| Product Characteristics Requested | <p>PG&amp;E CPE is requesting the following commitments and/or products in this RFO (per the Decisions):</p> <ul style="list-style-type: none"> <li>• Non-Compensated Self-Shown Commitment: A commitment from a CPUC LSE to self-show Local RA that is ineligible for compensation consistent with the process outlined in the Decisions. Participants that provide a Non-Compensated Self-Shown Commitment will retain the system and, if applicable, flexible RA attributes of the resource. Must provide Self-Shown Attestation:             <ul style="list-style-type: none"> <li>○ The LSE has capacity rights to the RA</li> <li>○ The LSE intends to self-show the resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs</li> </ul> </li> <li>• Compensated Self-Shown Commitment: A commitment from a CPUC LSE to self-show Local RA that is eligible for compensation consistent with the process outlined in the Decisions. Participants that provide a Compensated Self-Shown Commitment will retain the system and, if applicable, flexible RA attributes of the resource.</li> <li>• Bundled RA: A bundled RA capacity product (“Bundled RA”) that will be compensated, which includes local, system and, if applicable, flexible RA attributes.</li> <li>• Bundled RA with Energy Settlement: Bundled RA that will be compensated, which includes a financial energy settlement based on CAISO market energy prices</li> </ul> |
| Delivery Term                     | <p>PG&amp;E CPE is seeking Competitive Offers for Bundled RA and Bundled RA with Energy Settlement with delivery periods commencing in 2024, 2025, or 2026 for existing resources and out to December 2028 for new build resources.</p> <ul style="list-style-type: none"> <li>• Bundled RA and Bundled RA with Energy Settlement</li> </ul>  |

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|                                   | <ul style="list-style-type: none"> <li>○ Greater than or equal to one month</li> <li>○ PG&amp;E CPE Preferred Delivery Terms:             <ul style="list-style-type: none"> <li>▪ Preference for 1 – 60 months</li> <li>▪ For new resources where seller is the owner of the resource, PG&amp;E CPE may prefer a delivery term of 10-15 years to help incentivize new local area resources. IDD must be the first day of any calendar month commencing prior to December 31, 2028.</li> </ul> </li> <li>• Non-Compensated Self-Shown Resources:             <ul style="list-style-type: none"> <li>○ The Shown Term may not commence prior to the 2024 RA compliance period on 1/1/2024 and may not extend beyond the 2026 RA compliance period on 12/31/2026</li> </ul> </li> <li>• Compensated Self-Shown Resources:             <ul style="list-style-type: none"> <li>○ Must commence on the later of (1) the start of the term of the underlying contract for the resource, or for UOG the beginning of the useful life for that resource, and (2) the beginning of the 2024 RA compliance period on 1/1/2024</li> <li>○ Must end on the earlier of (1) the end term of the underlying contract, or for UOG the end of the resource’s useful life, and (2) the end of the 2026 RA compliance period on 12/31/2026</li> </ul> </li> </ul> |
| Resource Eligibility Requirements | <p>The following are the eligibility requirements for all Resources providing Local RA as part of any Offer submitted to PG&amp;E CPE in this Solicitation:</p> <ul style="list-style-type: none"> <li>• All resources participating in this RFO must have a single CAISO Resource Identification (“CAISO Resource ID”), as defined in the CAISO Tariff. Aggregated behind-the-meter resources, including demand response, must be in a single Sub-LAP, as such term is defined in the CAISO Tariff</li> <li>• All resources participating in this RFO must be able to provide RA. Resources must meet the applicable CPUC and CAISO RA requirements,</li> </ul>   |

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|   | <p>CAISO requirements for deliverability, as well as any other requirements that will enable PG&amp;E CPE to receive all applicable RA benefits associated with the resource</p> <ul style="list-style-type: none"> <li>• All resources participating in this RFO must be electrically connected in a PG&amp;E Local Capacity Area and remain listed as such per the CAISO's Local Capacity Technical Study</li> </ul> <p>The RA program requires all CPUC LSEs to procure sufficient generation capacity, or RA, for their customers' expected load plus a planning reserve margin. The CPUC's RA program contains three distinct requirements including Local RA requirements (effective January 1, 2007). The Local RA program incorporates a three-year forward multi-year requirement for procurement of generation capacity in areas within California that are transmission constrained. Local capacity requirements are determined through the CAISO annual Local Capacity Technical Study.</p> <p>Based on the results of the CAISO's annual Local Capacity Technical Study, the CPUC adopts and allocates local capacity requirements for PG&amp;E and SCE's service areas to the relevant central procurement entity (PG&amp;E or SCE). The Local Capacity Areas in PG&amp;E's electric distribution service area are Greater Bay Area, Greater Fresno, Humboldt, Kern, North Coast/North Bay, Sierra, and Stockton (collectively, "PG&amp;E Local Capacity Areas").</p> |
| <p>Agreement Types and Commitment Forms</p> | <p>Participants are required to provide a fully completed copy of the relevant Agreement, including any proposed markups, as part of their Offer package. Agreement types and forms include:</p> <ol style="list-style-type: none"> <li>1. Compensated Self-Shown Commitment Agreement</li> <li>2. Resource Adequacy Agreement for Owner of Existing Resources</li> <li>3. Resource Adequacy Agreement for Owner of New Resource</li> <li>4. Resource Adequacy Agreement for Non-Owner of Existing Resources</li> </ol>   |

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|  | <ol style="list-style-type: none"> <li>5. Resource Adequacy Agreement for Non-Owner of New Resource</li> <li>6. PG&amp;E CPE EEI Master Power Purchase and Sale Agreement Cover Sheet &amp; Collateral Annex</li> <li>7. PG&amp;E CPE Local RA Confirmation Letter</li> <li>8. Non-Compensated Self-Shown Commitment Form</li> <li>9. Compensated Self-Shown Commitment Form</li> <li>10. Default to Self-Shown Commitment Form</li> </ol>  |
| <p>Pricing Agreement Types</p>   | <p>Participants are required to include pricing in their Competitive Offers for Bundled RA and Bundled RA with Energy Settlement. Pricing must be provided as \$/kW-month per calendar year.</p> <p>For Competitive Offers, Participants are required to include pricing in their Offers. Participants are required to provide a fully completed copy of the relevant Agreement, including any proposed markups, as part of their Offer package. Offer Forms include:</p> <ol style="list-style-type: none"> <li>1. Compensated Self-Shown Commitment Agreement</li> <li>2. Bundled RA and Bundled RA with Energy Settlement</li> </ol>   |
| <p>Non-Compensated Self-Shown Commitment and Compensated Self-Shown Commitment Process</p> | <p>In accordance with Ordering Paragraph (“OP”) 2 of the RA OIR Phase 1 Decision, a CPUC LSE that provides a Non-Compensated Self-Shown Commitment or Compensated Self-Shown Commitment must submit an attestation (“Self-Shown Attestation”) that provides that:</p> <ul style="list-style-type: none"> <li>• The LSE has the capacity rights to the RA resource for the period it is self-showing</li> <li>• The LSE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs</li> <li>• If applicable, the resource that the LSE intends to self-show for compensation under the LCR RCM meets the eligibility requirements pursuant to D.20-12-006.</li> </ul> <p>Consistent with OP 4 of the RA OIR Phase 1 Decision, CPUC LSEs that submit a Competitive Offer for a Compensated Self-Shown Commitment are required</p> |

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|                                  | to also execute an Agreement if the Competitive Offer is selected.   |
| Evaluation of Competitive Offers | <p>The RFO Protocol identifies and describes in detail the procedures for evaluation of offers from both a quantitative and qualitative perspective.</p> <p>For Competitive Offers, the CPE Decision requires the use of all-source selection criteria, including the loading order and least cost best fit (“LCBF”) methodology, using quantitative and qualitative criteria. The LCBF methodology includes the selection criteria listed in OP 8 and OP 9 of the RA OIR Phase 1 Decision, which modify the selection criteria listed in OP 14 of the CPE Decision.</p> <p>The quantitative evaluation compares an Offer’s cost to its benefits. The cost may consist of the contract fixed cost, variable cost, and transmission network upgrade cost. The benefit may consist of capacity value and energy value, to the extent provided in the Agreement.</p> <p>Pursuant to OP 14 of the CPE Decision and OP 8 and OP 9 of the RA OIR Phase 1 Decision, PG&amp;E CPE will consider the following selection criteria as qualitative factors:</p> <ul style="list-style-type: none"> <li>• Future needs in local and sub-local areas;</li> <li>• Resource costs;</li> <li>• Operational characteristics of the resources;</li> <li>• Location of the facility (with consideration for environmental justice);</li> <li>• Costs of potential alternatives;</li> <li>• GHG adders;</li> <li>• Energy-use limitations;</li> <li>• Procurement of preferred resources and energy storage (to be prioritized over fossil generation);</li> </ul> <p>and</p> <p>Consistent with the requirement of OP 14 to use the all-source selection criteria, including the loading order, and LCBF methodology adopted in D.04-07-029, PG&amp;E CPE may also consider additional qualitative factors that it has considered in previous</p> |

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|   | <p>LCBF evaluation protocols adopted by the Commission, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Viability of the resource;</li> <li>• Flexibility of the resource;</li> <li>• Safety;</li> <li>• Contract tenor;</li> <li>• Counterparty concentration; and</li> <li>• Previous experience with a counterparty.</li> </ul> <p>Per the Decisions, all of the methodologies and criteria set forth above apply to Competitive Offers for Compensated Self-Shown Local RA in the same way as the methodology and criteria are applied to Competitive Offers for Bundled RA and Bundled RA with Energy Settlement</p> <p>Any or all qualitative factors may impact the evaluation of an Offer and the execution of any potential Agreement.</p> <p>Pricing requirements do not apply to Non-Compensated Self-Shown Commitments.</p> <p>For Competitive Offers, Participants are required to include pricing in their Offers.</p> |
| <p>Allowable Offers - Offer Submittal Process</p> | <p>All Non-Compensated Self-Shown Commitments must be provided to PG&amp;E CPE by their applicable deadlines as specified in the schedule provided in the RFO. Non-Compensated Self-Shown Commitments shall not be made contingent upon or subject to the execution of any Agreement related to any other Competitive Offer or the acceptance of any other Non-Compensated Self-Shown Commitment.</p> <p>Submitting Documents:</p> <ul style="list-style-type: none"> <li>• All Non-Compensated Self-Shown Commitments for this RFO must be submitted electronically through Power Advocate.</li> </ul> <p>All Competitive Offers must be provided to PG&amp;E CPE by their applicable deadlines as specified in the schedules provided in the RFO. Competitive Offers shall not be made contingent upon or subject to the execution of any Agreement related to any other</p>  |

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|   | <p>Competitive Offer or the acceptance of any other Non-Compensated Self-Shown Commitment.</p> <p>Submitting Documents:</p> <ul style="list-style-type: none"> <li>All Competitive Offers for this RFO must be submitted electronically through Power Advocate.</li> </ul> <p>Prior to submitting a Competitive Offer, Participants must register with Power Advocate.</p> <p>Participants may only submit one Offer at a specific interconnection point within the Offer Form. Participants are able to submit a commitment/offer for the same resource through different processes as long as they do not submit the resource in the same delivery month. CPUC LSEs that submit Non-Compensated Self-Shown Commitments may not submit a Competitive Offer from that same resource in the same delivery month. CPUC LSEs that submit Competitive Offers for Compensated Self-Shown Commitments may not submit an alternative Competitive Offer for either Bundled RA or Bundled RA with Energy Settlement or a Non-Compensated Self-Shown Commitment from that same resource in the same delivery month.</p> <p>Within a Competitive Offer, Participants are allowed to submit multiple Offer Variations. Participants can vary the following Offer characteristics: product (Bundled RA or Bundled RA with Energy Settlement), price, delivery term, and quantity offered. For Non-Compensated Self-Shown Commitments, participants may only submit one Non-Compensated Self-Shown Commitment per resource.</p> |
| <p>Interconnection Requirements for New Resources</p> | <p>For Compensated Self-Shown Commitments for In-Front-of-the-Meter resources, participants must provide the status of the project's interconnection application, the status of the project's studies associated with the interconnection process, as well as all other electrical interconnection information requested in Appendix B.</p>   |

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|  | <p>For Competitive Offers for Bundled RA or Bundled RA with Energy Settlement, at the time of the Competitive Offer submittal, resources must have, at a minimum, a completed Phase I Interconnection Study report resulting from an interconnection request that demonstrates evidence of a construction schedule that can meet the proposed Initial Delivery Date.</p> <p>For both Compensated Self-Shown Commitments and Competitive Offers for Bundled RA or Bundled RA with Energy Settlement, participants must have Participating Transmission Operator (PTO) or Utility Distribution Company (UDC) documentation showing that the resource is expected to receive Deliverability Status sufficient to support the delivery of RA associated with their Competitive Offer, per the obligations of the corresponding agreement. Participants must remain active in the applicable interconnection queue until the resource's required network upgrades have been completed.</p> |
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#### 1.4 ISSUES ADDRESSED IN THIS REPORT

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This report addresses Merrimack Energy's assessment and conclusions regarding the following issues identified in the CPUC's IE Report Template:

1. Describe the role of the IE throughout the procurement process;
2. How did the IOU conduct outreach to bidders?
3. Was the procurement process robust?
4. Evaluated the administration of the procurement process, including the fairness of the investor-owned utility's ("IOUs") bid evaluation and selection process (i.e., quantitative and qualitative methodology used to evaluate and select offers, and consistency of evaluation and selection methods with criteria specified in the bid documents, etc.);
5. Describe PG&E's Least Cost Best Fit ("LCBF") methodology for evaluation offers. Was the LCBF process fairly administered? Evaluation the strengths and weaknesses of the IOU's methodology;
6. Describe the applicable project specific negotiation. Highlight any areas of concern including unique terms and conditions;
7. If applicable, describe safeguards, code of conduct and methodologies employed by the IOU to compare affiliate bids or utility-owned generation ownerships offers. If a utility selected an offer from an affiliate or an offer

- that would result in utility asset ownership, explain whether the IOU' selection of such offer was appropriate;
8. Do the contract(s) merit CPUC approval? Is the contract reasonably priced and does it reflect a functioning market?
  9. Based on the complete bid process, was the RFO acceptable?

## 2 DESCRIPTION OF THE ROLE OF THE IE

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### 2.1 REGULATORY REQUIREMENTS FOR THE IE

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The requirements for participation by an IE in utility solicitations are outlined in CPUC Decisions (“D”).04-12-048 (Findings of Fact 94-95, Ordering Paragraph 28), D.06-05-039 (Finding of Fact 20, Conclusion of Law 3, Ordering Paragraph 8) of the CPUC, D.09-06-050 and D.10-07-042.

The role of IEs in California IOU procurement processes has evolved over the past nineteen years. In D.04-12-048 (December 16, 2004), the CPUC required the use of an IE by investor-owned utilities (IOUs) in resource solicitations where there is an affiliated bidder or bidders, or where the utility proposed to build a project or where a bidder proposed to sell a project or build a project under a turnkey contract that would ultimately be owned by a utility. The CPUC generally endorsed the guidelines issued by the Federal Energy Regulatory Commission (“FERC”) for independent evaluation where an affiliate of the purchaser is a bidder in a competitive solicitation, but stated that the role of the IE would not be to make binding decisions on behalf of the utilities or administer the entire process.<sup>2</sup> Instead, the IE would be consulted by the IOU, along with the Procurement Review Group (“PRG”) on the design, administration, and evaluation aspects of the Request for Proposals (“RFP”). The Decision identifies the technical expertise and experience of the IE with regard to industry contracts, quantitative evaluation methodologies, power market derivatives, and other aspects of power project development. From a process standpoint, the IOU could contract directly with the IE, in consultation with its PRG, but the IE would coordinate with the Energy Division.

In D.06-05-039 (May 25, 2006), the CPUC required each IOU to employ an IE regarding all RFPs issued pursuant to the RPS, regardless of whether there are any utility-owned or affiliate-owned projects under consideration. This was extended to any long-term contract for new generation in D.06-07-029 (July 21, 2006). In

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<sup>2</sup> Decision 04-12-048 at 129-37. The FERC guidelines are set forth in Ameren Energy Generating Company, 108 FERC ¶ 61,081 (June 29, 2004).

addition, the CPUC directed the IE for each RFP to provide separate reports (a preliminary report with the shortlist and final reports with IOU advice letters to approve contracts) on the entire bid, solicitation, evaluation and selection process, with the reports submitted to the utility, PRG, and CPUC and made available to the public (subject to confidential treatment of protected information). The IE would also make periodic presentations regarding its findings to the utility and the utility's PRG consistent with preserving the independence of the IE by ensuring free and unfettered communication between the IE and the CPUC's Energy Division, and an open, fair, and transparent process that the PRG could confirm.

In 2007, the use of an IE was required for any competitive solicitation seeking products for a term of more than three months in D.07-12-052 (December 21, 2007). Also, the process for retaining IEs was modified substantially, with IOUs developing a pool of qualified IEs, subject to feedback and any recommendations from the IOU's PRG and the Energy Division, an internal review process for IE candidates, and final approval of IEs by the Energy Division.

In 2008, in D.08-11-008, the CPUC changed the minimum term requirement from three months to two years and reiterated that an IE must be utilized whenever an affiliate or utility bidder participates in the RFO, regardless of contract duration.

In D.09-06-050 issued on June 18, 2009 in Rulemaking 08-08-009, Order Instituting Rulemaking to Continue Implementation and Administration of California Renewable Portfolio Standard Program, the CPUC required that bilateral contracts should be reviewed according to the same processes and standards as contracts that come through a solicitation. This includes review by the utility's PRG and its IE, including a report filed by the IE.

In D.10-07-042 issued on July 29, 2010, the Commission reaffirmed the role of the IE and required the Energy Division to revise the IE Template to ensure that the IEs focus on their core responsibility of evaluating whether an IOU conducted a well-designed, fair, and transparent RFO for the purpose of obtaining the lowest market prices for ratepayers, taking into account many factors (e.g., project viability, transmission access, etc.).

This IE report is submitted in conformance with the above requirements.

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## 2.2 DESCRIPTION OF KEY IE ROLES

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The overall objective of the role of the IE is to ensure that the solicitation process is undertaken in a fair, consistent, unbiased, and objective manner and that the best resources are selected and acquired for the benefit of customers consistent

with the solicitation requirements. This role generally involves a detailed review and assessment of the evaluation process and the results of the quantitative and qualitative analysis.

In addition to the requirements identified in CPUC Orders, the Scope of Work included in the Contract Work Authorization ("CWA") between Merrimack Energy and PG&E clearly identifies the tasks to be performed by the IE. These include the following tasks:

- Advise on the consistency of solicitation activities with the CPUC's procurement-related rules and procedures and PG&E's Commission-approved procurement authority;
- Assist in the development, design, and review of the solicitation/procurement process, as applicable. Promptly submit any recommendations to PG&E and/or CPUC, consistent with the objective of ensuring a competitive, open and transparent process, and to ensure that the overall scope of the solicitation process is not unnecessarily broad or too narrow;
- Monitor all communications and/or negotiations between PG&E and counterparties, as required by the solicitation's objectives as outlined;
- Provide recommendations and reports, if required by PG&E and/or the CPUC, concerning the definition of products sought and price and non-price evaluation criteria; so that all aspects of the products are clearly understood, and all bidders may effectively respond to the solicitation, as applicable;
- Review the comprehensive quantitative and qualitative bid evaluation criteria and methodologies applied to any 2023 Central Procurement Entity Local RA Solicitation and assess whether these are applied to all bids in a fair and non-discriminatory manner. The Consultant will be provided access to PG&E's personnel, modeling tools, and meeting documentation in order to credibly evaluate the bid evaluation and selection processes;
- Report on the outcome of a solicitation using the appropriate CPUC-approved Independent Evaluator Report Template, which may be amended from time to time, for inclusion in any Advice Letter, Application, and/or Quarterly Compliance Report filings;
- Monitor the solicitation, bilateral negotiation and/or contract amendment processes and promptly submit recommendations to PG&E's management to ensure that no bidder has an information advantage and that all bidders or counterparties, if applicable, receive access to relevant communications in a non-discriminatory manner. This task may include monitoring contract negotiations and/or keeping apprised of negotiation status and major issues;

- Provide presentations to PG&E's management, the Procurement Review Group (PRG), and the CPUC Energy Division (ED), if requested, regarding the Consultant's findings or status. Communicate periodically with the Energy Division ("ED") as a check on the solicitation process;
- Provide a written assessment as to whether the solicitation process, bilateral negotiations and contract amendment processes were open, transparent and fair, and whether any bidder received material information that gave them a competitive advantage or disadvantage relative to other bidders;
- Provide a final written assessment as to whether or not PG&E's evaluation criteria and methodologies were reasonable and appropriate and were applied in a fair and non-discriminatory manner for all offers received;
- Prepare or assist in the preparation of direct and/or rebuttal testimony, and participate as a witness or in an advisory capacity during administrative hearings, as required, before the CPUC and/or FERC in any associated proceedings; and
- Perform other duties as may be further defined in subsequent relevant regulatory proceedings or required by PG&E's senior management.

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### 2.3 DESCRIPTION OF IE REQUIREMENTS PER CPE DECISION (D.20-06-002)

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The CPE Decision authorized an IE to monitor the CPE's solicitation process for local RA procurement, as well as the contract execution process. The IE selected for the CPE process is required to prepare a report to be submitted on an annual basis to the Commission, which will assess (1) the neutrality of the procurement process; (2) any market power or aggregate pricing concerns; (3) procurement of preferred resources (e.g., on what basis preferred resources were not selected); (4) consideration of disadvantaged communities (DACs) in the procurement process (e.g., whether factors led to the selection of any conventional generation in DACs); and (5) other relevant issues. In order to reduce potential long-term procurement of gas, the IE report shall include an explanation of the basis for any fossil fuel procurement for any contract that exceeds the minimum multi-year local requirements.

The CPE Decision also required the IE report to monitor the CPE's solicitation and contract execution process. The IE report shall also provide its perspective on the CPE's deferral.<sup>3</sup> The CPUC indicated that it did not intend to allow the CPE to rely

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<sup>3</sup> On page 67 of the CPUC CPE Decision, the Commission stated "it supports Energy Division's proposal to give the CPE discretion to defer procurement of a local resource to the CAISO's backstop mechanisms, rather than through the solicitation process, if bid costs are deemed unreasonably high. The Commission finds this to be a reasonable exercise of discretion

on CAISO backstop mechanisms to supplant the central procurement process but instead seeks to minimize backstop procurement while also mitigating market power.

The IE shall also brief the Cost Allocation Mechanism Procurement Review Group ("PRG") in meetings on the procurement process and concerns related to neutrality, market power, pricing, disadvantaged communities, or other relevant concerns.

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## 2.4 DESCRIPTION OF IE OVERSIGHT ACTIVITIES

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As noted, Merrimack Energy was retained as the IE by PG&E CPE in February, 2023. In performing its oversight and evaluation role, the IE participated in and undertook a number of activities in connection with the PG&E CPE solicitation process including reviewing and commenting on the Code of Conduct, Solicitation Protocol and associated documents, including Offer Forms and Supplemental Resource information, Internal Evaluation Protocols for the Quantitative and Qualitative criteria, participating in the Participants Webinar, participating in calls with Participants throughout the solicitation process, participate in all seven PRG CAM meetings and presented comments at the meetings, downloaded, reviewed and summarized offers received, participating in discussions with PG&E CPE and monitored discussions between PG&E CPE and Participants after offer submission to assess whether the Bidders qualified for the process, reviewed the evaluation results for quantitative and qualitative factors for each offer, participated in contract negotiations with selected counterparties, and prepared a final report on the PG&E CPE solicitation process.

This report provides an assessment and review of PG&E's 2023 Central Procurement Entity Local Resource Adequacy Request for Offers from initiation of the CPE process through execution of the final Agreements. The role of the IE is also discussed as it pertains to specific activities in Section IV of this report.

## 3 DESCRIPTION OF CPE'S OUTREACH ACTIVITIES AND ROBUSTNESS OF SOLICITATION

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particularly in light of the other oversight mechanisms adopted in this decision. In the event that the CPE defers to backstop procurement, the Commission requires the CPE to provide, through its annual compliance report, the reasons for the deferral to backstop procurement, the prices offered in the solicitation, which generators did not participate in the solicitation (if any), and other relevant information. The IE report shall also provide its perspective on the CPE's deferral."

This section of the Report focuses on the adequacy of outreach activities of PG&E CPE and the robustness of the response of bidders with regard to the procurement process.

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### 3.1 DESCRIPTION OF IOU OUTREACH TO POTENTIAL BIDDERS

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Outreach activities are important to the success of any competitive procurement process. PG&E CPE's outreach efforts targeted a large number of potential Participants based on PG&E's contact lists of energy companies and individuals. These efforts likely played a role in the reasonably robust response<sup>4</sup> to the procurement process in terms of number of Participants and specific offers or projects.

PG&E maintains a detailed list of potential Participants with over 2,200 contacts that serves as the database for Seller contact and outreach. PG&E CPE sent emails to all potential Participants on this list informing them of the launch of the 2023 PG&E CPE Local RA RFO. The list includes Diverse Suppliers.

PG&E CPE initiated a comprehensive process for communicating with bidders for the 2023 PG&E CPE Local RA RFO process. Prior to launching the solicitation, the PG&E CPE team contacted over thirty potential participants to conduct market outreach, discuss changes in this RFO cycle, and solicit market feedback. These meetings were helpful in getting some insight into potential participation and barriers to participation. Some of the major take-aways from these meetings included:

- There will be limited capacity to offer, especially for 2024, as it has already been contracted for, either with CPE or elsewhere. Some market participants stated they can better optimize their portfolio of Local RA assets through bilateral markets;
- Some counterparties believe transacting with the CPE results in less lucrative options compared to transacting bilaterally in the market;
- LSEs believe that current rules regarding self-shown resources are too restrictive. LSEs would like to maintain portfolio flexibility with a resource even after it is self-shown to the CPE;
- Some CPUC LSE's had concerns over the implementation of Slice of Day and potential impact to the CPE procurement processes;
- DR Providers are hesitant to contract beyond the prompt year because of their uncertainty regarding NQC changes.

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<sup>4</sup> See Table 16 of this report for a total of the NQC of the capacity located in each Local Area within PG&E's distribution system and the amount of capacity actually offered for August 2024 to get a perspective of the amount of capacity bid relative to the amount available.

PG&E CPE utilized the PowerAdvocate Platform as the means for Participants to submit their offers or as a repository of offers. In addition, PG&E CPE also established a section on its public website for distribution of information to prospective Participants and other interested parties early on to notify Participants of the PG&E CPE procurement process and RFO launch. The website contained Offer Forms, Agreements, and other forms or information required from bidders to ensure a complete proposal. The public website also included contact information for PG&E CPE should prospective Participants wish to ask any questions or request follow-up information.

PG&E CPE's public website for the 2023 CPE Local RA RFO was developed to provide all information Participants required. The following documents and information were included on the public website for Participant review and utilization:

- 2023 PG&E CPE Local RA RFO – Solicitation Protocol;
- CPUC Decisions (D.20-06-002, D. 20-12-006, and D.22-03-034);
- Expected Schedule for solicitation;
- PG&E CPE Offer Form Guide – Appendix A1, A2, & Census Tract-CalEnviroScreen-Pollution Burden;
- Appendix A1 – Offer Form - Compensated Self-Shown Commitment;
- Appendix A2 – Offer Form – Bundled RA and Bundled RA with Energy Settlement;
- Appendix B1 – Supplemental Resource Information;
- Appendix B2 – Supplemental Counterparty Financial Information;
- Appendix C – FERC Order 717;
- Appendix D – Confidentiality Agreement;
- Appendix E1 – Compensated Self-Shown Commitment Agreement;
- Appendix E2 – Resource Adequacy Agreement for Owner of Existing Resources;
- Appendix E3 – Resource Adequacy Agreement for Owner of New Resource;
- Appendix E4 – Resource Adequacy Agreement for Non-Owner of Existing Resource;
- Appendix E5 – Resource Adequacy Agreement for Non-Owner of New Resource;
- Appendix E6 – PG&E CPE EEI Master Power Purchase and Sale Agreement Cover Sheet;
- Appendix E7 – PG&E CPE EEI Paragraph 10 to the Collateral Annex;
- Appendix E8 – PG&E CPE Local RA Confirmation Letter;
- Appendix F1 – Non-Compensated Self-Shown Commitment Form;
- Appendix F2 – Compensated Self-Shown Commitment Form;
- Appendix F3 – Default to Self-Shown Commitment Form;

- 2023 PG&E CPE Local RA RFO General Q&A;
- CPUC List of Pre-Determined Prices for LCR RCM;
- PowerAdvocate Instructions;
- 2023 CPE Local RA RFO Participants Webinar Presentation, Transcript, and Webinar Audio;
- Contact Information.

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### 3.2 IDENTIFY PRINCIPLES USED TO DETERMINE ADEQUATE ROBUSTNESS OF A PROCUREMENT PROCESS

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With regard to assessing whether the response to the procurement process was adequately robust, there are several criteria to consider:

- Was the response to the procurement process commensurate with the level of outreach?
- Did the procurement process encourage a diverse response from Participants in terms of products requested, project structure, pricing options, etc.?
- Was the response large with respect to the number of proposals and megawatts ("MW") offered relative to the amount requested?
- Was the process a competitive process based on the amount of MW submitted by Bidders relative to the number of MW requested?
- Were the procurement process documents clear and concise such that Participants could clearly assess how to structure a competitive offer?

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### 3.3 DID THE IOU CONDUCT ADEQUATE OUTREACH?

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There are several criteria generally applied for assessing the performance of the utility in its outreach and marketing activities:

- Did the utility contact a large number of prospective Participants?
- Were the utility's outreach efforts active or passive?
- Did the utility adequately market the procurement process?
- Could prospective bidders easily access information about the procurement process?
- Did any prospective bidders complain about the process or access to information?

As noted above, PG&E CPE contacted a large number of prospective Participants to inform them of the issuance of the 2023 PG&E CPE Local RA RFO. The outreach activities of PG&E CPE can be classified as very "active" given that emails about the 2023 PG&E CPE RA RFO were directly sent to PG&E's substantial

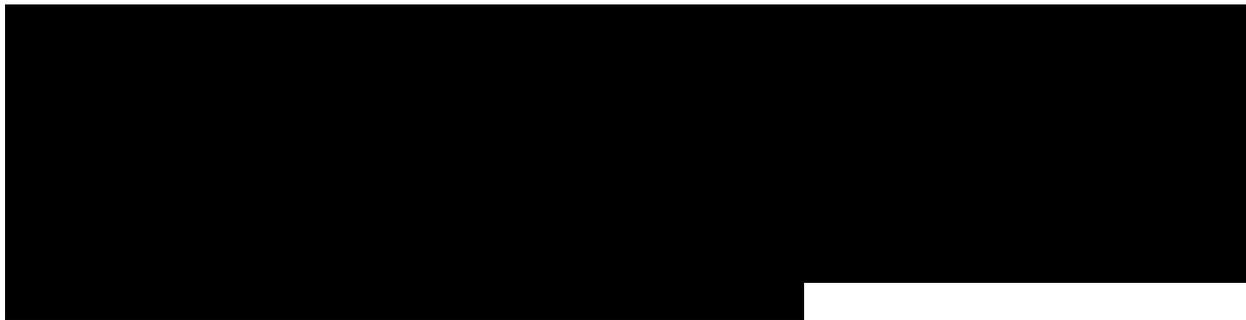
list of prospective Participants. In addition to conducting the standard Participants Webinar to provide information on the solicitation process, and to allow the Participants to ask questions and seek information about the process, PG&E also held calls with over a two dozen potential participants to solicit feedback prior to receipt of offers. PG&E CPE also engaged with bidders throughout the solicitation process to request information from bidders and to interact with bidders regarding bidder input.

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### 3.4 WAS THE SOLICITATION ADEQUATELY ROBUST?

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While PG&E CPE conducted extensive outreach to the market, the response in the 2023 CPE RFO was not as robust as the 2022 CPE RFO. Offers were received from a range of eligible Participants who offered proposals for all products requested.



In conclusion, while there was a less robust response of the market to PG&E CPE's third procurement process, PG&E CPE's outreach activities were more than adequate.

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### 3.5 DID THE IOU SEEK FEEDBACK ABOUT THE BID EVALUATION PROCESS FROM ALL BIDDERS AFTER THE SOLICITATION WAS COMPLETE?

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In terms of seeking feedback from Participants, PG&E submitted a survey to all market Participants on PG&E's distribution list seeking their feedback on September 7, 2022. In addition, CPE engaged with roughly thirty potential participants prior to the launch of the solicitation to solicit feedback. Overall, the potential participants were pleased with the changes being implemented in this cycle of the CPE Local RA RFO.

PG&E's CPE project team members were involved in regular communications with prospective Participants, before and after offer submission. After offer submission, PG&E CPE engaged all Participants with regard to clarifying and updating offer information submitted for purposes of qualifying Participants for the

RFO process, discussions regarding the specifics of the offers submitted shortly after submission, and follow-up discussions with Participants regarding the contracting process, and completion of contracts for those Participants selected for final contract execution. Much of the above communications involved teleconference communications as well as email exchanges. The IE participated in most of the calls with Participants and reviewed email exchanges on a regular basis. In cases where the IE was not able to participate in calls with Participants, PG&E CPE team members provided the IE notes from the calls with Participants.

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### 3.6 WAS THE OUTREACH SUFFICIENT AND MATERIALS CLEAR SUCH THAT THE BIDS RECEIVED MET THE NEEDS OF THE PROCUREMENT?

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PG&E CPE prepared initial versions of the Protocol Document and Form Agreements, and also provided updated documents, such as the Protocol and Offer Forms, on the website. The updated documents reflected the redline changes made to the documents. In addition, to assist Participants in completing the Offer Forms, during the Participants Webinar, PG&E CPE provided an overview of the Offer Forms and the required data entries. PG&E CPE sought comments from Participants with regard to the Agreements after submission and made revisions to the agreements prior to initiating the contract negotiation process. Throughout the solicitation process, PG&E CPE actively engaged all Participants to assist Participants to be qualified to continue in the process. PG&E CPE was successful in ensuring that Participants were qualified to compete in the process.

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### 3.7 ANY OTHER RELEVANT INFORMATION OR OBSERVATIONS

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There are no additional observations.

## 4 DESCRIPTION OF BID EVALUATION AND SELECTION METHODOLOGY

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### 4.1 PROCUREMENT FRAMEWORK FOR PG&E CPE LOCAL RA RFO

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The Solicitation Protocol for the 2023 PG&E CPE Local RA RFO states that PG&E CPE will evaluate each Competitive Offer and each Compensated Self-Shown Commitment to determine if it is a qualified offer. The evaluation procedure protocol describes how each offer (competitive offers and compensated self-shown commitments) will be deemed qualified. The Solicitation Protocol also states that PG&E CPE will evaluate each Qualified Competitive Offer using both quantitative and qualitative criteria.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- Safety (Technology)
- Engineering, Procurement, & Construction (“EPC”)
- BTM Resource Status (customer acquisition plans and development experience)
- Permitting and Environmental Characteristics
- Site Control Status
- Electric Interconnection Status
- Gas Interconnection Status
- Credit
- Previous experience with counterparty
- Operational characteristics of the resources (flexibility and facility type)
- Location of the facility with consideration for environmental justice
- Costs of potential procurement alternative
- Costs of potential transmission alternative
- GHG Adders
- Energy-use limitations
- Procurement of preferred resources and energy storage
- Type of resource with respect to the loading order contained in the EAP issued on May 8, 2003

[REDACTED]

[REDACTED]

- Future needs in local and sub-local areas
- Portfolio Effectiveness
- Resource costs
- Portfolio diversity

[REDACTED]

Prior to submission of offers, PG&E CPE prepared a qualitative evaluation protocol document [REDACTED]

[REDACTED]

The IE worked closely with PG&E CPE to prepare the qualitative evaluation protocol and the factors that would be considered in the scoring process. The IE suggested that the criteria and factors should be developed as objective criteria if possible.

Competitive Offers are also evaluated from a quantitative perspective. A Net Market Value (NMV) assessment would be performed on all qualified competitive offers [REDACTED]

[REDACTED]

In the solicitation process, a Participant submits an Offer detailing the costs and operational characteristics of the energy generation facility or Project. For each Offer, NMV is calculated based on the summation of several components as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

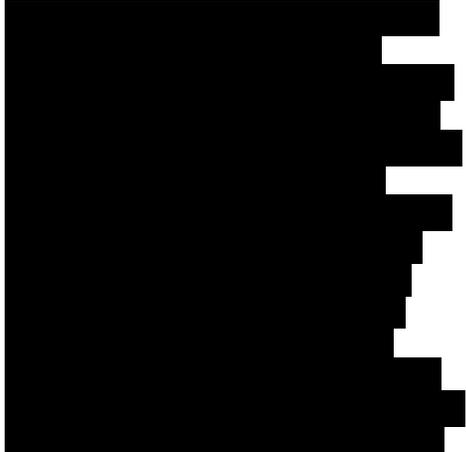
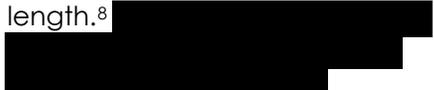
An [REDACTED] market price curve was used for the initial assessment of System RA and Flex value. Valuations may be refreshed with later curves during the negotiation process.

[REDACTED]

Table 5 below provides a summary of the NMV components for each agreement type along with a description of how the various components are applied.

Table 5: Valuation Summary by Agreement Type

| Resource/Contract Type                | Components | Explanation   |
|---------------------------------------|------------|---|
| Self-Shown Local RA – Non-Compensated | [REDACTED] | <p>All resources providing Local RA in any Non-Compensated Self-Shown Commitments must provide RA within the PG&amp;E Local Capacity Areas. Participants must attest that that all Resources included in any Non-Compensated Self-Shown Commitments meet the applicable requirements set forth in the PG&amp;E CPE Self-Shown Attestation in Appendix F1 (Non-Compensated Self-Shown Commitment Form) and detailed below:</p> <ul style="list-style-type: none"> <li><b>a)</b> The LSE has the capacity rights to the Resource Adequacy (RA) resource for the period it is self-showing; and</li> <li><b>b)</b> The LSE intends to self-show the RA resource on annual and</li> </ul> |

|  |   |  |
|--|---|--|
|  |   | <p>monthly RA plans to satisfy its system and/or flexible RA needs</p> <p>Participants submitting Non-Compensated Self-Shown Commitments must be CPUC-Jurisdictional Load Serving Entities. Shown Term for Non-Compensated Self-Shown Commitments may not commence prior to the 2024 RA compliance period on 1/1/2024 and may not extend beyond the 2026 RA compliance period on 12/31/2026.</p>   |
| <p>Compensated Self-Shown Local RA</p>           |    | <p>Must commence on the later of (1) the start of the term of the underlying contract for the resource, or for UOG the beginning of the useful life for that resource, and (2) the beginning of the 2024 RA compliance period on 1/1/2024.</p> <p>Must end on the earlier of (1) the end term of the underlying contract, or for UOG the end of the resource's useful life, and (2) the end of the 2026 RA compliance period on 12/31/2026.</p>  |
| <p>Compensated Offered Resource – Bundled RA</p> |  | <p>Delivery term must be a minimum of one month with no maximum term length.<sup>8</sup></p>   |

<sup>8</sup> CPE states a preference of Delivery Terms between one and sixty months.

|   |            |  |
|---|------------|--|
|   |            | [REDACTED]   |
| Compensated Offered Resources – Bundled RA with Energy Settlement | [REDACTED] | Delivery term must be a minimum of one month with no maximum term length. [REDACTED] |

**Valuation Components**

The following sections describe in more detail how the costs and benefit values of each component are included for each Agreement type.

[REDACTED]

**Input Assumptions**

An important aspect of the offer evaluation process is the development of input assumptions to use in the evaluation of the Participant's pricing formulas and other evaluation parameters. The key input prices for the evaluation include [REDACTED]

[REDACTED] This includes the following components:

- [REDACTED]

## Selection Process

In the selection of the Offers, 

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### 4.2 EVALUATION OF THE STRENGTHS & WEAKNESSES OF CPE'S EVALUATION METHODOLOGY

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PG&E CPE has implemented a Least Cost Best Fit evaluation methodology for evaluating the eligible offers received in response to the 2023 PG&E CPE Local RA RFO. PG&E CPE has identified specified quantitative evaluation methodologies to calculate the energy value of each resource. PG&E CPE's methodology is based on comparing cost and benefit components associated with each resource type. PG&E CPE also combines quantitative and qualitative factors to assess and inform selection of the various resources qualified.

#### 4.2.1 STRENGTHS OF THE EVALUATION AND RANKING METHODOLOGY

The following represents the IEs perspective regarding the strengths associated with the evaluation and ranking methodology implemented by PG&E CPE for the 2023 Local RA RFO solicitation process which is primarily seeking Local RA capacity. These include:

- The methodology used by PG&E CPE takes into consideration all reasonable costs and benefits associated with the various types of offers, project structures, and contract structures;
- The overall evaluation methodology is capable of effectively and consistently evaluating a range of different types of resources, project structures with different terms, product sizes, and operating parameters. The

IE does not view the methodology as having a bias toward any product submitted into this procurement process;

- PG&E CPE uses consistent input assumptions for undertaking the evaluation of all offers;
- PG&E CPE's Offer Forms were generally transparent and interactive with drop down menus for a number of fields. However, while most Participants were able to utilize the Offer Form on which to submit their offers, PG&E CPE was required to request updated offer forms from a few Participants who had errors or missing information in their offer forms.

#### 4.2.2 WEAKNESSES OF THE EVALUATION AND RANKING METHODOLOGY

Based on the proposed evaluation methodology for this procurement process, Merrimack Energy has raised one potential weakness for this solicitation:

█ [REDACTED]

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#### 4.3 FUTURE LCBF IMPROVEMENTS

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Merrimack Energy has provided additional recommendations for future improvements in the evaluation and selection process in the Conclusions section of this report.

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#### 4.4 REVISIONS TO BID EVALUATION CRITERIA

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The CPUC IE Report Template requests the IE to address whether the bid evaluation criteria changed after the bids were received and to explain the rationale for the changes. For this procurement process, PG&E CPE proposed to utilize a Least Cost Best Fit process [REDACTED]

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#### 4.5 ADDITIONAL INFORMATION OR OBSERVATIONS REGARDING CPE'S EVALUATION METHODOLOGY

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No additional information or observations are provided.

## 5 ADMINISTRATION OF THE CPE LOCAL RA RFO SOLICITATION PROCESS

In performing its oversight role, the IE participated in and undertook a number of activities in connection with the 2023 PG&E CPE Local RA RFO including:

- Reviewing and commenting on the CPE Code of Conduct<sup>9</sup>
- Reviewing and commenting on the Protocol documents for the Local RA RFO process
- Participating in frequent conference calls with the PG&E CPE project team
- Participating in the Participants Webinar
- Participating in discussions on the offer valuation methodology and selection process
- Organizing and summarizing the offers received
- Reviewing and commenting on the evaluation and selection process and results at each step of the process
- Participating in calls with bidders throughout the evaluation, selection and negotiation processes.

Throughout the process, PG&E's CPE team kept the IE actively informed and involved in the solicitation process, including holding weekly status meetings throughout the solicitation process.

A list of the key milestone events which occurred during the solicitation process as well as the activities of the IE during the procurement process consistent with the important activities and milestones are described below.

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### 5.1 CODE OF CONDUCT

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CPE Decision (D.20-006-002) Ordering Paragraphs 24 and 25 identify the requirements for the CPE to establish procedures to govern how confidential information should be handled and also establishes the requirements for the CPE to develop a strict Code of Conduct.

Ordering Paragraph 24 states: "The central procurement entity (CPE) shall establish a rule or procedure that will govern how confidential, market-sensitive information received from third-party market participants during the solicitation process will be protected and what firewall safeguards will be implemented to prevent the sharing of information beyond those employees involved in the

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<sup>9</sup> PG&E CPE and Merrimack Energy had initial discussions regarding the development of the Code of Conduct as a first step in the PG&E CPE process in November 2020.

solicitation and procurement process. As guidance to develop the rule or procedure, the CPE may use the competitive neutrality rules adopted in Decision 13-02-029.”

Additionally, Ordering Paragraph 25 states: “The central procurement entity (CPE), in collaboration with the independent evaluator, Cost Allocation Mechanism Procurement Review Group, and Energy Division, shall create a strict code of conduct, similar to that adopted in Decision 07-12-052,<sup>10</sup> that prevents the sharing of confidential, market-sensitive information beyond those employees involved in the solicitation and procurement process. Personnel employed by the PG&E CPE and involved in the solicitation and procurement process (including management and officers) shall sign the code of conduct as a precondition to engaging in the central solicitation and procurement process.”

The initial task undertaken by Merrimack Energy as IE was to review and comment on the Code of Conduct. PG&E CPE provided the initial draft of the Code of Conduct to the IE in December, 2021. PG&E CPE noted that in establishing the CPE, one of the benefits of having PG&E act as the CPE is to take advantage of PG&E's resources, knowledge, and the procurement experience to take on this task effectively and efficiently. PG&E CPE also recognized the need to avoid conflicts of interest that could be perceived to favor PG&E's resources in PG&E CPE procurement activities. To meet these requirements, the confidentiality protocol developed by PG&E CPE as part of the Code of Conduct establishes a one-way flow of information from other PG&E organizations to the PG&E CPE during the period of time prior to launching the PG&E CPE RFO.

The key topic areas included in PG&E CPE's Code of Conduct included the following:

- Identification of categories of employees, contractors and consultants affected;
- Definition of confidential PG&E CPE information;
- Restrictions on information access and use;
- Non-discrimination requirements for offer evaluation and limitations on use of confidential PG&E CPE information;
- Protection of confidential information;
- Transfers between PG&E CPE and non-CPE positions;
- Treatment of violations of the Code of Conduct
- Inclusion of an organizational chart for the PG&E CPE organization.

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<sup>10</sup> Decision 07-12-052 requires that as a precondition for conducting an RFO in which offers resulting in partially or wholly utility-owned projects compete against third-party offers, a utility must adopt a Code of Conduct to prevent the sharing of sensitive information between staff involved in developing offers for utility-owned projects and staff who evaluate and select the winning offers.

Since the 2023 Code of Conduct was essentially the same as the Code of Conduct implemented for the 2022 CPE RFO, Merrimack Energy did not have any further comments or suggested edits. Merrimack Energy did provide a number of comments to PG&E CPE for the initial development and implementation of the Code of Conduct associated with the 2021 PG&E CPE process.

The Code of Conduct includes requirements identified in the CPE Decision (D.20-06-002), describes the definition of CPE confidential information, describes the categories of personnel including the roles of personnel groups and access to confidential information, and the summarizes the organizational chart for the PG&E CPE within the procurement function at PG&E. PG&E CPE provided the most recent CPE Code of Conduct document and associated training slide deck to Merrimack in March, 2023.

Section 7 of this report provides additional details with regard to the structure and implementation of the Code of Conduct during this solicitation.

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## 5.2 LOCAL RA RFO SOLICITATION PROTOCOL & RELATED DOCUMENTS

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The next major step in the solicitation process was the development of the 2023 PG&E Central Procurement Entity Local Resource Adequacy Request for Offers Solicitation Protocol ("Local RA RFO Solicitation Protocol"), which is designed to identify the requirements for the RFO, including a description of the products solicited, eligibility requirements, evaluation criteria, evaluation and selection process, information required for each proposal type, contractual requirements, solicitation schedule, credit information and general information to assist bidders in submitting a complete proposal. The Protocol Document also contained a number of Appendices, as listed in Section III of this report.

PG&E CPE provided the initial draft of the 2023 PG&E CPE Local RA Solicitation Protocol to the IE in early March 2023. The IE reviewed the Protocol document and provided comments to PG&E CPE. The parties discussed the comments and PG&E CPE provided an updated draft Protocol document to the IE. Merrimack Energy reviewed and commented on two drafts of the Protocol document prior to completion of the document. In addition to the Solicitation Protocol, the IE reviewed and commented on the Offer Forms. The Offer Forms were designed to provide a consistent format for information to be provided about offer information for evaluation purposes such as project pricing, monthly volumes offered, other project specific information, bidder contact information, and status of key project aspects such as interconnection. The information provided in the Offer Forms was primarily used for the quantitative evaluation of the offers.

A summary of the 2023 PG&E CPE Local RA RFO Solicitation Protocol requirements is included in Section 1.3 of this report.

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### 5.3 CAM PRG MEETING – FEBRUARY 28, 2023

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PG&E's CPE team provided a presentation to the CAM PRG on February 28, 2023 to provide an overview of the structure and process changes with PG&E CPE's upcoming 2023 solicitation as well as the evaluation framework for the solicitation. The PG&E CPE team stated that the goal of the PG&E CPE solicitation was to seek new and existing local resource capacity that can provide RA in PG&E Local Areas. The PG&E CPE team noted that for the 2023 PG&E CPE solicitation, PG&E CPE is required to procure or obtain Self-Shown commitments for 100% of the CPUC 2024 and 2025 local RA requirements in PG&E's distribution service area. PG&E CPE is also required to procure or obtain 50% of the CPUC 2026 local RA requirements.

In the CAM/PRG meeting, PG&E CPE focused on describing the key changes in this third cycle of the CPE RFO, including the implementation of a two-track process to separate the qualification process, negotiations, and execution timelines as well as utilization of an EEI Standard RA Confirm under which some market participants may prefer contracting.

PG&E CPE noted that Track 1 will prioritize negotiations for offers that include 2024 RA delivery with an execution deadline by the end of June, 2023. Track 2 will prioritize negotiations for all remaining qualified offers with an execution deadline by early August.

PG&E CPE also provided an overview of the RFO schedule, CPE's current position in each local area, the CPE procurement process, resource minimum eligibility requirements, evaluation process and procedures, and Code of Conduct updates and policies.

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### 5.4 WEBSITE FOR THE RFO

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PG&E CPE used two websites for the RFO. PG&E CPE maintained a webpage on its website devoted to the 2023 PG&E CPE Local RA RFO. The website contained information to assist bidders on the front-end of the solicitation process including RFO documents, Q&As, regulatory decisions pertaining to the PG&E CPE requirements, solicitation schedule<sup>11</sup> and other information to assist the bidders.

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<sup>11</sup> A solicitation schedule was provided for the Non-Compensated Self-Shown Commitment Process and for the Competitive Offer Process.

The webpage was activated around the time the RFO was issued on March 22, 2023. Specifically, the webpage included the following information:

- Applicable Regulatory Decisions
- Schedules
- PG&E CPE Local RA Solicitation Protocol and Appendices
- 2023 PG&E CPE Local RA RFO General Q&A
- CPUC List of Pre-Determined Prices for LCR RCM
- PowerAdvocate Registration Information and Offer Submittal
- Participants Webinars
- 2023 PG&E CPE Local RA RFO Participants Webinar Presentation
- Participants Webinar Transcript
- Participants Webinar Audio
- Contact Information

PG&E CPE also utilized the PowerAdvocate Platform, which was used as a repository for the bidders to submit their proposals. The Events on the PowerAdvocate website for bidders to submit their offers were separated by product and resource type. As a result, bidders had to submit their offers to the appropriate Event based on the resources they were bidding. The three Events included: (1) Non-Compensated Self-Shown Resources; (2) Competitive offers from the PG&E Participant; (3) Competitive Offers from all non-PG&E Participants. Since competitive offers from the PG&E Participant were due earlier than other competitive offers and since non-compensated self-shown resources and competitive resources were submitted at different times, the application of different events ensured there was no risk of a bidder gaining any access to data on competitors before their offers were due.

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## 5.5 ISSUANCE OF THE RFO

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The RFO was issued as scheduled on March 22, 2023. There was one revision made to documents after the initial issuance which revised the expected date for execution of agreements in Track 1 from end of June to Mid-July. PG&E CPE did distribute multiple email blasts to provide reminders of the solicitation schedule and resources for potential participants.

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## 5.6 PARTICIPANT'S WEBINAR

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PG&E CPE held its CPE Local RA RFO Participants Webinar on March 30, 2023. The IE called into and monitored the Webinar. Topics addressed at the Webinar included:

- Overview of the role of PG&E CPE as the Central Procurement Entity;
- Changes to the 2023 CPE RFO solicitation;

- Solicitation schedule;
- Role of the Independent Evaluator;
- PG&E 2023 CPE local RA RFO goal
- Solicitation structure including product overview and eligibility;
- Resource eligibility requirements;
- CPE Commitment & Procurement Processes;
- Overview of each of the Agreement Types;
- Credit / Collateral requirements;
- Self-Show Attestation Overview
- Offer Form Instructions;
- Description of Commitment or Competitive Offer Submittal;
- Overview of CPUC D.20-06-002, D.20-12-006 D.22-03-034;
- Communications and website.

The Webinar included a walk-through of the Offer forms for the various agreement types. Instructions included form selection, operational characteristics, NQC, etc.

After the PG&E CPE team walked through the presentation, prospective bidders and others had an opportunity to prepare questions during the intermission. A Question and Answer process followed. A total of approximately thirty-three (33) non-PG&E CPE or Merrimack individuals representing roughly nineteen companies attended the Participants Webinar.

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## 5.7 QUESTIONS & ANSWERS POSTED FOR BIDDERS

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PG&E CPE uploaded the initial Q&A document on April 6, 2023. As questions were received from counterparties, PG&E CPE uploaded a revised version of the Q&A document. On April 20, 2023 PG&E CPE uploaded the final Q&A document, which provided responses to a total of eleven (11) questions from prospective bidders including nine (9) general RFO questions and two (2) Offer Form questions. The Q&As were posted to PG&E's CPE website under the link 2023 CPE Local RA RFO General Q&A. The Questions and Answers are included as Appendix A to this report.

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## 5.8 REVIEW OF INTERNAL EVALUATION PROTOCOLS (QUANTITATIVE & QUALITATIVE) AND EVALUATION PROCEDURES

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On August 18, 2023, the IE received the final overall evaluation procedures for the Competitive Offer process and the Non-Compensated Self-Shown commitment process for the 2023 PG&E CPE Local RA RFO solicitation process. While in the past the IE was provided draft versions of the internal quantitative and qualitative

evaluation protocols in order to provide comments prior to receipt of offers, the IE was not provided these documents for review in the 2023 CPE RA process.

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**5.9 RECEIPT OF OFFERS – APRIL 18, 2023 THROUGH APRIL 26, 2023**

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As noted previously, the offers were submitted in tranches based on the product type. The deadline for CPUC LSEs to submit Non-Compensated Self-Shown Offers was April 18, 2023. The deadline for the PG&E Participant to submit competitive offers was April 25, 2023, while the deadline for non-PG&E Participants to submit competitive offers was April 26, 2023. The requirement for the PG&E Participant to submit offers one-day in advance of third-party compensated offers was to ensure there was no opportunity for the PG&E Participant to have any competitive information about the market prior to submitting their offers.

[REDACTED]

[REDACTED]

Table 6 below provides a list of the Participants, offers submitted and August 2024 through 2026 MW offered.<sup>12</sup>

Table 6: Non-Compensated and Compensated Self-Shown Resources

| Participant | August 2024<br>MW | August 2025<br>MW | August 2026<br>MW |
|-------------|-------------------|-------------------|-------------------|
| [REDACTED]  |                   |                   |                   |

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<sup>12</sup> Merrimack Energy uses August data frequently throughout the report for comparison purposes since August is a key peak summer month for resource demand and supply assessment. While the focus in the report is on August capacity and requirements, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Table 7 below identifies the local areas in the PG&E system in which the Non-Compensated Self-Shown commitments submitted are located.

Table 7: Summary of Non-Compensated Self-Shown Commitments Submitted by Local Area

| Local Area | August<br>2024 MW | August<br>2025 MW | August<br>2026 MW |
|------------|-------------------|-------------------|-------------------|
| [REDACTED] |                   |                   |                   |

After submission of the Self-Shown commitments, PG&E CPE began to review the offers for completeness to assess eligibility prior to acceptance of the commitment.

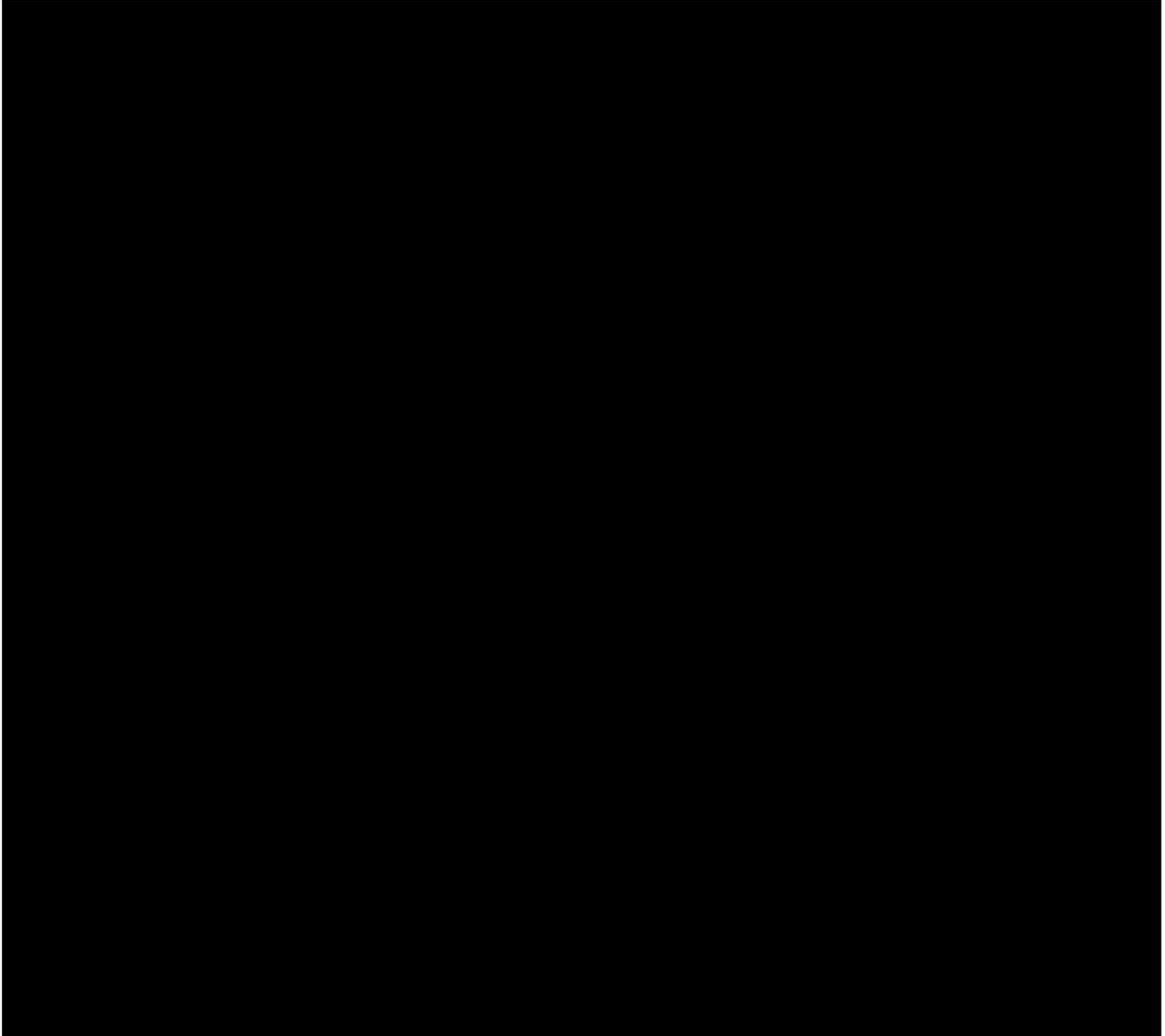
[REDACTED]

All Competitive offers were submitted as required. [REDACTED]

Table 8: List of Competitive Offers Submitted<sup>14</sup>

| Participant | Resource Name | Capacity (MW) | Local Area | Sublocal Area | Track | IDD Year | Aug MW Incl? | New? |
|-------------|---------------|---------------|------------|---------------|-------|----------|--------------|------|
| [REDACTED]  |               |               |            |               |       |          |              |      |

[REDACTED]



For the competitive offers, PG&E CPE began to review the offers for completeness to assess if offers qualify to move forward to the next stage of the process. PG&E CPE reviewed the offers for missing or incomplete information and engaged the Participants to identify the information required. After initial review, PG&E CPE noted that many Participants required some level of follow-up (e.g., missing information/documents, clarification about their offer). PG&E CPE sent out emails to each Participant detailing the specific missing/incomplete information and requested that the information should be updated within two days. In addition, PG&E CPE initiated calls with the Participants to discuss their offer status and the next steps in the process.

During May and June, 2023, PG&E CPE conducted an initial review of all the offers submitted and held calls with all Participants to get a better understanding of the offers. PG&E CPE also began to engage with the Participants about contract redlines and contract issues during the meetings. The IE attended most of the meetings with the Participants. In cases when the IE was not able to attend, PG&E CPE team members engaged in the calls with Participants prepared a summary of the call and provided the summary to the IE. [REDACTED]

[REDACTED] PG&E CPE would notify Participants in mid-May if their offers were qualified. If the offers are deemed qualified, the parties would move into the negotiation phase with a target date of mid-July for Track 1 offers and early August for Track 2 contracts. PG&E CPE is required to file its multi-year local RA compliance showing for 2024-2026 with the CPUC in mid-August of each year.

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### 5.10 CAM PRG MEETING – MAY 16, 2023

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A CAM PRG meeting was held on May 16, 2023. [REDACTED]

PG&E CPE first presented several tables summarizing the amount of capacity offered by Local Area by year for the compliance periods 2024 – 2026 from all resource options submitted as well as an overview of the price range by Local Area. [REDACTED]

Table 9: PG&E CPE Summary of Offers Submitted by Local Area<sup>15</sup>

|  | 2024 | 2025 | 2026 |
|--|------|------|------|
|--|------|------|------|

<sup>15</sup> The total MWs Offered by local area includes both Non-Compensated Self-Shown Capacity as well as Competitively Offered Capacity and purchased capacity from previous solicitations. The Non-Compensated Self-Shown capacity includes all non-compensated self-shown capacity from PG&E CPE's three RFO cycles.

| Local Area | August (MW) | Estimated CPE Allocation (MW) <sup>16</sup> | August (MW) | Estimated CPE Allocation (MW) | August (MW) | Estimated CPE Allocation (MW) |
|------------|-------------|---|-------------|-------------------------------|-------------|-------------------------------|
|            |             |   |             |                               |             |                               |

PG&E CPE next discussed the qualification overview and challenges associated with the qualification process. PG&E CPE noted that Offers that are determined to meet the requirements and eligibility criteria specified in the PG&E CPE Solicitation Protocol will be deemed “qualified.” Qualified Offers will then be eligible to execute an Agreement subject to (1) the results of PG&E CPE’s evaluation of Qualified Offers and (2) mutual agreement by both parties. PG&E CPE also provided a list of the total Offers submitted as well as the Qualified Offers and Offers with Qualification Questions.

[REDACTED]

Merrimack Energy also provided observations and comments regarding the process to-date. The IE noted that the CPE conducted a significant amount of outreach leading up to the launch of this year's solicitation, holding meetings with almost thirty potential participants. These meetings were helpful in getting some insight on potential participation and barriers to participation. CPE also spent time explaining specific changes to this year's process.

Regarding offer submissions, Merrimack Energy prepared our own review and summary of the offers submitted in all categories and local areas and our list matches PG&E CPE's list of offers. [REDACTED]

- There's been a decline in number of non-compensated self-shown participants and commitments.
- There's been a decline in number of competitive offer participants and offers.
- There's generally very little participation offered for the year-ahead. This is due to most of the capacity has already been committed.

[REDACTED]

In addition, the CPUC CPE Decision on the CPE process required the IE to assess whether there was the potential for any market power or pricing concerns. [REDACTED]

[REDACTED]

[REDACTED] There does not appear to be any issues relating to exerting market power in this solicitation.

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### 5.11 COMMUNICATION WITH BIDDERS

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[REDACTED]

[REDACTED]

[REDACTED]

Beginning in late May, 2023, PG&E CPE began to schedule meetings with Participants that submitted competitive offers.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]

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#### 5.12 EVALUATION OF THE OFFERS SUBMITTED

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PG&E CPE began to evaluate the offers from a quantitative and qualitative perspective and prepare evaluation files with the offer evaluation results. [REDACTED]

[REDACTED]

PG&E CPE's quantitative evaluation methodology was intended to calculate the quantitative values of offers submitted into the PG&E CPE RFO based on Net Market Value. [REDACTED]

[REDACTED]

- █ [REDACTED]
- █ [REDACTED]

[REDACTED]

[REDACTED]

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### 5.13 CAM PRG MEETING – JUNE 20, 2023

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On June 9, 2022, PG&E CPE provided a monthly update to the CAM PRG on the competitive offers received in the 2023 Local RA RFO. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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#### 5.14 CONTRACT NEGOTIATIONS

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As noted in the write-up above, PG&E CPE engaged several of the Participants on multiple occasions regarding contract issues. Initial discussions occurred with Participants after offer submission. At that time, PG&E CPE contacted Participants to generally discuss issues associated with missing or incomplete data provided by the Participants in their offers and to discuss the process going forward.

[REDACTED]

Once offers were qualified, PG&E CPE began to initiate contract discussions with qualified bidders, focusing on the Track 1 offers.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

On July 7, 2023, PG&E CPE distributed a market notice that the Track 1 Competitive Offer process would extend the conclusion deadline from the end of June to mid-July [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

On August 1, 2023 PG&E CPE sent a market notice that the RFP had been closed out and is no longer considering offers through the RFO process.

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### 5.15 FINAL EVALUATION RESULTS

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PG&E CPE provided the IE with several copies of the evaluation results for the competitive offers [REDACTED]

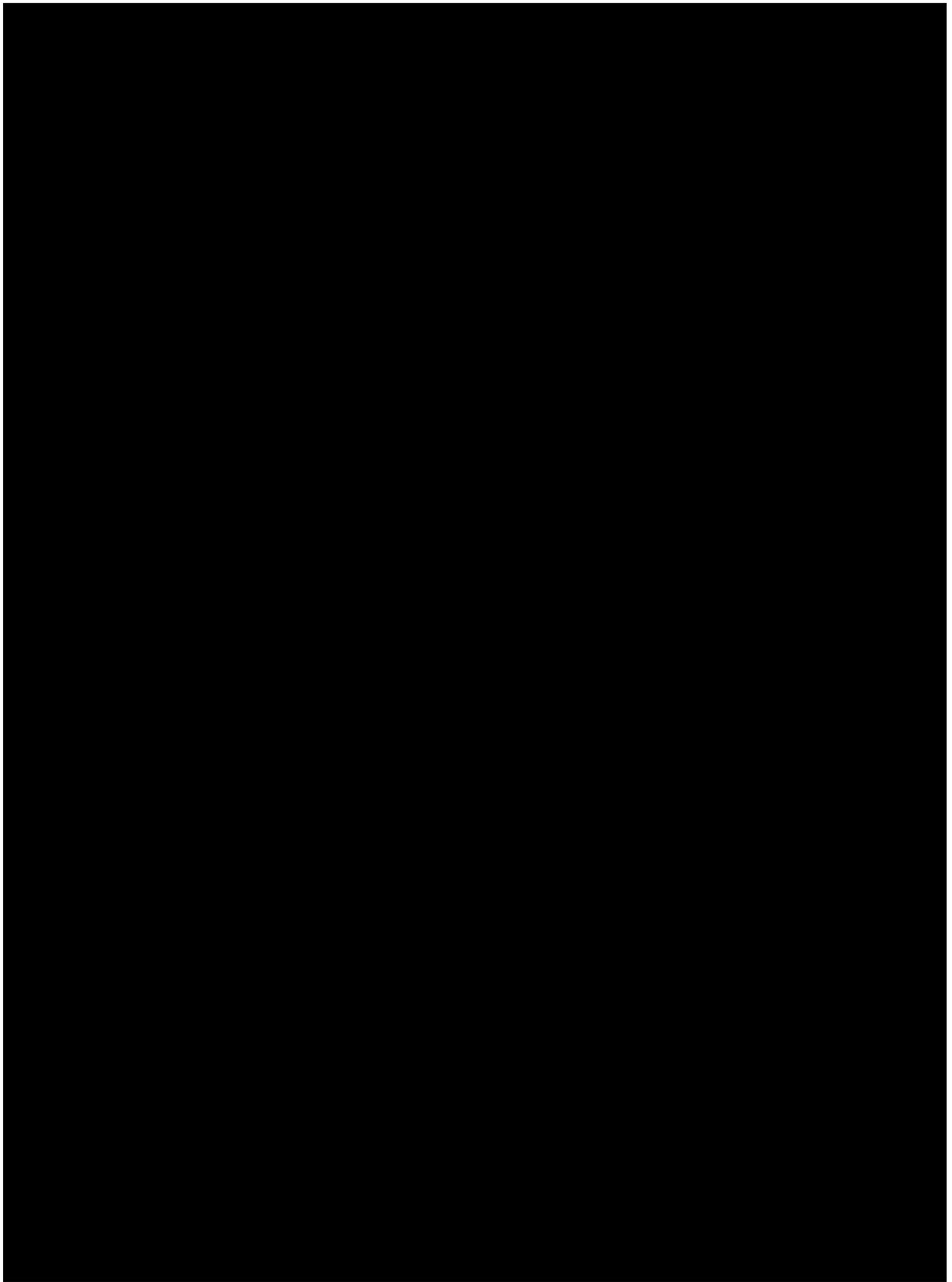
[REDACTED]

[REDACTED]



Table 10: Evaluation Results for Eligible Competitive Offers

| Participant  | Resource Name | Size (MW) | Local Area | Contract Type | Start Month | Term (Month) | First Year Price (\$/kW-month) | NMV (\$/kW-month) |
|--|---------------|-----------|------------|---------------|-------------|--------------|--------------------------------|-------------------|
| The entire table body is redacted with a large black block |               |           |            |               |             |              |                                |                   |





[REDACTED]

[REDACTED]

Table 11: PG&E CPE Local RA Position for 2024

| Local Area | Purchase Capacity (August MW) | Self-Shown Capacity (August MW) <sup>20</sup> | Total (August MW) | CPE Allocation (August MW) | Net CPE Position (August MW) |
|------------|-------------------------------|---|-------------------|----------------------------|------------------------------|
| [REDACTED] |                               |   |                   |                            |                              |

Table 12: PG&E CPE Local RA Position for 2025

| Local Area | Purchase Capacity (August MW) | Self-Shown Capacity (August MW) | Total (August MW) | CPE Allocation (August MW) | Net CPE Position (August MW) |
|------------|-------------------------------|---------------------------------|-------------------|----------------------------|------------------------------|
| [REDACTED] |                               |                                 |                   |                            |                              |

[REDACTED]

<sup>20</sup> Self-Shown capacity includes all non-compensated self-shown capacity from PG&E CPE's 2021, 2022, and 2023 RFOs.



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## 5.17 NOTIFICATION OF OFFER SELECTION

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[REDACTED] PG&E CPE sent a notice of RFO Closure the market on August 1, 2023. The notice stated that PG&E CPE has concluded its RFO process and is no longer considering offers through the RFO process.

## 6 FAIRNESS OF ADMINISTRATION OF SOLICITATION PROCESS

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### 6.1 PRINCIPLES AND GUIDELINES USED TO DETERMINE FAIRNESS OF PROCESS

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In evaluating PG&E CPE's performance in implementing the 2023 CPE Local Resource Adequacy RFO procurement process, the IE has applied a number of principles and factors, which incorporate those suggested by the Commission's Energy Division in previous Templates as well as additional principles that the IE has used in its oversight of other competitive bidding processes. These include:

- What quantitative factors were used to evaluate offers?
- If applicable, were affiliate offers treated the same as non-affiliate offers?
- Were economic evaluations consistent across offers?
- Was there a reasonable justification for any fixed parameters that enter into the methodology?
- Were all Participants treated the same regardless of the identity of the Participants?
- Were Participants questions answered fairly and consistently and the answers made available to all?
- Did the utility ask for "clarifications" from Participants, and what was the effect, if any, of these clarifications?

In the opinion of the IE, PG&E CPE assessed and evaluated all offers in a similar manner although the components of the evaluation methodology and elements of the contract negotiation process varied appropriately by agreement type and

resource type. As previously noted, PG&E CPE used reasonable methodologies for assessing each type of offer structure for competitive resources.

The IE felt that the economic evaluations were consistent across all types of offer structures, with the objective of the evaluation to assess the benefits and costs of each offer based on Net Market Value.

PG&E CPE's project teams were very actively engaged in the process from the very beginning through final negotiations and execution. PG&E CPE focused on seeking clarification from Participants regarding their offers and to do all it could to qualify the offers. This included providing several opportunities for Participants to cure any information gaps, to assist the Participant secure required information, and conducting its own research to identify available information requested. In our view, PG&E CPE was actively engaged to ensure Participants were qualified in the process and took a number of positive steps to assist Participants.

As IE, we found no cases where PG&E CPE favored any specific resources or Participants over others, [REDACTED]

[REDACTED] All offers and Participants were treated fairly and consistently within PG&E CPE's procurement framework. [REDACTED]

## **7 TREATMENT OF AFFILIATE BIDS & UOG OWNERSHIP PROPOSALS**

The CPE Decision (Decision 20-06-002) which established the Central Procurement Entity process required the PG&E CPE to establish rules that govern how confidential, market-sensitive information is protected and must implement a strict Code of Conduct that governs the sharing of sensitive information beyond those employees involved in the PG&E CPE solicitation and procurement process. CPE Decision Ordering Paragraph 25 states "The central procurement entity, in collaboration with the Independent Evaluator, CAM PRG and Energy Division, shall create a strict code of conduct, similar to that adopted in Decision 07-12-052, that prevents the sharing of confidential, third-party market-sensitive information (i.e., Confidential CPE information) beyond those employees involved in a CPE solicitation or bilateral procurement process. Personnel employed by the CPE and involved in the solicitation and procurement process (including management and officers) shall sign the code of conduct as a precondition to engaging in the central solicitation and procurement process."

The initial task in implementing the PG&E CPE Entity process was the preparation of the Code of Conduct that would guide this solicitation, and which was designed to meet the requirements of Decision D.20-06-002. The PG&E CPE team engaged early on with the IE to develop the Code of Conduct for the initial PG&E CPE solicitation. However, since many aspects of the Code of Conduct were adopted from the initial CPE solicitation and updated slightly for the second CPE solicitation, the role of the IE was more limited to a review and comment role. As part of the Code of Conduct, PG&E CPE included a slide, which illustrates the Organizational Chart for PG&E's procurement organizations, including the PG&E CPE team. PG&E CPE also developed a slide deck presentation on the Code of Conduct that was used for Code of Conduct training for CPE employees, and other PG&E employees, contractors and consultants engaged in CPE procurement activity.

The reason for the Confidentiality Protocol is because PG&E is developing an internal organization to act as a CPE for Local Resource Adequacy in PG&E's service territory as directed by D.20-06-002. The CPE will be dedicated to evaluating offers and procuring local RA and RA-related products in PG&E's service territory. At the same time, D.20-06-002 allows an IOU to have the same options as other LSEs in deciding whether to bid or show its resources to the CPE. The Decision allows PG&E, on behalf of its bundled electric service customers, to participate in the solicitation ("PG&E Participant") in this solicitation in the same manner as all other CPUC LSEs. The CPE Decision outlines specific requirements as to how PG&E Participant must participate in PG&E CPE's solicitation (e.g., offer pricing methodology, timing of offer submission).

The Code of Conduct is designed to ensure that an appropriate internal level of confidentiality of confidential RFO information is maintained. The Code of Conduct applies to all CPE solicitations and activities.

This Section of the Report addresses the provisions of the Code of Conduct implemented by PG&E CPE to undertake the 2023 Central Procurement Entity Local RA solicitation process. As noted, the preparation of a Code of Conduct document is required by the CPUC for investor-owned utility ("IOU") participation in the IOU's own competitive procurement of electric energy resources. The CPUC's 2008 LTPP Decision (D.07-12-052) included several references with regard to the requirements for utilities to develop a Code of Conduct for solicitations seeking utility ownership options.<sup>22</sup> PG&E CPE developed an Internal

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<sup>22</sup> On page 206 of D.07-12-052, the CPUC stated "As a precondition for conducting an RFO seeking utility ownership options, the IOU shall develop a strict code of conduct to be signed by

Confidentiality Protocol for this solicitation to ensure appropriate safeguards are in place to define the roles and responsibilities of the project teams and protect the confidentiality of sensitive confidential information. PG&E required all employees supporting the CPE solicitation that require use of Confidential RFO information to acknowledge the Confidentiality Protocol. The Confidentiality Protocol was established to cover the time period before the Code of Conduct was established and implemented. The CPE Code of Conduct applies to all PG&E employees, contractors, and consultants engaged in CPE procurement activities authorized under the CPE Decision.

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**7.1 DESCRIBE THE DESIGN AND IMPLEMENTATION OF THE REQUIRED CODE OF CONDUCT USED BY THE IOU TO PREVENT SHARING OF SENSITIVE INFORMATION BETWEEN STAFF WORKING WITH DEVELOPERS WHO SUBMITTED UOG BIDS AND STAFF WHO CREATE THE BID EVALUATION CRITERIA AND SELECT WINNING BIDS.**

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PG&E CPE's Code of Conduct contains seven sections described below, including the following:

**A. Categories of Employees, Contractors, and Consultants**

- PG&E CPE Procurement Group Employees – Employees, contractors and consultants who are responsible for implementing the solicitation selection methodology and criteria and directly receive and evaluated the viability and costs of, and select bids or proposals associated with third-party offers submitted in response to a PG&E CPE RFO leading to PG&E CPE procurement of local Resource Adequacy (RA) or related products;
- Utility Bid Development Employees – Employees, contractors, and consultants who are directly responsible for discharging PG&E's roles and responsibilities with respect to procurement, sales or portfolio management of RA on behalf of PG&E's bundled service customers or in preparing and submitting bids to the PG&E CPE involving bundled customer portfolio;
- Executives/Officers – Officers and other executives who are not directly responsible for PG&E CPE or Utility Bid Development Team commercial decisions, but who may nevertheless receive information from both the

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any and all IOU personnel involved in the RFO process to prevent sharing of sensitive information between staff involved in developing utility bids and staff who create the bid evaluation criteria and select winning bids". On page 236 the CPUC stated "If a utility were soliciting turnkey bids or EPC contracts as well as PPAs in a given solicitation, the individuals performing the bid evaluation would have to be functionally separated from the individuals preparing the bids (or the cost estimates) for projects that would ultimately be utility-owned. Under this restriction, the employees developing the utility-owned project would be barred from access to any evaluation protocols, input assumptions, or bid information not made generally available to outside bidders."

PG&E CPE Procurement Team and the Utility Bid Development Team for risk management, budgeting, or other business purposes;

- CPE Administrative Employees – Employees, contractors, and consultants providing shared functions supporting CPE who are involved in policy advocacy, contract management and settlements, administrative support for solicitations, quantitative evaluation support, compliance, regulatory, credit risk/treasury, accounting, legal, and other ministerial departments.

#### B. Confidential CPE Information

- Confidential PG&E CPE information is generally defined as any non-public information that a participant in a PG&E CPE RFO would find commercially useful, including, but not limited to, information concerning the terms of a PG&E CPE RFO offer, proposed terms of any agreements for local RA-related services, RFO evaluation protocols, input assumptions, bid information not made generally available to non-participants, evaluation results, or RFO negotiation strategy or tactics;
- Confidential PG&E CPE Information includes the following:
  - Confidential competitive or technical information received from load serving entities (“LSEs”), generators, third-party power marketers, demand response providers (“DRPs”), or others in connection with the PG&E CPE Procurement Program. Confidential CPE information includes the fact that a participant has submitted an offer into a CPE Procurement Program and, if applicable, the facts that (i) the CPE has selected an offer and (ii) the CPE and the participant or counterparty are negotiating an offer until such time as the relevant solicitation is complete or agreements are reported or submitted to regulators;

#### C. Restrictions on Information Access and Use

- PG&E CPE Procurement Group Employees shall have full access to Confidential CPE information;
- Utility Bid Development Employees shall have no access to Confidential CPE information;
- Executives/Officers and PG&E CPE Administrative Employees may not have any access to Confidential CPE information except as follows:
  - Executives/Officers and CPE Administrative Employees are entitled to access Confidential CPE information as necessary for the performance of their duties, including access to executed contracts and information related to product deliveries and payments during the course of solicitation administration, quantitative evaluation of offers, and contract execution and administration.
  - Executives/Officers and CPE Administrative Employees who are provided Confidential CPE information pursuant to the foregoing

exception shall not use such Confidential CPE Information for any purpose related to local RA purchases or sales or portfolio management on behalf of PG&E bundled service customers.

#### D. Non-Discrimination Requirements for Offer Evaluation and Limitations on Use of Confidential CPE Information

- PG&E CPE Procurement Group Employees will evaluate all offers on a non-discriminatory basis and will not engage in any activity to preferentially benefit PG&E Utility Development Team bids, offers, or proposals;
- PG&E CPE Procurement Group Employees, PG&E CPE Administrative Employees, and Executives/Officers shall not share Confidential CPE information with the Utility Bid Development team or use confidential CPE information to promote PG&E's RA-related services or gain a competitive advantage for PG&E in the RA market, or to advantage utility-owned generation ("UOG") resources or PG&E-contracted resources that can provide RA and are eligible to bid or show to the CPE;
- PG&E CPE Procurement Group Employees, PG&E CPE Administrative Employees, Executives/Officers, and Utility Bid Development Employees all must adhere to the business objectives of the business unit to which they are assigned.

E. Protection of Confidential Information – To the extent practicable, PG&E CPE will restrict access to network drives, including share drive folders and databases, or files that contain Confidential CPE information. Only PG&E CPE Procurement Group Employees and PG&E CPE Administrative Employees or Executives/Officers who require access to the Confidential CPE information to provide support to the PG&E CPE Procurement Group will have access to shared network drives, folders, databases, or files in which confidential market-sensitive CPE solicitation and procurement information is stored. Sharing of equipment and passwords by PG&E CPE Procurement Group Employees, PG&E CPE Administrative Employees, and Utility Executives is prohibited. Utility Bid Development Employees shall not have access to Confidential CPE information, including, but not limited to, confidential information on secured network drives, shared drive folders, databases, and files. CPE Procurement Group Employees shall be physically separated from Utility Bid Development Employees while a CPE solicitation is active.

F. Transfer Between PG&E CPE and Non-PG&E CPE Positions – A PG&E CPE Procurement Group Employee or PG&E CPE Administrative Employee directly involved in a specific CPE RFO or CPE bilateral negotiation process may not transfer to a Utility Bid Development Team position until that CPE RFO or bilateral negotiation process is completed. CPE Administrative Employees and Executives/Officers may transfer to become CPE Procurement Group Employees at any time.

G. Violations – If an employee violates the Code of Conduct, PG&E CPE will provide notice of the violation to the Energy Division, the Cost Allocation Mechanism Procurement Review Group (“PRG”) and the PG&E CPE’s Independent Evaluator. PG&E CPE will consult with the Energy Division, CAM PRG, and CPE IE regarding the appropriate remedies to address any Code of Conduct violation. Individuals should report any violations or raise questions regarding compliance to the PG&E attorney representing the PG&E CPE and also to Risk, Compliance and Reporting in Energy Policy and Procurement.

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## 7.2 DESCRIBE ANY VIOLATION(S) OF THAT CODE

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During the 2023 Local RA RFO, there were [REDACTED] reported violations of the Code of Conduct. All [REDACTED] of the violations were expeditiously shared with the Energy Division, the CAM PRG, and the IE. [REDACTED]

[REDACTED]

[REDACTED]

## 8 CPUC IE REPORT REQUIREMENTS

Order No 21.b. in the CPUC CPE Decision requires the IE to prepare a report to be submitted on an annual basis to the Commission, assessing the neutrality of the procurement process, market power or aggregate pricing concerns, procurement of preferred resources, consideration of disadvantaged communities made in the procurement process, and other relevant issues. The IE report shall include an explanation of the basis for any fossil fuel procurement for any contract that exceeds the minimum multi-year local procurement requirement.

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## 8.1 ASSESS THE NEUTRALITY OF THE PROCUREMENT PROCESS

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The CPUC Decision 20-12-006 (December 3, 2020) on Track 3.A Issues: Local Capacity Requirement Reduction Compensation Mechanism and Competitive Neutrality Rules states “within the central procurement process, potentially market sensitive information relates to confidential, competitive information received from generators, LSEs, or third-party marketers in the process of enabling the distribution utility to perform duties necessary to conduct solicitations and procure local resources as part of its central procurement role. The Commission recognizes that this competitive information should be appropriately protected in an effort to address anti-competitive concerns and facilitate confidence and certainty in the central procurement process.” The Commission thus directed each CPE to establish a rule or procedure that will govern how confidential, market sensitive information received by the CPE from generators, LSEs, or third-party marketers as part of the central solicitation and procurement process will be protected, as well as what firewall safeguards will be implemented to prevent the sharing of information beyond those employees involved in the central solicitation and procurement process.

During the Rulemaking process, PG&E and SCE each proposed competitive neutrality protocols. According to PG&E's proposal, confidential, competitive information received by PG&E from load serving entities (LSEs), generators, third-party power marketers or demand response providers (DRPs), or from the CAISO related to LSEs, generators, third-party power marketers or DRPs, in connection with PG&E's performance of its duties as the central procurement entity (CPE) for local resource adequacy (RA) for PG&E distribution service area shall be limited to PG&E CPE staff who are responsible for performing or administratively supporting PG&E's CPE responsibilities for local RA in accordance with Commission decisions and guidance. Such confidential, competitive information shall not be used to promote PG&E's RA-related services to its bundled service customers or gain a competitive advantage for PG&E in the RA market, or to advantage utility-owned generation resources or PG&E-contracted resources that can provide local RA and are eligible to bid or show to the CPE.

PG&E CPE staff receiving such confidential, competitive information from LSEs, generators, third-party marketers, DRPs or the CAISO in the discharge of PG&E CPE's roles and responsibilities as the CPE for PG&E's distribution service area shall not share such confidential, competitive information with other individuals in PG&E who are directly responsible for discharging PG&E's roles and responsibilities with respect to procurement, sales, or portfolio management of RA on behalf of PG&E's bundled service customers or in preparing and submitting bids to the CPE.

PG&E stated that as directed in D.20-06-002, it intended to create a strict code of conduct that includes details regarding prevention of disclosure of information in collaboration with the Independent Evaluator, the PRG, and Energy Division. PG&E also stated that it will require the PG&E CPE to submit procurement bids to the PRG and IE before receiving bids from other entities consistent with D.20-06-002.

The CPUC found that PG&E and SCE competitive neutrality procedures were reasonable and responsive to the concerns raised in D.20-06-002. The CPUC, therefore, adopted PG&E CPE's competitive neutrality proposal for PG&E's service territory.

Merrimack Energy, as IE, was involved in reviewing and commenting on drafts of the Code of Conduct prepared by PG&E CPE for all three PG&E CPE solicitations. Furthermore, PG&E CPE made presentations to the CAM PRG and Energy Division staff regarding the proposed Code of Conduct and sought any comments from these parties. In addition to development of the Code of Conduct, the PG&E CPE team developed a slide deck that is used for Code of Conduct training for affected personnel. Section 7 of this report provides an overview of PG&E CPE's Code of Conduct.

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## 8.2 ASSESS ANY MARKET POWER OR AGGREGATE PRICING CONCERNS

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Merrimack Energy did not see any evidence of market power or pricing concerns associated with the 2023 CPE RFO. However, to assess the potential for market power in future solicitations, Merrimack Energy has compiled a list of power projects by Local Area within PG&E's service area based on the 2023 NQC data list and attempted to identify whether any generator has the potential to exert market power given its concentration of resources in a particular Local Area. Merrimack Energy has compared the NQC of resources within a specific Local Area relative to the amount of generation controlled by any generator who would have the potential to assert market power. We have also attempted to compare the amount of generation relative to the amount bid in the RFO. All data presented is for August. Table 16 below compares the amount of generation based on NQC data to the amount bid into the RFO.

Table 14: PG&E Existing Local Area Capacity Available and Offered

| Local Area   | NQC Data (August MW) <sup>23</sup> |            |
|--------------|------------------------------------|------------|
| Bay Area     | 8,143.79                           | [REDACTED] |
| Fresno       | 3,199.78                           |            |
| Humboldt     | 176.05                             |            |
| Kern         | 428.47                             |            |
| NCNB         | 985.75                             |            |
| Sierra       | 1,896.77                           |            |
| Stockton     | 598.3                              |            |
|              |                                    |            |
| <b>Total</b> | <b>15,428.91</b>                   |            |

There were no overt signs of market power demonstrated in this solicitation. [REDACTED]

[REDACTED]

### 8.3 PROCUREMENT OF PREFERRED RESOURCES

The CPUC CPE Decision requires the IE report to address on what basis preferred resources were not selected. [REDACTED]

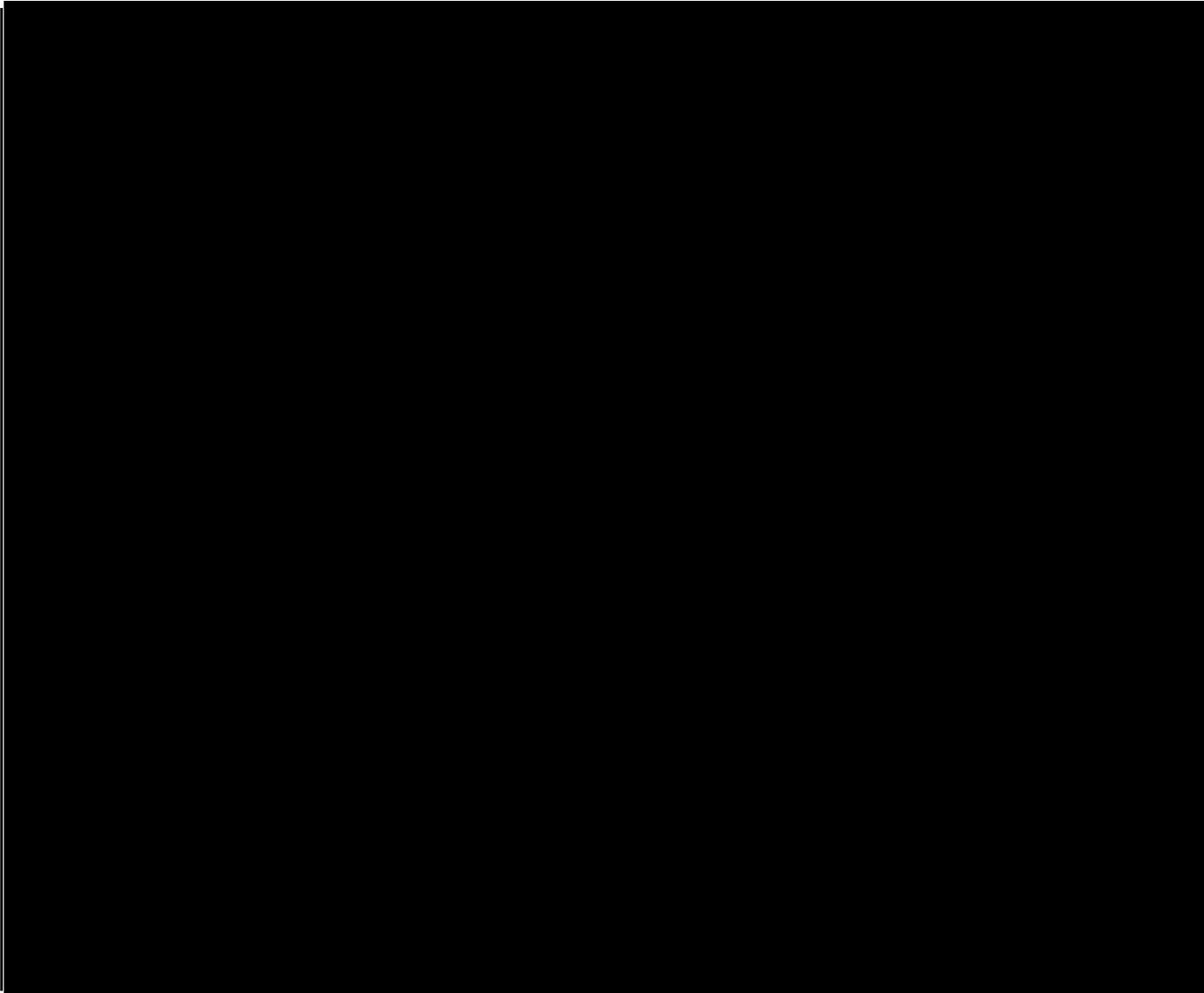
[REDACTED]

Table 15: Evaluation Results of Non-Selected Preferred Resources<sup>27</sup>

| Bidder | Project Name | Technology | Local Area | Start Month | Term (Months) | NMV (\$/kW-month) |
|--------|--------------|------------|------------|-------------|---------------|-------------------|
|--------|--------------|------------|------------|-------------|---------------|-------------------|

<sup>23</sup> NQC values taken from Final NQC list on the CAISO website dated August 9, 2023.

[REDACTED]



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#### 8.4 CONSIDERATION OF DISADVANTAGED COMMUNITIES (“DAC”) IN THE PROCUREMENT PROCESS

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According to the CPUC CPE Decision, the IE should address how the CPE considered Disadvantaged Communities in the procurement process (e.g., whether any factors led to the selection of any conventional generation in DACs).



Table 16: Projects Located in Disadvantaged Communities and Their Status

| Participant | Project Name | Resource Type | Project Status |
|-------------|--------------|---------------|----------------|
| [REDACTED]  |              |               |                |

[REDACTED]

---

8.5 EXPLANATION OF THE BASIS FOR FOSSIL FUEL PROCUREMENT THAT EXCEEDS THE MINIMUM MULTI-YEAR LOCAL REQUIREMENTS

---

[REDACTED]

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8.6 IE PERSPECTIVE ON PG&E CPE'S DEFERRAL TO CAISO'S BACKSTOP MECHANISM

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The CPUC CPE Decision gives the CPE discretion to defer procurement of a local resource to the CAISO's backstop mechanisms, rather than through the solicitation process, if bid costs are deemed unreasonably high. [REDACTED]

[REDACTED]

Other than pursuing resources bilaterally, the 2023 Local RA RFO was the last opportunity for CPE to procure resources for their 2024 allocation. After accounting for all self-shown capacity and resources contracted through the competitive solicitations in the 2021 through 2023 CPE RFO processes, CPE will have a net short position in 2024 [REDACTED]



## 9 OBSERVATIONS, CONCLUSIONS, AND RECOMMENDATIONS

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### 9.1 OBSERVATIONS & CONCLUSIONS

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Merrimack Energy has the following observations and conclusions regarding the 2023 PG&E CPE Local RA RFO process based on its role of IE in this process:

- The CPUC adopted a hybrid central procurement framework beginning for the 2023 RA compliance year. The hybrid approach allowed the CPE to secure a portfolio of the most effective local resources, using its purchasing power in constrained local areas, mitigate the need for costly backup procurement in certain local areas, and ensured a least cost solution for customers and equitable cost allocation. The hybrid approach also allowed individual LSEs to voluntarily procure local resources to meet their system and flexible RA requirements and count them towards their collective local RA requirements;
- The CPUC stated that the CPE shall evaluate resources using the least cost best fit methodology adopted in D.04-07-029. The least cost best fit methodology employed shall include the following selection criteria: (a) future needs in local and sub-local areas; (b) local effectiveness factors as published in the CAISO's LCRTS; (c) resource costs; (d) operational characteristics of the resources (efficiency, heat rate, age, ramp rate, flexibility, start-up time, facility type); (e) location of the facility (with consideration for environmental justice); (f) cost of potential alternatives; (g) greenhouse gas adders; (h) energy-use limitations; (i) procurement of preferred resources and energy storage (to be prioritized over fossil generation). The CPUC RA OIR Phase 1 Decision (D.22-03-034) made modifications to the CPE structure originally adopted, including (1) Requires the CPE to consider bids of any contract term length greater than or equal

to one month – OP10; (2) Modifies the required CPE selection criteria established in OP 14 of the CPE Decision by (a) removing the Local Effectiveness Factors and (b) removal of efficiency, age, and flexibility as required components of the CPE’s evaluation of “operational characteristics of the resources”; and (3) Removes facility age, heat rate, start-up time, and ramp rate from the data participants are required to provide to the CPE in its solicitation process – OP 9;

- PG&E CPE implemented the 2023 PG&E CPE Local RA RFO process consistent with the CPUC June 17, 2020 Decision D.20-06-002, the Central Procurement Entity Decision (“CPE Decision”) and Decision D.20-12-006, the Local Capacity Requirement Reduction Compensation Mechanism Decision (“LCR RCM Decision”), and the CPUC RA OIR Phase 1 Decision (D.22-03-034). The CPUC’s CPE Decision adopted a framework that designates a central buyer to procure multi-year resource adequacy in the PG&E and Southern California Edison distribution service areas. PG&E CPE served the role of central buyer for PG&E’s local distribution service areas. This solicitation process represents the third solicitation process undertaken by the PG&E CPE to procure Local RA Capacity for 2024 through 2026;
- The CPE Decision also identified specific areas of focus for the IE in addition to traditional IE requirements identified in the IE Report Template. The CPE Decision also directs an Independent Evaluator (“IE”) report to be filed annually with the central procurement entities’ compliance filing, which will increase transparency into any gas-fired procurement by including the basis for any fossil fuel procurement that exceeds the minimum multi-year requirements. The IE report will also assess the neutrality of the procurement process, any market power or aggregate pricing concerns, procurement of preferred resources (e.g., on what basis preferred resources were not selected), and consideration of disadvantaged communities in the procurement process. The IE report should also provide its perspective on the PG&E CPE’s deferral decision to the CAISO backstop mechanism. In addition, the CPE Decision requires the IE to address if the procurement was deemed by the independent evaluator to have followed all relevant Commission guidance, including the least cost best fit methodology and other noted selection criteria. Section 8 of this report addresses these requirements. Merrimack Energy addressed these requirements in Section 8 of this IE report;
- PG&E CPE engaged the IE in the development and implementation of the solicitation process from the very beginning (February 2023). During this time, the IE had the opportunity to review and comment on all solicitation materials including the Code of Conduct, RFO Solicitation Protocols, Pro

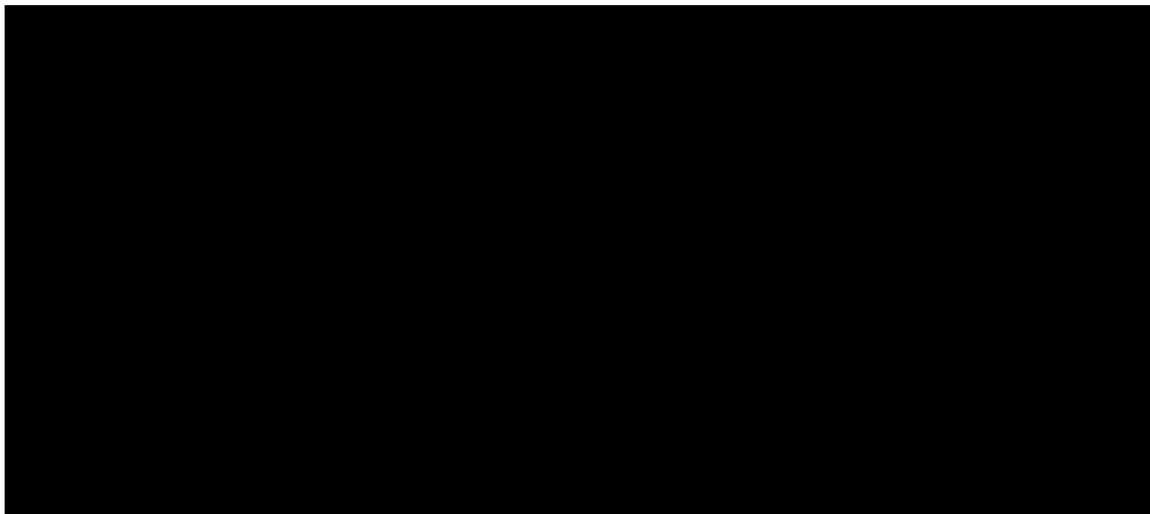
Forma agreements, Offer Forms, Supplemental Local Resource Information (Appendix B), and internal Evaluation Protocols for the quantitative and qualitative evaluation. In addition, the PG&E CPE team and IE met weekly to discuss the status of the solicitation process. The IE was also provided the opportunity to participate in all calls with Participants throughout the process and was copied on all emails;

- PG&E CPE engaged the CAM PRG and Energy Division throughout the process, including holding four (4) CAM PRG meetings throughout the process to seek input on the implementation of the 2023 PG&E CPE Local RA solicitation process including the solicitation launch, offer submission overview and qualification, and proposed portfolio selection on February 28<sup>th</sup>, May 16<sup>th</sup>, June 20<sup>th</sup>, and July 25<sup>th</sup>;
- The Protocol documents were reasonably clear and transparent. Furthermore, PG&E CPE held a Participants Webinar that included a detailed tutorial of the Offer Form after issuance of the RFO Documents to allow Participants the opportunity to gain a perspective on the requirements of the RFO and Offer Forms and allow the Participants to submit questions and receive responses prior to submission of offers;
- PG&E CPE's Solicitation Protocol clearly included a list of the eligibility requirements that Participants must meet to participate in the RFO. The eligibility requirements included:
  - New or existing resources that are located within the PG&E Local Capacity Areas and that meet the solicitation requirements;
  - Resources offered into the solicitation must have a single CAISO Resource Identification as defined in the CAISO Tariff;
  - Aggregated behind-the-meter resources, including demand response, must be in a single Sub-Lap, as such term is defined in the CAISO Tariff;
  - All Resources participating in this RFO must be able to provide RA within the PG&E Local Capacity Areas;
  - Resources included in any Offer must meet the applicable CPUC and CAISO RA requirements, CAISO requirements for deliverability, as well as requirements that will enable PG&E to receive all of the applicable RA benefits associated with the resource;
  - All resources participating in this RFO must be electrically connected in a PG&E Local Capacity Area and remain listed as such per the CAISO's Local Capacity Technical Study.
- PG&E CPE's Notification to prospective Participants regarding the procurement process was sent to PG&E's list of potential Participants of

approximately 2,200 contacts. In addition, PG&E CPE held calls with roughly thirty individual companies prior to the launch of the RFO to discuss the upcoming solicitation. As a result, the PG&E CPE outreach efforts can be classified as very active;

- PG&E CPE also engaged Participants in the process throughout the solicitation, initially communicating with Participants after submission of offers to attempt to qualify offers for the solicitation and to seek feedback from Participants. PG&E CPE also engaged the Participants after offer qualification to discuss the contract negotiation process and seek discussion regarding comments on the agreements. The parties were also actively engaged once negotiations were initiated;
- PG&E CPE implemented a two-track process for the first time in the 2023 CPE RFO to separate the shortlisting and negotiations process. Track 1 prioritized negotiations for offers that included 2024 RA delivery with an execution deadline by the end of June, 2023. Track 2 prioritized negotiations for all remaining shortlisted offers with an execution deadline by early August, 2023. This proved to be an effective and efficient change to the process;
- The IE finds that PG&E CPE followed the CPUC Decision guidance and requirements including:
  - Allowing for broad eligibility to bid into the solicitation;
  - Applying a least cost best fit methodology;
  - Including the evaluation and selection criteria identified in the CPE Decision;
  - Maintaining an objective of mitigating the need for backup generation in certain local areas;

█



[REDACTED]

[REDACTED]

- [REDACTED]

Although, it should be noted that during PG&E CPE's pre-launch outreach, several potential participants raised concerns with the Self-Shown Commitment process and the resulting portfolio flexibility to re-market capacity;

- PG&E CPE evaluated all competitive offers using the same guidelines and criteria, consistent with the requirements in OP 14 of the CPE Decision and OP 8 of the OIR Phase 1 Decision, using both quantitative and qualitative criteria to evaluate all qualified competitive offers.

[REDACTED]

[REDACTED]

[REDACTED]

- PG&E CPE undertook a quantitative evaluation of the offers submitted consistent with Least Cost Best Fit principles. The quantitative evaluation provided a rank order of offers based on a Net Market Value (“NMV”) evaluation metric [REDACTED] based on PG&E CPE’s internal protocols identifying how each type of offer would be evaluated. [REDACTED]

[REDACTED]

In addition, PG&E CPE undertook a detailed qualitative evaluation based on the criteria identified in PG&E CPE’s Solicitation Protocol, which reflected the CPUC’s Decisions;

- PG&E CPE introduced the EEI Standard RA Confirm to expedite execution with CPUC LSEs for eligible resources. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- The IE found no evidence of any preference toward any bidder, resource or type of project. All Participants [REDACTED] were required to respond to the same Offer Forms and other information requirements and were required to execute separate contracts for all resources offered;
- Because PG&E CPE did not procure up to its annual requirements for 2024, the IE did not witness any evidence of market power or pricing concerns associated with the RFO. However, the IE reviewed the 2024 NQC data list

and compiled the NQC data by generator and capacity for each PG&E Local Area compared to the capacity bid in the Local Area and the ownership of the generation capacity by Local Area. The IE found that one generation company does own or control approximately 46% of the capacity in the Bay Area and over 66% of the capacity located in the North Coast North Bay Area. [REDACTED]

[REDACTED] However, the potential for any market power concerns in these two Areas should be considered in future solicitations, as required;

- The CPUC CPE Decision requires the IE report to address on what basis preferred resources were not selected in CPE procurement process. [REDACTED]

- According to the CPUC CPE Decision, the IE should address how the CPE considered Disadvantaged Communities in the procurement process (e.g., whether any factors led to the selection of any conventional generation in DACs). [REDACTED]

- The CPUC CPE Decision asks the IE to provide an explanation of the basis for any fossil fuel procurement for any contract that exceeds the minimum multi-year local requirement. [REDACTED]

- The CPUC CPE Decision gives the CPE discretion to defer procurement of a local resource to the CAISO's backstop mechanisms, rather than through the solicitation process, if bid costs are deemed unreasonably high. [REDACTED]

[REDACTED] Other than pursuing resources bilaterally, the 2023 Local RA RFO was the last opportunity for CPE to procure resources for their 2024 allocations. After accounting for all self-shown capacity and resources contracted through the competitive solicitation processes in the 2021 through 2023 CPE RFO processes, CPE potentially will have a net short position [REDACTED]

- Based on the outcome of the 2023 Local RA RFO, CPE's decisions do defer procurement to the CAISO backstop mechanism. [REDACTED]

- Ordering Paragraph 22(c) asks if the procurement was deemed by the Independent Evaluator to have followed all relevant Commission guidance, including the least cost best fit methodology and other noted selection criteria. The IE's view is that PG&E CPE closely followed the requirements listed in the CPE Decision, including utilizing the least cost best methodology, all the evaluation criteria listed in the Decision, keeping the CAM PRG and Energy Division actively involved in the process through four CAM PRG meetings at key decision points in the process, and providing detailed data and presentations to support decisions; and

- The EEI Standard RA Confirm was introduced with the intention of expediting transactions with CPUC LSEs. [REDACTED]

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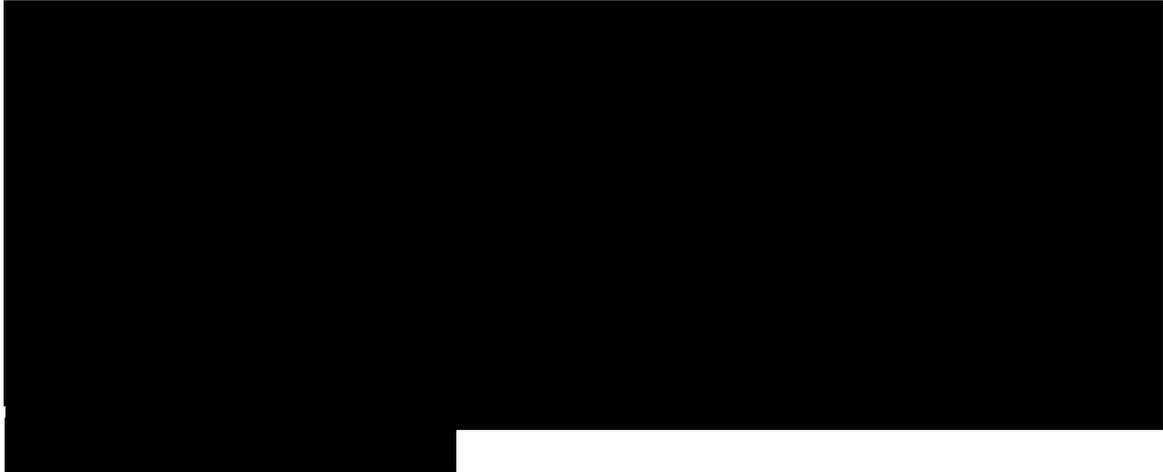
## 9.1 RECOMMENDATIONS

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- In the past the IE was provided draft versions of the internal quantitative and qualitative evaluation protocols in order to provide comments prior to

receipt of offers; however, the IE was not provided these documents for review in the 2023 CPE RA process. While there were no substantive changes to the internal evaluation protocol and procedures, the IE recommends that PG&E CPE follow the standard practice of providing the IE with internal evaluation protocols prior to receiving offers in order to review and provide comments.

- 



- 



- The CPE RFO timeline makes it very difficult to evaluate, negotiate, and execute contracts with new projects. It takes a substantial amount of time to fully evaluate and negotiate a contract with a new-build facility given the complexity of the contracts. The current 4-5 month time frame allocated to the CPE process is not adequate to fully assess and negotiate a contract with a new resource. Given that the CPE has to evaluate many types of resources, both new and existing, with varying term lengths, the evaluation process will already take an extensive amount of time. From there to negotiate and execute contracts within the RFO schedule is very challenging. Merrimack Energy suggests that PG&E CPE consider development of a separate track for offers for new projects that would be initiated at least one month before issuance of the CPE RFO to allow the CPE team to focus its efforts on initial review and clarification of information provided by new projects before other offers are received;

- [REDACTED] If there isn't flexibility in extending the RFO schedule, PG&E CPE should look to narrow the list of projects earlier in the process by targeting the offers that provide value to customers.

# **Attachment 4**

Deferred Procurement

(Public Attachment E)

## **Public Attachment E**

### **Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE) CPE Annual Compliance Report (ACR) September 19, 2023**

## **Deferred Procurement**

### **I. Introduction**

OP 26 of the CPE Decision provides PG&E CPE “discretion to defer procurement of a local resource to the California Independent System Operator’s backstop mechanisms, rather than through the solicitation process, if bid costs are deemed unreasonably high.”<sup>1</sup> This Attachment E, *Deferred Procurement*, provides “the reason for the deferral to backstop procurement, prices offered in the solicitation, which generators did not participate in the solicitation (if any), and other relevant information,” as required by OP 26 of the CPE Decision.<sup>2</sup>

#### **A. PG&E CPE Procurement for 2024 Compliance Year**

Pursuant to OP 2 of the CPE Decision, PG&E CPE was designated as the CPE for its electric distribution service area for the multi-year local RA program beginning for the 2023 RA compliance year. The PG&E CPE has run annual competitive solicitations between 2021 and 2023 in an effort to procure local RA capacity to meet the 3-year forward local RA obligations through Load Serving Entity (LSE) self-shown resources or competitive offers. From those solicitations, the PG&E CPE was able to procure enough

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<sup>1</sup> D.20-06-002 at 100, OP 26.

<sup>2</sup> *Id.*

**Public Attachment E**

**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE)  
CPE Annual Compliance Report (ACR)  
September 19, 2023**

local RA resources to meet the local requirements in [REDACTED] local capacity areas for the 2024 compliance year. Following the 2023 PG&E CPE Local RA RFO, the PG&E CPE team engaged in bilateral outreach to potentially procure additional capacity to meet RA requirements for 2024 in the remaining deficient local areas,

[REDACTED]

[REDACTED]

Given that participation in the 2023 RFO decreased from the prior year, the PG&E CPE did not receive enough offers of local RA capacity to meet the local RA requirements for compliance year 2024 [REDACTED]

[REDACTED]

[REDACTED] Furthermore, from the competitive offers that were received for 2024 local RA capacity in those remaining deficient local areas, the offers that were not executed through the competitive solicitation were either not selected due to high pricing or there was an inability for the parties to come to contractual agreement. As a result, the PG&E CPE has not been able to procure enough capacity to meet the needs [REDACTED]

[REDACTED] local capacity areas within its territory and will be deferring procurement to CAISO backstop mechanisms for those areas for each month of the 2024 compliance year.

For compliance years 2025 and-2026, it would be premature for PG&E CPE to defer procurement of local resources to the CAISO's CPM at this time. The PG&E CPE

## **Public Attachment E**

### **Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE) CPE Annual Compliance Report (ACR) September 19, 2023**

expects to undertake additional procurement activities to seek to meet its local RA procurement obligations, which may impact whether the circumstances triggering CAISO's authority to backstop procure local resources through the CPM or RMR process in those RA compliance years. In the event that such circumstances do ultimately materialize, PG&E CPE will provide the reason for any deferral to CAISO backstop procurement and the other information required under OP 26 of the CPE Decision in subsequent submittals, where applicable.

#### **B. Reasons for Deferral to Backstop Mechanisms**

##### **1. Lack of Participation**

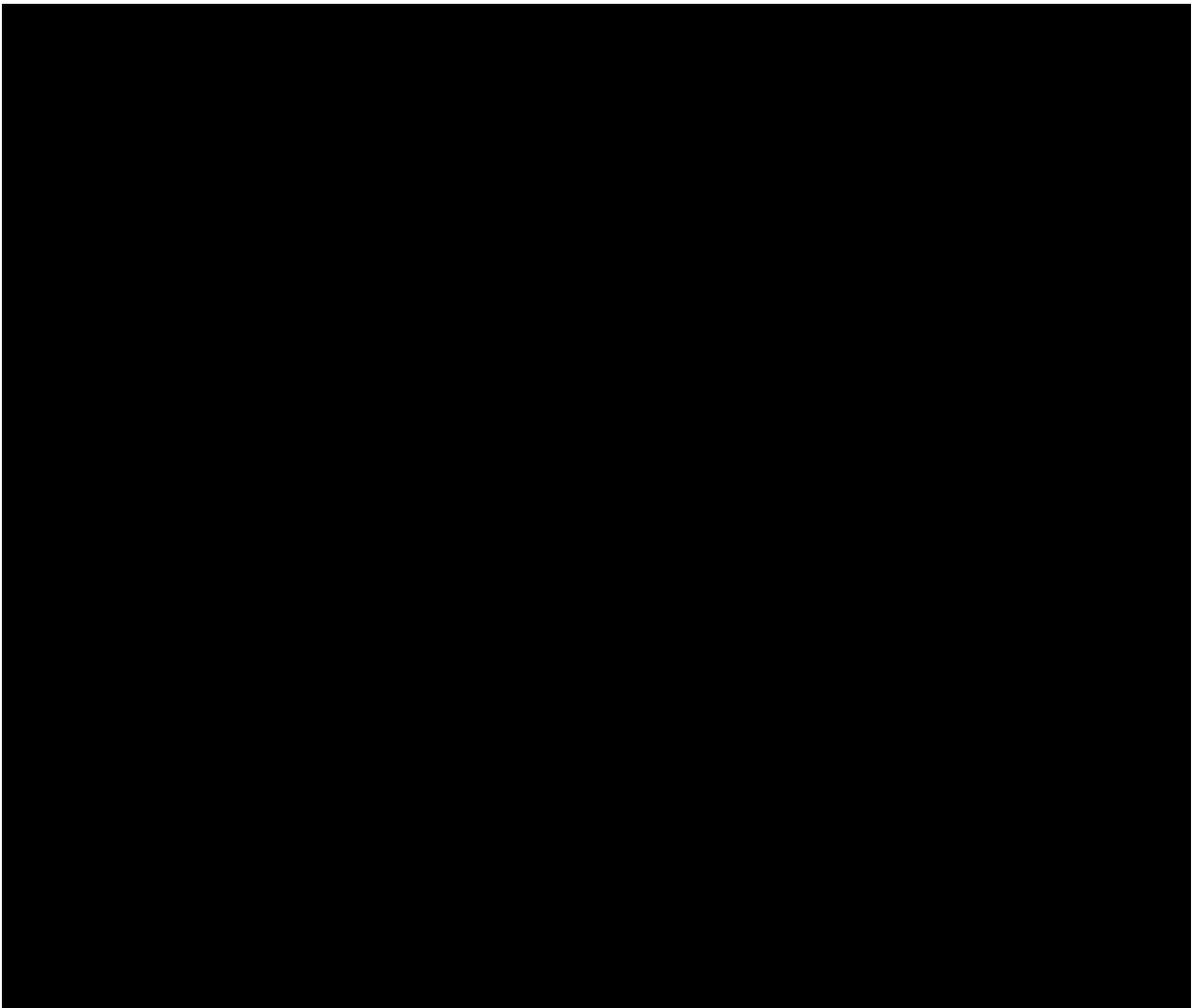
As described above, participation from market participants in the 2023 PG&E CPE Local RA RFO decreased from the previous year's RFO. As such, the PG&E CPE did not receive enough offers of local RA capacity through the competitive offer or the self-shown process to meet the 2024 local capacity requirements in the local capacity areas that the PG&E CPE remains deficient. Moreover, the competitive offers that PG&E CPE did receive for 2024 RA delivery were not sufficient to meet the compliance obligations in any month for the local capacity areas that were offered.

Below is a list of resources that were not offered into the 2023 PG&E CPE Local RA RFO through either the competitive offer or self-shown process for 2024 RA delivery. The list only includes resources with an August NQC value of greater than 10

**Public Attachment E**

**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE)  
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MWs that were not offered from the local capacity areas that the PG&E CPE remains deficient. The total capacity not offered in the remaining deficient local areas for the 2024 compliance year amounts to a total of about 5,720 MWs based on August MW capacity values.<sup>3</sup>

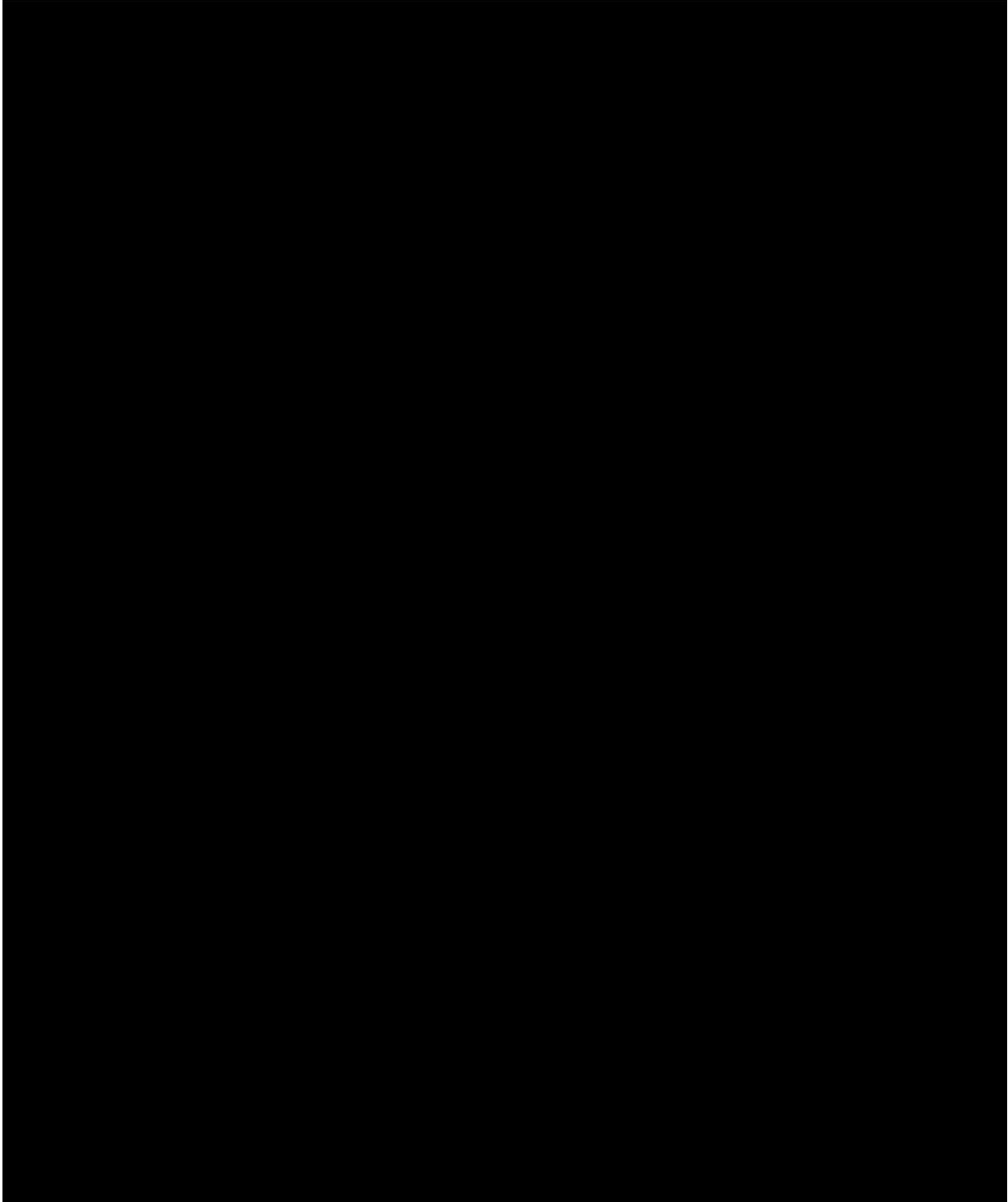


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<sup>3</sup> The total of not offered capacity includes about 241 MWs of resources not listed in the table that have less than 10 MWs of NQC remaining.

**Public Attachment E**

**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE)  
CPE Annual Compliance Report (ACR)  
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CPE Annual Compliance Report (ACR)  
September 19, 2023**



**2. High Pricing**

In the local areas where PG&E CPE remains deficient for the 2024 compliance year, PG&E CPE was not able to execute [REDACTED]

[REDACTED] as part of the 2023 PG&E CPE Local RA RFO. [REDACTED]

[REDACTED]

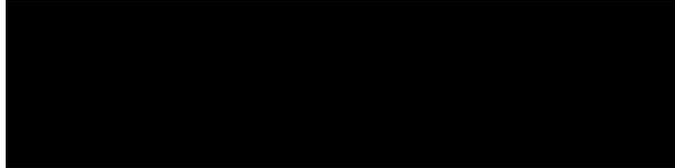
[REDACTED]

Prices offered for bundled RA only resources in the solicitation for 2024 RA capacity are presented below.

| Local Area | RA Only Price Range for 2024 RA Capacity (\$/kW-month) |
|------------|--|
| [REDACTED] |  |

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**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE)  
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| Resource ID | Local Area | Capacity Offered (MW) <sup>4</sup> | Price (\$ /kW-month) |
|-------------|------------|------------------------------------|----------------------|
| [Redacted]  |            |                                    |                      |



**Public Attachment E**

**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE)  
CPE Annual Compliance Report (ACR)  
September 19, 2023**

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**3. Inability to Come to Terms in Contractual Agreement**

[Redacted]

**Public Attachment E**

**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE)  
CPE Annual Compliance Report (ACR)  
September 19, 2023**

**4. Other Relevant Information**

Per OP 26 of the CPE Decision, the Independent Evaluator for the PG&E CPE 2023 Local RA RFO is required to address deferral to backstop procurement mechanisms within their IE report. Please see *Public Attachment D, Independent Evaluator Report* for more information.

## **Attachment 5**

(a) CPE Solicitation Protocol, (b) Market Notice Announcement of the Issuance of the RFO, and (c) Compliance with Ordering Paragraphs of CPUC Decisions 20-06-022, 20-12-006, 22-03-034, and 23-06-029

(Public)



# **2023 Central Procurement Entity**

## **Local Resource Adequacy**

### **Request for Offers & Commitments**

#### **Solicitation Protocol**

**March 22, 2023**

*If you encounter any digital or disability access issues, or you would like to provide PG&E with feedback or suggestions regarding such access, please e-mail our team at [solicitationaccessibility@pge.com](mailto:solicitationaccessibility@pge.com). This mailbox is monitored during regular business hours (M-F; 8am-5pm). We will respond to your inquiry within 2 business days.*

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## I. Introduction and Background

### I.A. Introduction

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Pursuant to California Public Utilities Commission (“CPUC”) Decision (“D.”) [20-06-002](#), the Central Procurement Entity Decision (“CPE Decision”), [D.20-12-006](#), the Local Capacity Requirement Reduction Compensation Mechanism Decision (“LCR RCM Decision”), and [D.22-03-034](#) (“RA OIR Phase 1 Decision”) (collectively, “Decisions”), Pacific Gas and Electric Company (“PG&E”) acting as the Central Procurement Entity (“CPE” or “PG&E CPE”) in its distribution service area is issuing its 2023 CPE Local Resource Adequacy (“RA”) Request for Offers and Commitments (“RFO”) to procure local RA capacity (“Local RA”) or obtain self-shown commitments for Local RA for delivery beginning within the 2024-2026 compliance years.

Per the Decisions, PG&E is required to procure Local RA or obtain self-shown commitments for Local RA to meet the 3-year forward multi-year Local RA requirement on behalf of all CPUC-jurisdictional load serving entities (“CPUC LSEs”) within its electric distribution service area. PG&E CPE is procuring Local RA or having Local RA committed in areas within PG&E’s distribution service area that are transmission constrained (“Local Capacity Areas”).

In 2023 PG&E CPE is required to procure or obtain self-shown commitments for:

- 1) 100 percent of the CPUC’s 2024 Local RA requirements in PG&E’s distribution service area;
- 2) 100 percent of the CPUC’s 2025 Local RA requirements in PG&E’s distribution service area; and
- 3) 50 percent of the CPUC’s 2026 Local RA requirements in PG&E’s distribution service area.

Each participant in this RFO (“Participant”) is strongly encouraged to review the Decisions prior to participating in this RFO. For purposes of this RFO, the definition of “Participant” includes an LSE that provides a Non-Compensated Self-Shown Commitment<sup>1</sup>.

### I.B. New for 2023 PG&E CPE Solicitation Process

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To finalize prompt year procurement by the middle of July 2023, PG&E as CPE will break out this year’s procurement process with two separate deadlines for targeted execution. This competitive solicitation will be broken out into two tracks after qualification as detailed in the timeline presented below in section II.F.

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<sup>1</sup> The Non-Compensated Self-Shown Commitment is described in Section II.C. below.

- 1) Track 1 will focus on negotiating and executing Competitive Offers that include 2024 RA capacity delivery.
- 2) Track 2 will focus on negotiating and executing all other Competitive Offers.

Additionally, PG&E CPE is introducing the following option to CPUC LSEs with respect to Offers that meet the requirements of subsections (1) and (2) set forth immediately below (“RA Confirm Option”). PG&E CPE will allow CPUC LSEs with such Offers to transact with the CPE under the PG&E CPE Local RA Confirmation Letter, which will be governed by the PG&E CPE EEI Master Agreement<sup>2</sup>. This RA Confirm Option will be limited to the below Offers and will exclude Compensated Self-Shown Commitments:

- 1) Offers from CPUC LSEs with respect to an existing resource already under contract with such CPUC LSE, who is a non-owner/operator of the resource; and
- 2) Such Offers that have a delivery term that will not commence prior to the 2024 RA compliance period on 1/1/2024 and will not extend beyond the 2026 RA compliance period ending on 12/31/2026.

CPUC LSEs who are interested in the RA Confirm Option will need to execute the PG&E CPE EEI Master Agreement with the PG&E CPE; if interested, please reach out to the PG&E CPE by email at the [CPESolicitations@pge.com](mailto:CPESolicitations@pge.com) prior to the competitive offer deadlines listed in the schedule in section II.F below. The RA Confirm Option will not be available for offers of new-build resources at this time.

### **I.C. PG&E as the CPE**

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This RFO is being performed by PG&E acting in its role as the CPE in its distribution service area and is separate and distinct from PG&E’s procurement on behalf of its bundled electric service customers.

The Decisions allow PG&E, on behalf of its bundled electric service customers, to participate (“PG&E Participant”) in this RFO in the same manner as all other CPUC LSEs. The Decisions outline specific requirements with respect to PG&E Participant’s participation in PG&E CPE’s RFO (e.g., timing of offer submission).

Consistent with the Decisions, PG&E CPE has developed both a competitive neutrality rule, which was adopted in the LCR RCM Decision, and a strict code of conduct in consultation with the Cost Allocation Mechanism Procurement Review Group (“CAM PRG”), an Independent Evaluator (“IE”), and the CPUC’s Energy Division (“Energy Division”), to prevent the sharing of

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<sup>2</sup> The “PG&E CPE EEI Master Agreement” consists of the PG&E CPE EEI Master Power Purchase and Sale Agreement Cover Sheet and the PG&E CPE Paragraph 10 to the Collateral Annex, both of which are available on the PG&E CPE 2023 RFO website as Appendix E6 and Appendix E7, respectively.

confidential, market sensitive information that PG&E CPE receives from third parties as part of this RFO.

#### **I.D. Background on Local RA Program**

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In 2004, the CPUC adopted the RA framework to ensure adequate generation capacity is available for reliable electric service in California. The RA program requires all CPUC LSEs to procure sufficient generation capacity, or RA, for their customers' expected load plus a planning reserve margin.

The Local RA program incorporates a three-year forward multi-year requirement for procurement of generation capacity in areas within California that are transmission constrained.

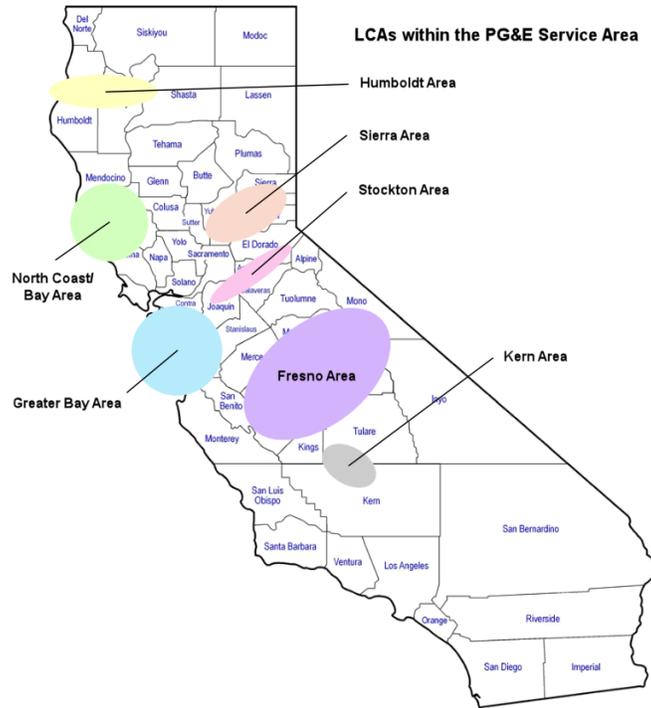
Local capacity requirements are determined through the California Independent System Operator Corporation's ("CAISO") annual Local Capacity Technical Study. Based on the results of the CAISO's annual Local Capacity Technical Study, the CPUC adopts and allocates local capacity requirements for PG&E and SCE's service areas to the relevant central procurement entity (PG&E or SCE).

Capacity that meets the local capacity requirements adopted by the CPUC is referred to as Net Qualifying Capacity ("NQC"), which is calculated by the CPUC and CAISO for each resource and published by the CAISO on an annual basis. The most recent NQC list is located on CAISO's website at the following link:

<http://www.aiso.com/planning/Pages/ReliabilityRequirements/Default.aspx>.

The Local Capacity Areas in PG&E's electric distribution service area are Greater Bay Area, Greater Fresno, Humboldt, Kern, North Coast/North Bay, Sierra, and Stockton (collectively, "PG&E Local Capacity Areas"), as shown in Figure ID.1.

**Figure ID.1: PG&E Local Capacity Area (LCA) Map**



**I.E. Website and Communication**

PG&E CPE has established a website at [pge.com/2023cperfo](http://pge.com/2023cperfo) where Participants may access and download all RFO documents, announcements, and Q&As that are posted.

To ensure the accuracy and consistency of information provided to all Participants, PG&E CPE encourages Participants to submit any inquiries via e-mail to [CPESolicitations@pge.com](mailto:CPESolicitations@pge.com) and copy the Independent Evaluator (“IE”), Merrimack Energy Group, Inc., at [merrimackIE@merrimackenergy.com](mailto:merrimackIE@merrimackenergy.com). With respect to a matter of general interest raised by any Participant, PG&E CPE may, without reference to the inquiring Participant, post the question and PG&E CPE’s response on PG&E CPE’s RFO website. PG&E CPE will attempt to respond to all inquiries but may decline to respond to any inquiry at the PG&E CPE’s discretion.

All correspondence will be monitored by the IE, Merrimack Energy Group, who was selected to oversee this RFO. The IE is an independent, third-party evaluator who is required by the CPUC to monitor and evaluate PG&E CPE’s RFO process as well as the Agreement execution process.

## II. RFO Goals and Overview

### II.A. PG&E CPE Resource Needs

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In order to meet its central procurement obligations ordered in the Decisions, PG&E CPE is seeking to (1) obtain commitments from CPUC LSEs that will self-show their resources to reduce the total Local RA need in PG&E's distribution service area, and (2) procure RA capacity from new and existing resources that are located in PG&E's Local Capacity Areas to meet the remaining Local RA need allocated to PG&E CPE by the CPUC. All resources must meet the requirements and criteria specified in this RFO.<sup>3</sup>

### II.B. Resource Eligibility Requirements

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- All resources participating in this RFO must have a single CAISO Resource Identification ("CAISO Resource ID"), as defined in the CAISO Tariff. Aggregated behind-the-meter resources, including demand response, must be in a single Sub-LAP, as such term is defined in the CAISO Tariff.
- All resources participating in this RFO must be able to provide RA. Resources must meet the applicable CPUC and CAISO RA requirements, CAISO requirements for deliverability, as well as any other requirements that will enable PG&E CPE to receive all applicable RA benefits associated with the resource.
- All resources participating in this RFO must be electrically connected in a PG&E Local Capacity Area and remain listed as such per the CAISO's Local Capacity Technical Study.

Details on additional eligibility requirements for participation in this RFO are included in [Attachment 1: Non-Compensated Self-Shown Commitment Process](#) ("Attachment 1"), [Attachment 2A: Competitive Offer Process – Compensated Self-Shown Commitment](#) ("Attachment 2A"), and [Attachment 2B: Competitive Offer Process – Bundled RA & Bundled RA with Energy Settlement](#) ("Attachment 2B"). Participants are encouraged to thoroughly review each relevant attachment.

### II.C. Commitments and Products Requested by PG&E CPE

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PG&E CPE is requesting the following commitments and/or products in this RFO:

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<sup>3</sup> Per D. 22-03-034, PG&E CPE filed an Aggregate Procurement Summary detailing procurement results to date on an aggregate level in its Annual Compliance Report through Advice Letter 6706-E. *PG&E CPE AL 6706-E, Attachment 2 (Public Attachment A)*: [https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_6706-E.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_6706-E.pdf).

**Non-Compensated Self-Shown Commitment:** A commitment from a CPUC LSE to self-show Local RA that is ineligible for compensation consistent with the process outlined in the Decisions. Participants that provide a Non-Compensated Self-Shown Commitment will retain the system and, if applicable, flexible RA attributes of the resource.

**Compensated Self-Shown Commitment:** A commitment from a CPUC LSE to self-show Local RA that is eligible for compensation consistent with the process outlined in the Decisions. Participants that provide a Compensated Self-Shown Commitment will retain the system and, if applicable, flexible RA attributes of the resource.

**Bundled RA:** A bundled RA capacity product (“Bundled RA”) that will be compensated, which includes local, system and, if applicable, flexible RA attributes.

**Bundled RA with Energy Settlement:** Bundled RA that will be compensated, which includes a financial energy settlement based on CAISO market energy prices.

## II.D. CPE Commitment & Procurement Processes

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Participants may provide the commitments and/or products identified above using two distinct processes:

### 1. Non-Compensated Self-Shown Commitment Process:

PG&E CPE requests that CPUC LSEs that meet the criteria set forth in this Solicitation Protocol for this RFO (“Protocol”) submit to PG&E CPE a Non-Compensated Self-Shown Commitment.

More details on the Non-Compensated Self-Shown Commitment process can be found in [Attachment 1: Non-Compensated Self-Shown Commitment Process](#) of this Protocol.

### 2. Competitive Offer Process:

PG&E CPE requests that entities that meet the criteria set forth in this Protocol submit competitive offers as detailed below (each, “Competitive Offer”):

**Compensated Self-Shown Commitment:** PG&E CPE seeks to execute Agreements as described herein with CPUC LSEs that elect to offer Compensated Self-Shown Commitments.

More details on Competitive Offers for Compensated Self-Shown Commitments can be found in [Attachment 2A: Competitive Offer Process – Compensated Self-Shown Commitments](#) of this Protocol.

**Bundled RA:** PG&E CPE seeks to execute Agreements as described herein with Participants for Bundled RA (inclusive of system and flexible RA attributes, where applicable).

More details on Competitive Offers for Bundled RA can be found in [Attachment 2B: Competitive Offer Process – Bundled RA & Bundled RA with Energy Settlement](#) of this Protocol.

**Bundled RA with Energy Settlement:** PG&E CPE seeks to execute Agreements as described herein with Participants for Bundled RA with Energy Settlement (inclusive of system and flexible RA attributes, where applicable).

More details on Competitive Offers for Bundled RA with Energy Settlement can be found in [Attachment 2B: Competitive Offer Process – Bundled RA & Bundled RA with Energy Settlement](#) of this Protocol.

**Option to Self-Show for No Compensation:** Per Ordering Paragraph (“OP”) 4(b)(2) of the CPE Decision, CPUC LSEs have the option to indicate in their Competitive Offers for either Bundled RA OR Bundled RA with Energy Settlement that the Local RA associated with their Competitive Offer will be a Non-Compensated Self-Shown Commitment if their Competitive Offer is not selected as part of the Competitive Offer Process (“Default to Self-Shown Option”).

Competitive Offers and Non-Compensated Self-Shown Commitments shall not be made contingent upon or subject to the execution of any Agreement related to any other Competitive Offer or the acceptance of any other Non-Compensated Self-Shown Commitment.

## II.E. Commitment, Product, and Process Summary

An overview of the commitments, products, and processes used in this RFO for PG&E CPE to meet its central procurement obligations are described Table II.1 below.

**Table II.1: Overview of 2023 CPE Local RA RFO Commitments, Products, and Processes**

| Process  | Commitment or Product  | Participant Type |
|--|--|------------------|
| <b>Non-Compensated Self-Shown Commitment Process</b>   | <u>Non-Compensated Self-Shown Commitment</u>   | CPUC LSEs        |
| <b>Competitive Offer Process</b><br><i>(Split into two tracks for execution only. See section II.F below for more details)</i> | <u>Compensated Self-Shown Commitment</u>   | CPUC LSEs        |
|  | <u>Bundled RA</u><br><i>Option for CPUC LSEs only: May indicate in their Competitive Offers that the Local RA attributes associated with the Competitive Offer for Bundled RA will be a Non-Compensated Self-Shown Commitment if the Competitive Offer is not selected as part of the Competitive Offer Process.</i> | Any Participant  |

|  |  |                 |
|--|--|-----------------|
| <b>Competitive Offer Process</b><br><i>Continued</i> | <u>Bundled RA with Energy Settlement</u><br><br><i>Option for CPUC LSEs only: May indicate in their Competitive Offers that the Local RA attributes associated with the Competitive Offer for Bundled RA with Energy Settlement will be a Non-Compensated Self-Shown Commitment if the Competitive Offer is not selected as part of the Competitive Offer Process.</i> | Any Participant |
|--|--|-----------------|

This Protocol sets forth the terms and conditions by which PG&E CPE will accept Non-Compensated Self-Shown Commitments and Competitive Offers to meet the objectives of the Decisions. A Participant submitting a Non-Compensated Self-Shown Commitment or Competitive Offer in response to this RFO agrees to be bound by all the terms, conditions, and other provisions of this RFO and any changes or supplements to it that may be issued by PG&E CPE. The obligations of the Participant are further described in Section III: “Terms for RFO Participation”.

**Competitive Offers that meet the requirements and eligibility criteria specified in this Protocol will be deemed qualified (“Qualified”)** and PG&E CPE will notify Participants that their Competitive Offers are Qualified in accordance with the schedule in Table II.2 below. PG&E CPE will evaluate Competitive Offers that are deemed Qualified and may seek to enter into Agreements related to those Competitive Offers.

This Protocol governs the administration and submission of Non-Compensated Self-Shown Commitments and Competitive Offers in connection with the RFO. This Protocol supersedes any other written or oral form of communication during the RFO.

**II.F. Expected RFO Schedule**

The expected schedule for this RFO is listed in Table II.2 below. All deadlines occur at 5:00 P.M. Pacific Prevailing Time (“PPT”), unless otherwise noted.

The 2023 PG&E CPE Local RA RFO will include two separate targeted execution deadlines. The first targeted execution deadline is set for the middle of July 2023 for Competitive Offers that include delivery of RA capacity in the 2024 compliance year (Track 1). A second execution deadline of early August will apply to all other Competitive Offers received in the RFO (Track 2).

**Table II.2: Expected Schedule for PG&E’s 2023 CPE Local RA RFO**

| Event  | Dates                       |
|--|-----------------------------|
| Participants are invited to register online to receive notices regarding the RFO at <a href="http://www.pge.com/cpe">www.pge.com/cpe</a>   | Ongoing                     |
| PG&E CPE issues RFO  | March 22, 2023              |
| Participants’ Webinar  | March 30, 2023              |
| Deadline for CPUC LSEs to submit Non-Compensated Self-Shown Commitments <sup>4</sup> via Power Advocate  | April 18, 2023 at 1PM (PPT) |
| Deadline for PG&E Participant to submit Competitive Offers via Power Advocate  | April 25, 2023 at 1PM (PPT) |
| Deadline for Non-PG&E Participants to submit Competitive Offers via Power Advocate <sup>5</sup>  | April 26, 2023 at 1PM (PPT) |
| <p>PG&amp;E CPE notifies Participants that their Offer(s) are Qualified and whether they fall into Track 1 or Track 2 timeframe for potential execution.</p> <p>PG&amp;E CPE notifies the CAM PRG of all Qualified Offers for <b><u>Track 1 and Track 2.</u></b></p> | Mid-May 2023                |
| Estimated time frame for execution of Agreement(s) resulting from the <b>Track 1</b> Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant ( <b>Track 1</b> )                             | Mid-July 2023               |
| Estimated time frame for execution of Agreement(s) resulting from the <b>Track 2</b> Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant ( <b>Track 2</b> )                             | Early August 2023           |
| PG&E CPE’s estimated Local RA Showing for the 2024, 2025, and 2026 compliance years with the CPUC  | Mid-August 2023             |

The schedule above and documents associated with the RFO are subject to change at PG&E CPE’s sole discretion at any time and for any reason. PG&E CPE will endeavor to notify Participants of any changes to the RFO but shall not be liable for any costs or liability incurred by Participants or any other party due to any change or for failing to provide notice or acceptable notice of any change.

PG&E prefers projects that can agree to terms in an expedited fashion. Except for the terms that are binding upon execution, PG&E’s obligations under an Agreement will be conditioned upon PG&E’s receipt of CPUC Approval within a stated period of time, as described further within the applicable

<sup>4</sup> The schedule for the Non-Compensated Self-Shown Commitment Process is consistent with the timeline adopted in the RA OIR Phase 1 Decision.

<sup>5</sup> The deadline for the Competitive Offer Process for Compensated Self-Shown Commitments is consistent with the timeline adopted in the RA OIR Phase 1 Decision.

Agreement. PG&E reserves the right to seek CPUC Approval of certain Agreements prior to execution of others. PG&E intends to request CPUC approval within 180 days of filing the executed agreements with the CPUC, but the CPUC approval process could take longer. Participants should factor the CPUC's approval process into their project development timelines and proposals.

### III. Terms for RFO Participation

Each Participant providing a Non-Compensated Self-Shown Commitment or Competitive Offer also shall provide its electronic signature of a duly authorized representative of Participant in the applicable Non-Compensated Self-Shown Commitment Form and/or Offer Form. By providing such signature the Participant (a) agrees to be bound by all terms, conditions, and other provisions of this RFO and any changes or supplements to it that may be issued by PG&E CPE, and (b) makes the following representations and warranties, as applicable, as of its signature date and throughout the RFO process:

1. Participant has read, understands, and agrees to be bound by all terms, conditions, and other provisions of the RFO.
2. Participant has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFO, including all Appendices to the RFO.
3. Participant has obtained all necessary authorizations, approvals and waivers, if any, required of Participant as a condition of providing its Non-Compensated Self-Shown Commitment or Competitive Offer and executing the applicable Self-Shown Attestation<sup>6</sup> and/or Agreement with PG&E CPE in the form submitted with its Non-Compensated Self-Shown Commitment or Competitive Offer.
4. Participant is not PG&E, an affiliate of PG&E, PG&E Corporation, or any of their affiliates; provided that, this representation and warranty shall not be applicable to PG&E Participant.
5. Participant is submitting its Non-Compensated Self-Shown Commitment or Competitive Offer subject to all applicable laws including, but not limited to, the Federal Power Act and all amendments thereto, and Public Utilities Code section 454.5, and all amendments thereto.
6. Participant represents that it has carefully considered the terms and conditions of its Non-Compensated Self-Shown Commitment or Competitive Offer and that it is submitting its Non-Compensated Self-Shown Commitment or Competitive Offer in good faith, such that PG&E CPE may reasonably expect Participant to execute an

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<sup>6</sup> Self-Shown Attestation is defined in Section VIII below.

applicable Self-Shown Attestation<sup>7</sup> and/or Agreement as provided in its Non-Compensated Self-Shown Commitment or Competitive Offer.

7. Neither Participant nor any of Participant's consultants has engaged in and shall not engage in communications concerning any terms contained in Participant's Non-Compensated Self-Shown Commitment or Competitive Offer, or review or evaluation of Participant's Non-Compensated Self-Shown Commitment or Competitive Offer, unless explicitly authorized in writing by PG&E CPE, with any of the following parties or entities: any other Participant in the RFO or their consultants or any non-PG&E members of PG&E's CAM or PRG group. The Participant (including any of its respective consultants) has not engaged in and shall not engage in activities in violation of State or Federal antitrust laws or other unlawful or unfair business practices in connection with the RFO ("Prohibited Communication Activities").

Notwithstanding the foregoing, Participant may engage in such communications with its advisors, counsel, experts, or employees who have a need to know the content of the communications and have agreed to keep such information confidential (collectively, "Advisors"). In addition, Participant may engage in communications with other Participants submitting a Non-Compensated Self-Shown Commitment or Competitive Offer in the RFO and their respective Advisors ("Other Participants"), so long as: (1) such Other Participants are under common ownership and control with Participant; (2) Participant and Other Participants do not engage in Prohibited Communication Activities; and (3) in the event Participant and Other Participant share a common Advisor, Participant has, prior to sharing any such communications with such Other Participant and the common Advisor, provided PG&E CPE with (a) written notice of such Other Participant and common Advisor and (b) an agreement that Participant has not and shall not engage in Prohibited Communication Activities with either the Other Participant or the common Advisor.

8. If Participant's Competitive Offer is Qualified, Participant agrees to participate in good faith, and to inform PG&E CPE if the resource that is the subject of the Qualified Competitive Offer has been submitted into another solicitation with PG&E or any other entity.
9. If a Participant is submitting a Competitive Offer jointly with other entities, and the Competitive Offer is Qualified, PG&E CPE may require, as part of the qualifying process, additional representations, and warranties, along with additional documentation, from all entities involved in the Competitive Offer.
10. Participant will promptly notify PG&E CPE of any change in circumstances that may affect its ability to fulfill the terms of its Non-Compensated Self-Shown Commitment or Competitive Offer, at any time from submission of the Non-Compensated Self-

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<sup>7</sup> Self-Shown Attestation is defined in Section VIII below.

Shown Commitment or Competitive Offer to PG&E CPE's acceptance of the Non-Compensated Self-Shown Commitment or Competitive Offer, or Participant's withdrawal of the Non-Compensated Self-Shown Commitment or Competitive Offer, as applicable.

11. If a Participant is submitting a Competitive Offer, Participant will list any additional services its resource will provide outside of this RFO, per CPUC D.18-01-003, on Multiple-Use Application Issues, as applicable.

A BREACH BY PARTICIPANT OF ANY OF THE REPRESENTATIONS AND WARRANTIES IN SECTION III. OF THIS PROTOCOL, IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE TO PG&E UNDER APPLICABLE LAW, IS GROUNDS FOR IMMEDIATE DISQUALIFICATION OF SUCH PARTICIPANT FROM PARTICIPATION IN THE RFO AND, DEPENDING ON THE NATURE OR SEVERITY OF THE BREACH, MAY ALSO BE GROUNDS FOR TERMINATING THE RFO IN ITS ENTIRETY.

#### **IV.PG&E CPE's Reservation of Rights**

This RFO is an invitation to submit Non-Compensated Self-Shown Commitments or Competitive Offers to PG&E CPE; it does not constitute an offer to buy and creates no obligation for PG&E CPE to execute any Agreement or to enter into any transaction under any Agreement or otherwise as a consequence of the RFO. PG&E CPE reserves the right to request information from a Participant at any time during the RFO process. PG&E CPE reserves the right, in its sole discretion, to reject any Competitive Offer at any time for any reason, including but not limited to grounds that the Competitive Offer does not conform to the terms and conditions of this RFO or contains terms that are not acceptable to PG&E CPE. PG&E CPE also retains the discretion, in its sole judgment, at any time: (a) to formulate and implement new or additional criteria for the evaluation and selection of Competitive Offers only after consulting with the IE; (b) to engage with any Participant; (c) to deem or no longer deem any Competitive Offers as Qualified or (d) to modify this RFO as it deems appropriate to implement the RFO and to comply with applicable law or other direction provided by the CPUC. PG&E CPE reserves the right, in its sole discretion, to reject any Non-Compensated Self-Shown Commitment if it does not conform to the terms and conditions of this RFO implementing the Decisions. PG&E CPE will not be liable for and will not reimburse any Participant for Participant's costs or expenses relating to eligibility for or participation in this RFO, including without limitation the preparation of any Non-Compensated Self-Shown Commitment and/or Competitive Offer, under any circumstances. In addition, PG&E CPE reserves the right to either suspend or terminate this RFO at any time for any reason. PG&E CPE will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination, or any other action described in this paragraph to any third party, including any Participant.

## V. Confidentiality Agreement

Except with PG&E CPE's prior written consent, Participant shall not disclose its participation in this RFO (other than by attendance at any meeting held by PG&E CPE with respect to the RFO), collaborate on, provide to, or discuss with any other Participant or potential Participant bidding strategies or the content of any Non-Compensated Self-Shown Commitment(s) or Competitive Offer(s), including without limitation the price or any other terms or conditions of any Non-Compensated Self-Shown Commitment(s) or Competitive Offer(s). With respect to a Non-Compensated Self-Shown Commitment provided by a Participant, the Participant shall maintain in strict confidence the content of such Non-Compensated Self-Shown Commitment and shall not, without PG&E CPE's prior written consent, disclose the content of the Non-Compensated Self-Shown Commitment, in whole or in part, except: (a) to its affiliates, or their respective officers, directors, partners, employees, agents, or representatives who have a need to know the content of the communications and have agreed to keep such information confidential; or (b) in order to comply with any applicable law, regulation, rule or order issued by a court or entity with competent jurisdiction over Participant. The foregoing confidentiality obligation with respect to the content of a Non-Compensated Self-Shown Commitment shall survive the termination or conclusion of this RFO and continue in full force and effect until the expiration of the time period of the self-shown commitment as stated in such Non-Compensated Self-Shown Commitment.

Except as provided below, all information and documents clearly identified by Participant as "Confidential" on the page(s) on which confidential information appears shall be considered confidential information. PG&E CPE shall maintain such confidential information in strict confidence and, subject to the exceptions set forth below, shall only disclose such confidential information to PG&E or PG&E Corporation's officers, directors, employees, agents, counsel, accountants, advisors, or contractors for the sole purpose of performing their duties in connection with the RFO, evaluation of submissions made in connection therewith, or negotiation of any Agreement; provided that, PG&E CPE may use confidential information, consolidated with other market information and not specifically attributed to the Provider, for PG&E CPE's own internal use or in the context of regulatory or other proceedings.

It is expressly acknowledged and agreed by Participant that materials submitted by Participant in connection with this RFO will be provided to the CPUC, its staff, the Independent Evaluator, PG&E Procurement Review Group ("PRG"), and Cost Allocation Mechanism group ("CAM"). To the extent available under applicable law, regulation, rule or order, PG&E CPE will seek confidential treatment with respect to any Participant-supplied non-public RFO information and documents ("Participant's Confidential Information") that are submitted by PG&E CPE to the CPUC. PG&E CPE will also seek confidentiality and/or non-disclosure agreements with the PRG and CAM applicable to the Participant's Confidential Information. PG&E CPE cannot, however, ensure that the CPUC will afford confidential treatment to a Participant's Confidential Information, or that those confidentiality agreements or orders will be obtained from and/or honored by the PRG, CAM, or the CPUC.

With respect to any information or documents provided by the Participant, PG&E CPE shall have the right to disclose such information and documents to the CPUC, its staff, the Independent Evaluator, the PRG, CAM, CAISO, any other control area operator or balancing authority and any other entity in order to comply with any applicable law, regulation, rule or order issued by a court or entity with competent jurisdiction over PG&E CPE, at any time, even in the absence of a protective order, confidentiality agreement or nondisclosure agreement, as the case may be, without notification to the Participant and without liability or any responsibility of PG&E CPE to the Participant or any third party.

Depending upon Participant's submittal in response to Appendix B, PG&E CPE may require additional confidentiality obligations with collaborating entities.

## **VI. Procurement Review Group/Cost Allocation Mechanism Review**

PG&E CPE will consult the IE, PRG and CAM in accordance with the Decisions. Following completion of PG&E CPE's review of Non-Compensated Self-Shown Commitments and Competitive Offers, PG&E CPE will submit a summary of all Non-Compensated Self-Shown Commitments and Competitive Offers to the PRG and CAM.

In accordance with OP 13 of the CPE Decision, PG&E CPE will submit Competitive Offers received from PG&E Participant to the PRG, CAM, and IE in advance of the receipt of Competitive Offers from any other entities, via email with a timestamp date before the offer deadline for other Participants.

Following the evaluation of Competitive Offers, PG&E CPE will submit the results of the evaluation and its recommendations to the PRG and CAM. Such information may include the ranking of Competitive Offers, the consideration of qualitative criteria, and PG&E CPE's recommendations based on such information. PG&E CPE has no obligation to obtain the concurrence of the PRG and CAM with respect to any Competitive Offer.

PG&E CPE assumes no responsibility for the actions of the PRG or CAM, including actions that may delay or otherwise affect the schedule for this RFO, including the timing of the selection of Competitive Offers.

## **VII. Notification to Participants**

The RFO Schedule set forth in Section II.F may be modified by PG&E CPE at PG&E CPE's sole discretion. PG&E CPE will endeavor to notify Participants of any changes to the RFO Schedule but shall not be liable for any costs or liability incurred by Participants or any other party due to any change or for failing to provide notice or acceptable notice of any change.

As previously stated, PG&E CPE may contact Participants during the review and evaluation process to seek clarity or notify Participants of deficiencies or inconsistencies in their Non-

Compensated Self-Shown Commitments or Competitive Offers, however Participants should not expect this level of guidance due to the time constraints of the RFO.

PG&E CPE expects to be able to provide an e-mail notification to Participants whose Competitive Offers have been Qualified. PG&E CPE anticipates notifying those Participants whose Competitive Offers were not Qualified shortly thereafter.

### **VIII. Submission of Self-Shown Attestation**

In accordance with OP 2 of the RA OIR Phase 1 Decision, a CPUC LSE that provides a Non-Compensated Self-Shown Commitment or Compensated Self-Shown Commitment must submit an attestation (“Self-Shown Attestation”) that provides that:

- a. The LSE has the capacity rights to the Resource Adequacy (RA) resource for the period it is self-showing;
- b. The LSE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs;
- c. If applicable, the resource that the LSE intends to self-show for compensation under the Local Capacity Requirement Reduction Compensation Mechanism (LCR RCM) meets the eligibility requirements pursuant to Decision 20-12-006.

**Additional details on Self-Shown Attestations are included in [Attachment 1](#), [Attachment 2A](#), and [Attachment 2B](#). Participants are encouraged to thoroughly review each relevant attachment.**

In addition to a Self-Shown Attestation, CPUC LSEs that submit a Competitive Offer for a Compensated Self-Shown Commitment are required to execute an Agreement if the Competitive Offer is selected. This process is consistent with OP 4 of the RA OIR Phase 1 Decision.

### **IX. Execution of Agreement**

By submitting a Competitive Offer, Participant agrees, that if its Competitive Offer is Qualified, the Participant is prepared to execute the applicable Agreement consistent with the Participant’s Competitive Offer. PG&E CPE’s determination of a Participant’s Competitive Offer as being Qualified will not constitute any agreement by PG&E CPE to any of the Participant’s changes to the Agreement that Participant submitted.

PG&E CPE reserves the right to execute Agreements resulting from this RFO with any individual Participant at any time. PG&E CPE has a strong preference to execute Agreements that are substantially similar to the form Agreements.

## X. Waiver of Claims and Limitations of Remedies

Except as expressly set forth in this Protocol, by submitting a Non-Compensated Self-Shown Commitment or Competitive Offer, Participant knowingly and voluntarily waives all remedies or damages at law or equity concerning or related in any way to the RFO, the Protocol and/or any attachments to the Protocol (“Waived Claims”). The assertion of any Waived Claims by Participant may, to the extent that Participant’s Non-Compensated Self-Shown Commitment or Competitive Offer has not already been rejected or disqualified, automatically disqualify such Non-Compensated Self-Shown Commitment or Competitive Offer from further consideration in the RFO or otherwise.

By submitting a Non-Compensated Self-Shown Commitment or Competitive Offer, Participant agrees that the sole and exclusive forums in which Participant may assert any challenge with respect to the conduct or results of the RFO are those specified herein. Participant may assert such a challenge through the Alternative Dispute Resolution (“ADR”) services provided by the CPUC pursuant to Resolution ALJ-185, August 25, 2005. This ADR process is voluntary in nature, and does not include processes, such as binding arbitration, that impose a solution on the disputing parties. However, PG&E CPE will consider the use of such ADR under the appropriate circumstances. Additional information about this program is available on the CPUC’s website at the following link:

[http://docs.cpuc.ca.gov/published//Agenda\\_resolution/47777.htm](http://docs.cpuc.ca.gov/published//Agenda_resolution/47777.htm)

Participant further agrees that other than through the foregoing ADR process, the only means of challenging the conduct or results of the RFO is a protest to PG&E CPE’s submittal to the CPUC of one or more Agreements entered into as a result of the RFO, that the sole basis for any such protest shall be that PG&E CPE allegedly failed in a material respect to conduct the RFO in accordance with this Protocol, and the exclusive remedy available to Participant in the case of such a protest shall be an order of the CPUC that PG&E CPE again conduct any portion of the RFO that the CPUC determines was not previously conducted in accordance with the Protocol. Participant expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs, and/or attorney’s fees. Unless PG&E CPE elects to do otherwise in its sole discretion during the pendency of such a protest or ADR process, the RFO and any related regulatory proceedings related to the RFO will continue as if the protest had not been filed, unless the CPUC has issued an order suspending the RFO or PG&E CPE has elected to terminate the RFO.

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

Except as expressly provided in this Protocol, nothing herein, including Participant’s waiver of the Waived Claims as set forth above, shall in any way limit or otherwise affect the rights and remedies of PG&E CPE.

## **XI. Termination of the RFO-Related Matters**

PG&E CPE reserves the right at any time, in its sole discretion, to terminate the RFO for any reason whatsoever without prior notification to Participants and without liability of any kind to, or responsibility of, PG&E CPE or anyone acting on PG&E CPE 's behalf. Without limitation, grounds for termination of the RFO may include the assertion of any Waived Claims by a Participant or a determination by PG&E CPE that, following evaluation of the Competitive Offers, there are no Competitive Offers that provide adequate ratepayer benefit.

PG&E CPE reserves the right to change the Competitive Offer evaluation criteria for any reason, to terminate further participation in the Competitive Offer process by any Participant, to accept any Competitive Offer or to enter into any definitive Agreement, to evaluate the qualifications of any Participant, and to reject any or all Competitive Offers, all without notice and without assigning any reasons and without liability to PG&E CPE or anyone acting on PG&E CPE 's behalf. PG&E CPE shall have no obligation to consider any Competitive Offer.

Unless earlier terminated, the RFO will terminate automatically upon the execution of one or more Agreements by selected Participants as described herein. In the event that no Agreements are executed, then the RFO will terminate automatically on that date which is twelve (12) months after issuance date of the RFO without any further action required by PG&E CPE.

In the event of termination of the RFO for any reason, PG&E CPE will not reimburse the Participant for any costs or expenses incurred in connection with the RFO, including with respect to eligibility for this RFO or preparation of any RFO submission, regardless of whether such Participant's Non-Compensated Self-Shown Commitment or Competitive Offer is accepted, not accepted, selected, not selected, rejected, or disqualified.

## Attachment 1: Non-Compensated Self-Shown Commitment Process

### I. OVERVIEW

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In accordance with the Decisions, PG&E CPE is seeking Non-Compensated Self-Shown Commitments as part of the Non-Compensated Self-Shown Commitment Process of this RFO. CPUC LSEs can submit Non-Compensated Self-Shown Commitments from procured or owned resources for no compensation to PG&E CPE. PG&E CPE strongly encourages Participants to review the Decisions for details on how CPUC LSEs retain the system and flexible RA attributes of resources used for Non-Compensated Self-Shown Commitments.

Competitive Offers and Non-Compensated Self-Shown Commitments shall not be made contingent upon or subject to the execution of any Agreement related to any other Competitive Offer or the acceptance of any other Non-Compensated Self-Shown Commitment.

The deadline for the Non-Compensated Self-Shown Commitment Process is detailed in Table III.1 below.

### II. COMMITMENT OVERVIEW

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Table II.1 below provides an overview of the Non-Compensated Self-Shown Commitment Process of this RFO, including the commitment to be provided pursuant to this RFO.

**Table II.1: Overview of Non-Compensated Self-Shown Commitments**

| Commitment                                   | Shown Term <sup>8</sup>  | Attestation(s)  |
|--|--|---|
| <b>Non-Compensated Self-Shown Commitment</b> | May not commence prior to the 2024 RA compliance period on 1/1/2024 and may not extend beyond the 2026 RA compliance period on 12/31/2026. | Self-Shown Attestation (Located within Appendix F1: Non-Compensated Self-Shown Commitment Form) |

### III. EXPECTED SCHEDULE FOR NON-COMPENSATED SELF-SHOWN COMMITMENT PROCESS

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The expected schedule for the Non-Compensated Self-Shown Commitment Process is listed in Table III.1 below. All deadlines occur at 5:00 P.M. Pacific Prevailing Time (“PPT”), unless otherwise noted.

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<sup>8</sup> Shown Term is measured as the expected commencement of the self-shown commitment to the expected conclusion of the self-shown commitment.

*If you encounter any digital or disability access issues, or you would like to provide PG&E with feedback or suggestions regarding such access, please e-mail our team at [solicitationaccessibility@pge.com](mailto:solicitationaccessibility@pge.com). This mailbox is monitored during regular business hours (M-F; 8am-5pm). We will respond to your inquiry within 2 business days.*

**Table III.1: Expected Schedule for Non-Compensated Self-Shown Commitment Process**

| Event  | Date                        |
|--|-----------------------------|
| Participants are invited to register online to receive notices regarding the RFO at <a href="http://www.pge.com/cpe">www.pge.com/cpe</a> | Ongoing                     |
| PG&E CPE issues RFO  | March 22, 2023              |
| Participants' Webinar  | March 30, 2023              |
| Deadline for CPUC LSEs to submit Non-Compensated Self-Shown Commitments <sup>9</sup>   | April 18, 2023 at 1PM (PPT) |
| Adjustment Date for any Non-Compensated Self-Shown Commitments Submitted (NQC Updates Only) <sup>10</sup>                                | August 1, 2023              |
| PG&E CPE's estimated Local RA Showing for the 2024, 2025, and 2026 compliance years with the CPUC  | Mid-August 2023             |

#### IV. SHOWN TERM

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In accordance with the CPE Decision, PG&E CPE is seeking Non-Compensated Self-Shown Commitments with Shown Terms commencing in 2024, 2025, or 2026. The Shown Term may not commence prior to the 2024 RA compliance period on 1/1/2024 and may not extend beyond the end of the 2026 RA compliance period on 12/31/2026.

#### V. ELIGIBILITY REQUIREMENTS FOR THE NON-COMPENSATED SELF-SHOWN COMMITMENT PROCESS

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In addition to the eligibility requirements described in Section II.B of the Protocol, the following requirements apply to the Non-Compensated Self-Shown Commitment Process:

##### A. Eligible Participants

Per the Decisions, only CPUC LSEs are eligible to submit Non-Compensated Self-Shown Commitments.

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<sup>9</sup> Schedule for the Non-Compensated Self-Shown Commitment Process is consistent with the timeline in RA OIR Phase 1 Decision.

<sup>10</sup> The purpose of this deadline is to ensure the PG&E CPE has the most up to date capacity values for its compliance showing due in mid-August. Only updates to the NQC values proportional to the commitment values provided in April 2023 through an executed attestation submitted as part of this 2023 CPE Local RA RFO is requested by this deadline. Any modifications that increase/decrease the amount originally committed (not solely due to NQC changes) or any incremental capacity showings is not permitted at this time.

## **B. Eligible Resources**

Per OP 4 of the CPE Decision, any resource that is procured or owned by a CPUC LSE that can provide Local RA within the PG&E Local Capacity Areas may provide a Non-Compensated Self-Commitment.

## **VI. SELF-SHOWN ATTESTATION**

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Per OP 2 of the RA OIR Phase 1 Decision, a CPUC LSE that elects to submit a Non-Compensated Self-Shown Commitment must execute an attestation that provides that:

- a. The LSE has the capacity rights to the Resource Adequacy (RA) resource for the period it is self-showing; and
- b. The LSE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs

To meet the foregoing requirement, CPUC LSEs that elect to submit a Non-Compensated Self-Shown Commitment must execute and submit the Self-Shown Attestation included within Appendix F1: Non-Compensated Self-Shown Commitment Form.

## **VII. NON-COMPENSATED SELF-SHOWN COMMITMENT SUBMITTAL PROCESS OVERVIEW**

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All Non-Compensated Self-Shown Commitments must be provided to PG&E CPE by their applicable deadlines as specified in the schedule in Table III.1.

**Submitting Documents:** All Non-Compensated Self-Shown Commitments for this RFO must be submitted electronically through Power Advocate, a web-based platform PG&E CPE will use to collect all documents from Participants.

Prior to submitting a Non-Compensated Self-Shown Commitment, Participants must register with Power Advocate. Detailed instructions about submitting documents through Power Advocate and using the online platform are posted on the RFO website. Power Advocate registrants should be registered under the entity submitting the Non-Compensated Self-Shown Commitment. Consultants or advisers of Participants should not submit a Non-Compensated Self-Shown Commitment on behalf of Participants. PG&E CPE strongly encourages Participants to review the detailed instructions and register with Power Advocate well before Non-Compensated Self-Shown Commitments are due.

Each Non-Compensated Self-Shown Commitment should be uploaded as a “Commercial and Administrative” document type in Power Advocate. Document file names should **not** contain any special characters such as “\*&#”. Please keep file names short and include short references to Participant’s name.

There are separate Power Advocate Links provided for the Non-Compensated Self-Shown Commitment and Competitive Offer process in this RFO. Please ensure documents are submitted to the site listed below.

**Table VII.1: PG&E 2023 CPE Local RA RFO Non-Compensated Self-Shown Commitment Submittal**

| Offer Type  | Power Advocate Links  | Event ID |
|---|---|----------|
| Non-Compensated Self-Shown Commitment(s) from all CPUC LSEs | <a href="https://www.poweradvocate.com/pR.do?okey=139879&amp;pubEvent=true">https://www.poweradvocate.com/pR.do?okey=139879&amp;pubEvent=true</a> | 139879   |

**Electronic Document Formats:** Electronic documents must be submitted as Microsoft Word, Microsoft Excel, or PDF files, as identified in Table VII.2.

Non-Compensated Self-Shown Commitment must contain all required information noted in Table VII.2 below and must be organized in accordance with these instructions.

**Table VII.2: Non-Compensated Self-Shown Commitment Package**

| Appendix | Title                                      | Description  | Format   |
|----------|--|--|----------|
| F1       | Non-Compensated Self-Shown Commitment Form | Appendix F1 is to be used for all Non-Compensated Self-Shown Commitments.                      | MS Excel |
| N/A      | Self-Shown Attestation                     | Please follow all instructions for Self-Shown Attestation submittal as detailed in Appendix F1 | PDF      |

## VIII. SELF-SHOWN ATTESTATION INFORMATION

CPUC LSEs submitting Non-Compensated Self-Shown Commitments will need to ensure that the Self-Shown Attestation within Appendix F1: Non-Compensated Self-Shown Commitment Form (i) is completely and accurately filled out, (ii) includes the electronic signature by its respective authorized representative, and (iii) complies with all instructions for submission as detailed in Appendix F1: Non-Compensated Self-Shown Commitment Form.

Participants may only submit one Non-Compensated Self-Shown Commitment per resource. Participants submitting Non-Compensated Self-Shown Commitments from multiple resources must submit all commitments within a single Appendix F1: Non-Compensated Self-Shown Commitment Form.

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\*\*\* End of Attachment 1 \*\*\*

## Attachment 2A: Competitive Offer Process – Compensated Self-Shown Commitment

### I. OVERVIEW

In accordance with the Decisions, PG&E CPE is seeking Competitive Offers for Compensated Self-Shown Commitments from CPUC LSEs. CPUC LSEs offering a Compensated Self-Shown Commitment to PG&E CPE must ensure that their resources meet the eligibility requirements for compensation under the LCR RCM Decision as detailed in this Attachment 2A. PG&E CPE strongly encourages Participants to review the Decisions for details on how CPUC LSEs retain the system and flexible RA attributes of resources used for Compensated Self-Shown Commitments.

CPUC LSEs that submit Competitive Offers for Compensated Self-Shown Commitments may not submit an alternative Competitive Offer for either Bundled RA or Bundled RA with Energy Settlement or a Non-Compensated Self-Shown Commitment from that same resource in the same delivery month.

Competitive Offers and Non-Compensated Self-Shown Commitments shall not be made contingent upon or subject to the execution of any Agreement related to any other Competitive Offer or the acceptance of any other Non-Compensated Self-Shown Commitment.

The deadline to submit Competitive Offers for Compensated Self-Shown Commitments is detailed in Table III.1.

### II. COMMITMENT OVERVIEW

Table II.1 below provides an overview the Competitive Offer Process for Compensated Self-Shown Commitments.

**Table II.1: Overview of Compensated Self-Shown Commitments**

| Commitment                               | Shown Term   | Initial Shown Date (“ISD”)  | Agreement(s) or Attestation(s)   |
|--|--|---|--|
| <b>Compensated Self-Shown Commitment</b> | <ul style="list-style-type: none"> <li>- Must commence on the later of (1) the start of the term of the underlying contract for the resource, or for UOG the beginning of the useful life for that resource, and (2) the beginning of the 2024 RA compliance period on 1/1/2024</li> <li>- Must end on the earlier of (1) the end term of the underlying contract, or for UOG the end of the resource’s useful life, and (2) the end of the 2026 RA compliance period on 12/31/2026</li> </ul> | <ul style="list-style-type: none"> <li>- Any month from 2024 to 2026, subject to the Shown Term requirements</li> <li>- ISD must begin on first day of month</li> </ul> | <ul style="list-style-type: none"> <li>Appendix E1 – Compensated Self-Shown RA Agreement</li> <li>Self-Shown Attestation (Located within Appendix F2- Compensated Self-Shown Commitment Form)</li> </ul> |

*If you encounter any digital or disability access issues, or you would like to provide PG&E with feedback or suggestions regarding such access, please e-mail our team at [solicitationaccessibility@pge.com](mailto:solicitationaccessibility@pge.com). This mailbox is monitored during regular business hours (M-F; 8am-5pm). We will respond to your inquiry within 2 business days.*

### III. EXPECTED SCHEDULE FOR THE COMPETITIVE OFFER PROCESS

The expected schedule for the Competitive Offer Process of the RFO is listed in Table III.1 below. All deadlines occur at 5:00 P.M. Pacific Prevailing Time (“PPT”), unless otherwise noted.

**Table III.1: Expected Schedule for Competitive Offer Process of PG&E’s 2023 CPE Local RA RFO**

| Event  | Dates                       |
|--|-----------------------------|
| Participants are invited to register online to receive notices regarding the RFO at <a href="http://www.pge.com/cpe">www.pge.com/cpe</a>   | Ongoing                     |
| PG&E CPE issues RFO  | March 22, 2023              |
| Participants’ Webinar  | March 30, 2023              |
| Deadline for PG&E Participant to submit Competitive Offers via Power Advocate  | April 25, 2023 at 1PM (PPT) |
| Deadline for Non-PG&E Participants to submit Competitive Offers via Power Advocate <sup>11</sup>   | April 26, 2023 at 1PM (PPT) |
| <p>PG&amp;E CPE notifies Participants that their Offer(s) are Qualified and whether they fall into Track 1 or Track 2 timeframe for potential execution.</p> <p>PG&amp;E CPE notifies the CAM PRG of all Qualified Offers for <b><u>Track 1 and Track 2.</u></b></p> | Mid-May 2023                |
| Estimated time frame for execution of Agreement(s) resulting from the <b>Track 1</b> Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant ( <b>Track 1</b> )                             | Mid-July 2023               |
| Estimated time frame for execution of Agreement(s) resulting from the <b>Track 2</b> Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant ( <b>Track 2</b> )                             | Early August 2023           |
| PG&E CPE’s estimated Local RA Showing for the 2024, 2025, and 2026 compliance years with the CPUC  | Mid-August 2023             |

The schedules above and documents associated with the RFO are subject to change at PG&E CPE’s sole discretion at any time and for any reason. PG&E CPE will endeavor to notify Participants of any changes to the RFO but shall not be liable for any costs or liability incurred by Participants or any other party due to a change or for failing to provide notice or acceptable notice of any change.

<sup>11</sup> The deadline for the Competitive Offer Process for Compensated Self-Shown Commitments is consistent with the timeline adopted in the RA OIR Phase 1 Decision.

#### IV. SHOWN TERM

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In accordance with the Decisions, PG&E CPE is seeking Competitive Offers for Compensated Self-Shown Commitments with Shown Terms commencing in 2024, 2025, or 2026.

##### Compensated Self-Shown Commitments<sup>12</sup>

- Per OP 3 of the LCR RCM Decision, the Shown Term must commence on the later of (1) the start of the term of the underlying contract for the resource, or, for utility-owned generation (“UOG”), the beginning of the useful life for that resource, and (2) the beginning of the 2024 RA compliance period on 1/1/2024.
- Per OP 3 of the LCR RCM Decision, the Shown Term must end on the earlier of (1) the end term of the underlying contract, or, for UOG, the end of the resource’s useful life, and (2) the end of the 2026 RA compliance period on 12/31/2026.
- Shown Term must commence on the first day of any calendar month within the 2024, 2025, or 2026 RA compliance periods.

#### V. EXISTING AND NEW RESOURCE DEFINITION

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For the purposes of the Competitive Offer Process, Existing and New resources are defined as follows in Table V.1:

**Table V.1: Existing and New Resource Definition**

| Defined Term             | Definition   |
|--------------------------|--|
| <b>Existing Resource</b> | Resources that are listed on the 2023 CAISO NQC List <u>and</u> have achieved Commercial Operation Date (“COD”) in accordance with CAISO’s New Resource Implementation process and requirements (“CAISO COD”) by April 25, 2023. <sup>13</sup> |
| <b>New Resource</b>      | Resources that are <i>not</i> listed on the CAISO NQC List <u>or</u> have <i>not</i> achieved CAISO COD by April 25, 2023.   |
|                          | Existing or retired resources that are being repowered to achieve a net increase in generation capacity.   |

#### VI. ELIGIBILITY REQUIREMENTS FOR COMPETITIVE OFFERS FOR COMPENSATED SELF-SHOWN COMMITMENTS

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In addition to the eligibility requirements described in Section II.B of the Protocol, the following requirements apply to Competitive Offers for Compensated Self-Shown Commitments:

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<sup>12</sup> See D.20-12-006, OP 3(g), pg. 46.

<sup>13</sup> <http://www.caiso.com/participate/Pages/NewResourceImplementation/Default.aspx>

## **A. Eligible Participants**

Per the Decisions, only CPUC LSEs are eligible to submit Competitive Offers for Compensated Self-Shown Commitments.

## **B. Eligible Resources**

Pursuant to the LCR RCM Decision, the following resources that can provide Local RA within the PG&E Local Capacity Areas are eligible to submit Competitive Offers for Compensated Self-Shown Commitments:

- Any local preferred resource or energy storage resource with an original contract executed on or after June 17, 2020 up to the life of the resource's original contract, or in the case of utility-owned generation up to the original life of the resource. Per the LCR RCM Decision, the existing definition of preferred resources from the State's Energy Action Plan EAP II, as adopted in D.14-03-004, applies to the LCR RCM, which identifies demand response, renewable resources, and distributed generation as preferred resources.
- A hybrid resource that consists of a preferred resource and an energy storage resource, if either the preferred or the energy storage resource has an original contract executed on or after June 17, 2020.
  - In the case of a hybrid resource, the entire hybrid resource may be eligible for the LCR RCM.
  - In the case of an energy storage resource added to a preferred resource with an original contract executed before June 17, 2020, in which the resources are co-located, only the component with an original contract executed on or after June 17, 2020 shall be eligible for the LCR RCM.
  - The LCR RCM shall not apply to hybrid resources that consist of a fossil resource and an energy storage resource with an original contract executed on or after June 17, 2020. If the energy storage resource is co-located with a fossil resource, the energy storage resource may be separately eligible as a standalone component.

## **C. Interconnection**

### **1) New Resources:**

#### **a) In-Front-of-the-Meter**

Participants must provide the status of the project's interconnection application, the status of the project's studies associated with the interconnection process, as well as all other electrical interconnection information requested in Appendix B.

At the time of the Competitive Offer submittal, Participants must have Participating Transmission Operator (PTO) or Utility Distribution Company (UDC) documentation showing that the resource is expected to receive Deliverability Status sufficient to support the delivery of RA associated with their Competitive Offer, per the obligations of the corresponding agreement. Participants must remain active in the applicable interconnection queue until the resource's required network upgrades have been completed.

Participants are reminded that PG&E is releasing this RFO in its central procurement entity function and in that function PG&E has no obligation nor ability to influence the Participating Transmission Operator or Utility Distribution Company. PG&E in its CPE function is not responsible or liable for delays in interconnection or transmission or distribution service or inability to obtain retail electric service for any resource. For more information, please refer to the Separation of Functions section of the applicable Agreement.

- b) Aggregated Behind-the-Meter (BTM) Customer-Connected and Demand Response  
Must describe their customer acquisition plans in Appendix B.

**2) Existing Resources:**

Not required to provide this demonstration.

**D. Safety**

**1) New Resources**

PG&E is committed to providing safe utility (electric and gas) service to its customers. As part of this commitment, PG&E requires that the Participants recognize safety is of paramount importance. In connection with this RFO, Participants may be required to meet certain safety standards, provide safety information related to the technology for the Resource, and provide information regarding safety history, including for the entities that will construct, operate, or maintain the resource(s). Per Appendix B of this RFO, Participants are required to identify the known safety-related hazards and risks associated with their technology. Participants are also required to describe their ability to mitigate safety risks and comply with applicable safety-related codes and standards identified by the Participant.

A Participant's obligations with respect to safety may vary based on the particular Agreement, resource, and product or commitment type, as well as the commercial relationship of the entities involved in the transaction. Participants will be responsible for any fees and costs associated with meeting PG&E CPE's safety requirements in the RFO and the applicable Agreement. Prior to a Participant submitting a Competitive Offer, PG&E CPE recommends that Participants review the safety provisions in the form Agreement.

## 2) Existing Resources

Not required to provide this demonstration.

### E. Site Control

#### 1) New Resources:

##### a) In-Front-of-the-Meter

Participants must demonstrate site control at the time of the Competitive Offer submission. Examples of acceptable forms of Site Control are:

- 1) Fee Title
- 2) Recorded Exclusive Easement
- 3) Executed Option Agreement
- 4) Lease (Non-revocable)
- 5) Lease Option (Non-revocable)

##### b) Aggregated Behind-the-Meter (BTM) Customer-Connected and Demand Response

Not required to provide this demonstration.

#### 2) Existing Resources:

Not required to provide this demonstration.

## VII. SELF-SHOWN ATTESTATION

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Per OP 2 of the RA OIR Phase 1 Decision, CPUC LSEs that submit Competitive Offers for Compensated Self-Shown Commitments must execute an attestation that provides that:

- a. The LSE has the capacity rights to the Resource Adequacy (RA) resource for the period it is self-showing;
- b. The LSE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs; and
- c. If applicable, the resource that the LSE intends to self-show for compensation under the Local Capacity Requirement Reduction Compensation Mechanism (LCR RCM) meets the eligibility requirements pursuant to Decision 20-12-006.

To meet this requirement, CPUC LSEs that submit Competitive Offers for Compensated Self-Shown Commitments must execute and submit the Self-Shown Attestation included within Appendix F2: Compensated Self-Shown Commitment Form.

## VIII. AGREEMENTS

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In addition to a Self-Shown Attestation, CPUC LSEs that submit a Competitive Offer for a Compensated Self-Shown Commitment are required to execute an Agreement if the Competitive Offer is selected for procurement. This process is consistent with OP 4 of the RA OIR Phase 1 Decision.

PG&E CPE has a strong preference for standardized Agreements and prefers to execute Agreements that are substantially similar to the form Agreement provided. Participants must provide a completed version of the relevant Agreement, including any proposed markups, as part of their Competitive Offer package which will be used by PG&E CPE as part of the review process for that Competitive Offer. Participants may only submit one version of proposed markups for each relevant Agreement.

The following Agreement must be used for Compensated Self-Shown Commitments:

- Appendix E1 –Compensated Self-Shown Commitment Agreement

## IX. PRICING

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Participants are required to include pricing in their Competitive Offers for Compensated Self-Shown Commitments. Pricing must be provided as \$/kW-month per calendar year.

CPUC LSEs that submit Competitive Offers for Compensated Self-Shown Commitments are compensated through the LCR RCM. If selected, pursuant to the Decisions, Competitive Offers for Compensated Self-Shown Commitments will have their compensation capped at a pre-determined local price. The pre-determined local price is determined by:

- Using the weighted average price from the last four quarters of Energy Division Power Charge Indifference Adjustment (PCIA) responses for both System and Local RA
- Subtracting System RA price from Local RA price.

The pre-determined local price will be differentiated by local area or sub-local area unless higher-level aggregation is required to mask individual resource prices.

CPUC LSEs may submit a price at or below the pre-determined local price as published by the CPUC.

For additional information on pre-determined local prices, please review the LCR Reduction Compensation Mechanism 2023 Prices published by the CPUC.<sup>14</sup>

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<sup>14</sup> The LCR Reduction Compensation Mechanism prices for 2023 have not been published as of the date of the CPE's launch of the solicitation. The CPE team will update this link once the final 2023 prices have been published on by the CPUC.

## X. CREDIT

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There are no collateral requirements for the Compensated Self-Shown Commitment Agreement.

## XI. COMPETITIVE OFFER SUBMITTAL PROCESS OVERVIEW

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All Competitive Offers must be provided to PG&E CPE by their applicable deadlines as specified in the schedules in Table III.1.

**Submitting Documents:** All Competitive Offers for this RFO must be submitted electronically through Power Advocate, a web-based platform PG&E CPE will use to collect all documents from Participants.

Prior to submitting a Competitive Offer, Participants must register with Power Advocate. Detailed instructions about submitting documents through Power Advocate and using the online platform are posted on the RFO website. Power Advocate registrants should be registered under the entity submitting the Competitive Offer. Consultants or advisers of Participants should not submit a Competitive Offer on behalf of Participants. PG&E CPE strongly encourages Participants to review the detailed instructions and register with Power Advocate well before Competitive Offers are due.

Each Competitive Offer should be uploaded as a “Commercial and Administrative” document type in Power Advocate. Each Competitive Offer should be submitted as a separate zip file. Document file names should **not** contain any special characters such as “\*&#”. Please keep file names short and include short references to Participant’s name (such as an acronym), project name, and the appendix that is being submitted (e.g., App B).

There are separate Power Advocate Links provided for the Competitive Offer process depending on the Participant in this RFO. Please ensure documents are submitted to the applicable site listed below.

**Table XI.1: PG&E 2023 CPE Local RA RFO Competitive Offer Package Submittal**

| Offer Type   | Power Advocate Links  | Event ID |
|--|---|----------|
| Competitive Offer(s) from PG&E Participant <sup>15</sup> | <a href="https://www.poweradvocate.com/pR.do?okey=139877&amp;pubEvent=true">https://www.poweradvocate.com/pR.do?okey=139877&amp;pubEvent=true</a> | 139877   |
| Competitive Offer(s) from All Non-PG&E Participants      | <a href="https://www.poweradvocate.com/pR.do?okey=139873&amp;pubEvent=true">https://www.poweradvocate.com/pR.do?okey=139873&amp;pubEvent=true</a> | 139873   |

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<sup>15</sup> Per OP 13 of the CPE Decision, all PG&E Participant Offers, including utility-owned generation (UOG), must be submitted to the CAM PRG and IE in advance of the receipt of offers from any other entities.

**Electronic Document Formats:** Electronic documents must be submitted as Microsoft Word, Microsoft Excel, or PDF files, as identified in Table XI.2. However, maps or drawings may be in alternate formats (e.g., jpg, kmz) as appropriate. Each Appendix must be submitted as a separate document within the associated Offer’s zip file. PDF files should be provided in a searchable format. The Participant should not provide documents in other electronic formats, unless specifically requested.

Competitive Offers must contain all required and relevant information noted in Table XI.2 below and must be organized in accordance with these instructions.

**Table XI.2: Offer Package for Competitive Offers for Compensated Self-Shown Commitments**

| Appendix | Title   | Description   | Format                           |
|----------|---|---|----------------------------------|
| A1       | Offer Form - Compensated Self-Shown Commitment  | Appendix A1 is to be used for Competitive Offers for Compensated Self-Shown Commitments   | MS Excel                         |
| B1       | Supplemental Local Resource Information         | Appendix B1 is to be used to describe the existing or proposed local resource.  | MS Excel                         |
| B2       | Supplemental Counterparty Financial Information | Appendix B2 is to be used to provide counterparty financial information.  | MS Word                          |
| E1       | Compensated Self-Shown Commitment Agreement     | CPUC LSEs must provide any proposed markups to the Agreement. CPUC LSEs may not submit more than version of proposed markups for each relevant Agreement.   | MS Word                          |
| F2       | Compensated Self-Shown Commitment Form          | Appendix F2 is to be used for all Compensated Self-Shown Commitments.   | MS Excel                         |
| N/A      | Self-Shown Attestation                          | Please follow all instructions for Self-Shown Attestation submittal as detailed in Appendix F2  | PDF                              |
| N/A      | Map of Local Resource Facilities                | (New Resources Only) In-front-of-the-meter resources must provide files of the local resource’s major facility components, which include, at a minimum, the generation facility, access roads, electric and gas connection routes to utility facilities, and the outline of the land parcel that the facilities are located on. | Google KML/KMZ or ESRI Shapefile |

If a Participant is submitting multiple Competitive Offers in this RFO, the following documents only need to be submitted once via PowerAdvocate:

- Appendix B2 – Supplemental Counterparty Financial Information

## XII. SELF-SHOWN ATTESTATION INFORMATION

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CPUC LSEs submitting Competitive Offers for Compensated Self-Shown Commitments will need to ensure that the Self-Shown Attestation included in Appendix F2: Compensated Self-Shown Commitment Form (i) is completely and accurately filled out, (ii) includes the electronic signature by its respective authorized representative, and (iii) complies with all instructions for submission as detailed in Appendix F2: Compensated Self-Shown Commitment Form.

**CPUC LSEs must submit one Self-Shown Attestation and one Appendix F2: Compensated Self-Shown Commitment Form per Competitive Offer for a Compensated Self-Shown Commitment.**

## XIII. OFFER FORM INFORMATION

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Participants are strongly advised to carefully review the relevant Agreement(s) prior to inputting data into Appendix A1 –Offer Form – Compensated Self-Shown Commitment. PG&E CPE will utilize the information from the Offer Form submitted by a Participant to populate the relevant data in the Agreement(s). **Participants should input data into Appendix A – Offer Form with the understanding that this information will result in terms with contractual implications. Participants will need to ensure that the Offer Form is completely and accurately filled out. Participants who request changes to the information in their Offer Form after the relevant submittal deadline may be removed from this RFO.**

Participants may only submit one Competitive Offer for a Compensated Self-Shown Commitment from a resource at a specific interconnection point within the Offer Form. See Section XV below regarding Offer variants. **Participants should follow all instructions for Competitive Offer submission as detailed in the Offer Form.**

## XIV. REQUIREMENT FOR COMPLETE COMPETITIVE OFFER PACKAGES

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Each Participant’s Competitive Offer must be complete at the time of submission. Failure to provide all required information and documents may result in PG&E CPE determining a Competitive Offer as being incomplete and not eligible for qualification. PG&E CPE will only seek to enter into an Agreement with Competitive Offers that are Qualified.

## XV. NO VARIATIONS ALLOWED FOR COMPETITIVE OFFERS FOR COMPENSATED SELF-SHOWN COMMITMENT

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No variations are allowed within a Competitive Offer for a Compensated Self-Shown Commitment.

## XVI. ADDITIONAL COMPETITIVE OFFER INFORMATION

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**Note on Joint Offers:** If a Participant is submitting a Competitive Offer with another Participant (“Joint Offer”), each Participant will need to be registered as a separate Participant in Power Advocate. For each Joint Offer, PG&E CPE may require additional documentation or conditions. Additional documents or conditions could include retaining separate legal counsel, restricting the sharing of certain information, or requiring all parties to the Joint Offer to execute a

modified Confidentiality Agreement. PG&E CPE may require Participants in a Joint Offer to agree to and execute modified terms for RFO participation, similar to those set forth in Section III, “Terms for RFO Participation”.

## XVII. EVALUATION OF COMPETITIVE OFFERS

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Competitive Offers will be reviewed for eligibility based on the requirements and criteria specified in this Protocol. PG&E CPE’s evaluation of Competitive Offers for Compensated Self-Shown Commitments will remain consistent with the requirements of the Decisions. The Decisions require the use of all-source selection criteria, including the loading order and least cost best fit (“LCBF”) methodology adopted in D.04-07-029, using quantitative and qualitative criteria.

Criteria used to evaluate Competitive Offers may include but are not limited to the criteria listed below.

### Quantitative Attributes:

The quantitative valuation compares a Competitive Offer’s cost to its benefits. The cost may consist of the contract fixed cost, variable cost, and transmission network upgrade cost. The benefit may consist of capacity value and energy value, to the extent provided in the Agreement.

### Qualitative Attributes:

In addition to the quantitative criteria noted above, pursuant to the Decisions, PG&E CPE will consider the following selection criteria as qualitative factors:

- Future needs in local and sub-local areas;
- Resource costs;
- Operational characteristics of the resources (facility type);
- Location of the facility (with consideration for environmental justice);<sup>16</sup>
- Costs of potential alternatives;
- Greenhouse Gas adders;
- Energy-use limitations; and
- Procurement of preferred resources and energy storage (to be prioritized over fossil generation);

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<sup>16</sup> Per OP 9 of D.22-03-034, “In its solicitation, the central procurement entity shall direct bidders to include the CalEnviroScreen score of the resource location (or if unavailable, the pollution burden of the resource location).” Per the California Office of Environmental Health Hazard Assessment, “CalEnviroScreen ranks census tracts in California based on potential exposures to pollutants, adverse environmental conditions, socioeconomic factors, and prevalence of certain health conditions.” For more information, please visit: <https://oehha.ca.gov/calenviroscreen>.

Consistent with the requirement of the Decisions to use the all-source selection criteria, including the loading order, and LCBF methodology adopted in D.04-07-029, PG&E CPE may also consider additional qualitative factors that it has considered in previous LCBF evaluation protocols adopted by the Commission, including but not limited to:

- Viability of the resource;
- Flexibility of the resource;
- Safety;
- Contract tenor;
- Counterparty concentration; and
- Previous experience with a counterparty.

Per the Decisions, all of the methodology and criteria set forth above apply to Competitive Offers for Compensated Self-Shown Commitments in the same way as the methodology and criteria are applied to Competitive Offers for Bundled RA and Bundled RA with Energy Settlement.

**Any or all qualitative factors may impact the evaluation of a Competitive Offer and the probability of execution of any potential Agreement.**

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*\*\*\* End of Attachment 2A \*\*\**

## Attachment 2B: Competitive Offer Process – Bundled RA & Bundled RA with Energy Settlement

### I. OVERVIEW

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#### **All Participants:**

In accordance with the CPE Decision, PG&E CPE is seeking Competitive Offers for Bundled RA (system, local, and, if applicable, flexible) and Bundled RA with Energy Settlement. Per OP 8(c) of the CPE Decision, CPUC LSEs will receive credits for any system and flexible RA procured based on coincident peak load share (as is currently done by the CPUC for Cost Allocation Mechanism resources).

Competitive Offers and Non-Compensated Self-Shown Commitments shall not be made contingent upon or subject to the execution of any Agreement related to any other Competitive Offer or the acceptance of any other Non-Compensated Self-Shown Commitment.

The deadline to submit Competitive Offers is detailed in Table III.1.

#### **CPUC LSEs Only:**

Within their Competitive Offers for Bundled RA and Bundled RA with Energy Settlement, CPUC LSEs may indicate that the Local RA attributes associated with such Competitive Offer will be a Non-Compensated Self-Shown Commitment if their Competitive Offer is not selected in the Competitive Offer Process. This option is only available to Participants who are CPUC LSEs. CPUC LSEs electing this option must also meet the requirements for Non-Compensated Self-Shown Commitment Process as detailed in [Attachment 1](#) of this Protocol in addition to the requirements detailed in this Attachment 2B.

CPUC LSEs that submit Competitive Offers for Bundled RA or Bundled RA with Energy Settlement may not submit an alternative Competitive Offer for Compensated Self-Shown Local RA or a Non-Compensated Self-Shown Commitment from that same resource in the same delivery month.

### II. PRODUCT OVERVIEW

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An overview of the products eligible to be submitted in the Competitive Offer Process for Bundled RA and Bundled RA with Energy Settlement are listed in Table II.1 below.

**Table II.1: Overview of Competitive Offers for Bundled RA and Bundled RA with Energy Settlement**

For the 2023 PG&E CPE RFO, the Competitive Offer Process will be separated into two tracks for execution based on the capacity delivery terms. The PG&E CPE will consider Competitive Offers for Bundled RA and Bundled RA with Energy Settlement for capacity beginning delivery in calendar year 2024 for execution by the middle of July 2023 (“**Track 1**”).

*If you encounter any digital or disability access issues, or you would like to provide PG&E with feedback or suggestions regarding such access, please e-mail our team at [solicitationaccessibility@pge.com](mailto:solicitationaccessibility@pge.com). This mailbox is monitored during regular business hours (M-F; 8am-5pm). We will respond to your inquiry within 2 business days.*

All other Competitive Offers for Bundled RA and Bundled RA with Energy Settlement for capacity delivered after 2024 will be considered for execution by early August 2023 (“Track 2”).

| Product                                  | Delivery Term <sup>17</sup>   | Initial Delivery Date (“IDD”)  | Agreement(s) or Attestation(s)  |
|--|---|--|---|
| <b>Bundled RA</b>                        | <p><b>Eligible Delivery Terms:</b><br/>Greater than or equal to 1 month<sup>18</sup></p>  |  | Appendix E2 – RA Agreement for Owner of Existing Resource   |
| <b>Bundled RA with Energy Settlement</b> | <p><b>PG&amp;E CPE Preferred Delivery Terms:</b></p> <ul style="list-style-type: none"> <li>PG&amp;E CPE has a preference for Delivery Terms of 1 – 60 months.</li> <li>For New resources where seller is the owner of the resource, PG&amp;E CPE may prefer a Delivery Term of 10 years or 15 years to help incentivize the development of new local resources.</li> </ul> | <p><b>For Existing Resources only:</b> IDD must be the first day of any calendar month within the 2024, 2025, or 2026 RA compliance years</p> <p><b>For New Build Resources only:</b> IDD must be the first day of any calendar month commencing prior to December 31, 2028.</p> | <p>Appendix E3 – RA Agreement for Owner of New Resource</p> <p>Appendix E4 – RA Agreement for Non-Owner of Existing Resource</p> <p>Appendix E5 – RA Agreement for Non-Owner of New Resource</p> <p>Appendix E6 – PG&amp;E CPE EEI Master Power Purchase and Sale Agreement Cover Sheet</p> <p>Appendix E7 – PG&amp;E CPE EEI Paragraph 10 to the Collateral Annex</p> <p>Appendix E8 - PG&amp;E CPE Local RA Confirmation Letter</p> <p>Self-Shown Attestation (Located within Appendix F3– Default to Self-Shown Commitment Form)</p> |

### Default to Self-Shown Option

Per the CPE Decision, CPUC LSEs may indicate in their Competitive Offers that the Local RA attributes associated with such Competitive Offer will be a Non-Compensated Self-Shown Commitment if their Competitive Offer is not selected by PG&E CPE as part of the Competitive Offer Process. CPUC LSEs may only elect for the Default to Self-Shown Option with resources that are owned or under an existing contract. CPUC LSEs electing this option must also meet the requirements for the Non-Compensated Self-Shown Commitment Process as detailed in [Attachment 1](#) of this Protocol in addition to the requirements detailed in this Attachment 2B.

<sup>17</sup> Delivery Term is measured as the expected commencement of deliveries to the expected conclusion of deliveries.

<sup>18</sup> Per OP10 of D.22-03-034, “...the central procurement entity shall consider bids of any contract term length greater than or equal to one month.”

CPUC LSEs must submit one Self-Shown Attestation and one Appendix F3: Default to Self-Shown Commitment Form per Competitive Offer for which they opt to select the Default to Self-Shown Option. The applicable Self-Shown Attestation must be submitted with the Competitive Offer Package.

If an Agreement with Participant is executed related to a Competitive Offer that includes the Default to Self-Shown Option, Participant agrees that, per the terms of the Self-Shown Attestation, the associated Self-Shown Attestation shall be deemed null and void as of the execution date of the Agreement without any further action required by Participant or PG&E CPE.

An overview of the additional commitment in the Competitive Offer Process for Participants who elect the Default to Self-Shown Option is listed in Table II.2 below.

**Table II.2: Overview of Default to Self-Shown Option if Competitive Offer Not Selected**

| Commitment                                   | Shown Term   | Agreement(s) or Attestation(s)   |
|--|--|--|
| <b>Non-Compensated Self-Shown Commitment</b> | The Shown Term may not commence prior to the 2024 RA compliance period on 1/1/2024 and may not extend beyond the 2026 RA compliance period on 12/31/2026 | Self-Shown Attestation (Located within Appendix F3: Default to Self-Shown Commitment Form) |

### III. EXPECTED SCHEDULE FOR THE COMPETITIVE OFFER PROCESS

The expected schedule for the Competitive Offer Process of the RFO is listed in Table III.1 below. All deadlines occur at 5:00 P.M. Pacific Prevailing Time (“PPT”), unless otherwise noted.

**Table III.1: Expected Schedule for Competitive Offer Process of PG&E’s 2023 CPE Local RA RFO**

| Event  | Dates                       |
|--|-----------------------------|
| Participants are invited to register online to receive notices regarding the RFO at <a href="http://www.pge.com/cpe">www.pge.com/cpe</a> | Ongoing                     |
| PG&E CPE issues RFO  | March 22, 2023              |
| Participants’ Webinar  | March 30, 2023              |
| Deadline for PG&E Participant to submit Competitive Offers via Power Advocate  | April 25, 2023 at 1PM (PPT) |
| Deadline for Non-PG&E Participants to submit Competitive Offers via Power Advocate <sup>19</sup>   | April 26, 2023 at 1PM (PPT) |

<sup>19</sup> The deadline for the Competitive Offer Process for Compensated Self-Shown Commitments is consistent with the timeline adopted in the RA OIR Phase 1 Decision.

|  |                   |
|--|-------------------|
| PG&E CPE notifies Participants that their Offer(s) are Qualified and whether they fall into Track 1 or Track 2 timeframe for potential execution.  | Mid-May 2023      |
| PG&E CPE notifies the CAM PRG of all Qualified Offers for <b>Track 1 and Track 2.</b>  |                   |
| Estimated time frame for execution of Agreement(s) resulting from the <b>Track 1</b> Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant ( <b>Track 1</b> ) | Mid-July 2023     |
| Estimated time frame for execution of Agreement(s) resulting from the <b>Track 2</b> Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant ( <b>Track 2</b> ) | Early August 2023 |
| PG&E CPE's estimated Local RA Showing for the 2024, 2025, and 2026 compliance years with the CPUC  | Mid-August 2023   |

The schedules above and documents associated with the RFO are subject to change at PG&E CPE's sole discretion at any time and for any reason. PG&E CPE will endeavor to notify Participants of any changes to the RFO but shall not be liable for any costs or liability incurred by Participants or any other party due to a change or for failing to provide notice or acceptable notice of any change.

#### IV. DELIVERY TERM

In accordance with the CPE Decision, PG&E CPE is seeking Competitive Offers for Bundled RA and Bundled RA with Energy Settlement.

##### **Bundled RA & Bundled RA with Energy Settlement**

- May have a Delivery Term greater than or equal to 1 month.<sup>20 21</sup>
- Existing resources must have an IDD that falls on the first day of any calendar month within the 2024, 2025, or 2026 RA compliance years.
- New resources must have an IDD that falls on the first day of any calendar month commencing prior to December 31, 2028.
- PG&E CPE has a preference for Delivery Terms from 1 month – 60 months.<sup>22</sup>

<sup>20</sup> Per OP10 of D.22-03-034, "...the central procurement entity shall consider bids of any contract term length greater than or equal to one month."

<sup>21</sup> Per OP22 of D.20-06-002, "For any executed contract that exceeds a five-year term, the central procurement entity shall submit a Tier 3 Advice Letter for approval."

<sup>22</sup> Per OP22 of D.20-06-002, "...an executed contract with a five-year term or less shall be deemed reasonable and preapproved if the following conditions are met: a. The procured resource meets the established local capacity requirements and underlying data supporting those requirements, which are based on the California Independent System Operator's Local Capacity Requirements Technical Study; b. If the Cost Allocation Mechanism Procurement Review Group was properly consulted, as described in Ordering Paragraph 13; and c. If procurement was deemed by the independent evaluator to have followed all relevant Commission guidance, including the least cost best fit methodology and other noted selection criteria."

- For New resources where seller is the owner of the resource, PG&E CPE may prefer a Delivery Term of 10 years or 15 years to help incentivize the development of new local resources.

## V. EXISTING AND NEW RESOURCE DEFINITION

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For the purposes of the Competitive Offer Process, Existing and New resources are defined as follows in Table V.1:

**Table V.1: Existing and New Resource Definition**

| Defined Term             | Definition   |
|--------------------------|--|
| <b>Existing Resource</b> | Resources that are listed on the 2023 CAISO NQC List <u>and</u> have achieved Commercial Operation Date (“COD”) in accordance with CAISO’s New Resource Implementation process and requirements (“CAISO COD”) by April 25, 2023. <sup>23</sup> |
| <b>New Resource</b>      | Resources that are <i>not</i> listed on the CAISO NQC List <u>or</u> have <i>not</i> achieved CAISO COD by April 25, 2023.   |
|                          | Existing or retired resources that are being repowered to achieve a net increase in generation capacity.   |

## VI. ELIGIBILITY REQUIREMENTS FOR COMPETITIVE OFFERS FOR BUNDLED RA AND BUNDLED RA WITH ENERGY SETTLEMENT

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In addition to the eligibility requirements described in Section II.B of the Protocol, the following requirements apply to Competitive Offers for Bundled RA and Bundled RA with Energy Settlement:

### A. Eligible Participants

All Participants are eligible to submit Competitive Offers for Bundled RA and/or Bundled RA with Energy Settlement; however, only CPUC LSEs are eligible for the Default to Self-Shown Option.

### B. Eligible Resources

Any New or Existing Resource of any technology type that can provide local RA within the PG&E Local Capacity Areas.

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<sup>23</sup> <http://www.caiso.com/participate/Pages/NewResourceImplementation/Default.aspx>

## C. Interconnection

### 1) **New Resources:**

#### a) In-Front-of-the-Meter

**At a minimum, at the time of the Competitive Offer submittal, resources must have a completed Phase I Interconnection Study report resulting from an interconnection request that demonstrates evidence of a construction schedule that can meet the proposed Initial Delivery Date.**

At the time of the Competitive Offer submittal, Participants must have Participating Transmission Operator (PTO) or Utility Distribution Company (UDC) documentation showing that the resource is expected to receive Deliverability Status sufficient to support delivery of product associated with their Competitive Offer, including RA, per the obligations of the corresponding agreement. Participants must remain active in the applicable interconnection queue until the resource's required network upgrades have been completed.

Participants are reminded that PG&E is releasing this RFO in its central procurement function and in that function PG&E has no obligation nor ability to influence the Participating Transmission Operator or Utility Distribution Company. PG&E in its CPE function is not responsible or liable for delays in interconnection or transmission or distribution service or inability to obtain retail electric service for any resource. For more information, please refer to the Separation of Functions section of the applicable Agreement.

#### b) Aggregated Behind-the-Meter (BTM) Customer-Connected and Demand Response Must describe their customer acquisition plans in Appendix B.

### 2) **Existing Resources:**

Not required to provide this demonstration.

## D. Safety

### 1) **New Resources**

PG&E is committed to providing safe utility (electric and gas) service to its customers. As part of this commitment, PG&E requires that the Participants recognize safety is of paramount importance. In connection with this RFO, Participants will be required to meet certain safety standards, provide safety information related to the technology for the resource, and provide information regarding safety history, including for the entities that will construct, operate, or maintain the resource(s). Per Appendix B of this RFO, Participants are required to identify the known safety-related hazards and risks associated with their technology. Participants are also required to describe their ability

to mitigate safety risks and comply with applicable safety-related codes and standards identified by the Participant.

A Participant's obligations with respect to safety may vary based on the particular Agreement, resource, and product type, as well as the commercial relationship of the entities involved in the transaction. Each of the Agreements contains specific requirements intended to ensure that the Participant and the entities that construct, operate, or maintain the resource, as applicable, do so in a safe, reliable, and efficient manner that protects the public health and safety of California residents, business, employees, and the community. Participants will be responsible for any fees and costs associated with meeting PG&E CPE's safety requirements in the RFO and the applicable Agreement. Prior to a Participant submitting a Competitive Offer, PG&E CPE recommends that Participants review the safety provisions in the form Agreement.

## **2) Existing Resources**

Not required to provide this demonstration.

## **E. Site Control**

### **1) New Resources:**

#### **a) In-Front-of-the-Meter**

Participants must demonstrate site control at the time of the Competitive Offer submission. Examples of acceptable forms of Site Control are:

- 1) Fee Title
- 2) Recorded Exclusive Easement
- 3) Executed Option Agreement
- 4) Lease (Non-revocable)
- 5) Lease Option (Non-revocable)

#### **b) Aggregated Behind-the-Meter (BTM) Customer-Connected and Demand Response**

Not required to provide this demonstration.

### **2) Existing Resources:**

Not required to provide this demonstration.

## **VII. AGREEMENTS**

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To comply with the CPE Decision, PG&E CPE is seeking Competitive Offers for Bundled RA and Bundled RA with Energy Settlement. PG&E CPE has a strong preference for standardized Agreements and prefers to execute Agreements that are substantially similar to the form Agreement provided. Participants must provide a completed version of the relevant Agreement, including any proposed markups, as part of their Competitive Offer package which

will be used by PG&E CPE as part of the review process for that Competitive Offer. Participants may only submit one version of proposed markups for each relevant Agreement.

The following Agreement(s) may be used for Bundled RA and Bundled RA with Energy Settlement:

- Appendix E2 – RA Agreement for Owner of Existing Resource
- Appendix E3 – RA Agreement for Owner of New Resource
- Appendix E4 – RA Agreement for Non-Owner of Existing Resource
- Appendix E5 – RA Agreement for Non-Owner of New Resource

## VIII. SELF-SHOWN ATTESTATION

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Per OP 2 of the RA OIR Phase 1 Decision, CPUC LSEs that competitively offer Bundled RA and Bundled RA with Energy Settlement and elect the Default to Self-Shown Option must execute an attestation that provides that:

- a. The LSE has the capacity rights to the Resource Adequacy (RA) resource for the period it is self-showing; and
- b. The LSE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs

To meet this requirement, CPUC LSEs that competitively offer Bundled RA and Bundled RA with Energy Settlement and elect the Default to Self-Shown Option must execute and submit the Self-Shown Attestation included within Appendix F3: Default to Self-Shown Commitment Form.

## IX. PRICING

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Participants are required to include pricing in their Competitive Offers for Bundled RA and Bundled RA with Energy Settlement. Pricing must be provided as \$/kW-month per calendar year.

## X. CREDIT

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Upon execution of an Agreement with PG&E CPE, the Participant may need to provide credit support to secure its obligations under the Agreement (“Performance Assurance”).<sup>24</sup> For reference, the tables below describe the credit requirements in each of the Agreements.<sup>25</sup>

If a Participant is rated investment grade and meets PG&E CPE’s credit evaluation criteria, it may qualify for an appropriate amount of unsecured credit.<sup>26</sup> Participants, who qualify for

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<sup>24</sup> PG&E as the CPE will not be required to provide Performance Assurance.

<sup>25</sup> Credit requirements described in Section X only apply to procurement by PG&E CPE in this RFO. PG&E CPE reserves the right to amend the credit requirements based on market conditions in future CPE RFOs.

<sup>26</sup> A credit rating of BBB- or higher by Standard and Poor’s Inc. or Baa3 by Moody’s is considered investment grade.

unsecured credit, may still be required to provide Performance Assurance if the credit requirement is beyond the assigned unsecured credit limit. If the Agreement requires the Participant to provide Performance Assurance and the Participant is providing a Letter of Credit or a Guaranty, please carefully review the Letter of Credit and Guaranty requirements set forth in the applicable Agreement.

### RA Agreements

Tables X.1 and X.2 below describe the collateral requirements within the RA Agreements. Table X.1 only applies to Participants who are CPUC LSEs within PG&E’s electric distribution service area. Table X.2 applies to all other entities.

**Table X.1: Credit/Collateral Requirements within the RA Agreements for CPUC LSEs within PG&E’s Electric Distribution Service Area**

| Resource Type      | Delivery Term                   | Credit Requirement   |
|--------------------|---------------------------------|--|
| Existing Resources | Less than or equal to 60 months | Unsecured credit, no collateral requirements   |
|                    | Greater than 60 months          | Greater of \$40/kW or 10% of the sum of the highest estimated monthly payments (excluding Energy Settlement) for any 36 consecutive month period during the Delivery Term  |
| New Resources      | Less than or equal to 60 months | <p><b>Project Development Security (PDS):</b><br/>\$80/kW<br/>(Within five days of execution)</p> <p><b>Delivery Term Security (DTS):</b><br/>N/A</p>  |
|                    | Greater than 60 months          | <p><b>Project Development Security (PDS):</b><br/>\$80/kW<br/>(Within five days of execution)</p> <p><b>Delivery Term Security (DTS):</b><br/>Greater of \$40/kW or 10% the sum of the highest estimated monthly payments (excluding Energy Settlement) for any 36 consecutive month period during the Delivery Term</p> |

**Table X.2: Credit/Collateral Requirements within the RA Agreements for All Other Entities**

| Resource Type      | Delivery Term  | Credit Requirement  |
|--------------------|--|---|
| Existing Resources | Less than or equal to 36 months                            | 20% of the sum of the highest estimated monthly payments (excluding Energy Settlement) for any 12 consecutive month period during the Delivery Term   |
|                    | Greater than 36 months and less than or equal to 60 months | 10% of the sum of the highest estimated monthly payments (excluding Energy Settlement) for any 24 consecutive month period during the Delivery Term   |
|                    | Greater than 60 months                                     | Greater of \$40/kW or 10% the sum of the highest estimated monthly payments (excluding Energy Settlement) for any 36 consecutive month period during the Delivery Term.   |
| New Resources      | Greater than or equal to 1 month                           | <p><b>Project Development Security (PDS):</b><br/>\$80/kW<br/>(Within five days of execution)</p> <p><b>Delivery Term Security (DTS):</b><br/>Greater of \$40/kW or 10% of the sum of the highest estimated monthly payments (excluding Energy Settlement) for any 36 consecutive month period during the Delivery Term</p> |

In the event that a Competitive Offer by PG&E Participant is selected, and an Agreement is executed between PG&E Participant and PG&E CPE, PG&E Participant will not be required to post collateral.

**XI. COMPETITIVE OFFER SUBMITTAL PROCESS OVERVIEW**

All Competitive Offers must be provided to PG&E CPE by their applicable deadlines as specified in the schedules in Table III.1.

**Submitting Documents:** All Competitive Offers for this RFO must be submitted electronically through Power Advocate, a web-based platform PG&E CPE will use to collect all documents from Participants.

Prior to submitting a Competitive Offer, Participants must register with Power Advocate. Detailed instructions submitting documents through Power Advocate and using the online

platform are posted on the RFO website. Power Advocate registrants should be registered under the entity submitting the Competitive Offer. Consultants or advisers of Participants should not submit a Competitive Offer on behalf of Participants. PG&E CPE strongly encourages Participants to review the detailed instructions and register with Power Advocate well before Competitive Offers are due.

Each Competitive Offer should be uploaded as a “Commercial and Administrative” document type in Power Advocate. Each Competitive Offer should be submitted as a separate zip file. Document file names should **not** contain any special characters such as “\*&#”. Please keep file names short and include short references to Participant’s name (such as an acronym), project name, and the appendix that is being submitted (e.g., App B).

There are separate Power Advocate Links provided for the Competitive Offer process depending on the Participant in this RFO. Please ensure documents are submitted to the applicable site listed below.

**Table XI.1: PG&E 2023 CPE Local RA RFO Competitive Offer Package Submittal**

| Offer Type   | Power Advocate Links  | Event ID |
|--|---|----------|
| Competitive Offer(s) from PG&E Participant <sup>27</sup> | <a href="https://www.poweradvocate.com/pR.do?okey=139877&amp;pubEvent=true">https://www.poweradvocate.com/pR.do?okey=139877&amp;pubEvent=true</a> | 139877   |
| Competitive Offer(s) from All Non-PG&E Participants      | <a href="https://www.poweradvocate.com/pR.do?okey=139873&amp;pubEvent=true">https://www.poweradvocate.com/pR.do?okey=139873&amp;pubEvent=true</a> | 139873   |

**Electronic Document Formats:** Electronic documents must be submitted as Microsoft Word, Microsoft Excel, or PDF files, as identified in Table XI.2. However, maps or drawings may be in alternate formats (e.g., jpg, kmz) as appropriate. Each Appendix must be submitted as a separate document within the associated Offer’s zip file. PDF files should be provided in a searchable format. The Participant should not provide documents in other electronic formats, unless specifically requested.

Competitive Offers must contain all required and relevant information noted in Table XI.2 below and must be organized in accordance with these instructions.

**Table XI.2: PG&E 2023 CPE Local RA RFO Competitive Offer Package**

| Appendix | Title   | Description   | Format   |
|----------|---|---|----------|
| A2       | Offer Form - Bundled RA and Bundled RA with Energy Settlement | Appendix A2 is to be used for Competitive Offers for Bundled RA and Bundled RA with Energy Settlement | MS Excel |

<sup>27</sup> Per OP 13 of the CPE Decision, all PG&E Participant Offers, including utility-owned generation (UOG), must be submitted to the CAM PRG and IE in advance of the receipt of offers from any other entities.

| Appendix         | Title  | Description   | Format                           |
|------------------|--|---|----------------------------------|
| B1               | Supplemental Local Resource Information  | Appendix B1 is to be used to describe the existing or proposed local resource.  | MS Excel                         |
| B2               | Supplemental Counterparty Financial Information  | Appendix B2 is to be used to provide counterparty financial information.  | MS Word                          |
| C                | FERC 717 Waiver <sup>28</sup>  | Authorizes the disclosure of Participant's transmission-related information to PG&E CPE.  | MS Word                          |
| E2, E3, E4 or E5 | RA Agreement for Owner of Existing Resource<br>RA Agreement for Owner of New Resource<br>RA Agreement for Non-Owner of Existing Resource<br>RA Agreement for Non-Owner of New Resource | Participants must provide any proposed markups to the Agreement. Participants may not submit more than version of proposed markups for each relevant Agreement.   | MS Word                          |
| F3               | Default to Self-Shown Commitment Form  | (Only for Competitive Offers for Bundled RA or Bundled RA with Energy Settlement with the Default to Self-Shown Option)<br>Appendix F3 is to be used for all Competitive Offers with the Default to Self-Shown Option   | MS Excel                         |
| N/A              | Self-Shown Attestation   | (Only for Competitive Offers for Bundled RA or Bundled RA with Energy Settlement with the Default to Self-Shown Option)<br>Please follow all instructions for Self-Shown Attestation submittal as detailed in Appendix F3   | PDF                              |
| N/A              | Map of Local Resource Facilities   | (New Resources Only) In-front-of-the-meter resources must provide files of the local resource's major facility components, which include, at a minimum, the generation facility, access roads, electric and gas connection routes to utility facilities, and the outline of the land parcel that the facilities are located on. | Google KML/KMZ or ESRI Shapefile |

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<sup>28</sup> This requirement pertains to Generator Owners/Operators only.

If a Participant is submitting multiple Competitive Offers in this RFO, the following documents only need to be submitted once via PowerAdvocate

- Appendix B2 – Supplemental Counterparty Financial Information
- Appendix C – FERC 717 Waiver<sup>29</sup>

## XII. SELF-SHOWN ATTESTATION INFORMATION

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CPUC LSEs competitively offering Bundled RA and Bundled RA with Energy Settlement with the Default to Self-Shown Option will need to ensure that the Self-Shown Attestation included within Appendix F3: Default to Self-Shown Commitment Form (i) is completely and accurately filled out, (ii) includes the electronic signature by its respective authorized representative, and (iii) complies with all instructions for submission as detailed in Appendix F3: Default to Self-Shown Commitment Form.

**CPUC LSEs must submit one Self-Shown Attestation and one Appendix F3: Default to Self-Shown Commitment Form per Competitive Offer for which they elect the Default to Self-Shown Option.**

## XIII. OFFER FORM INFORMATION

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Participants are strongly advised to carefully review the relevant Agreement(s) prior to inputting data into Appendix A2 – Bundled RA and Bundled RA with Energy Settlement Offer Form. PG&E CPE will utilize the information from the Offer Form submitted by a Participant to populate the relevant data in the Agreement(s).

**Participants should input data into Appendix A – Offer Form with the understanding that this information will result in terms with contractual implications. Participants will need to ensure that the Offer Form is completely and accurately filled out. Participants who request changes to the information in their Offer Form after the relevant submittal deadline may be removed from any further participation in the RFO.**

**Participants should follow all instructions for Competitive Offer submission as detailed in the Offer Form.**

## XIV. REQUIREMENT FOR COMPLETE COMPETITIVE OFFER PACKAGES

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Each Participant's Competitive Offer Package must be complete at the time of submission. Failure to provide all required information and documents may result in PG&E CPE determining a Competitive Offer as being incomplete and not Qualified. PG&E CPE will only seek to enter into an Agreement with Competitive Offers that are eligible for qualification.

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<sup>29</sup> This requirement pertains to Generator Owners/Operators only.

## XV. NUMBER OF VARIATIONS ALLOWED FOR COMPETITIVE OFFERS FOR BUNDLED RA OR BUNDLED RA WITH ENERGY SETTLEMENT

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Each Competitive Offer for Bundled RA or Bundled RA with Energy Settlement submitted by a Participant may include up to five (5) mutually exclusive Competitive Offer variations at a specific interconnection point. Participants can vary the following Competitive Offer characteristics: product (Bundled RA or Bundled RA with Energy Settlement), price, delivery term, and quantity offered. The Offer Form has been developed so that all five (5) Competitive Offer variations will reside in one excel workbook.

Participants need to only submit one Appendix B1 per Competitive Offer. Differences in Competitive Offer variations should be described within Appendix B1.

## XVI. ADDITIONAL COMPETITIVE OFFER INFORMATION

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**Note on Joint Offers:** If a Participant is submitting a Competitive Offer with another Participant (“Joint Offer”), each Participant will need to be registered as a separate Participant in Power Advocate. For each Joint Offer, PG&E CPE may require additional documentation or conditions. Additional documents or conditions could include retaining separate legal counsel, restricting the sharing of certain information, or requiring all parties to the Joint Offer to execute a modified Confidentiality Agreement. PG&E CPE may require Participants in a Joint Offer to agree to and execute modified terms for RFO participation, similar to those set forth in Section III, “Terms for RFO Participation”.

## XVII. EVALUATION OF COMPETITIVE OFFERS

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Competitive Offers will be reviewed for eligibility based on the requirements and criteria specified in this Protocol. PG&E CPE’s evaluation of Competitive Offers for Bundled RA and Bundled RA with Energy Settlement will remain consistent with the requirements of the Decisions. The Decisions require the use of all-source selection criteria, including the loading order and least cost best fit (“LCBF”) methodology adopted in D.04-07-029, using quantitative and qualitative criteria.

Criteria used to evaluate Competitive Offers may include but are not limited to the criteria listed below.

### Quantitative Attributes:

The quantitative valuation compares a Competitive Offer’s cost to its benefits. The cost may consist of the contract fixed cost, variable cost, and transmission network upgrade cost. The benefit may consist of capacity value and energy value, to the extent provided in the Agreement.

### Qualitative Attributes:

In addition to the quantitative criteria noted above, pursuant to the Decisions, PG&E CPE will consider the following selection criteria as qualitative factors:

- Future needs in local and sub-local areas;
- Resource costs;
- Operational characteristics of the resources (facility type);
- Location of the facility (with consideration for environmental justice);<sup>30</sup>
- Costs of potential alternatives;
- Greenhouse Gas adders;
- Energy-use limitations; and
- Procurement of preferred resources and energy storage (to be prioritized over fossil generation);

Consistent with the requirement of the Decisions to use the all-source selection criteria, including the loading order, and LCBF methodology adopted in D.04-07-029, PG&E CPE may also consider additional qualitative factors that it has considered in previous LCBF evaluation protocols adopted by the Commission, including but not limited to:

- Viability of the resource;
- Flexibility of the resource;
- Safety;
- Contract tenor;
- Counterparty concentration; and
- Previous experience with a counterparty.

Per the Decisions, all of the methodology and criteria set forth above apply to Competitive Offers for Compensated Self-Shown Local RA in the same way as the methodology and criteria are applied to Competitive Offers for Bundled RA and Bundled RA with Energy Settlement.

**Any or all qualitative factors may impact the evaluation of a Competitive Offer and the probability of execution of any potential Agreement.**

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\*\*\* End of Attachment 2B \*\*\*

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<sup>30</sup> Per OP 9 of D.22-03-034, "In its solicitation, the central procurement entity shall direct bidders to include the CalEnviroScreen score of the resource location (or if unavailable, the pollution burden of the resource location)." Per the California Office of Environmental Health Hazard Assessment, "CalEnviroScreen ranks census tracts in California based on potential exposures to pollutants, adverse environmental conditions, socioeconomic factors, and prevalence of certain health conditions." For more information, please visit: <https://oehha.ca.gov/calenviroscreen>.

**From:** CPESolicitations  
**Sent:** Wednesday, March 22, 2023 2:41 PM  
**To:** Patel, Amol  
**Subject:** PG&E Central Procurement Entity (CPE) 2023 RFO Launch

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Market Participants,

PG&E acting as the Central Procurement Entity ("PG&E as CPE") is pleased to announce the issuance of the 2023 Central Procurement Entity Local Resource Adequacy Request for Offers & Commitments ("2023 CPE Local RA RFO" or "RFO") seeking to procure local resource adequacy ("Local RA") or obtain self-shown commitments for Local RA to meet the objectives of California Public Utility Commission ("CPUC") Decision [D.20-06-002](#), the Central Procurement Entity Decision ("CPE Decision"), Decision [D.20-12-006](#), the Local Capacity Requirement Reduction Compensation Mechanism Decision, and Decision [D.22-03-034](#), the RA OIR Phase 1 Decision (collectively, "Decisions").

In the Decisions, the California Public Utilities Commission ("CPUC") designated PG&E as the CPE for the multi-year Local RA Program for PG&E's electric distribution service area. All procurement conducted by PG&E as CPE is separate and distinct from procurement conducted by PG&E for PG&E's bundled electric service customers.

PG&E as CPE is seeking to procure Local RA or obtain self-shown commitments for Local RA to meet the Local RA procurement requirements in PG&E's electric distribution service area. In 2023 PG&E as CPE is required to procure or obtain self-shown commitments for 100 percent of the CPUC's 2024 Local RA requirements, 100 percent of the CPUC's 2025

Local RA requirements, and 50 percent of the CPUC's 2026 Local RA Requirements. Procured resources and self-shown resource commitments from the 2023 CPE Local RA RFO will qualify towards meeting the minimum procurement requirements detailed in the Decisions.

PG&E as CPE will use the Power Advocate platform for the receipt of offers and self-shown commitments in this RFO. All participants are required to pre-register through Power Advocate in order to submit an offer or self-shown commitment. The instructions for offer or self-shown commitment submittal will be available on PG&E as CPE's website at the link below.

PG&E as CPE will host a Participants' Webinar on Thursday, March 30th, 2023 which will provide an overview of PG&E as CPE's 2023 CPE Local RA RFO and the requirements of the RFO. Webinar links and dial-in information will be provided prior to the date above.

Please refer to PG&E as CPE's 2023 CPE Local RA RFO website for all RFO materials, schedule, and updates pertaining to this RFO at: [www.pge.com/2023cperfo](http://www.pge.com/2023cperfo). To sign up for PG&E as CPE's distribution list, please complete the [CPE Distribution List Form](#).

Any questions regarding this RFO may be directed to: [CPEsolicitations@pge.com](mailto:CPEsolicitations@pge.com) with a copy to the Independent Evaluator, Merrimack Energy at [MerrimackIE@merrimackenergy.com](mailto:MerrimackIE@merrimackenergy.com). We look forward to your participation.

Regards,  
PG&E as CPE  
[www.pge.com/cpe](http://www.pge.com/cpe)

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**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity  
(CPE)**

**CPE Annual Compliance Report (ACR)**

**September 19, 2023**

**Compliance with Certain Ordering Paragraphs of CPUC Decisions**

**20-06-002, 20-12-006, 22-03-034, and 23-06-029**

| OP | <b>CPE Decision (D. 20-06-022)</b><br><b>Ordering Paragraph Language</b>  | <b>Section of Report or Supporting Documentation</b>  |
|----|---|---|
| 8  | <p>The central procurement entity (CPE) shall conduct a competitive, all-source solicitation for local Resource Adequacy (RA) procurement with the following requirements:</p> <ul style="list-style-type: none"> <li>a) Any existing local resource that does not have a contract, any new local resource that can be brought online in time to meet solicitation requirements, or any load serving entity (LSE) or third-party with an existing local RA contract may bid into the solicitation</li> <li>b) If an LSE-procured local resource is not selected by the CPE, the local resource may still count towards the LSE's system or flexible RA obligations, if applicable.</li> <li>c) RA attributes shall remain bundled and LSEs shall receive credits for any system or flexible capacity procured during the local RA or backstop processes, based on coincident peak load shares, as is currently done with Cost Allocation Mechanism (CAM) resources.</li> <li>d) CAM resources and investor-owned utility local Demand Response resources shall reduce the local RA amount that the CPE must procure.</li> <li>e) The CPE shall include dispatch rights, or other means that stipulate how local resources bid into the energy markets, in its solicitation as an optional term that bidders are encouraged to include.</li> </ul> | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2023 CPE Local RA RFO.</p> <p>For 8.e., PG&amp;E CPE solicited offers for energy value through a financial settlement (Bundled RA with Energy Settlement) to incentivize local resources to bid into and act rationally in the wholesale energy market.</p> |
| 13 | <p>All Investor-Owned Utility bids, including utility-owned generation, shall be submitted to the Cost Allocation Mechanism Procurement Review Group and independent evaluator, in advance of the receipt of bids from any other entities.</p>  | <p>Refer to CPE_Conf_Atch_C_Key_Briefing_Packages for documentation related to the IOU bids being submitted to the CAM PRG and IE before receipt of other Participant bids.</p>   |

| OP | CPE Decision (D. 20-06-022)<br>Ordering Paragraph Language  | Section of Report or Supporting Documentation  |
|----|---|--|
| 14 | <p>To guide the selection of local resources procured by the central procurement entity (CPE), the CPE shall use the all-source selection criteria, including the loading order, and least cost best fit methodology adopted in Decision (D.) 04-07-029. The least cost best fit methodology employed shall also include the following selection criteria:</p> <ul style="list-style-type: none"> <li>a. Future needs in local and sub-local areas;</li> <li>b. Local effectiveness factors, as published in the California Independent System Operator’s Local Capacity Requirement Technical Studies;</li> <li>c. Resource costs;</li> <li>d. Operational characteristics of the resources (efficiency, age, flexibility, facility type);</li> <li>e. Location of the facility (with consideration for environmental justice);</li> <li>f. Costs of potential alternatives;</li> <li>g. Greenhouse Gas (GHG) adders;</li> <li>h. Energy-use limitations; and</li> <li>i. Procurement of preferred resources and energy storage (to be prioritized over fossil generation).</li> </ul> <p>The GHG planning price, adopted in D.18-02-016, shall guide development of the GHG adder used by the central procurement entity.</p> | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO.</p> <p>The selection criteria identified in this OP 14(a-i) have been replaced by the selection criteria in OP 8 of the RA OIR Phase 1 Decision (D. 22-03-034).</p> <p>See OP 8 in the section related to Compliance with Ordering Paragraphs of the RA OIR Phase 1 Decision (D.22-03-034) below.</p> |
| 15 | <p>In its solicitation, the central procurement entity shall direct bidders to include the following attributes for a resource: the CalEnviroScreen score of the resource location (or if unavailable, the pollution burden of the resource location), facility age, heat rate, start-up time, and ramp rate.</p>   | <p>OP 15 was superceded in OP 9 of D.22-03-034, the RA OIR Phase 1 Decision.</p> <p>See OP 9 in the section related to Compliance with Ordering Paragraphs of the RA OIR Phase 1 Decision (D.22-03-034) below.</p>   |
| 17 | <p>The central procurement entity (CPE) shall establish a Centralized Local Procurement Balancing Account as a sub-account of the New Generation Services Balancing Account within 60 days of the issuance of this decision to facilitate the cost recovery process. The CPE shall submit its administrative costs associated with central procurement for review in its annual Energy Resource Recovery Account forecast and compliance process.</p>   | <p>PG&amp;E CPE established the Centralized Local Procurement Balancing Account through AL 5919-E, which became effective on September 16, 2020.</p>   |
| 18 | <p>The central procurement entity shall submit supplemental testimony with the forecasted administrative costs associated with central procurement for 2021 in its Energy Resource Recovery Account forecast proceeding within 75 days of the issuance of this decision.</p>  | <p>PG&amp;E as the CPE filed supplemental testimony in the ERRA forecast proceeding on August 14, 2020.</p>  |

| OP | <p align="center"><b>CPE Decision (D. 20-06-022)</b><br/> <b>Ordering Paragraph Language</b></p>   | <p align="center"><b>Section of Report or Supporting Documentation</b></p>   |
|----|--|--|
| 21 | <p>An independent evaluator (IE) shall be retained to monitor the central procurement entity's (CPE) solicitation process and contract execution process, as follows:</p> <p>a. The CPE shall develop a pool of at least three IEs, with the appropriate level of technical expertise and experience, to serve on a rotating basis for solicitations. Energy Division will have final approval over the selection of the IEs.</p> <p>e. The CPE shall permit periodic oversight of the IE process by Energy Division.</p> <p>g. The CPE shall rely on the requirements for the IE process adopted in Decision 04-12-048 as guidance; however, such guidance shall represent a minimum standard for the IE process.</p> | <p>Refer to CPE_Conf_Atch_D_IE_Report for more information on the role of the IE during the CPE solicitation process.</p> <p>PG&amp;E CPE retained Merrimack Energy from PG&amp;E's pool of IE's, to serve as the IE for its 2021, 2022, and 2023 procurement activities beginning in November 2020.</p> |
| 24 | <p>The central procurement entity (CPE) shall establish a rule or procedure that will govern how confidential, market-sensitive information received from third-party market participants during the solicitation process will be protected and what firewall safeguards will be implemented to prevent the sharing of information beyond those employees involved in the solicitation and procurement process. As guidance to develop the rule or procedure, the CPE may use the competitive-neutrality rules adopted in Decision 13-02-029. The CPE shall file and serve the proposed rule into the successor Resource Adequacy proceeding, Rulemaking 19-11-009, by September 1, 2020.</p>                          | <p>Refer to CPUC Decision 20-12-006, OP 9 (copied in table below for reference) to evidence PG&amp;E CPE's competitive neutrality rule as adopted by the Commission.</p>   |

| OP | CPE Decision (D. 20-06-022)<br>Ordering Paragraph Language   | Section of Report or Supporting Documentation   |
|----|--|---|
| 25 | <p>The central procurement entity (CPE), in collaboration with the independent evaluator, Cost Allocation Mechanism Procurement Review Group, and Energy Division, shall create a strict code of conduct, similar to that adopted in Decision 07-12-052, that prevents the sharing of confidential, market-sensitive information beyond those employees involved in the solicitation and R.17-09-020 100 - procurement process. Personnel employed by the CPE and involved in the solicitation and procurement process (including management and officers) shall sign the code of conduct as a precondition to engaging in the central solicitation and procurement process.</p> | <p>Refer to PG&amp;E CPE’s 2021 Annual Compliance Report (Advice Letter 6386-E) and PG&amp;E CPE’s 2022 Annual Compliance Report (Advice Letter 6706-E) attachments titled CPE_Conf_Atch_C_Key Briefing Packages for documentation relating to collaboration with the CAM PRG, IE and ED regarding the PG&amp;E CPE’s Code of Conduct.</p> <p>Please also refer to CPE_Conf_Atch_C_Key_Briefing_Packages provided in this filing for documentation relating to providing the CAM PRG, the IE and the ED with updates to the CPE’s Code of Conduct in 2023.</p> <p>All PG&amp;E personnel employed by the CPE signed the Code of Conduct prior to engagement in either the 2021 Local RA RFO, 2022 Local RA RFO or 2023 Local RA RFO.</p> <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO.</p> |
| 26 | <p>The central procurement entity (CPE) shall have discretion to defer procurement of a local resource to the California Independent System Operator’s backstop mechanisms, rather than through the solicitation process, if bid costs are deemed unreasonably high. If the CPE defers to backstop procurement, the CPE shall provide, through the independent evaluator report and annual compliance report, the reason for the deferral to backstop procurement, prices offered in the solicitation, which generators did not participate in the solicitation (if any), and other relevant information.</p>  | <p>Refer to Public Attachment E – Deferred Procurement for information related to CPE deferral to backstop procurement.</p> <p>Please also refer to CPE_Conf_Atch_E_Deferred_Procurement for information related to CPE deferral to backstop procurement.</p>   |
| 28 | <p>The Resource Adequacy timeline outlined in Section 3.10 is adopted in anticipation of the 2023 compliance year and future years.</p>  | <p>The timeline in OP 28 was superseded in OP 13 of D.22-03-034, the RA OIR Phase 1 Decision.</p> <p>See OP 13 in the section related to Compliance with Ordering Paragraphs of the RA OIR Phase 1 Decision (D.22-03-034) below.</p>  |

| OP | LCR RCM Decision (D.20-12-006)<br>Ordering Paragraph Language   | Section of Report or Supporting Documentation  |
|----|---|--|
| 3  | <p>California Community Choice Association’s Option 2 local capacity requirements (LCR) reduction compensation mechanism (RCM) is adopted to apply to new preferred resources and new energy storage resources, including utility-owned generation, with modifications, as follows:</p> <p>(a) The central procurement entity (CPE) may accept or reject the shown local resource if more cost-effective resources are available.</p> <p>(b) The CPE shall apply all of the methodology and criteria set forth in Ordering Paragraph 14 of Decision (D.) 20-06-002 to shown resources in the same way the methodology and criteria are applied to bid resources.</p> <p>(c) If selected, the load-serving entity (LSE) shall be paid up to the showing price without annual adjustment for effectiveness. The showing price shall not exceed the pre-determined local price, which is calculated as follows:</p> <p>Year 1: Use the weighted average price from the last four quarters of Energy Division Power Charge Indifference Adjustment (PCIA) responses for both system and local RA; subtract system Resource Adequacy (RA) price from local RA price.</p> <p>Subsequent Years: Use the weighted average price from the last four quarters of Energy Division PCIA responses for system RA and the most recent weighted average price reported in the CPE solicitation results (prior year’s results) for local RA price; subtract system RA price from local RA price.</p> <p>(d) The price shall be differentiated by local area or sub-local area, unless higher-level aggregation is required to mask individual resource prices.</p> <p>(e) For a resource eligible for the LCR RCM, if the load-serving entity (LSE) elects to show for the LCR RCM, the LSE cannot also provide a bid into the CPE solicitation for that resource. If an LSE with a resource eligible for the LCR RCM elects not to show under the LCR RCM, it still has all of the options available under Decision 20-06-002: (1) show the resource for no compensation in advance of the CPE’s solicitation, (2) bid the resource into the CPE’s solicitation, (3) bid the resource into the CPE’s solicitation and indicate that the resource will be available to show the local RA attribute for no compensation if the bid is not accepted, or (4) retain all RA attributes for the LSE.</p> <p>(f) A new local preferred or energy storage resource may be eligible for the LCR RCM up to the life of the resource’s original contract, or in the case of utility-owned generation, up to the original life of the resource.</p> <p>(g) A shown resource that qualifies for the LCR RCM shall have a commitment equivalent to the period the resource is under control or contracted for, that corresponds to the 3-year forward compliance period, where the start date may be any year within the 3-year forward compliance period.</p> <p>(h) A shown resource shall be documented on an agreement as determined by the CPE, which may include the Edison Electric Institute Master Agreement. LSEs intending to show resources to the CPE are encouraged to enter into an enabling agreement with the CPE in advance of the CPE’s solicitation.</p> | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO explaining the LCR RCM Compensated Self-Shown product requirements.</p> <p>OP 3(b) references selection criteria of OP 14 from the CPE Decision that was superceded by OP 8 of D.22-03-034, the RA OIR Phase 1 Decision.</p> <p>OP 3(c) was modified by OP 15 of D.22-03-034, the RA OIR Phase 1 Decision.</p> <p>OP 3(h) was superceded in OP 2 of D. 22-03-034, the RA OIR Phase 1 Decision.</p> <p>See section related to Compliance with Ordering Paragraphs of the RA OIR Phase 1 Decision (D.22-03-034) below.</p> |

| <b>OP</b> | <b>LCR RCM Decision (D.20-12-006)<br/>Ordering Paragraph Language</b>   | <b>Section of Report or Supporting Documentation</b>  |
|-----------|---|---|
| 4         | The existing definition of preferred resources from the State’s Energy Action Plan II, as adopted in Decision 14-03-004, shall apply to the local capacity requirement reduction compensation mechanism.  | Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO. |
| 5         | Any new preferred resource or energy storage resource with an original contract executed on or after June 17, 2020, shall be eligible for the local capacity requirement reduction compensation mechanism (LCR RCM). For utility-owned generation, any resource approved by the Commission or by Advice Letter on or after June 17, 2020, shall be eligible for the LCR RCM. An existing preferred or energy storage resource with a new contract or amended contract executed on or after June 17, 2020, is not eligible for the LCR RCM.  | Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO. |
| 6         | <p>A hybrid that consists of a preferred resource and an energy storage resource may be eligible for the local capacity requirement reduction compensation mechanism (LCR RCM), if either the preferred or the energy storage resource is a new resource.</p> <p>(a) In the case of a new hybrid resource, the entire hybrid resource may be eligible for the LCR RCM.</p> <p>(b) In the case of a new energy storage resource added to an existing preferred resource, in which the resources are co-located, only the new component shall be eligible for the LCR RCM.</p> <p>(c) The LCR RCM shall not apply to hybrid resources that consist of a fossil resource and a new energy storage resource. If the new energy storage resource is co-located with a fossil resource, the energy storage resource may be separately eligible as a standalone component.</p> | Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO. |

| OP | LCR RCM Decision (D.20-12-006)<br>Ordering Paragraph Language  | Section of Report or Supporting Documentation   |
|----|--|---|
| 9  | <p>Pacific Gas and Electric Company’s (PG&amp;E) proposed competitive neutrality protocol is adopted, as follows:</p> <p>Confidential, competitive information received by PG&amp;E from load serving entities (LSEs), generators, third-party power marketers or demand response providers (DRPs), or from the CAISO related to LSEs, generators, third-party power marketers or DRPs, in connection with PG&amp;E’s performance of its duties as the central procurement entity (CPE) for local resource adequacy (RA) for PG&amp;E’s distribution service area shall be limited to PG&amp;E staff who are responsible for performing or administratively supporting PG&amp;E’s CPE responsibilities for local RA in accordance with Commission decisions and guidance. Such confidential, competitive information shall not be used to promote PG&amp;E’s RA-related services to its bundled service customers or gain a competitive advantage for PG&amp;E in the RA market, or to advantage utility-owned generation (UOG) resources or PG&amp;E-contracted resources that can provide local RA and are eligible to bid or show to the CPE.</p> <p>PG&amp;E staff receiving such confidential, competitive information from LSEs, generators, third-party marketers, DRPs or the CAISO in the discharge of PG&amp;E’s roles and responsibilities as the CPE for PG&amp;E’s distribution service area shall not share such confidential, competitive information with other individuals in PG&amp;E who are directly responsible for discharging PG&amp;E’s roles and responsibilities with respect to procurement, sales, or portfolio management of RA on behalf of PG&amp;E’s bundled service customers or in preparing and submitting bids to the CPE.</p> | <p>Refer to CPE_Conf_Atch_D_IE_Report for more information regarding the PG&amp;E CPE’s compliance with the competitive neutrality rule.</p>  |
| 10 | <p>For the Energy Resource Recovery Account (ERRA) compliance filings, the central procurement entity (CPE) shall: (1) include confidential, market-sensitive information in either a separate chapter of testimony or supplemental testimony, (2) redact the information from public filings, and (3) only allow CPE personnel and support personnel (including contract management, law, and regulatory compliance) to sponsor, prepare, and view non-public versions of the filing.</p>   | <p>The 2021 ERRA compliance filing was filed on February 28, 2022. The information contained in the ERRA proceeding was in compliance with OP 10.</p> <p>The 2022 ERRA compliance filing was filed on February 28, 2023. The information contained in the ERRA proceeding was in compliance with OP 10.</p> <p>PG&amp;E has controls in place to prevent the sharing of confidential information. Only those with access can view the confidential information.</p> |

| OP | <b>RA OIR Phase 1 Decision (D.22-03-034)</b><br><b>Ordering Paragraph Language</b>  | <b>Section of Report or Supporting Documentation</b>   |
|----|---|--|
| 2  | <p>In accordance with the timeline adopted in Ordering Paragraph 13, a load-serving entity (LSE) that elects to self-show a local resource to the central procurement entity (CPE) shall execute an attestation that provides that:</p> <ul style="list-style-type: none"> <li>a. The LSE has the capacity rights to the Resource Adequacy (RA) resource for the period it is self-showing;</li> <li>b. The LSE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs; and</li> <li>c. If applicable, the resource that the LSE intends to self-show for compensation under the Local Capacity Requirement Reduction Compensation Mechanism (LCR RCM) meets the eligibility requirements pursuant to Decision 20-12-006.</li> </ul> <p>These attestation requirements replace the previous requirement that a shown resource must be documented on an agreement as determined by the CPE, as provided in Ordering Paragraph 3 of Decision 20-12-006.</p> | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO.</p> <p>Refer to<br/>CPE_Conf_Atch_A_Attestations<br/>and<br/>New_Contracts_Executed_Contracts_Amended.</p>    |
| 3  | <p>The attestation process adopted in Ordering Paragraph 2 shall apply to a load-serving entity (LSE) that bids a local resource and states that if the bid is not selected, the LSE will self-show the local resource for no compensation. The attestation shall be submitted at the time the LSE submits its bid into the central procurement entity’s solicitation.</p>  | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO.</p> <p>Refer to<br/>CPE_Conf_Atch_A_Attestations<br/>and<br/>New_Contracts_Executed_Contracts_Amended.</p>    |
| 4  | <p>For compensated self-shown resources under the Local Capacity Requirement Reduction Compensation Mechanism, the central procurement entity (CPE) has discretion to require a self-showing load-serving entity (LSE) to either: (a) execute an agreement between the CPE and self-showing LSE that provides payment information and other relevant terms, or (b) submit an attestation that identifies the resource as a preferred resource and provides the LSE’s payment information. For the latter attestation, the CPE will then provide acknowledgement to the LSE with payment terms.</p>  | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO.</p> <p>Refer to<br/>CPE_Conf_Atch_A_Attestations<br/>and<br/>New_Contracts_Executed_Contracts_Amended.</p>    |
| 5  | <p>For any existing self-shown resource contract, the contract shall include, or be amended to include, a provision resulting in automatic termination of the self-shown contract without any further action of the parties upon submission by the load-serving entity (LSE) to the central procurement entity (CPE) of an attestation, provided that the attestation complies with the relevant requirements and conforms to the self-shown commitment originally entered into through the contract between the CPE and LSE. Amendment and/or automatic termination of any existing self-shown resource contract for which a qualifying attestation is submitted is deemed reasonable and shall not require contract management review as part of a regulatory proceeding.</p>   | <p>PG&amp;E CPE amended any existing self-shown resource contracts from the 2021 Local RA RFO pursuant to OP 5 of D.22-03-034, the RA OIR Phase 1 Decision and submitted relevant documentation in the 2022 CPE ACR through AL-6706-E.</p> |

| OP | RA OIR Phase 1 Decision (D.22-03-034)<br>Ordering Paragraph Language  | Section of Report or Supporting Documentation  |
|----|---|--|
| 8  | <p>The selection criteria in OP 14 of the CPE Decision are replaced with the following criteria.</p> <ul style="list-style-type: none"> <li>a. Future needs in local and sub-local areas;</li> <li>b. Resource costs;</li> <li>c. Operational characteristics of the resources (facility type);</li> <li>d. Location of the facility (with consideration for environmental justice);</li> <li>e. Costs of potential alternatives;</li> <li>f. Greenhouse Gas adders;</li> <li>g. Energy-use limitations; and</li> <li>h. Procurement of preferred resources and energy storage (to be prioritized over fossil generation).</li> </ul> <p>The central procurement entity (CPE) shall have discretion to define attributes for the operational characteristics and such attributes shall be provided to market participants in the CPE’s bidder’s conference.</p> | <p>Refer to Public Attachment 5(a) CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO.</p>   |
| 9  | <p>Ordering Paragraph 15 of Decision 20-06-002 is replaced with the following: “In its solicitation, the central procurement entity shall direct bidders to include the CalEnviroScreen score of the resource location (or if unavailable, the pollution burden of the resource location).”</p>   | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO indicating the information required to be submitted for all offers.</p> <p>Please also refer to the Offer Forms (Appendix A1, Tab “OfferInfo”, Rows 301-302, and Appendix A2, Tab “OfferInfo”, Rows 124-125) for the CPE RFO that requested this information on the CPE RFO website here:<br/> <a href="https://www.pge.com/en_US/for-our-business-partners/central-procurement-entity/2023-cpe-rfo.page">https://www.pge.com/en_US/for-our-business-partners/central-procurement-entity/2023-cpe-rfo.page</a></p> |
| 10 | <p>In its solicitation process, the central procurement entity shall consider bids of any contract term length greater than or equal to one month.</p>  | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO.</p>   |

| OP | RA OIR Phase 1 Decision (D.22-03-034)<br>Ordering Paragraph Language   | Section of Report or Supporting Documentation   |
|----|--|---|
| 11 | <p>If the central procurement entity (CPE) does not procure sufficient resources to meet its multi-year local Resource Adequacy (RA) requirements following the annual all-source solicitation, the CPE is authorized to procure additional local RA resources outside of the annual all-source solicitation process. The CPE is authorized to use broker markets or bilateral transactions to fill short positions for any deficiencies in the applicable three-year forward period. The CPE is encouraged to fill its positions to the extent possible prior to initial RA allocations in July. The CPE shall consult with the Cost Allocation Mechanism Procurement Review Group on plans for conducting procurement outside of the all-source solicitation, including opportunities it plans to pursue and criteria with which it plans to evaluate offers.</p>  | <p>At the time of submitting this PG&amp;E CPE Annual Compliance Report for 2023, the PG&amp;E CPE had not executed any broker or bilateral transactions.</p> |
| 12 | <p>To guide the selection of local resources procured outside of the annual all source solicitation, the central procurement entity (CPE) shall evaluate resources using the least cost best fit methodology and, if applicable for the procurement being undertaken, include the selection criteria set forth in Ordering Paragraph 14 of Decision (D.) 20-06-002, as modified in this decision.</p> <p>For contracts that exceed a five-year term, the CPE shall submit a Tier 3 Advice Letter for approval. For a contract with a five-year term or less the contract, including a broker or bilateral contract, shall be deemed reasonable and preapproved if the following conditions are met:</p> <ul style="list-style-type: none"> <li>a) The procured resource meets the established local capacity requirements and underlying data supporting those requirements, which are based on the California Independent System Operator’s Local Capacity Requirements Technical Study;</li> <li>b) The Cost Allocation Mechanism Procurement Review Group (CAM PRG) was properly consulted, as described in Ordering Paragraph 13 of D.20-06-002;</li> <li>c) For reasonable and preapproved broker or bilateral contracts with a term of five years or less, the CPE shall notify the CAM PRG as soon as practicable after the execution of the broker or bilateral transaction; and</li> <li>d) Procurement was deemed by the independent evaluator to have followed all relevant Commission guidance, including the least cost best fit methodology and other noted selection criteria.</li> </ul> | <p>At the time of submitting this PG&amp;E CPE Annual Compliance Report for 2023, the PG&amp;E CPE had not executed any broker or bilateral transactions.</p> |

|           |   |   |
|-----------|---|---|
| <p>13</p> | <p>The timeline adopted is adopted for CPE procurement and replaces the timeline adopted in OP 28 of the CPE Decision.</p> <ul style="list-style-type: none"> <li>• April-May: The California Independent System Operator (CAISO) files draft and final Local Capacity Requirement (LCR) one- and five-year ahead studies. The LCR studies will include any CAISO-approved transmission upgrades from the Transmission Planning Process LCR study. Parties file comments on draft and final LCR studies.</li> <li>• No Later Than Mid-May: Load-serving entities (LSEs) in Southern California Edison (SCE) and Pacific Gas &amp; Electric Company (PG&amp;E) transmission access charge (TAC) areas make self-shown commitment of local resources to the CPE for the applicable Resource Adequacy (RA) years.</li> <li>• No Later than June: The Commission adopts multi-year local RA requirements for the applicable compliance years as part of its June decision.</li> <li>• No Later Than Early July: CPE receives total jurisdictional share of multi-year local RA requirements for the applicable compliance years.</li> <li>• July: <ul style="list-style-type: none"> <li>○ For the SCE and PG&amp;E TAC areas, LSEs receive initial RA allocations, including Cost Allocation Mechanism (CAM) credits from CPE-procured system and flexible capacity from the prior year and any bilateral contracts.</li> <li>○ For the San Diego Gas and Electric Company (SDG&amp;E) TAC area, LSEs receive initial RA allocations (system, flexible, local requirements) and CAM credits.</li> </ul> </li> <li>• Mid-August: CPE makes local RA showing to the Commission.</li> <li>• End of August: LSEs in the SCE and PG&amp;E TAC areas receive updated CAM credits for multi-year system/flexible capacity that was procured by the CPE as a result of the CPE’s multi-year local RA showing to the Commission in Mid-August.</li> <li>• September: <ul style="list-style-type: none"> <li>○ For PG&amp;E and SCE’s TAC areas, LSEs are allocated final year-ahead system and flexible RA allocations, including CAM credits from CPE-procured system and flexible RA capacity based on revised year-ahead load forecast load ratios.</li> <li>○ For the SDG&amp;E TAC area, LSEs receive final RA allocations (system, flexible, local requirements) and CAM credits.</li> </ul> </li> <li>• End of October: <ul style="list-style-type: none"> <li>○ LSEs in the SDG&amp;E TAC make system, flexible, and three-year local RA showing.</li> <li>○ LSEs in PG&amp;E and SCE TACs make year-ahead system and flexible showings, and provide justification statements, if applicable, for local resources not self-shown or bid to the CPE.</li> <li>○ The CPEs and LSEs that committed to self-show make year-ahead showing to CAISO.</li> </ul> </li> </ul> | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO outlining the timeline for the RFO, including the launch date in March 2023.</p> <p>Additionally, in compliance with the timeline outlined in the RA OIR Phase 1 Decision, and the deadlines listed in the draft version of the CPUC 2024 RA Filing Guide, the PG&amp;E CPE made its local RA showing to the Commission on August 18, 2023.</p> |
|-----------|---|---|

| OP | <b>RA OIR Phase 1 Decision (D.22-03-034)</b><br><b>Ordering Paragraph Language</b>  | <b>Section of Report or Supporting Documentation</b>  |
|----|---|---|
| 15 | <p>Ordering Paragraph 3 of Decision 20-12-006 is modified as follows:</p> <p>If selected, the load-serving entity shall be paid the showing price (pre-determined or below) without annual adjustment for effectiveness. The showing price shall not exceed the pre-determined local price, which is calculated as follows:</p> <p>Use the weighted average price from the last four quarters of the Energy Division Power Charge Indifference Adjustment responses for system and local Resource Adequacy (RA); subtract system RA price from local RA price.</p>  | <p>Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2023 CPE Local RA RFO explaining the LCR RCM Compensated Self-Shown product requirements.</p> <p>Please also refer to CPE_Conf_Atch_A_Attestations_New Contracts, Contract Documents folder which includes any executed confidential contract documents provided for this agreement type.</p> |
| 17 | <p>Each central procurement entity’s (CPE) Annual Compliance Report shall include the following information:</p> <ul style="list-style-type: none"> <li>a) Total local Resource Adequacy (RA) allocation for the CPE from the Commission;</li> <li>b) Total local demand response (DR) resources allocated for the CPE by the Commission;</li> <li>c) Total local Cost Allocation Mechanism resources (non-DR) applied towards CPE requirements;</li> <li>d) Total local resources procured by the CPE;</li> <li>e) Total load-serving entity self-shown local resources;</li> <li>f) Net total position associated with the CPE;</li> <li>g) Total capacity of preferred resources that were bid or shown to the CPE;</li> <li>h) Total capacity of preferred resources selected and not selected by the CPE; and</li> <li>i) Total capacity of MW procured by the CPE from generation facilities located in Disadvantaged Communities.</li> </ul> <p>The new data requirements for the Annual Compliance Report shall be effective for the 2023 Annual Compliance Report.</p> | <p>Refer to Public Attachment A - PG&amp;E CPE Aggregate Procurement Summary and Additional Reporting, which fulfills this requirement.</p>   |

| <b>OP</b> | <b>RA OIR Phase 1 Decision (D.22-03-034)<br/>Ordering Paragraph Language</b>   | <b>Section of Report or Supporting Documentation</b>  |
|-----------|--|---|
| 19        | <p>Central procurement entity (CPE) procurement costs shall be forecasted and implemented in rates through the annual Energy Resource Recovery Account (ERRA) forecast proceeding. The CPE procurement costs shall be handled in a separate confidential chapter in ERRA forecast testimony, whereby the confidential contents shall only be viewable to the CPE’s personnel and support personnel, including staff such as contract management, law and regulatory compliance staff. Only CPE transactions that include Local Capacity Requirement Reduction Compensation Mechanism compensation or sale of system Resource Adequacy attributes to the CPE shall be required for inclusion in supporting workpapers or other testimony.</p> | <p>The 2023 ERRA forecast proceeding was filed on May 31, 2022 (A.22-05-029). A separate confidential chapter was included in the ERRA forecast testimony.</p> <p>The 2024 ERRA forecast proceeding was filed on May 15, 2023 (A.23-05-012). A separate confidential chapter was included in the ERRA forecast testimony.</p> <p>PG&amp;E has controls in place to prevent the sharing of confidential information. Only those with access can view the confidential information.</p> |

| OP   | <b>RA OIR Phase 3 Program Refinements Decision (D.23-06-029)</b><br><b>Ordering Paragraph Language</b>  | <b>Section of Report or Supporting Documentation</b>   |                               |  |                          |                  |           |  |  |  |  |  |  |   |
|--|---|--|-------------------------------|--|--------------------------|------------------|-----------|--|--|--|--|--|--|---|
| 12   | <p>The Central procurement entity (CPE) shall report the following in both: (a) the mid-August compliance filing and (b) the September Annual Compliance Report:</p> <ul style="list-style-type: none"> <li>• <b>Monthly Procurement Summary Covering All CPE Procurement</b></li> </ul> <table border="1" data-bbox="272 415 1128 661"> <thead> <tr> <th data-bbox="272 415 487 661">Total California Public Utility Commission (CPUC) Local Allocation (excluding demand response (DR)) Report</th> <th data-bbox="487 415 617 661">Total CPUC-allocated Local DR</th> <th data-bbox="617 415 771 661">Local Cost Allocation Mechanism (CAM) (non-DR)</th> <th data-bbox="771 415 917 661">Total Procured Resources</th> <th data-bbox="917 415 1023 661">Total Self-Shown</th> <th data-bbox="1023 415 1128 661">Net Total</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>and</p> <p>(a) Total aggregate monthly megawatt (MW) amount of procurement not offered to the CPE in deficient areas;</p> <p>(b) Total sum of (i) aggregate monthly MW amounts of deferred procurement that were the result of unreasonable prices, (ii) aggregate monthly MW amounts not procured due to inability to reach an agreement with request for offers participant, and (iii) aggregate monthly MW amounts of procurement offered in and then later withdrawn over the compliance period, where the total sum of these 3 amounts exceeds 10 MWs; and</p> <p>(c) Any additional information on outreach conducted by the CPE to resources that did not participate and/or withdrew their bids and the outcome of that outreach.</p> | Total California Public Utility Commission (CPUC) Local Allocation (excluding demand response (DR)) Report | Total CPUC-allocated Local DR | Local Cost Allocation Mechanism (CAM) (non-DR) | Total Procured Resources | Total Self-Shown | Net Total |  |  |  |  |  |  | <p>Refer to Public Attachment A - PGE CPE Aggregate Procurement Summary and Additional Reporting, which fulfills this requirement</p> |
| Total California Public Utility Commission (CPUC) Local Allocation (excluding demand response (DR)) Report | Total CPUC-allocated Local DR   | Local Cost Allocation Mechanism (CAM) (non-DR)   | Total Procured Resources      | Total Self-Shown                               | Net Total                |                  |           |  |  |  |  |  |  |   |
|  |   |  |                               |  |                          |                  |           |  |  |  |  |  |  |   |

# **Attachment 6**

Confidentiality Declarations and Matrices

(Public)

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

**PACIFIC GAS AND ELECTRIC COMPANY  
CENTRAL PROCUREMENT ENTITY (CPE)**

**DECLARATION OF AMOL PATEL  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED IN  
PG&E CPE'S ANNUAL COMPLIANCE REPORT  
ADVICE LETTER 7027-E  
FILED SEPTEMBER 19, 2023**

I, Amol Patel, declare:

1. I am the Director of the CPE Implementation Department within the Energy Policy and Procurement organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include overseeing Resource Adequacy (RA) commercial and compliance activities at PG&E for the CPE. This declaration is based on my personal knowledge of PG&E CPE's practices and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive procurement information.

2. Based on my knowledge and experience, and in accordance with the Decisions (D.) 06-06-066, 20-06-002, 22-03-034, 23-06-029 and relevant Commission rules, I make this declaration seeking confidential treatment for certain procurement data and information contained in PG&E CPE's 2023 Annual Compliance Report.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E CPE is seeking confidential treatment. The matrix specifies that the material PG&E CPE is seeking to protect constitutes confidential market sensitive procurement data and information covered by D.06-06-066 (as modified by subsequent decisions), identified in D.22-03-034, as modified in D.23-06-029, for CPE-specific data, and/or other relevant Commission rules. The matrix also specifies why confidential protection is justified. Further, the data and information (1) is not already public; and (2) cannot be aggregated, redacted, summarized or

otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all the explanatory text that is pertinent to my declaration in the attached matrix.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on September 19, 2023, at San Rafael, California.

/s/

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AMOL PATEL

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

**PG&E CENTRAL PROCUREMENT ENTITY  
ANNUAL COMPLIANCE REPORT  
ADVICE LETTER 7027-E  
Submitted on September 19, 2023**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

| Redaction Reference   | Category from D.06-06-066, Appendix 1, D.22-03-034, Appendix A, D.23-06-029, Appendix A, or Separate Confidentiality Statute, or Order That Data Corresponds To | Justification for Confidential Treatment   | Length of Time Data To Be Kept Confidential     |
|---|---|--|---|
| <b>Document: CPE Annual Compliance Report – Confidential Attachment A: New Contracts Executed/Amended</b>   |   |  |   |
| <p>All information contained in the following files/folders in Confidential Attachment A:</p> <p>1) “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”;</p>              | <p>D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A: Contracts and power purchase agreements</p>   | <p>Disclosure of the contract terms and conditions of CPE executed contracts could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.</p>   | <p>3-years from contract execution date</p>     |
| <p>2) Documents within the CPE RFO Documentation Folder: (“03_PG&amp;E CPE 2023 RFO – Qualitative Evaluation Results.pdf”; “04_PG&amp;E CPE 2023 RFO – Quantitative Evaluations Results.pdf”)</p> | <p>D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A: Score sheets, analysis and evaluation</p>   | <p>Disclosure of the score sheets, analysis and evaluation for CPE procurement could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.</p> | <p>3 years after conclusion of solicitation</p> |
| <p>3) All executed contract documents in the following zip files within the CPE Attestations and New Contracts Folder: “Shown Capacity Attestations - CONF.zip”</p>                               | <p>D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A: Individual / Specific Bid/Offer data</p>  | <p>Disclosure of the bid/offer data received during CPE procurement could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.</p>            | <p>3 years after conclusion of solicitation</p> |

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

**PG&E CENTRAL PROCUREMENT ENTITY  
ANNUAL COMPLIANCE REPORT  
ADVICE LETTER 7027-E  
Submitted on September 19, 2023**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

| Redaction Reference  | Category from D.06-06-066, Appendix 1, D.22-03-034, Appendix A, D.23-06-029, Appendix A, or Separate Confidentiality Statute, or Order That Data Corresponds To   | Justification for Confidential Treatment   | Length of Time Data To Be Kept Confidential |
|--|---|--|---|
| <b>Document: CPE Annual Compliance Report – Confidential Attachment A: New Contracts Executed/Amended (Continued)</b>  |   |  |   |
| <p>All information contained in the following files/folders in Confidential Attachment A:</p> <p>1) “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”;</p> <p>2) Documents within the CPE RFO Documentation Folder: (“03_PG&amp;E CPE 2023 RFO – Qualitative Evaluation Results.pdf”; “04_PG&amp;E CPE 2023 RFO – Quantitative Evaluations Results.pdf”)</p> | <p>D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A:<br/>Total Capacity Procured (Purchased or Self-Shown) – Local Area;<br/>Total Capacity Procured (Purchased) – Local Area; and Total Capacity Procured (Self-Shown) – Local Area</p> | <p>Disclosure of the capacity that was procured in each local area could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.</p> | <p align="center">Front 3 years</p>         |
| <p>3) All executed contract documents in the following zip files within the CPE Attestations and New Contracts Folder: “Shown Capacity Attestations - CONF.zip”</p>  | <p>D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A:<br/>Net Open Position Capacity (MW) – Local Area</p>  | <p>Disclosure of the capacity that was procured in each local area could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.</p> | <p align="center">Front 3 years</p>         |

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

**PG&E CENTRAL PROCUREMENT ENTITY  
ANNUAL COMPLIANCE REPORT  
ADVICE LETTER 7027-E  
Submitted on September 19, 2023**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

| Redaction Reference   | Category from D.06-06-066, Appendix 1, D.22-03-034, Appendix A, D.23-06-029, Appendix A, or Separate Confidentiality Statute, or Order That Data Corresponds To | Justification for Confidential Treatment  | Length of Time Data To Be Kept Confidential |
|---|---|---|---|
| <b>Document: CPE Annual Compliance Report – Confidential Attachment B: Counterparty Information</b> |   |   |   |
| “PGE CPE - Confidential Atch B – Non-Invest Grade Ctrpty.pdf”                                       | D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A: Contracts and power purchase agreements  | Disclosure of the contract terms and conditions of CPE executed contracts could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.   | 3-years from contract execution date        |
|   | D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A: Score sheets, analysis and evaluation  | Disclosure of the score sheets, analysis and evaluation for CPE procurement could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured. | 3 years after conclusion of solicitation    |
|   | D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A: Individual / Specific Bid/Offer data   | Disclosure of the bid/offer data received during CPE procurement could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.            | 3 years after conclusion of solicitation    |

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| <b>Document: CPE Annual Compliance Report – Confidential Attachment C: Key Briefing Packages</b>   |   |   |   |
| All information contained in the following files/folders in Confidential Attachment C:<br><br>1) “PGE CPE - Confidential Atch C – Key Briefing Packages.pdf”;<br><br>2) All files, folders and documents within zip file “Meeting Invitations, Materials and Summaries – by month.zip” | D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A: Contracts and power purchase agreements  | Disclosure of the contract terms and conditions of CPE executed contracts could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.   | 3-years from contract execution date        |
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| <b>Document: CPE Annual Compliance Report – Confidential Attachment C: Key Briefing Packages (Continued)</b>  |   |  |   |
| <p>All information contained in the following files/folders in Confidential Attachment C:</p> <p>1) “PGE CPE - Confidential Attachment C – Key Briefing Packages.pdf”;</p> <p>2) All files, folders and documents within zip file “Meeting Invitations, Materials and Summaries – by month.zip”</p> | <p>D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A:<br/>Total Capacity Procured (Purchased or Self-Shown) – Local Area;<br/>Total Capacity Procured (Purchased) – Local Area; and Total Capacity Procured (Self-Shown) – Local Area</p> | <p>Disclosure of the capacity that was procured in each local area could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.</p> | <p align="center">Front 3 years</p>         |
|   | <p>D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A:<br/>Net Open Position Capacity (MW) – Local Area</p>  | <p>Disclosure of the capacity that was procured in each local area could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured.</p> | <p align="center">Front 3 years</p>         |

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

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| <b>Document: CPE Annual Compliance Report – Confidential Attachment E: Deferred Procurement</b>               |   |   |   |
| Grey-Shaded Information in “PGE CPE - Confidential Atch E – Deferred Procurement.pdf” on pages: 2, and 4 – 8. | D.22-03-034, Appendix A, as modified in D.23-06-029, Appendix A: Score sheets, analysis and evaluation  | Disclosure of the score sheets, analysis and evaluation for CPE procurement could potentially have an adverse effect on the market, put the CPE at a competitive disadvantage with regard to other market participants, and impact participants’ future bidding behavior for capacity that has not yet been procured. | 3 years after conclusion of solicitation    |
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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**DECLARATION SUPPORTING CONFIDENTIAL DESIGNATION  
ON BEHALF OF  
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)  
CENTRAL PROCUREMENT ENTITY (CPE)**

1. I, Amol Patel, am the Director of the Central Procurement Entity (“CPE”) Implementation at Pacific Gas and Electric Company (“PG&E”), a California corporation. Gillian Clegg, the Vice President of Energy Policy and Procurement at PG&E, delegated authority to me to sign this declaration. My business office is located at:

Pacific Gas and Electric Company  
300 Lakeside Drive  
Oakland, CA 94612

2. PG&E will produce the information identified in paragraph 3 of this Declaration to the California Public Utilities Commission (“CPUC”) or departments within or contractors retained by the CPUC in response to a CPUC audit, data request, proceeding, or other CPUC request.

Name or Docket No. of CPUC Proceeding (if applicable): R.21-10-002

3. Title and description of document(s):

Advice Letter 7027-E: PG&E CPE 2023 Annual Compliance Report

4. These documents contain confidential information that, based on my information and belief, has not been publicly disclosed. These documents have been marked as confidential, and the basis for confidential treatment and where the confidential information is located on the documents are identified on the following chart, with further detail provided in Appendix A, which is incorporated into this declaration:

| Check                               | Basis for Confidential Treatment  | Where Confidential Information is located on the documents   |
|-------------------------------------|---|--|
| <input type="checkbox"/>            | <p>Customer-specific data, which may include demand, loads, names, addresses, and billing data</p> <p>(Protected under PUC § 8380; Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029)</p>   |  |
| <input type="checkbox"/>            | <p>Personal information that identifies or describes an individual (including employees), which may include home address or phone number; SSN, driver's license, or passport numbers; education; financial matters; medical or employment history (not including PG&amp;E job titles); and statements attributed to the individual</p> <p>(Protected under Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)</p> |  |
| <input type="checkbox"/>            | <p>Physical facility, cyber-security sensitive, or critical energy infrastructure data, including without limitation critical energy infrastructure information (CEII) as defined by the regulations of the Federal Energy Regulatory Commission at 18 C.F.R. § 388.113</p> <p>(Protected under Govt. Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR § 29.2)</p>   |  |
| <input checked="" type="checkbox"/> | <p>Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data</p> <p>(Protected under Civ. Code §§3426 <i>et seq.</i>; Govt. Code §§ 6254, <i>et seq.</i>, e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code §1060; D.11-01-036)</p>   | <p>Documents and Files provided within the CPE_04_Confidential Attachments Folder:</p> <ol style="list-style-type: none"> <li>1) Confidential Attachment A:<br/>CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended;</li> <li>2) Confidential Attachment B:<br/>CPE_Conf_Atch_B_Counterparty_Information;</li> <li>3) Confidential Attachment C:<br/>CPE_Conf_Atch_C_Key_Briefing_Packages;</li> <li>4) Confidential Attachment D:<br/>CPE_Conf_Atch_D_IE_Report; and</li> <li>5) Confidential Attachment E:<br/>CPE_Conf_Atch_E_Deferred_Procurement</li> </ol> |

Corporate financial records  
(Protected under Govt. Code §§ 6254(k), 6254.15)

Third-Party information subject to non-disclosure or confidentiality agreements or obligations  
(Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)

Documents and Files provided within the CPE\_04\_Confidential Attachments Folder:

- 1) Confidential Attachment A: CPE\_Conf\_Atch\_A\_Attestations and New\_Contracts\_Executed\_Contracts\_Amended;
- 2) Confidential Attachment B: CPE\_Conf\_Atch\_B\_Counterparty\_Information;
- 3) Confidential Attachment C: CPE\_Conf\_Atch\_C\_Key\_Briefing\_Packages;
- 4) Confidential Attachment D: CPE\_Conf\_Atch\_D\_IE\_Report; and
- 5) Confidential Attachment E: CPE\_Conf\_Atch\_E\_Deferred\_Procurement

Other categories where disclosure would be against the public interest (Govt. Code § 6255(a)):

The PG&E CPE 2023 Annual Compliance Report contains commercially sensitive information detailing the specific resources PG&E CPE has acquired in various local areas that make up the PG&E CPE’s portfolio.

Disclosure of the specific resource information that was offered into and/or procured in each local area and the duration of such procurement, and information concerning the totality of the existing CPE portfolio as of the reporting date, could potentially have an adverse effect on the market and impact participants’ future bidding behavior for resources that have not yet been procured. Release of this information is against the public interest because this information can provide a commercial advantage to new bidders

Documents and Files provided within the CPE\_04\_Confidential Attachments Folder:

- 1) Confidential Attachment A: CPE\_Conf\_Atch\_A\_Attestations and New\_Contracts\_Executed\_Contracts\_Amended;
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- 3) Confidential Attachment C: CPE\_Conf\_Atch\_C\_Key\_Briefing\_Packages;
- 4) Confidential Attachment D: CPE\_Conf\_Atch\_D\_IE\_Report; and
- 5) Confidential Attachment E: CPE\_Conf\_Atch\_E\_Deferred\_Procurement

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and existing contract counterparties, materially impact the price of capacity procurement. All PG&E Cost Allocation Mechanism-eligible customers are subject to cost increases if market participants use such procurement information in order to gain an improper market advantage.

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5. The importance of maintaining the confidentiality of this information outweighs any public interest in disclosure of this information. This information should be exempt from the public disclosure requirements under the Public Records Act and should be withheld from disclosure.
6. I declare under penalty of perjury that the foregoing is true, correct, and complete to the best of my knowledge.
7. Executed on this 19th day of September, 2023 at San Rafael, California.

\_\_\_\_\_  
/s/  
Amol Patel  
Director, CPE Implementation  
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

PG&E CENTRAL PROCUREMENT ENTITY  
 ADVICE LETTER 7027-E: PG&E CPE ANNUAL COMPLIANCE REPORT  
 ATTACHMENT TO DECLARATION SUBMITTED ON SEPTEMBER 19, 2023

| ATTACHMENT NAME  | DOCUMENT NAME   | CATEGORY OF CONFIDENTIALITY  | LOCATION  |
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| <p>Documents and Files provided within the CPE_04_Confidential Attachments Folder:</p> <ol style="list-style-type: none"> <li>1) Confidential Attachment A: CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended;</li> <li>2) Confidential Attachment B: CPE_Conf_Atch_B_Counterparty_Information;</li> <li>3) Confidential Attachment C: CPE_Conf_Atch_C_Key_Briefing_Packages;</li> <li>4) Confidential Attachment D: CPE_Conf_Atch_D_IE_Report; and</li> <li>5) Confidential Attachment E: CPE_Conf_Atch_E_Deferred_Procurement</li> </ol> | <ul style="list-style-type: none"> <li>• “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”;</li> <li>• <u>All executed contract documents</u> in the following zip files within the CPE CPE RFO Documentation Folder:             <ul style="list-style-type: none"> <li>○ “00_RFO_Solicitation Materials.docx”;</li> <li>○ “01_2023 CPE Solicitation Issuance Mailing List.xlsx”;</li> <li>○ “02_New Additions to CPE Mailing List Since Issuance of 2023 RFO.xlsx”;</li> <li>○ “03_PG&amp;E CPE 2023 RFO – Qualitative Evaluation Results.pdf”;</li> <li>○ “04_PG&amp;E CPE 2023 RFO – Quantitative Evaluations Results.pdf”;</li> </ul> </li> <li>• <u>All executed contract documents</u> in the following zip files within the CPE Attestations and New Contracts Folder:             <ul style="list-style-type: none"> <li>○ “Shown Capacity Attestations - CONF.zip”;</li> </ul> </li> <li>• “PGE CPE - Confidential Atch B – Non-Invest Grade Ctrpty.pdf”;</li> <li>• “PGE CPE - Confidential Atch C – Key Briefing Packages.pdf”;</li> <li>• All files, folders and documents within zip file “Meeting Invitations, Materials and Summaries – by month.zip”;</li> <li>• Grey-shaded information within “PGE CPE - Confidential Atch D – Final IE Report.pdf” on pages: 30, 32 – 40, 47 – 65, 70 - 71, 74 – 77, and 80 – 86; and</li> <li>• Grey-Shaded Information in “PGE CPE - Confidential Atch E – Deferred Procurement.pdf” on pages: 2, and 4 – 8.</li> </ul> | <p>Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data.</p> <p>(Protected under Civ. Code §§3426 <i>et seq.</i>; Govt. Code §§ 6254, <i>et seq.</i>, e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code §1060; D.11-01-036)</p> | <p>Documents and Files provided within the CPE_04_Confidential Attachments Folder:</p> <ol style="list-style-type: none"> <li>1) Confidential Attachment A: CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended;</li> <li>2) Confidential Attachment B: CPE_Conf_Atch_B_Counterparty_Information;</li> <li>3) Confidential Attachment C: CPE_Conf_Atch_C_Key_Briefing_Packages;</li> <li>4) Confidential Attachment D: CPE_Conf_Atch_D_IE_Report ; and</li> <li>5) Confidential Attachment E: CPE_Conf_Atch_E_Deferred_Procurement</li> </ol> |

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| ATTACHMENT NAME   | DOCUMENT NAME  | CATEGORY OF CONFIDENTIALITY  | LOCATION   |
|---|--|--|--|
| <p>Documents and Files provided within the CPE_04_Confidential Attachments Folder:</p> <p>1) Confidential Attachment A: CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended;</p> <p>2) Confidential Attachment B: CPE_Conf_Atch_B_Counterparty_Information;</p> <p>3) Confidential Attachment C: CPE_Conf_Atch_C_Key_Briefing_Packages;</p> <p>4) Confidential Attachment D: CPE_Conf_Atch_D_IE_Report; and</p> <p>5) Confidential Attachment E: CPE_Conf_Atch_E_Deferred_Procurement</p> | <p>6) “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”;</p> <p>7) <u>All executed contract documents</u> in the following zip files within the CPE CPE RFO Documentation Folder:</p> <p>a. “00_RFO_Solicitation Materials.docx”;</p> <p>b. “01_2023 CPE Solicitation Issuance Mailing List.xlsx”;</p> <p>c. “02_New Additions to CPE Mailing List Since Issuance of 2023 RFO.xlsx”;</p> <p>d. “03_PG&amp;E CPE 2023 RFO – Qualitative Evaluation Results.pdf”;</p> <p>e. “04_PG&amp;E CPE 2023 RFO – Quantitative Evaluations Results.pdf”;</p> <p>8) <u>All executed contract documents</u> in the following zip files within the CPE Attestations and New Contracts Folder:</p> <p>a. “Shown Capacity Attestations - CONF.zip”;</p> <p>9) “PGE CPE - Confidential Atch B – Non-Invest Grade Ctrpty.pdf”;</p> <p>10) “PGE CPE - Confidential Atch C – Key Briefing Packages.pdf”;</p> <p>11) All files, folders and documents within zip file “Meeting Invitations, Materials and Summaries – by month.zip”;</p> <p>12) Grey-shaded information within “PGE CPE - Confidential Atch D – Final IE Report.pdf” on pages: 30, 32 – 40, 47 – 65, 70 - 71, 74 – 77, and 80 – 86; and</p> <p>13) Grey-Shaded Information in “PGE CPE - Confidential Atch E – Deferred Procurement.pdf” on pages: 2, and 4 – 8.</p> | <p>Other categories where disclosure would be against the public interest (Govt. Code § 6255(a))</p> | <p>Documents and Files provided within the CPE_04_Confidential Attachments Folder:</p> <p>1) Confidential Attachment A: CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended;</p> <p>2) Confidential Attachment B: CPE_Conf_Atch_B_Counterparty_Information;</p> <p>3) Confidential Attachment C: CPE_Conf_Atch_C_Key_Briefing_Packages;</p> <p>4) Confidential Attachment D: CPE_Conf_Atch_D_IE_Report ; and</p> <p>5) Confidential Attachment E: CPE_Conf_Atch_E_Deferred_Procurement</p> |

# **Attachment A**

Attestations and New Contracts Executed/Contracts  
Amended

(Confidential)

# **Attachment B**

Counterparty Information

(Confidential)

# **Attachment C**

Key Briefing Packages

(Confidential)

# **Attachment D**

Independent Evaluation (IE) Reports

(Confidential)

# **Attachment E**

Deferred Procurement

(Confidential)

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

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

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

California Hub for Energy Efficiency  
Financing

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

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

Chevron Pipeline and Power  
City of Palo Alto

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

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

East Bay Community Energy Ellison  
Schneider & Harris LLP

Electrical Power Systems, Inc.  
Fresno  
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