

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 7704E
As of December 9, 2025

Subject: Pacific Gas and Electric Company ("PG&E") Central Procurement Entity ("CPE") 2025 Annual Compliance Report

Division Assigned: Energy

Date Filed: 09-19-2025

Date to Calendar: 09-26-2025

Authorizing Documents: D2006002

Disposition:	Accepted
Effective Date:	10-16-2025

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.

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- Advice Letter Number
- Name of Filer
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- Date Filed
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September 19, 2025

Advice Letter 7704-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”) 2025 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,¹ and utilize certain specified criteria and methodologies to guide the selection of local resources.² 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.³ 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

¹ D. 20-06-002, p. 93, OP 8.

² *Id.* at 95, OP 14.

³ *Id.*, OP 22.

participants through CPE procurement activities will be protected from unauthorized sharing beyond employees involved in CPE activities.⁴

On March 18, 2022, the Commission issued D. 22-03-034, adopting further modifications to the CPE structure adopted in the CPE Decision and the LCR RCM Decision. This decision granted the CPEs bilateral and broker transaction authority along with other modifications, 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 the 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.

On December 12, 2024, the Commission issued D. 24-12-003, adopting the elimination of the non-compensated self-show option of the CPE framework and directing the CPEs to report additional information in their annual compliance reports.

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.”⁵

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 reports for both the 2025 PG&E CPE Local RA RFO and the 2025 PG&E CPE bilateral procurement are 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, and, subsequently, D.24-12-003, 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 in Decision 23-06-029,

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

⁵ D.20-06-002, p. 63.

and, subsequently, Decision 24-12-003. 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”) Reports (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, 23-06-029, and 24-12-003
- Attachment 6: Confidentiality Declarations and Matrices
- Attachment 7: Proposed Protective Order

Confidential Attachments

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

The public version of this annual compliance report is provided to the service lists for Rulemaking (“R.”) 23-10-011. 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 9, 2025, 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 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 19, 2025, 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. 23-10-011. 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. 23-10-011 (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”) Reports (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, 23-06-029, and 24-12-003.
- Attachment 6: Confidentiality Declarations and Matrices
- Attachment 7: Proposed Protective Order



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

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

Utility type:

☒ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Kimberly Loo

Phone #: (279)789-6209

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: Kimberly.Loo@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) #: 7704-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company ("PG&E") Central Procurement Entity ("CPE") 2025 Annual Compliance Report

Keywords (choose from CPUC listing): Compliance

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:

Confidential treatment requested? ☒ Yes ☐ No

If yes, specification of confidential information: See Attachment 6

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: Mehul Patel, mehul.patel@pge.com

Resolution required? ☐ Yes ☒ No

Requested effective date: 10/19/25

No. of tariff sheets: N/A

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

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

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

Tariff schedules affected:

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

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

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

Telephone (xxx) xxx-xxxx:
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

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

SEPTEMBER 19, 2025

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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 Reports*, 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, 23-03-034, and 24-12-003.*

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 Reports*, provides the independent evaluator reports 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.¹ 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”), OP 6 of D.24-12-003 (“RA OIR Track 2 Decision”), as well as the multi-year local resource adequacy (“RA”) program for the 2026, 2027, and 2028 RA compliance period.

In combination, the decisions listed above require the following information that must be included in the 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 2025 PG&E CPE Local RA Request for Offers (“RFO”) and any bilateral procurement conducted in 2025, all of 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 for 2025.

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

¹ CPE Decision, p.99, OP 23.

associated with PG&E CPE procurement activities for 2025 is addressed in Section C.2 below and included as Public Attachment D and Confidential Attachment D.

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.”² This information related to the PG&E CPE’s procurement activities for 2025 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 requires that the ACR include an aggregate procurement summary and other aggregate data regarding preferred resources offered to the CPE through its procurement activities for the year and not selected, as well as resources procured by the CPE that are located in a disadvantaged community (“DAC”).³ Section D below addresses the additional reporting requirements from OP 17 of RA OIR Phase 1 Decision.

Sixth, OP 12 of the RA OIR Phase 3 Program Refinements Decision adopts additional ACR reporting requirements for aggregated information related to resources offered but not procured, resources offered but not selected due to various reasons, and additional information regarding outreach conducted by the CPE.⁴ Please see Section D below for further discussion on the additional reporting requirements from OP 12 of RA OIR Phase 3 Program Refinements Decision.

Seventh, OP 6 of the RA OIR Track 2 Decision adopts additional ACR reporting requirements for local RA procured by the CPE on a local capacity area level, the CPEs’ net open position on a local capacity area level, and capacity purchased by the CPEs on a

² CPE Decision, p. 100, OP 26.

³ RA OIR Phase 1 Decision, p. 77, OP 17.

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

resource-specific level.⁵ See Section D below for further discussion on the additional reporting requirements from OP 6 of the RA OIR Track 2 Decision.

In addition to the information required above by the CPE Decision, the RA OIR Phase 1 Decision, the RA OIR Phase 3 Program Refinements Decision, and the RA OIR Track 2 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 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 Corporation (“CAISO”) 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 (“CPUC or “Commission”) guidance, including the least cost best fit (“LCBF”) and other noted selection criteria.⁶ 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 2025 PG&E CPE procurement actions associated with executed contracts with terms of five years or less.⁷

In addition to the above, 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

⁵ RA OIR Track 2 Decision, pp. 78-79, OP 6.

⁶ See CPE Decision, pp. 62, 98-99, OP 22. See also RA OIR Phase 1 Decision, pp. 74-75, OP 12.

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

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 OP 12 of the RA OIR Phase 3 Program Refinements Decision, and OPs 3, 5, and 6 of the RA OIR Track 2 Decision in *Attachment 5c, Compliance with Certain Ordering Paragraphs of Decisions 20-06-002, 20-12-006, 22-03-034, 23-06-029, and 24-12-003*.

While not required by the CPE Decision, additional helpful information is included in Sections B and C below. Of note, OP 22 of the CPE Decision and OP 12 of the RA OIR Phase 1 Decision require 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.⁸ Any such procurement actions taken by PG&E CPE in 2025 are described 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.⁹

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.¹⁰

Subsequently, the Commission issued the RA OIR Phase 1 Decision, RA OIR Phase 3 Program Refinements Decision, and RA OIR Track 2 Decision which adopted modifications to the CPE structure originally adopted in the CPE Decision and LCR RCM Decision. The relevant modifications in the RA OIR Phase 1 Decision included

⁸ CPE Decision, pp. 98-99, OP 22. RA OIR Phase 1 Decision, pp. 74-75, OP 12.

⁹ See CPE Decision, p. 91, OP 2.

¹⁰ See LCR RCM Decision, p. 49, OP 9.

revisions to the requirements for self-shown local resources, revisions to the CPE's solicitation selection criteria, and revisions to the RA timeline. The relevant modifications in the RA OIR Phase 3 Program Refinements Decision included additional reporting requirements, changes to CPE confidentiality rules, and revisions related to LSE self-showing requirements. The relevant modifications in the RA OIR Track 2 Decision included elimination of the non-compensated self-show option from the CPE framework, use of data collected by Energy Division on LSE-contracted local RA capacity, the change to the CPE procurement timeline, and additional reporting requirements.

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.¹¹ As such, the PG&E CPE has conducted annual competitive solicitations since 2021 to seek to procure local RA to meet the three-year-forward local RA requirements, which are set at 100 percent of the local RA obligation for years 1 and 2, and 50 percent of the local RA obligation for year 3.¹²

To meet these local RA obligations, the PG&E CPE issued its 2025 PG&E CPE Local RA RFO in February 2025 to procure for the 2026-2028 compliance period.¹³

¹¹ The local capacity requirements for the 2026-2028 compliance period used to set the local RA obligations for the CPUC's RA program were established by the CAISO's Final 2026 Local Capacity Technical (LCT) Study issued on May 1, 2025 and adopted by the Commission in D.24-06-004 on June 20, 2024 for the 2026-2028 RA compliance years. See CAISO's 2026 LCT Study: <https://stakeholdercenter.caiso.com/InitiativeDocuments/Final-2026-Local-Capacity-Technical-Report.pdf>. See also, D.24-06-004, pp. 6-9, Ops 1-3.

¹² See CPE Decision, p. 91, OP 2.

¹³ See PG&E CPE's 2025 Local RA RFO Website: [CPE 2025 Local Resource Adequacy RFO \(pge.com\)](https://www.pge.com/en/energy/ra/2025-local-ra-rfo).

B. Summary of the CPE Procurement Process

1. 2025 PG&E CPE Local RA RFO

PG&E CPE issued its annual RFO on February 20, 2025. All transactions were conducted using the procurement processes and methods described below and outlined in PG&E CPE's solicitation protocol.

a. 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.¹⁴

In accordance with OPs 2 through 4 of the RA OIR Phase 1 Decision and the RFO solicitation protocol, a Commission-jurisdictional LSE may reduce the PG&E CPE's overall procurement obligation by providing 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 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."¹⁵ The attestation shall be submitted at the time the LSE submits its bid into the CPE's solicitation."¹⁶

¹⁴ See CPE Decision, pp. 93-94, OP 8.

¹⁵ See RA OIR Phase 1 Decision, p. 71, OP 2. See also PG&E CPE's 2025 CPE Local RA RFO Solicitation Protocol.

¹⁶ See RA OIR Phase 1 Decision, p. 71, OP 3.

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.¹⁷

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.¹⁸ Both LSEs are required to submit attestations to the CPE that indicate the sale/purchase that modifies the previous showing commitment.

Through the RA OIR Track 2 Decision, the Commission adopted a series of modifications to the CPE framework, including the elimination of the non-compensated self-showing option.¹⁹

In 2025, PG&E CPE conducted its fifth annual competitive, all-source solicitation pursuant to OP 8 of the CPE Decision in the form of the RFO to procure capacity from local resources within the seven local areas that make up PG&E’s distribution service territory.²⁰ Participants submitted competitive offers PG&E CPE using the process as described below.

¹⁷ See RA OIR Phase 1 Decision, p. 72, OP 4.

¹⁸ See RA OIR Phase 3 Program Refinements Decision, pp. 49-51, and 140-141, OPs 14-15.

¹⁹ See RA OIR Decision on Track 2 Issues, pp.78-79, OP 6.

²⁰ PG&E CPE’s 2025 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 2025 LCT Study for 2026. See PG&E CPE’s solicitation protocol: <https://www.pge.com/assets/pge/docs/about/doing-business-with-pge/2025-cpe-local-ra-rfo-solicitation-protocol.pdf>.

Process	Commitment or Product	Participant
Competitive Offer Process	Compensated Self-Shown Commitment (LCR RCM)	Commission-jurisdictional LSEs
	Bundled RA or Bundled RA with Energy Settlement	All Market Participants

- 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.²¹ LSEs 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.²²
 - *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*.

²¹ See RA OIR Phase 1 Decision, p. 72, OPs 2 and 4.

²² See LCR RCM Decision, pp. 45-47, OPs 3-6.

b. 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 included in 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)
 - 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.²³ The quantitative and qualitative criteria include the following:

 - Quantitative attributes:
 - Compares offer’s costs to its benefits, where “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.”²⁴
 - Qualitative attributes:
 - Future needs in local and sub-local areas;
 - Resource costs;

²³ See RA OIR Phase 1 Decision, p. 73, OP 8.

²⁴ See PG&E CPE’s solicitation protocol, p. 35.

- Operational characteristics of the resources (facility type);
- Location of the facility (with consideration for environmental justice);²⁵
- Costs of potential alternatives;
- Greenhouse Gas adders;
- Energy-use limitations; and
- Procurement of preferred resources and energy storage (to be prioritized over fossil generation).²⁶
- 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. Bilateral Procurement

a. Electric Procurement – Description

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 open positions for any deficiencies in the applicable three-year forward period where the CPE does not

²⁵ Footnote 17 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.

²⁶ CPE Decision, pp. 95-96, OP 14.

procure sufficient resources to meet its multi-year local RA requirements following the annual all-source solicitation.²⁷

PG&E CPE launched bilateral outreach on August 5, 2025 after the conclusion of the 2025 PG&E CPE RFO, seeking offers for local RA capacity during the three-year forward compliance period. Relevant information is included in Confidential Attachments: A, *Attestations and New Contracts Executed/Contracts Amended*; C, *Key Briefing Packages*; and D, *Independent Evaluator Report*.

b. 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. OP 12 of the RA OIR Phase 1 Decision requires PG&E CPE to use the least cost best fit methodology and include selection criteria set forth in OP 14 of the CPE Decision to guide the selection of local resources procured outside the annual solicitation.

The criteria used to evaluate PG&E CPE’s bilateral procurement are consistent with the criteria used to evaluate resources in the 2025 PG&E CPE RFO and are provided in Section B.1.b. The methodology to evaluate the criteria is included in Confidential Attachment A: *Attestations and New Contracts Executed/Contracts Amended*.

3. 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 2025 PG&E CPE Local RA RFO website.²⁸ A list of executed attestations/contracts and contracts amended by

²⁷ See RA OIR Phase 1 Decision, p. 73, OP 11.

²⁸ CPE Website: [CPE 2025 Local Resource Adequacy RFO \(pge.com\)](https://www.pge.com/cpe).

PG&E CPE in connection with its 2025 procurement activities described in this ACR is included in Confidential Attachment A, *Attestations and New Contracts Executed/Amended*.²⁹

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 executed contracts in Confidential Attachment A 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.

4. 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*.

5. 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.³⁰ 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 2025 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 2025, PG&E CPE consulted with the CAM PRG throughout the solicitation process on a wide range of activities, including

²⁹ See RA OIR Phase 1 Decision, p. 72, OP 5.

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

updates to the PG&E CPE code of conduct, the PG&E CPE’s 2025 solicitation protocol, offer forms and other solicitation documents, the evaluation criteria including proposed transactions, and feedback received from market participants.³¹ PG&E CPE also consulted with the CAM PRG for all bilateral procurement activities that took place after the close of the 2025 PG&E CPE RFO per OP 11 and OP 12 of the RA OIR Phase 1 Decision.³²

PG&E CPE actively solicited feedback from CAM PRG members throughout the solicitation and bilateral procurement processes and has provided all applicable materials in accordance with OP 13 and OP 20 of the CPE Decision and OP 11 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 March 25, 2025, to the CAM PRG and IE submitting all investor-owned utility (“IOU”) offers received;³³
- 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 of the CPE Decision and

³¹ See CPE Decision, p. 97, OP 20.

³² See RA OIR Phase 1 Decision, pp. 73-74, OP’s 11-12.

³³ 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 2025 Local RA RFO, competitive offers from the IOU were due on March 25, 2025, and competitive offers from all other entities were due on March 26, 2025.

OP 12 of the RA OIR Phase 1 Decision, PG&E CPE utilized an IE, Merrimack Energy, to monitor the competitive solicitation and bilateral procurement process to ensure fairness, transparency, and equal treatment of all participants through contract execution.³⁴ The IE was consulted regarding updates to the PG&E CPE code of conduct, development of the 2025 RFO solicitation protocol, offer forms and other solicitation documents, the evaluation criteria including proposed transactions, feedback received from market participants throughout the solicitation process, and PG&E CPE's bilateral procurement activities. 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 both in the 2025 PG&E CPE Local RA RFO and bilaterally 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.³⁵

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

³⁴ CPE Decision, pp. 97-98, OP 21.

³⁵ See CPE Decision, pp. 99-100, OP 24-25. See also LCR RCM Decision, p. 49, OP 9.

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 Report*.

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 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.

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 the PG&E CPE procurement group 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, the RA OIR Phase 3 Program Refinements Decision, and the RA OIR Track 2 Decision

As described herein, from 2021 through 2025, PG&E CPE executed transactions in accordance with the CPE Decision, the LCR RCM Decision, the RA OIR Phase 1 Decision, and the RA OIR Phase 3 Program Refinements Decision. Furthermore, in accordance with the RA OIR Track 2 Decision, PG&E CPE sent a letter to LSEs nullifying active non-

compensated self-show attestations on Dec. 24, 2024. PG&E CPE also eliminated the non-compensated self-showing option from the 2025 PG&E CPE Local RA RFO.³⁶

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, Decision 23-06-029, and Decision 24-12-003*.

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

2 Decision

4. 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.³⁷

Per OP 5 of the RA OIR Track 2 Decision, the CPE procurement process was updated to lock allocations to LSEs one year earlier on an interim basis.³⁸ In accordance with the adopted timeline, which is effective in 2025 for the 2027 RA compliance year, starting in the 2026 PG&E CPE Local RA RFO, the PG&E CPE will no longer procure local RA capacity with delivery in the prompt year unless there are incremental changes in the CAISO Local Capacity Technical Study. Therefore, any deficiencies in PG&E's local areas will be deferred to backstop procurement for the prompt year and the following

³⁶ RA OIR Track 2 Decision, pp. 76-77, OP 3.

³⁷ CPE Decision at 100, OP 26.

³⁸ RA OIR Track 2 Decision, OP 5, p. 78.

compliance year after the conclusion of the annual solicitation and any bilateral procurement prior to October 31.

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*.

5. Additional Data Reporting

OP 17 of RA OIR Phase 1 Decision adopted additional reporting requirements that the CPE must include in the ACR to provide 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.³⁹

Similar to the RA OIR Phase 1 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:

- 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

³⁹ See RA OIR Phase 1 Decision, pp. 74-75, OP 12

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.”⁴⁰

OP 6 of the RA OIR Track 2 Decision adopted additional reporting requirements that the CPE shall provide the following additional information in their Annual Compliance Reports:

“(1) the CPEs’ local Resource Adequacy (RA) capacity procured on a California Independent System Operator (CAISO)-defined local capacity area level;
(2) the CPEs’ net open positions on a CAISO-defined local capacity area level;
and
(3) capacity purchased by the CPEs on a resource-specific level, which aligns with reporting processes of other Cost Allocation Mechanism-eligible resource procurement.”⁴¹

The additional reporting requirements from OP 17 of the RA OIR Phase 1 Decision, OP 12 of the RA OIR Phase 3 Program Refinements Decision, and OP 6 of the RA OIR Track 2 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*.

⁴⁰ RA OIR Phase 3 Program Refinements Decision at 139-140, OP 12.

⁴¹ CPE Decision, pp. 77-78, OP 6.

Attachment 2

**PG&E CPE Aggregate Procurement Summary and
Additional Reporting (Public Attachment A)**

Footnotes:

1. Resource specific information is being provided publicly per adopted modifications to CPE procured resource information under D. 24-12-003.
2. Resource type has been populated per the Draft CPUC 2026 Master Resource Database (published July 2025).
3. NQC source: CAED Net Qualifying Capacity Report for Compliance Year 2026 posted 8/29/2025: <https://www.caen.com/documents/net-qualifying-capacity-report-for-compliance-year-2026.xlsx>

Footnotes:
1. Resource specific information is being provided publicly per adopted modifications to CPE obscured resource information under D. 24-12-005

2. Resource type has been populated per the Draft CPUC 2026 Master Resource Database (published July 2025).

3. NQC source: CAISO Net Qualifying Capacity report for Compliance Year 2026 posted 8/29/2025: <https://www.caiso.com/documents/net-qualifying-capacity-report-for-compliance-year-2026.xlsx>

Attachment A - PG&E CPE Aggregate Procurement Summary - Capacity Purchased by the PG&E CPE on Resource-Specific Basis Pursuant to OP 6 of D.24-12-003 (Flexible)

[illegible]

Footnotes:

1. Resource specific information is being provided publicly per adopted modifications to CPE procured resource information under D. 24-12-003.

2. EFC source: CAISO Draft Final Effective Flexible Capacity Report for Compliance Year 2026 posted 7/30/2025: <https://www.caiso.com/documents/final-effective-flexible-capacity-report-for-compliance-year-2026.xlsx>

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 2025 CPE Procurement	(b) Total Aggregate Capacity Offered but Not Procured (MW) in 2025 CPE Procurement
2026	January	7,666.60	836.66
2026	February	7,901.27	702.97
2026	March	8,724.83	741.00
2026	April	8,707.54	849.08
2026	May	9,258.23	1,019.14
2026	June	11,339.08	352.34
2026	July	11,806.26	348.34
2026	August	9,630.05	1,591.34
2026	September	11,409.29	450.34
2026	October	9,653.87	124.34
2026	November	8,813.76	485.84
2026	December	8,837.07	477.84
2027	January	10,577.58	420.53
2027	February	9,955.77	876.71
2027	March	10,790.30	420.53
2027	April	11,017.62	420.53
2027	May	11,365.03	420.53
2027	June	12,453.53	423.28
2027	July	13,103.83	227.93
2027	August	12,065.81	228.50
2027	September	12,231.55	228.58
2027	October	10,500.84	425.79
2027	November	10,314.75	420.53
2027	December	9,637.50	1,073.13
2028	January	6,531.07	0.00
2028	February	6,464.13	0.00
2028	March	6,472.90	0.00
2028	April	6,647.64	0.00
2028	May	6,880.85	0.00
2028	June	7,995.38	0.00
2028	July	8,415.77	0.00
2028	August	7,533.56	0.00
2028	September	7,803.31	0.00
2028	October	6,440.75	0.00
2028	November	6,328.66	0.00
2028	December	6,372.78	50.00

Notes:

Capacity data based on the latest available version of the 2026 CPUC Master Resource Database distributed by Energy Division on 8/1.

Aggregate capacity not offered is inclusive of all resources that were reported on the data aggregation of LSE contracted capacity but not offered to PG&E CPE.

PG&E as CPE received additional offers for capacity that were not procured in its 2025 Local RA RFO. These offers have been omitted from this table due to the offers having IDD's outside of the 2026-2028 compliance window.

(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 outreach to market participants prior to launching the 2025 CPE Local RA RFO to encourage participation and seek feedback on the proposed 2025 RFO schedule and structure. Feedback received included hesitancy or inability to participate resulting from the elimination of the Non-Compensated Self-Shown Commitment Process, lack of capacity that qualifies for Compensated Self-Shown Commitment, lack of capacity to offer due to existing contracts in place, and project development uncertainty for new build projects.

Following the conclusion of the 2025 PG&E CPE Local RA RFO, the PG&E CPE reviewed and attempted to identify owners of the resources that did not participate or withdrew from the RFO to conduct outreach to potentially procure additional resources in the local areas in which PG&E CPE had not met its local obligation for compliance years 2026 - 2028. Through bilateral outreach after the conclusion of the 2025 PG&E CPE Local RA RFO, PG&E CPE bilaterally procured capacity for 2026 and 2027 compliance years.

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 2025 RFO (MW)	Total Capacity of Preferred Resources not selected by the CPE in the 2025 RFO (MW)	Total Capacity of MW procured by the CPE from generation facilities located in DAC in the 2025 RFO
2026	January	349.50	347.00	0.00
2026	February	102.50	100.00	0.00
2026	March	349.50	347.00	0.00
2026	April	277.50	275.00	0.00
2026	May	349.50	347.00	0.00
2026	June	4.50	2.00	0.00
2026	July	7.50	5.00	0.00
2026	August	8.50	6.00	0.00
2026	September	9.50	7.00	0.00
2026	October	7.50	5.00	0.00
2026	November	349.50	347.00	0.00
2026	December	349.50	347.00	0.00
2027	January	2.50	0.00	0.00
2027	February	2.50	0.00	0.00
2027	March	2.50	0.00	0.00
2027	April	2.50	0.00	0.00
2027	May	2.50	0.00	0.00
2027	June	27.41	24.91	0.00
2027	July	32.06	29.56	0.00
2027	August	32.63	30.13	0.00
2027	September	32.71	30.21	0.00
2027	October	29.92	27.42	0.00
2027	November	24.66	22.16	0.00
2027	December	24.66	22.16	0.00
2028	January	22.16	22.16	0.00
2028	February	22.16	22.16	0.00
2028	March	22.16	22.16	0.00
2028	April	52.16	52.16	0.00
2028	May	52.16	52.16	0.00
2028	June	54.91	54.91	0.00
2028	July	259.56	259.56	0.00
2028	August	260.13	260.13	0.00
2028	September	260.21	260.21	0.00
2028	October	257.42	257.42	0.00
2028	November	252.16	252.16	0.00
2028	December	302.16	302.16	0.00
2029	January	302.16	302.16	0.00
2029	February	302.16	302.16	0.00
2029	March	302.16	302.16	0.00
2029	April	302.16	302.16	0.00
2029	May	302.16	302.16	0.00
2029	June	832.16	832.16	0.00
2029	July	832.16	832.16	0.00
2029	August	832.16	832.16	0.00
2029	September	832.16	832.16	0.00
2029	October	832.16	832.16	0.00
2029	November	832.16	832.16	0.00
2029	December	832.16	832.16	0.00
2030	January	832.16	832.16	0.00
2030	February	832.16	832.16	0.00
2030	March	832.16	832.16	0.00
2030	April	1032.16	1032.16	0.00
2030	May	1032.16	1032.16	0.00

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 2025 RFO (MW)	Total Capacity of Preferred Resources not selected by the CPE in the 2025 RFO (MW)	Total Capacity of MW procured by the CPE from generation facilities located in DAC in the 2025 RFO
2030	June	2282.16	2282.16	0.00
2030	July	2282.16	2282.16	0.00
2030	August	2282.16	2282.16	0.00
2030	September	2282.16	2282.16	0.00
2030	October	2282.16	2282.16	0.00
2030	November	2282.16	2282.16	0.00
2030	December	2682.16	2682.16	0.00
2031	January	2682.16	2682.16	0.00
2031	February	2682.16	2682.16	0.00
2031	March	2682.16	2682.16	0.00
2031	April	2682.16	2682.16	0.00
2031	May	2682.16	2682.16	0.00
2031	June	2682.16	2682.16	0.00
2031	July	2682.16	2682.16	0.00
2031	August	2682.16	2682.16	0.00
2031	September	2682.16	2682.16	0.00
2031	October	2682.16	2682.16	0.00
2031	November	2682.16	2682.16	0.00
2031	December	2682.16	2682.16	0.00
2032	January	2682.16	2682.16	0.00
2032	February	2682.16	2682.16	0.00
2032	March	2682.16	2682.16	0.00
2032	April	2682.16	2682.16	0.00
2032	May	2682.16	2682.16	0.00
2032	June	2682.16	2682.16	0.00
2032	July	2682.16	2682.16	0.00
2032	August	2682.16	2682.16	0.00
2032	September	2682.16	2682.16	0.00
2032	October	2682.16	2682.16	0.00
2032	November	2682.16	2682.16	0.00
2032	December	2682.16	2682.16	0.00
2033	January	2682.16	2682.16	0.00
2033	February	2682.16	2682.16	0.00
2033	March	2682.16	2682.16	0.00
2033	April	2682.16	2682.16	0.00
2033	May	2682.16	2682.16	0.00
2033	June	2682.16	2682.16	0.00
2033	July	2682.16	2682.16	0.00
2033	August	2682.16	2682.16	0.00
2033	September	2682.16	2682.16	0.00
2033	October	2682.16	2682.16	0.00
2033	November	2682.16	2682.16	0.00
2033	December	2682.16	2682.16	0.00
2034	January	2682.16	2682.16	0.00
2034	February	2682.16	2682.16	0.00
2034	March	2682.16	2682.16	0.00
2034	April	2682.16	2682.16	0.00
2034	May	2682.16	2682.16	0.00
2034	June	2682.16	2682.16	0.00
2034	July	2682.16	2682.16	0.00
2034	August	2682.16	2682.16	0.00
2034	September	2682.16	2682.16	0.00
2034	October	2682.16	2682.16	0.00

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 2025 RFO (MW)	Total Capacity of Preferred Resources not selected by the CPE in the 2025 RFO (MW)	Total Capacity of MW procured by the CPE from generation facilities located in DAC in the 2025 RFO
2034	November	2682.16	2682.16	0.00
2034	December	2682.16	2682.16	0.00
2035	January	2682.16	2682.16	0.00
2035	February	2682.16	2682.16	0.00
2035	March	2682.16	2682.16	0.00
2035	April	2682.16	2682.16	0.00
2035	May	2682.16	2682.16	0.00
2035	June	2682.16	2682.16	0.00
2035	July	2682.16	2682.16	0.00
2035	August	2682.16	2682.16	0.00
2035	September	2682.16	2682.16	0.00
2035	October	2682.16	2682.16	0.00
2035	November	2682.16	2682.16	0.00
2035	December	2682.16	2682.16	0.00
2036	January	2682.16	2682.16	0.00
2036	February	2682.16	2682.16	0.00
2036	March	2682.16	2682.16	0.00
2036	April	2682.16	2682.16	0.00
2036	May	2682.16	2682.16	0.00
2036	June	2682.16	2682.16	0.00
2036	July	2682.16	2682.16	0.00
2036	August	2682.16	2682.16	0.00
2036	September	2682.16	2682.16	0.00
2036	October	2682.16	2682.16	0.00
2036	November	2682.16	2682.16	0.00
2036	December	2682.16	2682.16	0.00
2037	January	2682.16	2682.16	0.00
2037	February	2682.16	2682.16	0.00
2037	March	2682.16	2682.16	0.00
2037	April	2682.16	2682.16	0.00
2037	May	2682.16	2682.16	0.00
2037	June	2682.16	2682.16	0.00
2037	July	2682.16	2682.16	0.00
2037	August	2682.16	2682.16	0.00
2037	September	2682.16	2682.16	0.00
2037	October	2682.16	2682.16	0.00
2037	November	2682.16	2682.16	0.00
2037	December	2682.16	2682.16	0.00
2038	January	2682.16	2682.16	0.00
2038	February	2682.16	2682.16	0.00
2038	March	2682.16	2682.16	0.00
2038	April	2682.16	2682.16	0.00
2038	May	2682.16	2682.16	0.00
2038	June	2682.16	2682.16	0.00
2038	July	2682.16	2682.16	0.00
2038	August	2682.16	2682.16	0.00
2038	September	2682.16	2682.16	0.00
2038	October	2682.16	2682.16	0.00
2038	November	2682.16	2682.16	0.00
2038	December	2682.16	2682.16	0.00
2039	January	2682.16	2682.16	0.00
2039	February	2682.16	2682.16	0.00
2039	March	2682.16	2682.16	0.00

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 2025 RFO (MW)	Total Capacity of Preferred Resources not selected by the CPE in the 2025 RFO (MW)	Total Capacity of MW procured by the CPE from generation facilities located in DAC in the 2025 RFO
2039	April	2682.16	2682.16	0.00
2039	May	2682.16	2682.16	0.00
2039	June	2152.16	2152.16	0.00
2039	July	2152.16	2152.16	0.00
2039	August	2152.16	2152.16	0.00
2039	September	2152.16	2152.16	0.00
2039	October	2152.16	2152.16	0.00
2039	November	2152.16	2152.16	0.00
2039	December	2152.16	2152.16	0.00
2040	January	2152.16	2152.16	0.00
2040	February	2152.16	2152.16	0.00
2040	March	2152.16	2152.16	0.00
2040	April	2152.16	2152.16	0.00
2040	May	2152.16	2152.16	0.00
2040	June	1152.16	1152.16	0.00
2040	July	1152.16	1152.16	0.00
2040	August	1152.16	1152.16	0.00
2040	September	1152.16	1152.16	0.00
2040	October	1152.16	1152.16	0.00
2040	November	1152.16	1152.16	0.00
2040	December	1152.16	1152.16	0.00
2041	January	1152.16	1152.16	0.00
2041	February	1152.16	1152.16	0.00
2041	March	1152.16	1152.16	0.00
2041	April	1152.16	1152.16	0.00
2041	May	1152.16	1152.16	0.00
2041	June	1152.16	1152.16	0.00
2041	July	1152.16	1152.16	0.00
2041	August	1152.16	1152.16	0.00
2041	September	1152.16	1152.16	0.00
2041	October	1152.16	1152.16	0.00
2041	November	1152.16	1152.16	0.00
2041	December	1152.16	1152.16	0.00
2042	January	1152.16	1152.16	0.00
2042	February	1152.16	1152.16	0.00
2042	March	1152.16	1152.16	0.00
2042	April	1152.16	1152.16	0.00
2042	May	1152.16	1152.16	0.00
2042	June	1152.16	1152.16	0.00
2042	July	1152.16	1152.16	0.00
2042	August	1152.16	1152.16	0.00
2042	September	1152.16	1152.16	0.00
2042	October	1152.16	1152.16	0.00
2042	November	1152.16	1152.16	0.00
2042	December	1152.16	1152.16	0.00
2043	January	1152.16	1152.16	0.00
2043	February	1152.16	1152.16	0.00
2043	March	1152.16	1152.16	0.00
2043	April	1122.16	1122.16	0.00
2043	May	1122.16	1122.16	0.00
2043	June	1122.16	1122.16	0.00
2043	July	922.16	922.16	0.00
2043	August	922.16	922.16	0.00

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 2025 RFO (MW)	Total Capacity of Preferred Resources not selected by the CPE in the 2025 RFO (MW)	Total Capacity of MW procured by the CPE from generation facilities located in DAC in the 2025 RFO
2043	September	922.16	922.16	0.00
2043	October	922.16	922.16	0.00
2043	November	922.16	922.16	0.00
2043	December	922.16	922.16	0.00
2044	January	922.16	922.16	0.00
2044	February	922.16	922.16	0.00
2044	March	922.16	922.16	0.00
2044	April	922.16	922.16	0.00
2044	May	922.16	922.16	0.00
2044	June	922.16	922.16	0.00
2044	July	922.16	922.16	0.00
2044	August	922.16	922.16	0.00
2044	September	922.16	922.16	0.00
2044	October	922.16	922.16	0.00
2044	November	922.16	922.16	0.00
2044	December	922.16	922.16	0.00

Attachment 3

**Public Version of the Independent Evaluator (“IE”)
Reports (Public Attachment D)**

**Prepared for Pacific Gas &
Electric**

Independent Evaluator Report

2025 Central Procurement Entity Local
Resource Adequacy Request for Offers

September 15, 2025



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1 INTRODUCTION

1.1 Overview of PG&E's 2025 CPE Local RA RFO

On February 20, 2025, Pacific Gas & Electric Company's Central Procurement Entity ("CPE" or "PG&E CPE") issued its fifth Request for Offers ("RFO") to prospective market Participants to procure Local Resource Adequacy ("Local RA") capacity pursuant to the following regulatory Decisions of the California Public Utility Commission ("CPUC" or "Commission"):

- Decision D.20-06-002 - the Central Procurement Entity Decision ("CPE Decision") issued June 17, 2020
- Decision D.20-12-006 - Local Capacity Requirement Reduction Compensation Mechanism Decision ("LCR RCM Decision") issued December 4, 2020
- Decision D.22-03-034 - RA Order Instituting Rulemaking ("OIR") Phase 1 Decision issued March 18, 2022
- Decision D.23-06-029 - RA Order Instituting Rulemaking ("OIR") Phase 3 Decision issued July 5, 2023
- Decision D.24-12-003 - RA OIR Decision on Track 2 Issues issued December 12, 2024
- Decision D.25-06-048 – Adopts Local Capacity Obligations for 2026-2028, Flexible Capacity Obligations for 2026, and Program Refinements, issued June 26, 2025

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. For this fifth CPE RFO, PG&E CPE is required to procure capacity or obtain self-shown commitments for (1) 100% of the CPUC's 2026 Local RA requirements in PG&E's distribution service area; (2) 100% of the CPUC's 2027 Local RA requirements in PG&E's distribution service area; and (3) 50% of the CPUC's 2028 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.¹

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 2025 CPE solicitation process in December 2024.

1.2 REGULATORY BACKGROUND

As background, Decision 20-06-002, the CPE Decision, 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 Local 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

¹ The framework has since been modified and this is only relevant for compensated self-showing process in the 2025 CPE Local RA RFO.

	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 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.
Identity of a Central Procurement Entity	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.
Procurement Mechanism	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.
Compensation Mechanism	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.

Transition Period to the CPE Structure	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.
Resources to be Solicited	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.
Solicitation Selection Criteria	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).
Cost Allocation	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.
Procurement Oversight	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.
Modifications to RA Timeline	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 ("ED"). The process starts in April-May and lasts through October.

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 were relevant for the 2022 CPE Local RA RFO:

Table 2: D.22-03-034 Description of Changes in 2022 CPE Local RFO

Area of Change	Description of Change
Self-Showing Attestation	Ordering Paragraph ("OP") 2 requires a CPUC LSE that elects to self-show a local resource to the CPE to execute an attestation that proves: • The LSE has the capacity rights to the RA resource for the period it is self-showing. • The LE intends to self-show the RA resource on annual and monthly RA plans to satisfy its system and/or flexible RA needs. • 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.

	The attestation requirement replaces the previous requirement in the LCR RCM Decision that a self-shown resource must be documented on an agreement. 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. 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 commitment originally entered into through the contract between the CPE and CPUC LSE.
Self-Shown Resource Performance	OP 1 adopts the following requirements for non-performance of self-shown local resources • A self-showing LSE shall be allowed to provide a like-for-like local resource to replace non-performing self-shown resources. • If the CAISO makes a local Capacity Procurement Mechanism ("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.

	Non-Performance is defined as the failure to provide: • The CPUC with an RA plan with the self-shown local resource. • The CAISO with a matching supply plan for the self-shown local resource.
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	OP 8 modifies the required CPE selection criteria as established in OP 14 of the CPE Decision. • Remove the Local Effectiveness Factors, as published in the CAISO's LCTS as required by the CPE selection criteria. • Removal of efficiency, age, and flexibility as required components of the CPE's evaluation of "operational characteristics of the resources." 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.
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 2025 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 the 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.

On July 5, 2023, the CPUC issued Decision D.23-06-029, the RA OIR Phase 3 Decision. This Decision adopted Local Capacity Requirements for the 2024-2026 compliance period, as well as made modifications to the CPE process relating to the CPE's compliance filing and reporting timelines and LSEs' ability to resell self-shown capacity.

Decision D.24-12-003, issued on December 12, 2024, included further modifications to the CPE solicitation process. The two major changes to be implemented in the 2025 RFO included:

- Starting in the 2025 CPE RFO, the non-compensated self-shown option for CPUC LSEs would be eliminated from the CPE framework. Instead, LSEs would be required to submit details on their portfolio of resources directly to the CPUC to aggregate (referred to in this report as the CPUC data aggregation process).
- Local RA CPE procurement conducted in the 2025 RFO for the 2027 compliance year would be “locked” on October 31, 2025. Therefore, in the 2026 RFO, CPE would not be procuring for the 2027 Local RA (unless there was a change in needs for any local area where PG&E CPE would aim to procure the incremental amount).

On June 26, 2025, the CPUC issued Decision D.25-06-048. This Decision Adopted Local Capacity Obligations for 2026-2028, Flexible Capacity Obligations for 2026, and other Program Refinements. The other Program Refinements were not directly related to the PG&E solicitation processes and primarily focused on RA measurement hours, effective PRM targets, and RA counting rules amongst others.

1.3 2025 PG&E CPE LOCAL RA RFO SOLICITATION PROTOCOL SUMMARY

On February 20, 2025, PG&E CPE published the 2025 Central Procurement Entity Local Resource Adequacy Request for Offers & Commitment Solicitation Protocol (“Protocol”) document on its website. In the 2025 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 February 20, 2025, is provided in Table 4:

Table 4: Provisions for PG&E’s 2025 CPE Local RA RFO Protocol

2025 PG&E CPE Local RA RFO Requirements or Characteristics	Description of Key Provisions
PG&E CPE Resource Needs	In order to meet its central procurement obligations ordered in the Decision, PG&E CPE seeks to: 1. Obtain Compensated Self-Shown Commitments from CPUC LSEs 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 local RA

	requirements allocated to PG&E CPE by the CPUC.
Local RA Program	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&E's service area includes Humboldt, North Coast/Bay Area, Sierra, Stockton, Greater Bay, Fresno, and Kern.
Objectives of RFO	PG&E CPE is seeking to procure for: 1) 100% of the CPUC's 2026 Local RA requirements in PG&E's distribution service area; 2) 100% of the CPUC's 2027 Local RA requirements in PG&E's distribution service area; and 3) 50% of the CPUC's 2028 Local RA requirements in PG&E's distribution service area.
Commitment and Products	Overview of 2025 CPE Local RA RFO Commitments, Products, and Processes: • Competitive Offer ○ Compensated Self-Shown Commitment: CPUC LSEs. Participants that provide a Compensated Self-Shown Commitment will retain the system and, if applicable, flexible RA attributes of the resource. ▪ 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 resource approved by the Commission or by Advice Letter on or after June 17, 2020 that meets the minimum eligibility requirements of the RFO. ○ Bundled RA: Any Participant

	○ Bundled RA with Energy Settlement: Any Participant
Resource Eligibility Requirements	The following are the eligibility requirements for all Resources providing Local RA as part of any Offer submitted to PG&E CPE in this Solicitation: • 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
Agreement Types and Commitment Forms	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: 1. Compensated Self-Shown Commitment Agreement² 2. Resource Adequacy Agreement for Owner of Existing Resources 3. Resource Adequacy Agreement for Owner of New Resource 4. Resource Adequacy Agreement for Non-Owner of Existing Resources 5. Resource Adequacy Agreement for Non-Owner of New Resource

² Consistent with OP 4 of D.22-03-034, the RA OIR Phase 1 Decision, CPUC LSEs that submit a Competitive Offer for a Compensated Self-Shown Commitment are required to also execute an Agreement if the Competitive Offer is selected.

	6. PG&E CPE EEI Master Power Purchase and Sale Agreement Cover Sheet & Collateral Annex 7. PG&E CPE Local RA Confirmation Letter 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 to also execute an Agreement if the Competitive Offer is selected.
Interconnection Requirements for New Resources	For Competitive Offers for Bundled RA or Bundled RA with Energy Settlement, at the time of the 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. For 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. Participants may only submit one Offer at a specific interconnection point within the Offer Form.

Table 5 provides a summary of the products solicited in this RFO.

Table 5: Commitments & Products Procured

Commitment or Product	Delivery Term (Months)	Initial Delivery ("IDD") or Initial Showing ("ISD") Date
Compensated Self-Shown Commitment	1 to 36	- Any month January 2026 to December 2028 - ISD must be first day of the month

Bundled RA	Minimum 1 month No maximum term length	Existing Build Projects: - Any month January 2026 to December 2028 - ISD must be first day of the month New Build Projects - Any month January 2026 to December 2030 - ISD must be first day of the month
Bundled RA with Energy Settlement		

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

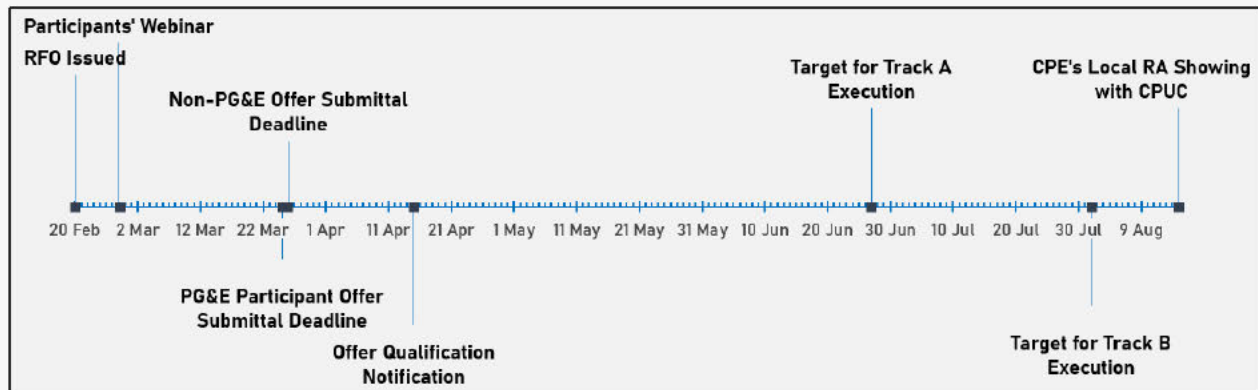
Within a Competitive Offer, Participants are allowed to submit multiple Offer Variations. Participants can vary the following Offer characteristics: product (Bundled RA or Bundled RA with Energy Settlement), price, delivery term, and quantity offered.

1.3.1 RFO Schedule

Prior to submitting a Competitive Offer, Participants must register with Power Advocate. All Competitive Offers must be provided to PG&E CPE by their applicable deadlines as specified in the schedules provided in the RFO. CPE included the following schedule in both the RFO Protocol document and on the public facing website.

The Schedule contained in PG&E CPE's 2025 Local RA RFO Protocol document included the following key dates:

Figure 1: 2025 CPE Local RA RFO Schedule



While the CPE process and schedule has evolved over the years, the 2025 CPE RFO schedule was largely unchanged from the 2024 CPE RFO.

1.4 ISSUES ADDRESSED IN THIS REPORT

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 Investor Owned Utility ("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

2.1 Regulatory Requirements of the IE

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 twenty-one 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.³ Instead, the IE would be consulted by the IOU, along with the Procurement Review Group 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 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

³ 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).

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.

2.2 Description of Key IE Roles

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 2025 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, and the CPUC Energy Division, if requested, regarding the Consultant's findings or status. Communicate periodically with the Energy Division 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.

2.3 Description of IE Requirements per CPE Decision (D.20-06-002)

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.⁴ The CPUC indicated that it did not intend to allow the CPE to rely on CAISO backstop mechanisms to supplant the central procurement process but instead seeks to minimize backstop procurement while also mitigating market power.

⁴ On page 67 of Decision D.20-06-002, 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 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."

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

2.4 Description of IE Oversight Activities

As noted, Merrimack Energy was retained as the IE by PG&E CPE in December 2024. 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 five CAM PRG 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 2025 Central Procurement Entity Local Resource Adequacy Request for Offers and Commitments 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 5 of this report.

3 OUTREACH ACTIVITIES AND ROBUSTNESS OF SOLICITATION

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.

3.1 Description of IOU Outreach to Potential Bidders

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 to the procurement process in terms of number of Participants and specific offers or projects.

PG&E CPE maintains a detailed list of potential Participants with over 2,000 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 2025 PG&E CPE Local RA RFO. The list includes Diverse Suppliers.

PG&E CPE initiated a comprehensive process for communicating with bidders for the 2025 PG&E CPE Local RA RFO process. Prior to launching the solicitation, the PG&E CPE team contacted forty-two (42) 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 takeaways from these meetings included:

- Due to the elimination of the Non-Compensated Self-Shown Commitment process, in addition to the lack of LCR RCM-qualifying resources, most LSEs stated a likelihood of not participating in the 2025 RFO.
- Potential Participants with existing resources stated that their capacity has already been contracted through the 2025 CPE Local RA RFO compliance window.

PG&E CPE utilized the PowerAdvocate Platform as the means for Participants to submit their offers and submit questions. 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 included contact information for the CPE team and the RFO schedule, as well as the following documents:

- 2025 PG&E CPE Local RA RFO – Solicitation Protocol (including an “At-a-Glance” version)
- RFO General Q&A (periodically updated)
- Participants’ Webinar Presentation (including transcript and audio recording)
- Regulatory Decisions (D.20-06-002, D.20-12-006, D.22-03-034, D.23-06-029, and D.24-12-003)

The public website provided PowerAdvocate registration instructions for Participants to access the remaining RFO documents including:

- PG&E CPE Offer Form Guide – Appendix A1, A2, A3 & 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 A3 – Offer Form – Bundled RA for CPUC LSEs Only

- 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 Resource
- 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 F – Compensated Self-Shown Commitment Form

3.2 Principles Used to Determine Adequacy of Solicitation Robustness

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?

3.3 Did the IOU Conduct Adequate Outreach?

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 2025 PG&E CPE Local RA RFO. The outreach activities of PG&E CPE can be classified as very active given that emails about the 2025 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 contacted forty-two (42) potential participants directly to discuss the RFO process and 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 better understand bidders' submissions.

3.4 Robustness of the Solicitation

PG&E CPE conducted extensive outreach to the market, which resulted in a more robust response in the 2025 CPE RFO than the 2024 CPE RFO. Offers were received from a range of eligible Participants who offered proposals for all products requested.

PG&E CPE received a total of [REDACTED] competitive offer variants from [REDACTED] total Participants [REDACTED] variants from [REDACTED] existing resources and [REDACTED] variants from [REDACTED] new resources.

[REDACTED] Included in the set of competitive offers was [REDACTED]

In conclusion, PG&E CPE's outreach activities were more than adequate and resulted in a robust response relative to the previous CPE RFO.

3.5 Did the IOU Seek Feedback About Bid Evaluation Process from Bidders?

CPE engaged with forty-two (42) potential participants prior to the launch of the solicitation to solicit feedback and provide updates on the CPE RFO process. Overall, the potential participants were pleased with the changes being implemented in this cycle of the CPE Local RA RFO, particularly related to the removal of the Non-Compensated Self-Shown process.

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, 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 almost all 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.

3.6 Was the Outreach Sufficient and Materials Clear Such That Bids Received Met the Procurement Needs?

PG&E CPE prepared initial versions of the Protocol Document, Form Agreements, and Offer Forms. 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. 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. However, as described later in this report, the bids submitted did not provide enough capacity to meet all of CPE's needs for the three years being procured.

3.7 Other Information or Observations

There are no additional observations.

4 DESCRIPTION OF BID EVALUATION AND SELECTION METHODOLOGY

4.1 Procurement Framework for PG&E CPE Local RA RFO

The Solicitation Protocol for the 2025 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.

PG&E CPE has developed an evaluation flow process to assess each competitive offer submitted comprised of the following steps:

1. Submit PG&E Participant Competitive Offers to the Independent Evaluator⁵ and Cost Allocation Mechanism Procurement Review Group in advance of downloading Competitive Offers from any other entities.
2. Download Non-PG&E Participant Competitive Offers from PowerAdvocate to PG&E's local drive. All Offers will only be accessed by members of PG&E CPE team and/or those teams supporting the RFO process.
3. Review each Competitive Offer for conformity with applicable requirements and eligibility criteria specified in the Solicitation Protocol.⁶
4. Determine Qualified Competitive Offers based on those that meet requirements and eligibility criteria.
5. Review and evaluate Competitive Offers relative to the qualitative criteria identified in the CPUC Decision and applied by PG&E CPE as described in the Solicitation Protocol.

PG&E CPE expects to receive existing and new resources in the solicitation. Some qualitative criteria focusing on project viability will only be applied to new resources. [REDACTED]

[REDACTED] CPE does not assess existing resources based on their likelihood of being successfully developed.

Prior to submission of offers, PG&E CPE prepared a qualitative evaluation protocol document that included [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.

[REDACTED]

⁶ In determining whether an offer was conforming and classified as eligible, PG&E CPE did interact with Participants who may have missing or incomplete information to provide the Participant the opportunity to cure their offer.

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

- 
- Safety (Technology)⁸
 - Engineering⁸
 - Procurement⁸
 - Construction⁸
 - BTM Resource Status (customer acquisition plans and development experience)
 - Electric Interconnection Status⁸
 - Gas Interconnection Status⁸
 - Permitting, Environmental, and Site Control Characteristics⁸
 - Previous experience with Participant
 - Resource Flexibility
 - Location of the facility with consideration for environmental justice
 - Energy-use limitations
 - GHG Adders
 - Procurement of preferred resources and energy storage
 - Costs of potential procurement alternative
 - Capacity Procurement Mechanism
- 

⁸ New Resource only.

- Reliability-Must-Run (“RMR”) contracts
 - Transmission upgrades that could adjust need
- Facility Type

Competitive Offers are also evaluated from a quantitative perspective. A Net Market Value (“NMV”) assessment would be performed on all qualified competitive offers by first calculating each Offer’s NMV. [REDACTED]

[REDACTED] Valuations will be updated if offers are updated during the negotiation process.

In the solicitation process, a Participant submits an Offer detailing the costs and operational characteristics of the Project. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A [REDACTED], market price curve was used for the initial assessment of System RA and Flex value. Valuations may be and were refreshed later in the evaluation process with a new price curve on [REDACTED]

[REDACTED]

Table 6 below provides a summary of the NMV components for each agreement type along with a description of how the various components are applied.

Table 6: Valuation Summary by Agreement Type

Resource/Contract Type	Components	Explanation
Compensated Self-Shown Local RA		[REDACTED] Energy, Ancillary Service Value, and Variable costs are zero for these product types. Additionally, Transmission Network Upgrades are assumed to be zero for existing resources since they are already interconnected.
Compensated Offered Resource – Bundled RA		[REDACTED]
Compensated Offered Resources – Bundled RA with Energy Settlement		[REDACTED]

4.1.1 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]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[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, [REDACTED]

4.2 Evaluation of the Strengths & Weaknesses of CPE's Evaluation Methodology

PG&E CPE has implemented a Least Cost Best Fit evaluation methodology for evaluating the eligible offers received in response to the 2025 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 2025 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

Merrimack addresses weaknesses and potential improvements to PG&E CPE's evaluation and ranking methodology in the Recommendations section of this report.

4.3 Future LCBF Improvements

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

4.4 Revisions to Bid Evaluation Criteria

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 [REDACTED]

Additionally, as described later in this report, the only change made were to the RA price curves used in the NMV calculations.

4.5 Additional Information or Observations Regarding CPE's Evaluation Methodology

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 2025 PG&E CPE Local RA RFO including:

- Reviewing and commenting on the CPE Code of Conduct
- Reviewing and commenting on the RFO Protocol and Evaluation Protocol documents for the Local RA RFO process
- Participating in weekly 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
- Participate and provide comments at monthly PRG meetings

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.

5.1 Code of Conduct

CPE Decision (D.20-06-002) 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 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 07-12-052,⁹ 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.

⁹ 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.

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.

Since the 2025 Code of Conduct was essentially the same as the Code of Conduct implemented for the 2022, 2023, and 2024 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, 2025.

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

5.2 Solicitation Protocol & Related Documents

The next major step in the solicitation process was the development of the 2025 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 2025 PG&E CPE Local RA Solicitation Protocol to the IE prior to RFO issuance. The IE reviewed the Protocol document and provided several comments and questions to PG&E CPE. The parties discussed the comments and PG&E CPE provided an updated draft Protocol document to the IE. 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 2025 PG&E CPE Local RA RFO Solicitation Protocol requirements is included in Section 1.3 of this report.

5.3 Website for the RFO

PG&E CPE used two websites for the RFO. PG&E CPE maintained a webpage on its website devoted to the 2025 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 and other information to assist the bidders. The webpage was activated around the time the RFO was issued on February 20, 2025. Specifically, the webpage included the following information:

- Applicable Regulatory Decisions
- Schedules
- PG&E CPE Local RA Solicitation Protocol and Appendices
- 2025 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
- 2025 PG&E CPE Local RA RFO Participants Webinar Presentation
- Participants Webinar Transcript
- Participants Webinar Audio
- Contact Information

Since competitive offers from the PG&E Participant were due earlier than other competitive offers, 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.

5.4 Issuance of the RFO

The RFO was issued as scheduled on February 20, 2025. As described in Section 3.1, PG&E CPE used two websites for the RFO. PG&E CPE maintained a webpage on its website devoted to the 2025 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 and other information to assist the bidders. 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 were separated by Participant. As a result, bidders had to register for and submit their offers to the appropriate Event based on the Participant (PG&E Participant or Non-PG&E Participant). The two Events included: (1) Competitive offers from the PG&E Participant and (2) Competitive Offers from all non-PG&E Participants.

PG&E CPE also developed the “RFO Protocol At-A-Glance” document that provides an overview of the solicitation and highlighted the changes in this cycle of the RFO:

- The non-compensated self-showing option for CPUC LSEs has been eliminated from the CPE framework.
- The CPE procurement for the 2027 compliance year will be “locked” on October 31, 2025.
- For Bundled RA or Bundled RA with Energy Settlement offers with a delivery term of 60 months or fewer, Participants may submit monthly pricing.
- PG&E has implemented a new email protocol that requires encryption for all emails containing confidential information.
- Track 1 and Track 2 have been renamed to Track A and Track B.

There was one revision made to documents after the initial issuance which revised the expected date for execution of agreements in Track A from June 27, 2025, to July 3, 2025. PG&E CPE did distribute multiple email blasts to provide reminders of the solicitation schedule and resources for potential participants.

5.5 Participant's Webinar

PG&E CPE held its CPE Local RA RFO Participants Webinar on February 27, 2025. 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 2025 CPE RFO solicitation;
- Solicitation schedule;
- Role of the Independent Evaluator;
- PG&E 2025 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.20-12-006, D.22-03-034, and D.24-12-003;
- Communications and website.

The Webinar included a walk-through of the Offer forms for the various agreement types.

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 (19) companies attended the Participants Webinar.

5.6 Questions & Answers Posted for Bidders

On March 19, 2025, PG&E CPE uploaded the final Q&A document, which provided responses to a total of twelve (12) questions from prospective bidders including questions about administrative issues and resource eligibility. The Q&As were posted to PG&E's CPE website under the link 2025 CPE Local RA RFO General Q&A. The Questions and Answers are included as Appendix A to this report.

5.7 Review of Internal Evaluation Protocols and Procedures

Prior to receipt of offers in late-March, PG&E CPE provided Merrimack with draft versions of the following internal evaluation protocol documents:

- Overall Evaluation Procedure
- Internal Qualitative Evaluation Protocol
- Internal Market Valuation Protocol
- Transmission Planning Criteria Process Document

Merrimack included comments and suggested edits to all evaluation protocol documents provided. Merrimack discussed comments with PG&E CPE team who incorporated a number of edits to the documents as a result. Merrimack also held a couple calls with the PG&E CPE team to discuss the evaluation protocols, including detailed reviews of the derivation of the local RA premiums.

5.8 Receipt of Offers

As noted previously, the offers were submitted in two tranches based on the Participant type. The deadline for the PG&E Participant to submit competitive offers was March 25, 2025, while the deadline for non-PG&E Participants to submit competitive offers was March 26, 2025. 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]

Table 7 provides a summary of the competitive offers submitted.

Table 7: List of Competitive Offers Submitted¹⁰

Participant	Project Name	Agreement Type	Resource Type	New or Existing?	Track	Annual or Monthly Pricing	Local Area	Local Sub-Area	Max Capacity (MW)
[REDACTED]									

¹⁰ Table 7 does not include additional offer variants for the same resource and lists the maximum monthly capacity submitted for that resource.

¹¹ [REDACTED]

[Redacted Table Content]

As shown in the table above, [Redacted]

[REDACTED]

Table 8 provides an overview of the capacity submitted by local area. The capacity included in table 8 is the maximum capacity submitted across all variants for each resource in the respective month.

Table 8: Capacity Submitted by Local Area

Local Area	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	RA Only Price Range (\$/kW-month)
[REDACTED]														

As illustrated in Table 8, [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 April and May, 2025, 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 almost all 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. During the calls, PG&E CPE provided a consistent message to Participants that PG&E CPE was still undergoing an initial review of the offers to determine if the offers were qualified. PG&E CPE would notify Participants in mid-April if their offers were qualified. If the offers were deemed qualified, the parties would move into the evaluation and negotiation phase with a target date of June 27, 2025, for Track A offers and early August for Track B contracts.

5.9 Offer Qualification

On April 17, 2025, PG&E CPE sent Qualification letters to all Participants who submitted competitive offers into the PG&E CPE RFO. For those offers who were deemed Qualified, PG&E CPE indicated to Participants that it will evaluate those offers and depending on the results of the evaluation, may seek to enter into an Agreement related to those offers.

PG&E CPE also informed the Qualified Participants that PG&E CPE's decision to deem an offer qualified is in no way an acceptance of any of the terms and conditions the Participant proposed and does not guarantee execution of an Agreement with PG&E CPE. PG&E CPE reiterated that the RFO is a continuously competitive process so Participants are encouraged to reduce the pricing of their Competitive Offers.

Through the qualification process, [REDACTED] were deemed not qualified. Table 9 provides details on the non-qualified offers.

Table 9: Non-Qualified Offer Details

Participant	Resource Name	Qualification Issues
[REDACTED]		

PG&E CPE worked with several of the counterparties and provided ample opportunity to have the offers qualified; however, the Participants were not able to meet the qualified offer requirements. Therefore, Merrimack was in agreement with PG&E CPE's determination of the non-qualified offers.

5.10 Evaluation of the Offers Submitted

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

As noted, PG&E CPE engaged many of the Participants on multiple occasions regarding contract issues. After PG&E CPE provided Qualification notices to Participants, PG&E CPE began holding negotiation calls on April 28, 2025.

47

[REDACTED]

At the beginning of each call, PG&E CPE reminded each Participant about the timeline for the RFO based on the CPUC Decision and filing timeline. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

On June 23, 2025, PG&E CPE distributed a market notice that the Track A Competitive Offer process would extend the conclusion deadline from June 27th to July 3rd [REDACTED]

[REDACTED]

[REDACTED]

On July 28, 2025 PG&E CPE sent a market notice that the RFO had been closed out and is no longer considering offers through the RFO process.

5.12 Contract Executions

PG&E CPE executed several contracts through the solicitation process. The contracts executed are summarized below.

5.12.1 Track A

[REDACTED]

[REDACTED]

[REDACTED]

14 [REDACTED]

[REDACTED]

[REDACTED]

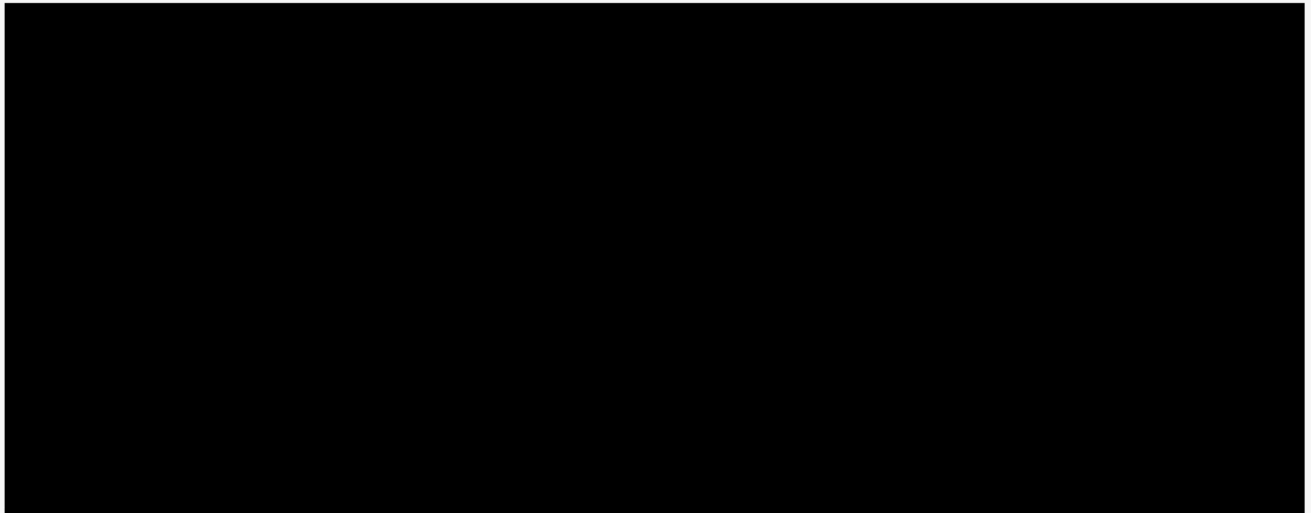
[REDACTED]

[REDACTED]

Table 10 provides a summary of the contracts executed from Track A.

Table 10: Track A Executed Contracts

Participant	Resource	Local Area	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026
[REDACTED]														



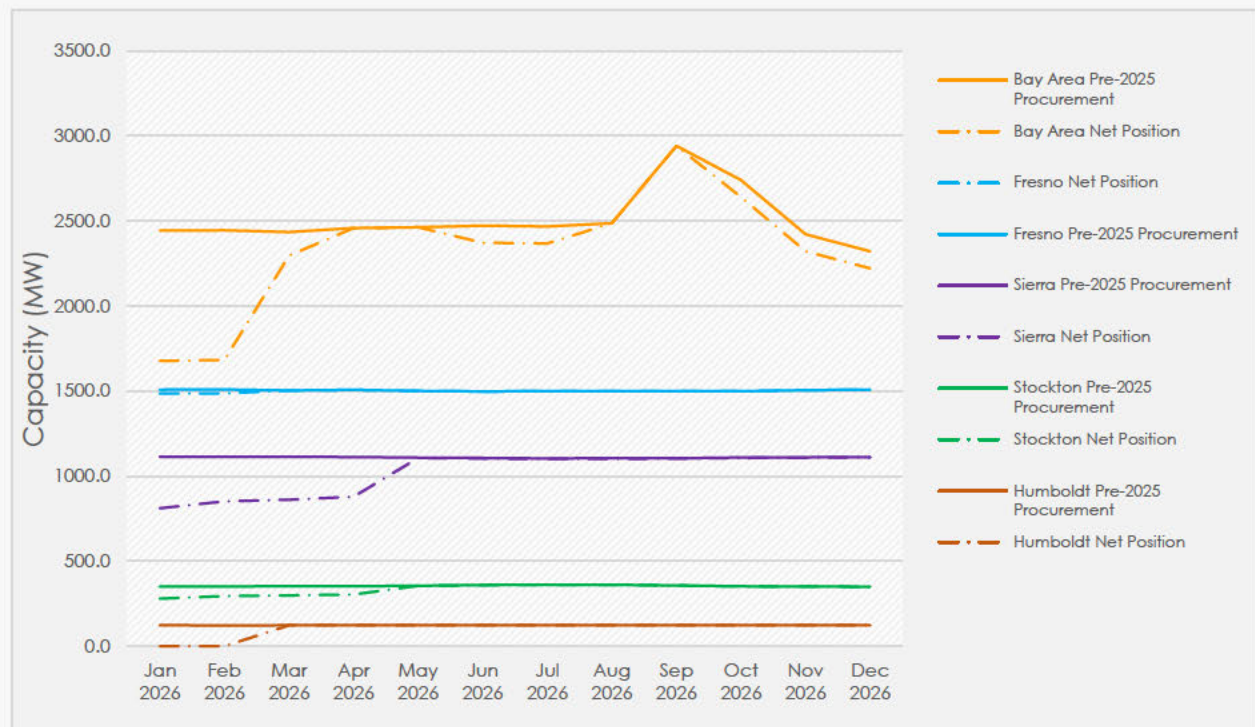
5.12.2 Track B

There were no Track B offers executed. Therefore, there were no new resources executed, or capacity procured in 2027 or 2028. Since going forward prompt year procurement would be locked out in the prior RFO, PG&E CPE will not be able to procure 2027 capacity in the next competitive solicitation process, so PG&E CPE's final opportunity to procure 2027 capacity will be through bilateral transactions following the close of the 2025 PG&E CPE Local RA RFO.

5.12.3 Resulting 2026 Position

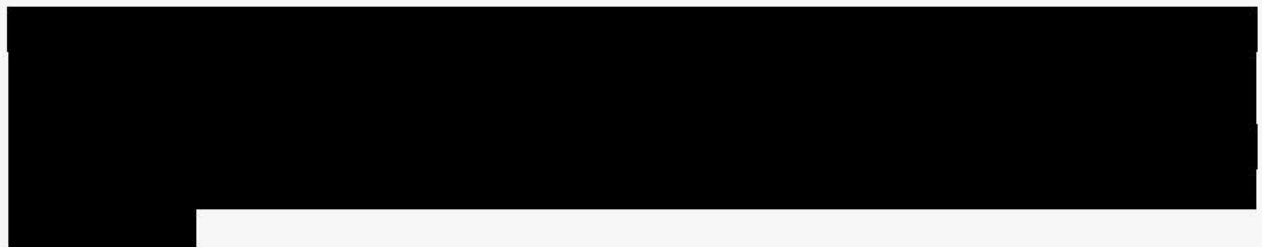
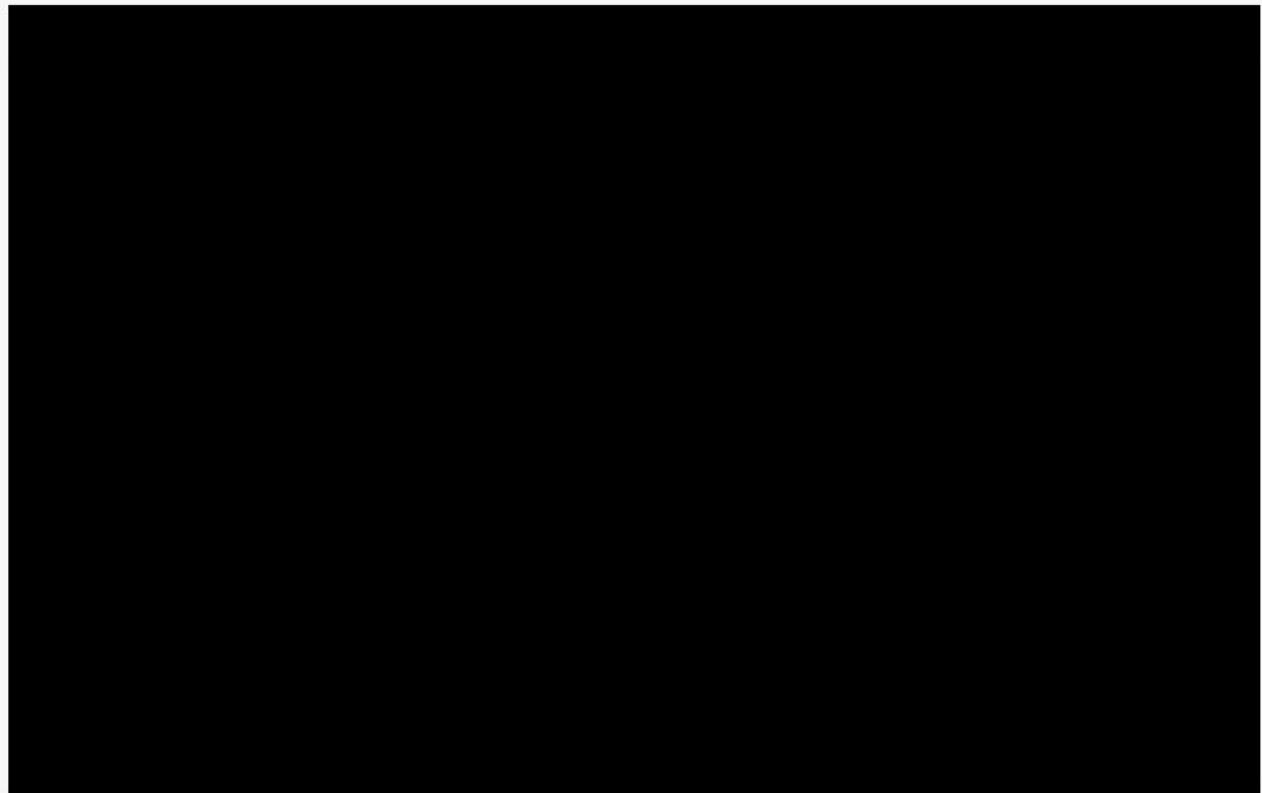
Figure 2 provides a look at the pre- and post-procurement positions by Local Area.

Figure 2: Post Procurement 2026 Positions



As shown, CPE will have a net short position in 2026 in all local areas except for Humboldt in January and February. As described previously, the Non-Compensated Self-Shown process was eliminated in this RFO and was replaced by the CPUC data aggregation process.

Figure 3 provides the CPE net position (inclusive of 2025 RFO procurement) and the post-aggregation position.



5.13 CAM PRG Meetings

5.13.1 January 22, 2025

PG&E's CPE team provided a presentation to the CAM PRG on January 22, 2025 to provide an overview of the structure and process changes with PG&E CPE's upcoming 2025 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 2025 PG&E CPE solicitation, PG&E CPE is required to procure or obtain Self-Shown commitments for 100% of the CPUC 2026 and 2027 local RA requirements in PG&E's distribution service area. PG&E CPE is also required to procure or obtain 50% of the CPUC 2028 local RA requirements.

In the CAM PRG meeting, PG&E CPE focused on describing the key changes in this fifth cycle of the CPE RFO, including the implementation of changes to the RA framework from the Track 2 Decision D.24-12-003, renaming Track 1 and Track 2 to Track A and Track B, and allowing Participants to provide monthly pricing for offers with delivery terms less than 60 months.

PG&E CPE included additional details on the Track 2 Decision that alongside the non-compensated self-shown option being eliminated, the Energy Division will collect information from LSEs about Local RA capacity under contract. The ED will provide the data aggregation to PG&E CPE to be assessed in the RFO process. As a result, PG&E CPE issued [REDACTED] to LSEs nullifying active attestations on December 24, 2024.

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, pre-RFO market outreach plans, evaluation process and procedures, and Code of Conduct updates and policies.

5.13.2 April 15, 2025

A CAM PRG meeting was held on April 15, 2025. At the meeting, PG&E CPE team described their outreach efforts prior to offer submittal, provided an overview of the offers received in response to the 2025 Local RA RFO (including volume and pricing), reviewed the potential CPE position by local area for all three compliance years, presented the initial qualification status of offers, and sought feedback from the CAM PRG on PG&E CPE's classification of Qualified Proposals for offers received in each of the three categories. PG&E CPE team reviewed the solicitation schedule and noted that the next step in the process was to notify all Participants of their Qualification Status by mid-April, 2025.

Merrimack Energy also provided observations and comments regarding the process to date. Merrimack noted that CPE's extensive outreach efforts have been effective at encouraging new bidders to participate. Merrimack provided details on its involvement reviewing documents prior to the RFO issuance as well as developing our own summary of bids submitted that aligns with PG&E CPE.

5.13.3 May 20, 2025

On May 20, 2025, PG&E CPE provided a monthly update to the CAM PRG on the competitive offers received in the 2025 Local RA RFO. PG&E CPE provided an overview covering the following topics:

- PG&E CPE sent qualification notices on April 17, 2025 to accepted offers and begin negotiations with participants.

[REDACTED]

PG&E CPE provided an overview of every qualified bidder's offers [REDACTED]

[REDACTED]

[REDACTED] Merrimack provided observations about the process including our involvement, PG&E CPE's evaluation results, and potential selection decisions,

[REDACTED]

5.13.4 June 17, 2025

On June 17, 2025, a CAM PRG meeting was held with the PG&E [REDACTED]

[REDACTED]

[REDACTED]

5.13.5 July 15, 2025

On July 15, 2025, PG&E CPE provided a monthly update to the CAM PRG. The topics reviewed during the meeting included:

- Closing Track A on July 3, 2025 [REDACTED]

[REDACTED]

6 FAIRNESS OF ADMINISTRATION OF SOLICITATION PROCESS

6.1 Principles & Guidelines Used to Determine Fairness of Process

In evaluating PG&E CPE's performance in implementing the 2025 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 IE Report 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 consistent 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 worked actively with counterparties 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 Merrimack's 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.

Merrimack found no cases where PG&E CPE favored any specific resources or Participants over others. All offers and Participants were treated fairly and consistently within PG&E CPE's procurement framework. [REDACTED]

7 DO CONTRACTS MERIT APPROVAL?

PG&E CPE has CPUC pre-approval to execute contracts with terms of five years or less without seeking CPUC Approval, so all of the executed contracts are deemed pre-approved subject to review through the Annual Compliance Report process, submitted through a Tier 2 Advice Letter in mid-September. PG&E CPE met with stakeholders, including the CAM PRG, throughout the process to solicit feedback on the selections made. It is Merrimack's opinion that PG&E CPE conducted a fair solicitation consistent with the Commission's Decisions. [REDACTED]

[REDACTED] Additionally, the selected and executed contracts help CPE improve their current short positions in several Local Areas.

8 TREATMENT OF AFFILIATE BIDS & UOG OWNERSHIP PROPOSALS

The CPE Decision (D.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 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 following CPE solicitations, 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 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, as well as 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 2025 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.¹⁶ The CPE Code of Conduct applies to all PG&E employees, contractors, and consultants engaged in CPE procurement activities authorized under the CPE Decision.

8.1 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.

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 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

¹⁶ 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 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."

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 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.

8.2 Describe A Violation(s) of the CoC

During the 2025 Local RA RFO, there were no reported violations of the Code of Conduct.

9 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.

9.1 Assess the Neutrality of the Procurement Process

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 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 for local resource adequacy 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 four 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 the 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 8 of this report provides an overview of PG&E CPE's Code of Conduct.

9.2 Assess Any Market Power or Aggregate Pricing Concerns

[REDACTED] Merrimack Energy did not see any evidence of market power associated with the 2025 CPE RFO.

9.3 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 11 provides details about the preferred resources submitted.

Table 11: Evaluation Results of Non-Selected Preferred Resources¹⁷

Participant	Project Name	Resource Type	New or Existing?	Local Area	Price (\$/kW-month)	NMV	Non-Selection Reason
[REDACTED]							

¹⁷ For competitive offers with multiple variants, the variant with the highest NMV is included in Table 11.

[REDACTED]

[REDACTED]

9.4 Consideration of Disadvantaged Communities (“DAC”)

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 12 below lists the Qualified project proposals that were located in Disadvantaged Communities based on resource type and project contract status.

[REDACTED]

Table 12: Projects Located in Disadvantaged Communities and Their Status

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

9.5 Explanation of the Basis for Fossil Fuel Procurement that Exceeds the Minimum Multi-Year Local Requirements

There were no such executed contracts in the 2025 CPE RFO.

9.6 IE Perspective on PG&E CPE's Deferral to CAISO's Backstop Mechanism

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.

Other than pursuing resources bilaterally, the 2025 Local RA RFO was the last opportunity for CPE to procure resources for their 2026 and 2027 allocation. While PG&E CPE will have a net short position in 2026 in all local areas besides Humboldt in January and February and in all months of all local areas in 2027 (without factoring in the CPUC data aggregation), [REDACTED]

PG&E CPE generally had reasonable reasons for not selecting the resources submitted. [REDACTED]

10 OBSERVATIONS, CONCLUSIONS, AND RECOMMENDATIONS

10.1 Observations & Conclusions

Merrimack Energy has the following observations and conclusions regarding the 2025 PG&E CPE Local RA RFO process based on its role of IE in this process:

- In the original CPE Decision, 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 2025 PG&E CPE Local RA RFO process consistent with the CPUC CPE Decision, the LCR RCM Decision, the RA OIR Phase 1 Decision, the RA OIR Phase 3 Decision, the RA OIR Decision on Track 2 Issues, and Decision D.25-06-048. 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.

- 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 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 prior to launch (December 2024). 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 five (5) CAM PRG meetings throughout the process to seek input on the implementation of the 2025 PG&E CPE Local RA solicitation process including the solicitation launch, offer submission overview and qualification, and proposed portfolio selection.
- The Protocol documents were reasonably clear and transparent, and included details on the eligibility requirements that Participants must meet to participate in the RFO. 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 Notification of the upcoming procurement process was sent to PG&E's list of Potential Participants of approximately 2,000 contacts. In addition, PG&E CPE held calls with forty-two (42) individual companies prior to the launch of the RFO to discuss the upcoming solicitation schedule and key changes to the process this year. As a result, the PG&E CPE outreach efforts can be classified as very active.
- PG&E CPE also engaged Participants 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.
- 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
- The 2025 PG&E CPE Local RA RFO resulted in a reasonable response from the market [REDACTED]
- 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]
- PG&E CPE undertook a quantitative evaluation of the offers submitted consistent with Least Cost Best Fit principles. [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.

- [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 2026 or 2027, the IE did not witness any evidence of market power or pricing concerns associated with the RFO.
- The CPUC CPE Decision requires the IE report to address on what basis preferred resources were not selected in CPE procurement process. [REDACTED]

- [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). Section 9.4 of the report lists the project proposals that are located in Disadvantaged Communities based on resource type and project contract status. [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. In the 2025 CPE RFO, there were [REDACTED] contracts executed with fossil fuel resources, [REDACTED]. These resources helped mitigate short positions in Greater Bay Area and Humboldt.

- 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]

Other than pursuing resources bilaterally, since CPE will be locked out of prompt year procurement, the 2025 Local RA RFO was the last opportunity for CPE to procure resources for their 2026 and 2027 allocations. [REDACTED]

- Based on the outcome of the 2025 Local RA RFO, CPE defers procurement to the CAISO backstop mechanism. If all offers submitted were selected and executed, the capacity submitted in the 2025 RFO would not have allowed CPE to satisfy their needs in the respective local areas. [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.

10.2 Recommendations

PG&E CPE has done an effective job implementing IE recommendations from past solicitations. Merrimack has the following recommendations for process improvements in the future:

- 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 ~3 month time frame allocated to the CPE process is very challenging to fully assess and negotiate a contract with a new resource. Therefore, in order to reach agreements with new resources, PG&E CPE has to continue to refine the process in other ways, particularly with selecting and executing with existing resources.
 - CPE spent a significant amount of time evaluating and meeting with counterparties that submitted uneconomic offers. 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.
 - While PG&E CPE does an effective job engaging with Participants before and during the RFO process, PG&E CPE spends a substantial amount of time conducting introductory calls with counterparties during the qualification process. In cases where a resource is not economic or viable, CPE may consider minimizing or eliminating these calls as part of their process.
 - The CPE Local RA RFO is a time intensive process that, according to the prior Decisions' guidance, requires comprehensive evaluation of all resources. One of the requirements of the CPE Decision is that all resources must be evaluated qualitatively under a variety of

criteria. While Merrimack generally is a proponent of comprehensive evaluation practices, in the case of the CPE Local RA RFOs, the value obtained from conducting such a comprehensive qualitative evaluation on existing resources is fairly limited, particularly if the resource is uneconomic to begin with. Merrimack recommends that the qualitative evaluation be more refined and limited such that the evaluation is only conducted on existing resources if there is a "tiebreaker" relative to the project economics and position need. This would help the CPE focus more on economic resources and new resources that may require more time to negotiate.

- CPE has the same capacity requirements every month of the year for each Local Area. Merrimack feels that the capacity needs should be shaped like all other LSE RA requirements, so that needs are higher in August/September than January.

[REDACTED]

[REDACTED]

- The Non-Compensated Self-Shown process was eliminated in this RFO cycle and replaced by the CPUC data aggregation process.

[REDACTED]

[REDACTED]

-

[REDACTED]

**Prepared for Pacific Gas &
Electric**

Independent Evaluator Report

2025 Central Procurement Entity Local
Resource Adequacy Bilateral Transactions

September 15, 2025



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1 INTRODUCTION

1.1 Overview of PG&E CPE's Bilateral Procurement

On February 20, 2025, Pacific Gas & Electric Company's Central Procurement Entity ("CPE" or "PG&E CPE") issued its fifth Request for Offers ("RFO") to prospective market Participants to procure Local Resource Adequacy ("Local RA") capacity pursuant to the following regulatory Decisions of the California Public Utility Commission ("CPUC" or "Commission"):

- Decision D.20-06-002 - the Central Procurement Entity Decision ("CPE Decision") issued June 17, 2020
- Decision D.20-12-006 - Local Capacity Requirement Reduction Compensation Mechanism Decision ("LCR RCM Decision") issued December 4, 2020
- Decision D.22-03-034 -, RA OIR Phase 1 Decision issued March 18, 2022
- Decision D.23-06-029 - RA Order Instituting Rulemaking ("OIR") Phase 3 Decision issued July 5, 2023
- Decision D.24-12-003 - RA OIR Decision on Track 2 Issues issued December 12, 2024

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. For this fifth CPE RFO, PG&E CPE is required to procure capacity or obtain self-shown commitments for (1) 100% of the CPUC's 2026 Local RA requirements in PG&E's distribution service area; (2) 100% of the CPUC's 2027 Local RA requirements in PG&E's distribution service area; and (3) 50% of the CPUC's 2028 Local RA requirements in PG&E's distribution service area.

Following PG&E CPE's 2025 Local RA RFO procurement, there were still remaining open positions in all seven local areas for the compliance period [REDACTED]. Per Decision D.24-12-003, after October 31, 2025, PG&E CPE won't be able to procure RA for 2026 or 2027, so the bilateral procurement will be the last opportunity to procure capacity during these two compliance years. PG&E CPE targeted only existing resources for bilateral transactions, but otherwise the products solicited and other eligibility requirements from the 2025 Local RA RFO remained the same.

Merrimack Energy was retained as IE for the 2025 CPE Bilateral outreach process in August 2025.

1.2 REGULATORY BACKGROUND

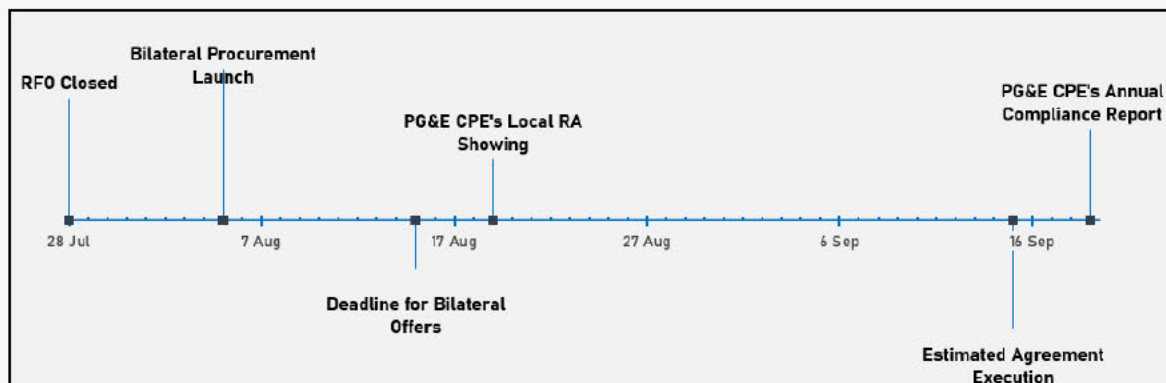
On March 17, 2022, the CPUC issued the RA OIR Phase 1 Decision (D.22-03-034), which adopted modifications to the CPE structure originally adopted in the CPE and LCR RCM Decisions. The Decision authorized the CPE to pursue bilateral transactions after the conclusion of the RFO to fill short positions in the applicable three-year forward period. For a contract with a five-year term or less, including bilateral contracts, the contract will be deemed reasonable and preapproved if the following conditions are met:

- 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
- The Cost Allocation Mechanism Procurement Review Group was properly consulted as described in Ordering Paragraph 13 of D.20-06-002
- 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
- Procurement was deemed by the Independent Evaluator to have followed all relevant Commission guidance

1.2.1 Bilateral Outreach Schedule

After the conclusion of the CPE 2025 Local RA RFO, PG&E CPE began developing Bilateral outreach plans. The schedule outlined by PG&E CPE during the initial bilateral transactions kick-off meeting included the following key dates:

Figure 1: CPE Bilateral Procurement Schedule



1.3 ISSUES ADDRESSED IN THIS REPORT

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 Investor Owned Utility ("IOU") conduct outreach to bidders?
3. Was the procurement process robust?
4. Evaluate 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 CPE's Least Cost Best Fit ("LCBF") methodology for evaluation offers. Was the LCBF process fairly administered? Evaluate 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

2.1 Regulatory Requirements of the IE

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 IE requirements are further described in the 2025 PG&E CPE Local RA RFO IE Report.

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.

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

3 DESCRIPTION OF OUTREACH ACTIVITIES

Outreach activities are important to the success of any competitive procurement process. PG&E CPE conducted extensive outreach prior to the launch of the 2025 CPE Local RA RFO, as described in the RFO IE Report. For the bilateral procurement, PG&E sent emails to fourteen (14) Independent Power Producers ("IPP"), LSEs, and Generator Owners in early August 2025. Given the near-term capacity needs, PG&E limited outreach for bilateral procurement to existing resources only.

4 DESCRIPTION OF BID EVALUATION AND SELECTION METHODOLOGY

PG&E CPE employed the same evaluation methodology and process as detailed in the PG&E CPE 2025 Local RA RFO IE Report.

5 ADMINISTRATION OF THE CPE BILATERAL PROCUREMENT

In performing its oversight role of the bilateral negotiation process, the IE participated in and undertook a number of activities:

- Participating in weekly conference calls with the PG&E CPE project team
- 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
- Participate and provide comments at monthly PRG meetings
- Develop final report summarizing negotiation process and final transactions

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 bilateral negotiation process.

5.1 Receipt of Offers

PG&E CPE received offers on an ongoing basis and, given the tight timeline, expedited negotiations with counterparties. PG&E CPE received [REDACTED] bilateral Offers from [REDACTED]. PG&E CPE immediately engaged with these Participant [REDACTED]

Table 1 provides a summary of the bilateral Offers submitted.

Table 1: List of Competitive Offers Submitted

Participant	Project Name	Local Area	Local Sub-Area	Year	Term	MW (Min/Max)	Price (\$/kW-month)	NMV
[REDACTED]								

After receiving the initial Offers, PG&E CPE contacted the Participants and began scheduling calls. [REDACTED]



quantitative and qualitative perspective as the 2025 Local RA RFO.

[illegible]

T

[REDACTED]

[REDACTED]

[REDACTED]

Given that the [REDACTED] resources executed provide capacity in the Sierra Local Area in 2026 where there is a position need [REDACTED] these resources are good portfolio fit for PG&E CPE.

[REDACTED]

PG&E CPE executed contracts [REDACTED] various amounts of capacity in the Sierra, Fresno, Greater Bay Area, and Humboldt Local Areas.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] resources executed provide capacity in the Greater Bay Area across 2026 and 2027 [REDACTED]

[REDACTED]

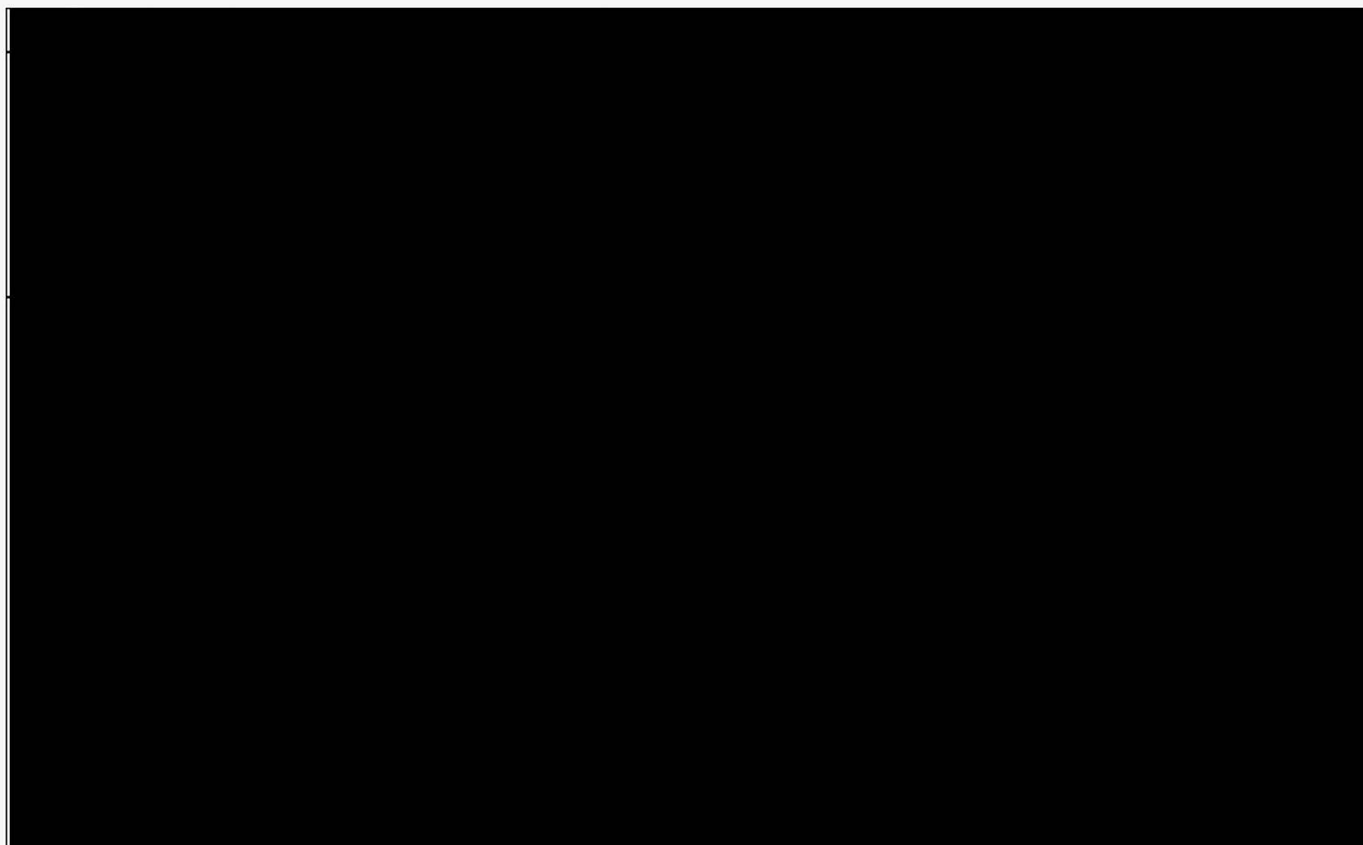
5.3.5 Final Executed Contracts

Table 2 provides a summary of the contracts executed.

Table 2: Bilateral Transaction Executed Contracts

Participant	Resource	Local/Sub-Local Area	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Price (\$/kW-month)	NMV
[REDACTED]																	

[REDACTED]

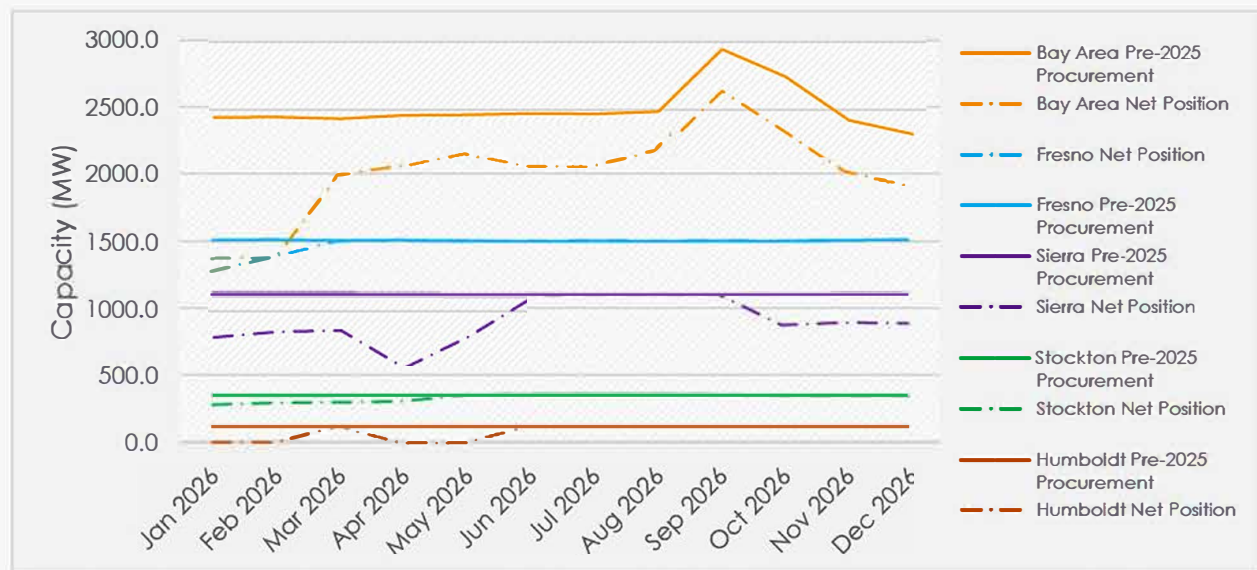


All of the executed bilateral transactions meet a position need either in a Local or Sub-Local Area, or both. [REDACTED]

5.3.6 Resulting Local Area Positions

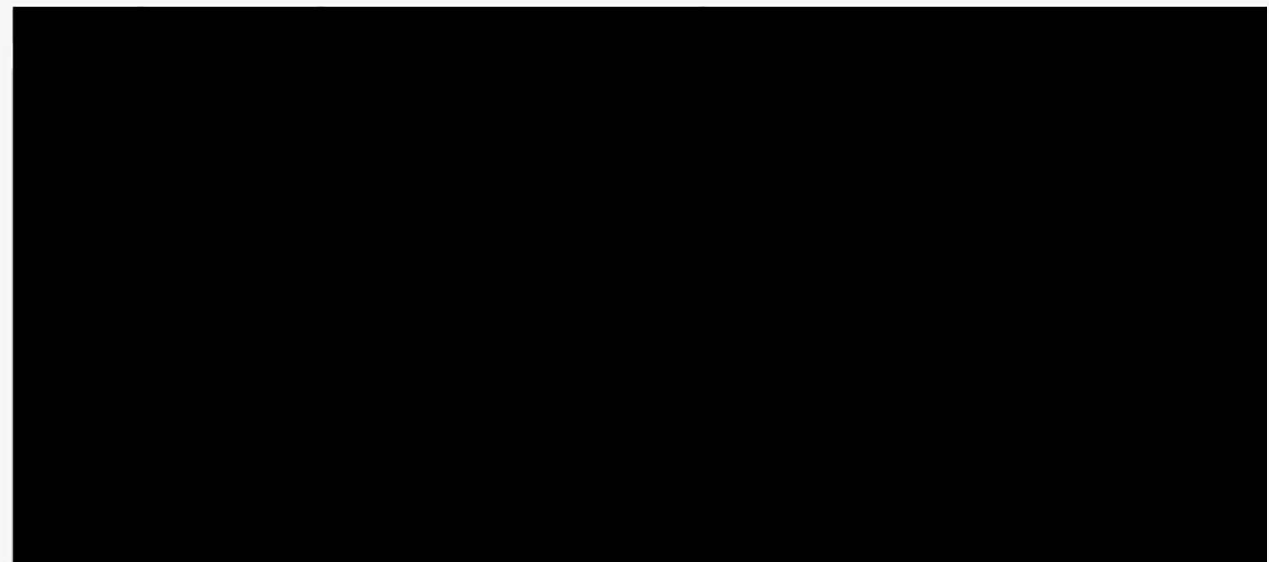
Figure 2 provides a look at the pre- and post-procurement positions by Local Area. The pre-2025 Procurement values are the positions for each Local Area prior to any procurement conducted through the 2025 Local RA RFO or the bilateral procurement process. The net positions take into account the capacity procured through both the 2025 Local RA RFO and the bilateral procurement process.

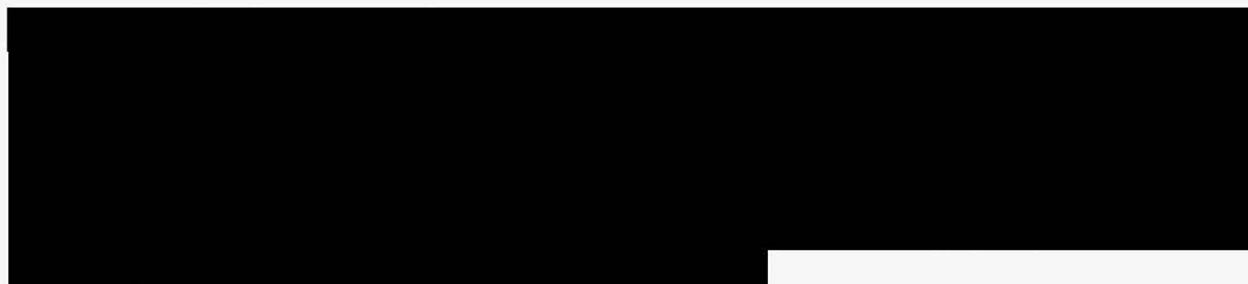
Figure 2: Post Procurement 2026 Positions



A large amount of the capacity executed in the PG&E CPE bilateral negotiations were in the Greater Bay Area. As shown, after the bilateral transactions and before accounting for the CPUC data aggregation, PG&E CPE will continue to have a net short position in 2026 in all local areas except for Humboldt in January, February, April, and May. In 2027, all months in all local areas have a net short position.

As provided in the PG&E CPE 2025 Local RA RFO IE Report, Merrimack developed tables for each Local Area that accounted for the CPUC data aggregation. Figure 3 provides the CPE net position (inclusive of 2025 RFO and bilateral procurement) and the post-aggregation position.





5.4 CAM PRG Presentations

5.4.1 August 19, 2025 Meeting

PG&E's CPE team provided a presentation to the CAM PRG on August 19, 2025, to provide an overview of the bilateral outreach procurement strategy, the schedule, the current CPE position for the Compliance Period, and summary of the Offers received.

5.4.2 September 4, 2025 Presentation Deck

On September 4, 2025, PG&E CPE transmitted a presentation deck providing an update to the bilateral procurement and intended transaction executions.

5.4.3 September 18, 2025 Meeting

Pursuant to the RA OIR Phase 1 Decision, PG&E CPE is required to present any bilateral transactions to CAM/PRG as soon as possible following contract executions. During this CAM/PRG meeting, PG&E CPE discussed the bilateral procurement negotiation process and presented the resulting transactions.

6 FAIRNESS OF ADMINISTRATION OF BILATERAL TRANSACTION PROCESS

6.1 Principles & Guidelines Used to Determine Fairness of Process

In evaluating PG&E CPE's performance in implementing the 2025 CPE Local RA bilateral transaction 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 consistent manner. 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, [REDACTED]

Merrimack found no cases where PG&E CPE favored any specific resources or Participants over others. All offers and Participants were treated fairly and consistently within PG&E CPE's procurement framework.

7 DO CONTRACTS MERIT APPROVAL?

PG&E CPE is authorized to execute contracts with terms of five years or less without seeking CPUC Approval as long as the contracts meet the following criteria as outlined in the RA OIR Phase 1 Decision:

- 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) The Cost Allocation Mechanism Procurement Review Group was properly consulted as described in Ordering Paragraph 13 of D.20-06-002
- 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

- d) Procurement was deemed by the Independent Evaluator to have followed all relevant Commission guidance

PG&E CPE met with stakeholders, including the CAM PRG, throughout the process to solicit feedback on the selections made. It is Merrimack's opinion that PG&E CPE conducted a fair procurement process consistent with the Commission's Decisions. [REDACTED]

Additionally, the selected and executed contracts help CPE improve their current short positions in several Local and Sub-Local Areas. Therefore, the bilateral contracts executed by PG&E CPE meet all of the prescribed criteria from the RA OIR Phase 1 Decision.

8 TREATMENT OF AFFILIATE BIDS & UOG OWNERSHIP PROPOSALS

[REDACTED]

9 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.

9.1 Assess the Neutrality of the Procurement Process

Merrimack's assessment of the neutrality of the procurement process is fully detailed in the CPE 2025 Local RA IE Report. Generally, PG&E CPE required PG&E Participant to submit their bids earlier than third-party Competitive Offers and PG&E CPE strictly adhered to the Code of Conduct, so there were no concerns around competitive neutrality from that standpoint.

[REDACTED]

[REDACTED] Merrimack discusses this further in the Recommendations section.

9.2 Assess Any Market Power or Aggregate Pricing Concerns

Merrimack Energy did not see any evidence of market power associated with the 2025 CPE bilateral transaction process.

9.3 Procurement of Preferred Resources

The CPUC CPE Decision requires the IE report to address on what basis preferred resources were not selected. For the PG&E CPE 2025 Local RA bilateral transaction process, [REDACTED]

[REDACTED] Table 3 provides details about the preferred resources submitted.

Table 3: Evaluation Results of Non-Selected Preferred Resources

Participant	Project Name	Resource Type	New or Existing?	Local Area	Price (\$/kW-month)	NMV	Non-Selection Reason
[REDACTED]							

9.4 Consideration of Disadvantaged Communities (“DAC”)

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 4 below lists the [REDACTED] proposals that were located in Disadvantaged Communities based on resource type and project contract status.

[REDACTED]

Table 4: Projects Located in Disadvantaged Communities and Their Status

Participant	Project Name	Resource Type	Project Status
[REDACTED]			

[REDACTED]			
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9.5 Explanation of the Basis for Fossil Fuel Procurement that Exceeds the Minimum Multi-Year Local Requirements

There were no such executed contracts in the 2025 CPE RFO.

9.6 IE Perspective on PG&E CPE's Deferral to CAISO's Backstop Mechanism

[REDACTED], CPE will have a net short position in 2026 in all local areas besides Humboldt in January, February, April, and May and in all months of all local areas in 2027.

PG&E CPE generally had reasonable reasons for not selecting the resources submitted. [REDACTED]

10 OBSERVATIONS, CONCLUSIONS, AND RECOMMENDATIONS

10.1 Observations & Conclusions

Merrimack Energy has the following observations and conclusions regarding the 2025 PG&E CPE Bilateral Transaction process based on its role of IE in this process:

- As authorized in the RA OIR Phase 1 Decision, PG&E CPE pursued bilateral transactions following the conclusion of the 2025 Local RA RFO. PG&E CPE engaged the IE prior to initiation of the CPE bilateral outreach process. The PG&E CPE team worked rapidly to evaluate, selected, and transact on Offers submitted. The PG&E CPE team very actively communicated with the Participants and Merrimack, met weekly with Merrimack to discuss the status of the bilateral transaction 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 two (2) CAM PRG meeting and transmitting one (1) other presentation deck over the less than two-month process to seek input on the bilateral outreach and transactions being pursued.
- Given the very tight schedule to initiate bilateral outreach and execute transactions, PG&E CPE conducted targeted outreach to specific existing Participants. The bilateral outreach resulted in a reasonable response [REDACTED]

- PG&E CPE employed a consistent evaluation and selection methodology as designed and adhered to in the 2025 Local RA RFO. 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]

- The IE found no evidence of any preference toward any bidder, resource or type of project.

- [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. There were no fossil fuel resources executed with delivery terms beyond the three-year Compliance Period.
- 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]

Based on the outcome of the 2025 Local RA RFO and additional bilateral transactions, CPE defers procurement to the CAISO backstop mechanism due to not being able to meet the needs in the respective local areas, particularly when the CPUC data aggregation is not accounted for.

- 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 fit methodology, all the evaluation criteria listed in the Decision, keeping the CAM PRG and Energy Division actively involved in the process through



two CAM PRG meetings prior to the contract negotiations taking place and after transaction executions.

10.2 Recommendations

Beyond the recommendations provided in the 2025 RFO IE Report, Merrimack has the following additional recommendation:

- As noted earlier in this report,



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, 2025

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.”¹ 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.² Furthermore, OP 5 of the RA OIR Track 2 Decision adopted changes to the CPE procurement process whereby the CPE is locked out of prompt year procurement one year in advance.³ Therefore, this Attachment E, *Deferred Procurement*, discusses deferral to CAISO backstop mechanisms for both the 2026 and 2027 compliance years.

¹ D.20-06-002 at 100, OP 26.

² *Id.*

³ D.24-12-003, OP 5, p. 78.

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A. PG&E CPE Procurement for 2026 and 2027 Compliance Years

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 2025 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 has not been able to procure enough local RA resources to meet the local requirements in all months of any of the seven (7) local capacity areas for the 2026 and 2027 compliance years.⁴ Additionally, following the 2025 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 2026 and 2027 in all seven (7) deficient local areas. Through those bilateral procurement efforts, PG&E CPE executed additional contracts including delivery in 2026 and 2027, however, PG&E CPE was still unable to procure enough RA capacity to meet the local capacity requirements through 2026-2027.

⁴ PG&E CPE was able to procure enough RA capacity to meet the local capacity requirements in the Humboldt local area for 4 months of 2026 and 2 months of 2027.

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Through both the 2025 PG&E CPE Local RA RFO and the PG&E CPE's bilateral procurement efforts, the PG&E CPE did not receive enough offers of local RA capacity to meet the local RA requirements for all months of the 2026 and 2027 compliance years in any of the seven (7) local areas that the PG&E CPE procures for, which are Greater Bay Area, Fresno, Kern, North Coast/North Bay, Sierra, Stockton and Humboldt. Additionally, the elimination of the non-compensated self-showing option from the CPE framework per OP 3 of the RA OIR Track 2 Decision removed the ability for the CPE to include LSE commitments of contracted local RA in satisfying the CPE's compliance obligations.⁵ However, the non-compensated self-showing option was replaced in the RA OIR Track 2 Decision with an aggregation of LSE-contracted capacity in local areas, which was reported to ED and provided to the CPE. Although this data does not count towards PG&E CPE's compliance needs, PG&E CPE used the data to inform its procurement decisions [REDACTED]

[REDACTED]

Without taking into account the LSE data aggregation results, following the 2025 PG&E CPE procurement efforts, the PG&E CPE has not been able to procure enough capacity to meet the needs in all months for any of the seven (7) local capacity areas

⁵ D.24-12-003, OP 3, pp. 76-77.

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within its territory and will be deferring procurement to CAISO backstop mechanisms for those areas for a majority of the months of the 2026 and 2027 compliance years.

For compliance year 2028, 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 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 conduct backstop procurement of 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, the PG&E CPE did not receive enough offers of local RA capacity through the annual competitive solicitation process, nor the bilateral procurement process to meet the local capacity requirements in all months of 2026 and 2027 for the local capacity areas that the PG&E CPE remains deficient. Moreover, the competitive and bilateral offers that PG&E CPE did receive for 2026 and 2027 RA

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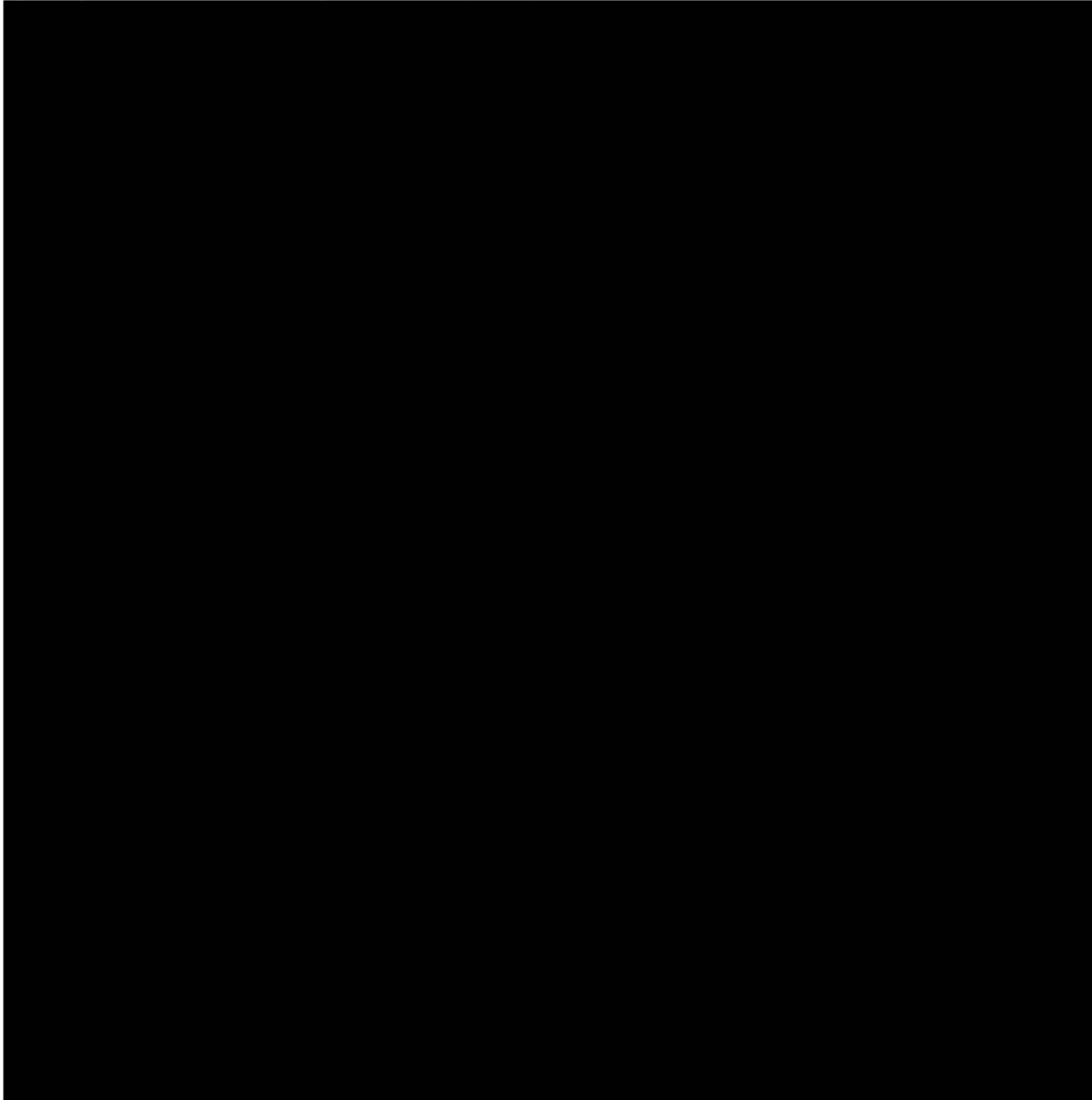
delivery were not sufficient to meet the compliance obligations in all months across those two years for the local capacity areas that were offered.

Below is a list of resources that were not offered into the 2025 PG&E CPE Local RA RFO process or 2025 CPE bilateral procurement process through the for 2026 and 2027 RA delivery. The list only includes resources with an August Net Qualifying Capacity (NQC) value of greater than 10 MWs that were not offered from the local capacity areas in which the PG&E CPE remains deficient. The list also excludes resources that were not offered to PG&E CPE but reported to PG&E CPE on the LSE data aggregation. The total capacity not offered in the remaining deficient local areas for the 2026 and 2027 compliance year amounts to a total of about 2,996 MWs based on August MW capacity values.⁶

⁶ The total of not offered capacity includes about 88.11 MWs of resources not listed in the table that have less than 10 MWs of NQC remaining.

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2. High Pricing

In the local areas where PG&E CPE remains deficient for the 2026 and 2027 compliance years, PG&E CPE was not able to execute [REDACTED] competitive offers it received for 2026 and 2027 local RA capacity as part of the 2025 PG&E CPE Local RA RFO due to high pricing. [REDACTED]

[REDACTED]

Prices offered for bundled RA only resources that were not selected in the solicitation for 2026 and 2027 RA capacity are presented below. The price ranges represent pricing as offered, which may include price shaping across the delivery months.

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Local Area	RA Only Price Range for 2026 and 2027 RA Capacity (\$/kW-month)
Greater Bay	
Greater Fresno	
Sierra	
Stockton	
Kern	
Humboldt	
NCNB	

The offer details [REDACTED] that were not selected due to high pricing are summarized below:⁷

Resource ID	Local Area	Capacity Offered (MW)	Price (\$/kW-month)

The offers not selected by PG&E CPE due to high pricing [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁷ The offer details shown represent the best and final prices offered by participants.

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[REDACTED]

[REDACTED]

Additionally, there were a number of offers that were not selected during the bilateral procurement process due to high pricing as well. PG&E CPE was not able to execute [REDACTED] competitive offers it received for 2026 and 2027 local RA capacity that were offered to the PG&E CPE bilaterally after the conclusion of the 2025 PG&E CPE Local RA RFO. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The table below summarizes the prices offered [REDACTED]

[REDACTED]

Offer Month	RA Only Price (\$/kW-month)
[REDACTED]	

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The remaining [REDACTED] bilateral offers not selected by PG&E CPE due to high pricing are summarized below:

Resource ID	Local Area	Term	Capacity Offered (MW)	Price (S/kW-month)
[REDACTED]				

All offers not selected by PG&E CPE through the bilateral process [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Details of the remaining offers are presented in the section that follows.

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3. Inability to Come to Terms in Contractual Agreement

In the local areas where PG&E CPE remains deficient for the 2026 and 2027 compliance years, PG&E CPE was not able to execute [REDACTED] competitive offers it received for 2026 and 2027 local RA capacity as part of the 2025 PG&E CPE Local RA RFO due to inability to come to terms in contractual agreement. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Other Relevant Information

Per OP 26 of the CPE Decision, the Independent Evaluator for the PG&E CPE 2025 Local RA RFO is required to address deferral to backstop procurement mechanisms within their IE report. Given that PG&E CPE used an IE for both the 2025 PG&E CPE Local RA RFO, as well as the bilateral procurement efforts, the deferral to CAISO

Public Attachment E

**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity (CPE)
CPE Annual Compliance Report (ACR)
September 19, 2025**

backstop mechanisms is addressed in each report. Please see Confidential Attachment D,

Independent Evaluator Reports 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, 23-06-029,
and 24-12-003**



**Pacific Gas and
Electric Company®**

2025 Central Procurement Entity Local Resource Adequacy Request for Offers & Commitments Solicitation Protocol

February 20, 2025

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. 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

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 2025 CPE Local Resource Adequacy (“RA”) Request for Offers and Commitments (“RFO”) to procure local RA capacity (“Local RA”) or obtain Compensated Self-Shown Commitments for Local RA for delivery beginning within the 2026-2028 compliance years, pursuant to California Public Utilities Commission (“CPUC”) decisions below (collectively, “Decisions”):

- Decision (“D.”) [20-06-002](#), the Central Procurement Entity Decision (“CPE Decision”) issued 6/17/2020;
- [D.20-12-006](#), the Local Capacity Requirement Reduction Compensation Mechanism Decision (“LCR RCM Decision”) issued 12/4/2020;
- [D.22-03-034](#) (“RA OIR Phase 1 Decision”) issued 3/18/2022;
- [D.23-06-029](#) (“RA OIR Phase 3 Decision”) issued 7/5/2023; and
- [D.24-12-003](#) (“RA OIR Decision on Track 2 Issues”) issued 12/12/2024.

Per the Decisions, PG&E CPE is required to procure Local RA or obtain Compensated 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 2025, PG&E CPE is required to procure Local RA or obtain Compensated Self-Shown Commitments for:

- 1) 100 percent of the CPUC’s 2026 Local RA requirements in PG&E’s distribution service area;
- 2) 100 percent of the CPUC’s 2027 Local RA requirements in PG&E’s distribution service area; and
- 3) 50 percent of the CPUC’s 2028 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.

I.B. New for 2025

Per the RA OIR Decision on Track 2 Issues, the non-compensated self-showing option for CPUC LSEs has been eliminated from the central procurement entity framework.¹ In lieu of collecting non-compensated self-shown commitments, PG&E CPE will receive aggregated, anonymized data on LSE-contracted Local RA capacity from Energy Division, which will be used to inform PG&E CPE's procurement decisions.²

Effective in 2025, local CPE procurement conducted by Oct. 31 in Y-2 for compliance year Y will be considered "locked".³ This is illustrated for the 2025 RFO in Figure I.1.

Figure I.1: New CPE Procurement Timeline



This year, for offers for Bundled RA or Bundled RA with Energy Settlement with a Delivery Term of 60 months or fewer, Participants have the option to submit Competitive Offers with monthly pricing. More information on this new option can be found in Attachment 2.

PG&E implemented a new encryption standard for emails containing confidential information, which requires recipients to verify their login credentials before accessing the protected information. PG&E CPE recommends Participants add CPESolicitations@pge.com to their contact list to ensure they receive all RFO communications.

For guidance on accessing encrypted emails, see [Microsoft's support page](#)

I.C. PG&E as the CPE

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.

¹ D.24-12-003, Ordering Paragraph 3.

² D.24-12-003, Ordering Paragraph 4.

³ D.24-12-003, Ordering Paragraph 5.

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

I.D. Background on Local RA Program

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 the PG&E and Southern California Edison (“SCE”) service areas to the relevant central procurement entity (PG&E or SCE). ⁴

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.caiso.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 I.2.

⁴ 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 7365-E. *PG&E CPE AL 7365-E, Attachment 2 (Public Attachment A)*: https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7365-E.pdf.

Figure I.2: PG&E Local Capacity Area (LCA) Map



I.E. Website and Communication

PG&E CPE has established a website at <http://www.pge.com/en/about/doing-business-with-pge/wholesale-electric-power-procurement/cpe-2025-local-resource-adequacy-rfo.html> where Participants may access and download select RFO documents, announcements, and Q&As that are posted. Please note, RFO materials required as part of an Offer or Commitment package (Appendices A-F) are accessible via PowerAdvocate. Please refer to the documents list on PG&E CPE's RFO website for more information.

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 and copy the Independent Evaluator ("IE"), Merrimack Energy Group, Inc, at 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 the RFO website. PG&E CPE will attempt to respond to all inquiries but may decline to respond to any inquiry at PG&E CPE's discretion.

All correspondence will be monitored by the IE, Merrimack Energy Group, Inc., 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

In order to meet its central procurement obligations ordered in the Decisions, PG&E CPE is seeking to:

- Obtain Compensated Self-Shown Commitments from CPUC LSEs to reduce the total Local RA need in PG&E's distribution service area; and
- 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.

II.B. Resource Eligibility Requirements

- 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.

Note: New Resources do not need to be electrically connected or have a CAISO Resource ID at the time of offer submittal.

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

II.C. Competitive Offer Process: Commitments and Products Requested

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

PG&E CPE requests the following compensated commitments and/or products in this RFO via the Competitive Offer Process:

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. 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 1: Competitive Offer Process – Compensated Self-Shown Commitments](#) of this Protocol.

Bundled RA: A bundled RA capacity product (“Bundled RA”) that will be compensated, which includes local, system and, if applicable, flexible RA attributes. 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 2: Competitive Offer Process – Bundled RA and Bundled RA with Energy Settlement](#) of this Protocol.

Bundled RA with Energy Settlement: Bundled RA that will be compensated, which includes a financial energy settlement based on CAISO market energy prices. 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 2: Competitive Offer Process – Bundled RA and Bundled RA with Energy Settlement](#) of this Protocol.

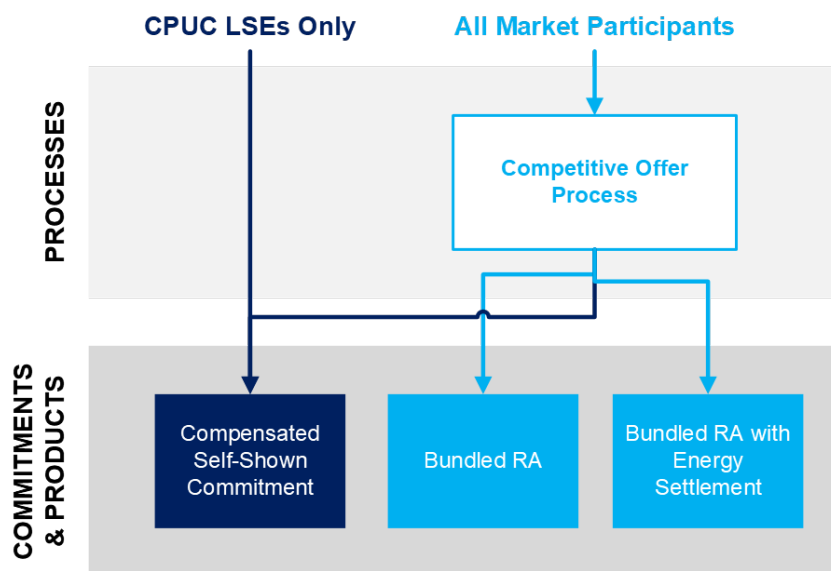
Competitive Offers shall not be made contingent upon or subject to the execution of any Agreement related to any other Competitive Offer.

For Competitive Offers for Bundled RA and Bundled RA with Energy Settlement, PG&E CPE has a preference for Delivery Terms of 1 – 60 months. For New Resources where Participant is the owner of the resource, PG&E CPE may be willing to consider a Delivery Term of 10 years or more to help incentivize the development of new local resources.

II.D. 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 in Figure II.1 below.

Figure II.1: Overview of 2025 CPE Local RA RFO Commitments, Products, and Processes



This Protocol sets forth the terms and conditions by which PG&E CPE will accept Competitive Offers to meet the objectives of the Decisions. A Participant submitting a 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 of the qualification status of their Competitive Offers in accordance with the schedule in Table II.1 below. PG&E CPE will evaluate Competitive Offers that are deemed Qualified and may seek to enter into Agreements related to those Competitive Offers. PG&E CPE does not issue a shortlist and there is no bid fee required to accept Qualification status.

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

II.E. Expected RFO Schedule

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

The 2025 PG&E CPE Local RA RFO will include two separate targeted execution deadlines. The first targeted execution deadline is set for July 3, 2025 for Competitive Offers that include delivery of RA capacity in the 2026 compliance year (Track A). A second execution deadline of early August 2025 will apply to all other Competitive Offers received in the RFO (Track B).

Table II.1: Expected Schedule for PG&E's 2025 CPE Local RA RFO

Event	Dates
Participants are invited to register online to receive notices regarding the RFO at www.pge.com/cpe	Ongoing
PG&E CPE issues RFO	Thursday, February 20, 2025
Participants' Webinar	Thursday, February 27, 2025
Deadline for PG&E Participant to submit Competitive Offers via PowerAdvocate	Tuesday, March 25, 2025 at 1PM (PPT)
Deadline for Non-PG&E Participants to submit Competitive Offers via PowerAdvocate ⁵	Wednesday, March 26, 2025 at 1PM (PPT)
PG&E CPE notifies Participants that their Offer(s) are Qualified and whether they fall into Track A or Track B timeframe for potential execution. ⁶ PG&E CPE notifies the CAM PRG of all Qualified Offers for <u>Track A and Track B</u> .	Mid-April 2025
Estimated time frame for execution of Agreement(s) resulting from the Track A Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant (Track A)	Thursday, July 3, 2025
Estimated time frame for execution of Agreement(s) resulting from the Track B Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant (Track B)	Early August 2025
PG&E CPE's estimated Local RA Showing for the 2026, 2027, and 2028 compliance years with the CPUC	Mid-August 2025

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

⁵ 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.

⁶ PG&E CPE does not issue a shortlist and there is no bid fee required to accept Qualification status.

receipt of CPUC Approval within a stated period of time, as described further within the applicable Agreement. PG&E reserves the right to seek CPUC Approval of certain Agreements prior to execution of others. Participants should factor the CPUC's approval process into their project development timelines and proposals.

III. Terms for RFO Participation

Each Participant providing a Competitive Offer shall provide its electronic signature of a duly authorized representative of Participant in the applicable 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 Competitive Offer and executing the applicable Self-Shown Attestation⁷ and/or Agreement with PG&E CPE in the form submitted with its 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 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 Competitive Offer and that it is submitting its Competitive Offer in good faith, such that PG&E CPE may reasonably expect Participant to execute an applicable Self-Shown Attestation and/or Agreement as provided in its 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 Competitive Offer, or review or evaluation of Participant's 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

⁷ Self-Shown Attestation is defined in Attachment 1 below.

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 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 Competitive Offer, at any time from submission of the Competitive Offer to PG&E CPE's acceptance of the Competitive Offer, or Participant's withdrawal of the 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 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 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 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 Competitive Offer(s), including without limitation the price or any other terms or conditions of any Competitive Offer(s).

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, PRG, and 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 Competitive Offers, PG&E CPE will submit a summary of all 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.E 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 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. Please note: PG&E CPE does not issue a shortlist and there is no bid fee required to accept Qualification status.

VIII. 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.

IX. Waiver of Claims and Limitations of Remedies

Except as expressly set forth in this Protocol, by submitting a 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 Competitive Offer has not already been rejected or disqualified, automatically disqualify such Competitive Offer from further consideration in the RFO or otherwise.

By submitting a 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

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.

X. 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 Competitive Offer is accepted, not accepted, selected, not selected, rejected, or disqualified. PG&E CPE will endeavor to provide notification to Participants upon RFO termination.

Attachment 1: 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 1. 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 from that same resource in the same delivery month.

Competitive Offers shall not be made contingent upon or subject to the execution of any Agreement related to any other Competitive Offer.

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 of the Competitive Offer Process for Compensated Self-Shown Commitments.

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

Shown Term	Initial Shown Date (“ISD”)	Agreement(s) or Attestation(s)
Must commence on the later of: 1. The start of the term of the original 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 2026 RA compliance period on 1/1/2026. Must end on the earlier of: 1. The end term of the original contract, or for UOG the end of the resource’s useful life, and 2. The end of the 2028 RA compliance period on 12/31/2028.	- Any month from 2026 to 2028, subject to the Shown Term requirements - ISD must begin on first day of month	Appendix E1 – Compensated Self-Shown RA Agreement Self-Shown Attestation (Located within Appendix F – Compensated 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 2025 CPE Local RA RFO

Event	Dates
Participants are invited to register online to receive notices regarding the RFO at www.pge.com/cpe	Ongoing
PG&E CPE issues RFO	Thursday, February 20, 2025
Participants’ Webinar	Thursday, February 27, 2025
Deadline for PG&E Participant to submit Competitive Offers via PowerAdvocate	Tuesday, March 25, 2025 at 1PM (PPT)
Deadline for Non-PG&E Participants to submit Competitive Offers via PowerAdvocate ⁸	Wednesday, March 26, 2025 at 1PM (PPT)
PG&E CPE notifies Participants that their Offer(s) are Qualified and whether they fall into Track A or Track B timeframe for potential execution. ⁹ PG&E CPE notifies the CAM PRG of all Qualified Offers for Track A and Track B .	Mid-April 2025
Estimated time frame for execution of Agreement(s) resulting from the Track A Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant (Track A)	Thursday July 3, 2025
Estimated time frame for execution of Agreement(s) resulting from the Track B Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant (Track B)	Early August 2025
PG&E CPE’s estimated Local RA Showing for the 2026, 2027, and 2028 compliance years with the CPUC	Mid-August 2025

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

⁸ 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.

⁹ PG&E CPE does not issue a shortlist and there is no bid fee required to accept Qualification status.

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. SHOWN TERM

In accordance with the Decisions, PG&E CPE is seeking Competitive Offers for Compensated Self-Shown Commitments with Shown Terms commencing in 2026, 2027, or 2028.

Compensated Self-Shown Commitments¹⁰

- Per OP 3 of the LCR RCM Decision, the Shown Term must commence on the later of:
 - The start of the term of the original contract for the resource, or, for UOG, the beginning of the useful life for that resource; and
 - The beginning of the 2026 RA compliance period on 1/1/2026.
- Per OP 3 of the LCR RCM Decision, the Shown Term must end on the earlier of:
 - The end term of the original contract, or, for UOG, the end of the resource's useful life; and
 - The end of the 2028 RA compliance period on 12/31/2028.
- Shown Term must commence on the first day of any calendar month within the 2026, 2027, or 2028 RA compliance periods.

V. EXISTING AND NEW RESOURCE DEFINITION

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
Existing Resource	Resources that are listed on the 2025 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 March 25, 2025. ¹¹
New Resource	Resources that are <i>not</i> listed on the CAISO NQC List <u>or</u> have <i>not</i> achieved CAISO COD by March 25, 2025.
	Existing or retired resources that are being repowered to achieve a net increase in generation capacity.

¹⁰ See D.20-12-006, OP 3(g), pg. 46.

¹¹ <http://www.caiso.com/participate/Pages/NewResourceImplementation/Default.aspx>

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

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:

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.¹² 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, 2020.¹³
 - 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,

¹² D.20-12-006, OP 5.

¹³ D.20-12-006, OP 6.

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

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 ("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; 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 F: Compensated Self-Shown Commitment Form.

VIII. AGREEMENTS

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

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 2025 Prices published by the CPUC.¹⁴

X. CREDIT

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

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 PowerAdvocate, a web-based platform PG&E CPE uses to collect all documents from Participants.

Prior to submitting a Competitive Offer, Participants must register with PowerAdvocate. Detailed instructions about submitting documents through PowerAdvocate and using the online platform are posted on the RFO website. PowerAdvocate 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 PowerAdvocate well before Competitive Offers are due.

Each Competitive Offer should be uploaded as a “Commercial and Administrative” document type in PowerAdvocate. 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).

¹⁴ The LCR RCM prices for 2025 have not been published as of the date of the CPE’s launch of the solicitation. The CPE team will post the final 2025 prices on the RFO website once they have been published by the CPUC. The most recent LCR RCM prices from 2024 are available at the following link: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/lcr-rcm-2024.pdf>

There are separate PowerAdvocate 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 in Table XI.1:

Table XI.1: PG&E 2025 CPE Local RA RFO Competitive Offer Package Submittal

Offer Type	PowerAdvocate Links	Event ID
Competitive Offer(s) from PG&E Participant ¹⁵	https://www.poweradvocate.com/pR.do?okey=228584&pubEvent=true	228584
Competitive Offer(s) from All Non-PG&E Participants	https://www.poweradvocate.com/pR.do?okey=228582&pubEvent=true	228582

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.

¹⁵ 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.

Table XI.2: Offer Package for Competitive Offers for Compensated Self-Shown Commitments¹⁶

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
F	Compensated Self-Shown Commitment Form	Appendix F 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 F	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

¹⁶ Appendices A1, B1, B2, E1, and F are accessible via the “Download Documents” tab of the applicable PowerAdvocate event. Please refer to the PowerAdvocate User Guide posted on the RFO website for guidance.

XII. SELF-SHOWN ATTESTATION INFORMATION

CPUC LSEs submitting Competitive Offers for Compensated Self-Shown Commitments will need to ensure that the Self-Shown Attestation included in Appendix F: 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 F: Compensated Self-Shown Commitment Form.

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

XIII. OFFER FORM INFORMATION

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

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. Please note: PG&E CPE does not issue a shortlist and there is no bid fee required to accept Qualification status.

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

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

XVI. ADDITIONAL COMPETITIVE OFFER INFORMATION

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 PowerAdvocate. 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

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);¹⁷
- 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 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.

*** End of Attachment 1 ***

¹⁷ 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>.

Attachment 2: Competitive Offer Process – Bundled RA and Bundled RA with Energy Settlement

I. OVERVIEW

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 shall not be made contingent upon or subject to the execution of any Agreement related to any other Competitive Offer.

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

CPUC LSEs Only:

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 from that same resource in the same delivery month.

Additionally, CPUC LSEs have the ability 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 Agreement¹⁸ (“RA Confirm Option”). This RA Confirm Option will be limited to the requirements listed in II. Product Overview of this Attachment 2.

II. PRODUCT OVERVIEW

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.

¹⁸ 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, Appendix E6 and Appendix E7, respectively.

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. This mailbox is monitored during regular business hours (M-F; 8am-5pm). We will respond to your inquiry within 2 business days.

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

Resource	Delivery Term ¹⁹	Initial Delivery Date ("IDD")	Agreement(s) or Attestation(s)
Existing Resource	<u>Eligible Delivery Terms:</u> Greater than or equal to 1 month²⁰ <u>PG&E CPE Preferred Delivery Terms:</u> PG&E CPE has a preference for Delivery Terms of 1 – 60 months.	IDD must be the first day of any calendar month within the 2026, 2027, or 2028 RA compliance years	Appendix E2 – RA Agreement for Owner of Existing Resource Appendix E4 – RA Agreement for Non-Owner of Existing Resource <u>CPUC LSEs Only:</u> - 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
New Resource	<u>Eligible Delivery Terms:</u> Greater than or equal to 1 month²¹ <u>PG&E CPE Preferred Delivery Terms:</u> - PG&E CPE has a preference for Delivery Terms of 1 – 60 months. - For New Resources where Participant is the owner of the resource, PG&E CPE may be willing to consider a Delivery Term of 10 years or more to help incentivize the development of new local resources.	IDD must be the first day of any calendar month commencing prior to December 31, 2030.	Appendix E3 – RA Agreement for Owner of New Resource Appendix E5 – RA Agreement for Non-Owner of New Resource <u>CPUC LSEs Only:</u> - 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

For the 2025 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

¹⁹ Delivery Term is measured as the expected commencement of deliveries to the expected conclusion of deliveries.

²⁰ 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."

²¹ 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."

calendar year 2026 for execution by July 3, 2025 (“**Track A**”). All other Competitive Offers for Bundled RA and Bundled RA with Energy Settlement for capacity delivered after 2026 will be considered for execution by early August 2025 (“**Track B**”).

RA Confirm Option

CPUC-jurisdictional LSEs have the ability 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. 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 RFO website as Appendix E6 and Appendix E7, respectively.

This RA Confirm Option is limited to the below Offers and will exclude Compensated Self-Shown Commitments:

Offers from CPUC LSEs:

- 1) with respect to an existing resource already under contract with such CPUC LSE, who is the non-owner/operator of the resource; and
- 2) that have a delivery term that will not commence prior to the 2026 RA compliance period on 1/1/2026 and will not extend beyond the 2028 RA compliance period ending on 12/31/2028.

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 2025 CPE Local RA RFO

Event	Dates
Participants are invited to register online to receive notices regarding the RFO at www.pge.com/cpe	Ongoing
PG&E CPE issues RFO	Thursday, February 20, 2025
Participants’ Webinar	Thursday, February 27, 2025
Deadline for PG&E Participant to submit Competitive Offers via PowerAdvocate	Tuesday, March 25, 2025 at 1PM (PPT)

Deadline for Non-PG&E Participants to submit Competitive Offers via PowerAdvocate ²²	Wednesday, March 26, 2025 at 1PM (PPT)
PG&E CPE notifies Participants that their Offer(s) are Qualified and whether they fall into Track A or Track B timeframe for potential execution. PG&E CPE notifies the CAM PRG of all Qualified Offers for <u>Track A and Track B.</u>	Mid-April 2025
Estimated time frame for execution of Agreement(s) resulting from the Track A Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant (Track A)	Thursday, July 3, 2025
Estimated time frame for execution of Agreement(s) resulting from the Track B Competitive Offer Process, provided that the Agreement(s) are mutually agreed to by both PG&E CPE and the respective Participant (Track B)	Early August 2025
PG&E CPE's estimated Local RA Showing for the 2026, 2027, and 2028 compliance years with the CPUC	Mid-August 2025

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 and Bundled RA with Energy Settlement

- May have a Delivery Term greater than or equal to 1 month.^{23 24}
- Existing resources must have an IDD that falls on the first day of any calendar month within the 2026, 2027, or 2028 RA compliance years.
- New Resources must have an IDD that falls on the first day of any calendar month commencing prior to December 31, 2030.

²² 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.

²³ 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."

²⁴ 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."

- PG&E CPE has a preference for Delivery Terms from 1 month – 60 months.²⁵
- For New Resources where Participant is the owner of the resource, PG&E CPE may be willing to consider a Delivery Term of 10 years or more to help incentivize the development of new local resources.

V. EXISTING AND NEW RESOURCE DEFINITION

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
Existing Resource	Resources that are listed on the 2025 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 March 25, 2025. ²⁶
New Resource	Resources that are <i>not</i> listed on the CAISO NQC List <u>or</u> have <i>not</i> achieved CAISO COD by March 25, 2025.
	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

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.

²⁵ 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.”

²⁶ <http://www.caiso.com/participate/Pages/NewResourceImplementation/Default.aspx>

B. Eligible Resources

Any New or Existing Resource of any technology type that can provide local RA within the PG&E Local Capacity Areas.

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

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 RA²⁷:

- 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
- 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 Letter²⁸

VIII. PRICING

Participants are required to include pricing in their Competitive Offers. For Bundled RA/Bundled RA with Energy Settlement offers with a Delivery Term of 1-60 months, Participants have the option to provide monthly pricing in the form of \$/kW-month per calendar month.

IX. CREDIT

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”).²⁹ For reference, the tables below describe the credit requirements in each of the Agreements.³⁰

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.³¹ Participants, who qualify for 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

²⁷ Appendices E2, E3, E4, and E5 may be used for Bundled RA with Energy Settlement.

²⁸ Appendix E8 is for use by CPUC LSEs remarketing capacity.

²⁹ PG&E as the CPE will not provide Performance Assurance.

³⁰ Credit requirements described in Section IX 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.

³¹ A credit rating of BBB- or higher by Standard and Poor’s Inc. or Baa3 by Moody’s is considered investment grade.

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

Table IX.1 below describes the collateral requirements within the RA Agreements and applies to all entities.

Table IX.1: Credit/Collateral Requirements within the RA Agreements for All 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	Project Development Security (PDS): \$80/kW (Within five days of execution) Delivery Term Security (DTS): 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

In the event 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.

X. 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 PowerAdvocate, 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 PowerAdvocate. Detailed instructions submitting documents through PowerAdvocate and using the online platform are posted on the RFO website. PowerAdvocate 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 PowerAdvocate well before Competitive Offers are due.

Each Competitive Offer should be uploaded as a “Commercial and Administrative” document type in PowerAdvocate. 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 PowerAdvocate 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 in Table X.1:

Table X.1: PG&E 2025 CPE Local RA RFO Competitive Offer Package Submittal

Offer Type	PowerAdvocate Links	Event ID
Competitive Offer(s) from PG&E Participant ³²	https://www.poweradvocate.com/pR.do?okey=228584&pubEvent=true	228584
Competitive Offer(s) from All Non-PG&E Participants	https://www.poweradvocate.com/pR.do?okey=228582&pubEvent=true	228582

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

³² 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.

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 X.2 below and must be organized in accordance with these instructions.

Table X.2: PG&E 2025 CPE Local RA RFO Competitive Offer Package³³

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
A3	Offer Form – Bundled RA for CPUC LSEs Only	Appendix A3 is to be used by CPUC LSEs offering Bundled RA only with a delivery term that commences no sooner than the start of the 2026 compliance year (1/1/2026) and extends no further than the end of the 2028 compliance year (12/31/2028).	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
C	FERC 717 Waiver ³⁴	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 RA Agreement for Owner of New Resource RA Agreement for Non-Owner of Existing Resource RA Agreement for Non-Owner of New Resource	Participants must provide any proposed markups to the Agreement. Participants may not submit more than one version of proposed markups for each relevant Agreement.	MS Word

³³ Appendices A2, A3, B1, B2, C, E2, E3, E4, and E5 are accessible via the “Download Documents” tab of the applicable PowerAdvocate event. Please refer to the PowerAdvocate User Guide posted on the RFO website for guidance.

³⁴ This requirement pertains to Generator Owners/Operators only.

Appendix	Title	Description	Format
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
- Appendix C – FERC 717 Waiver³⁵

XI. OFFER FORM INFORMATION

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 and Appendix A3 – Bundled RA for CPUC LSEs Only 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.

XII. REQUIREMENT FOR COMPLETE COMPETITIVE OFFER PACKAGES

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.

³⁵ This requirement pertains to Generator Owners/Operators only.

XIII. NUMBER OF VARIATIONS ALLOWED FOR COMPETITIVE OFFERS FOR BUNDLED RA OR BUNDLED RA WITH ENERGY SETTLEMENT

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.

XIV. ADDITIONAL COMPETITIVE OFFER INFORMATION

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 PowerAdvocate. 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”.

XV. EVALUATION OF COMPETITIVE OFFERS

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);³⁶
- 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.

*** End of Attachment 2 ***

³⁶ 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](#)
To: [Bruton, Grace](#)
Subject: PG&E Central Procurement Entity (CPE) 2025 RFO Launch
Date: Thursday, February 20, 2025 1:32:24 PM

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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 2025 Central Procurement Entity Local Resource Adequacy Request for Offers & Commitments ("2025 CPE Local RA RFO" or "RFO") seeking to procure local resource adequacy ("Local RA") or obtain compensated self-shown commitments for Local RA to meet the objectives of California Public Utility Commission ("CPUC") decisions below (collectively, "Decisions"):

- 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");
- [D.22-03-034](#), ("RA OIR Phase 1 Decision");
- [D.23-06-029](#), ("RA OIR Phase 3 Decision"); and
- [D.24-12-003](#), ("RA OIR Decision on Track 2 Issues").

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.

Note: Certain RFO materials, including, but not limited to Participant Offer Form(s), Offer Form Guide(s), etc. are not yet available for download on PowerAdvocate. PG&E CPE will notify Participants once they are available.

PG&E as CPE is seeking to procure Local RA or obtain compensated self-shown commitments for Local RA to meet the Local RA procurement requirements in PG&E's electric distribution service area. In 2025 PG&E as CPE is required to procure or obtain compensated self-shown commitments for 100 percent of the CPUC's 2026 Local RA requirements, 100 percent of the CPUC's 2027 Local RA requirements, and 50 percent of the CPUC's 2028 Local RA Requirements. Procured resources and compensated self-shown resources from the 2025 CPE Local RA RFO will qualify towards meeting the minimum procurement requirements detailed in the Decisions.

PG&E as CPE will host a Participants' Webinar on Thursday, February 27th, 2025, which will provide an overview of PG&E as CPE's 2025 CPE Local RA RFO and the requirements of the RFO. Webinar links and dial-in information will be provided prior to the date above.

PG&E as CPE will use the PowerAdvocate platform to host all RFO-related materials and to receive offers and compensated self-shown commitments in this RFO. All participants are required to pre-register through PowerAdvocate in order to submit an offer or compensated self-shown commitment. Instructions for offer or compensated self-shown commitment submittal, guidance on downloading RFO materials from PowerAdvocate, and links to the PowerAdvocate events will be available on PG&E as CPE's website at the link below.

Please refer to PG&E as CPE's [2025 CPE Local RA RFO Website](#) for the RFO Solicitation Protocol, PowerAdvocate event details, schedule, and updates pertaining to this RFO. 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 with a copy to the Independent Evaluator, Merrimack Energy Group, Inc, at merrimackIE@merrimackenergy.com. We look forward to your participation.

Regards,
PG&E as CPE
www.pge.com/cpe

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Pacific Gas & Electric Company · 300 Lakeside Drive · Oakland, CA 94612 · USA

**Pacific Gas and Electric Company (PG&E) acting as the Central Procurement Entity
(CPE)**

**CPE Annual Compliance Report (ACR)
September 19, 2025**

**Compliance with Certain Ordering Paragraphs of CPUC Decisions
20-06-002, 20-12-006, 22-03-034, 23-06-029, and 24-12-003**

OP	CPE Decision (D. 20-06-022) Ordering Paragraph Language	Section of Report or Supporting Documentation
8	The central procurement entity (CPE) shall conduct a competitive, all-source solicitation for local Resource Adequacy (RA) procurement with the following requirements: 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 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. 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. d) CAM resources and investor-owned utility local Demand Response resources shall reduce the local RA amount that the CPE must procure. 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.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2025 CPE Local RA RFO. For 8.e., PG&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.
13	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.	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.

OP	CPE Decision (D. 20-06-022) Ordering Paragraph Language	Section of Report or Supporting Documentation
14	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: a. Future needs in local and sub-local areas; b. Local effectiveness factors, as published in the California Independent System Operator’s Local Capacity Requirement Technical Studies; c. Resource costs; d. Operational characteristics of the resources (efficiency, age, flexibility, facility type); e. Location of the facility (with consideration for environmental justice); f. Costs of potential alternatives; g. Greenhouse Gas (GHG) adders; h. Energy-use limitations; and i. Procurement of preferred resources and energy storage (to be prioritized over fossil generation). The GHG planning price, adopted in D.18-02-016, shall guide development of the GHG adder used by the central procurement entity.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2025 CPE Local RA RFO. 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). See OP 8 in the section related to Compliance with Ordering Paragraphs of the RA OIR Phase 1 Decision (D.22-03-034) below.
15	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.	OP 15 was superceded in OP 9 of D.22-03-034, the RA OIR Phase 1 Decision. See OP 9 in the section related to Compliance with Ordering Paragraphs of the RA OIR Phase 1 Decision (D.22-03-034) below.
17	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.	PG&E CPE established the Centralized Local Procurement Balancing Account through AL 5919-E, which became effective on September 16, 2020.
18	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.	PG&E as the CPE filed supplemental testimony in the ERRA forecast proceeding on August 14, 2020.

OP	CPE Decision (D. 20-06-022) Ordering Paragraph Language	Section of Report or Supporting Documentation
21	An independent evaluator (IE) shall be retained to monitor the central procurement entity's (CPE) solicitation process and contract execution process, as follows: 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. e. The CPE shall permit periodic oversight of the IE process by Energy Division. 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.	Refer to CPE_Conf_Atch_D_IE_Report for more information on the role of the IE during the CPE solicitation process. PG&E CPE contracted Merrimack Energy Group from PG&E's pool of IE's, to serve as the IE for its 2025 procurement activities beginning in December 2024.
24	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.	Refer to CPUC Decision 20-12-006, OP 9 (copied in table below for reference) to evidence PG&E CPE's competitive neutrality rule as adopted by the Commission.

OP	CPE Decision (D. 20-06-022) Ordering Paragraph Language	Section of Report or Supporting Documentation
25	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 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.	Refer to PG&E CPE’s 2021 Annual Compliance Report (Advice Letter 6386-E), PG&E CPE’s 2022 Annual Compliance Report (Advice Letter 6706-E), PG&E CPE’s 2023 Annual Compliance Report (Advice Letter 7027-E), and PG&E CPE’s 2024 Annual Compliance Report (Advice Letter 7365-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&E CPE’s Code of Conduct. 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 2025. All PG&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, 2023 Local RA RFO, 2024 Local RA RFO, or 2025 Local RA RFO. Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2025 CPE Local RA RFO.
26	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.	Refer to Public Attachment E – Deferred Procurement for information related to CPE deferral to backstop procurement. Please also refer to CPE_Conf_Atch_E_Deferred_Procurement for information related to CPE deferral to backstop procurement.

OP	CPE Decision (D. 20-06-022) Ordering Paragraph Language	Section of Report or Supporting Documentation
28	The Resource Adequacy timeline outlined in Section 3.10 is adopted in anticipation of the 2023 compliance year and future years.	The timeline in OP 28 was superceded in OP 13 of D.22-03-034, the RA OIR Phase 1 Decision. See OP 13 in the section related to Compliance with Ordering Paragraphs of the RA OIR Phase 1 Decision (D.22-03-034) below.

OP	LCR RCM Decision (D.20-12-006) Ordering Paragraph Language	Section of Report or Supporting Documentation
3	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: (a) The central procurement entity (CPE) may accept or reject the shown local resource if more cost-effective resources are available. (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. (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: 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. 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. (d) The price shall be differentiated by local area or sub-local area, unless higher-level aggregation is required to mask individual resource prices. (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. (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. (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. (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.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2025 CPE Local RA RFO explaining the LCR RCM Compensated Self-Shown product requirements. 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. OP 3(c) was modified by OP 15 of D.22-03-034, the RA OIR Phase 1 Decision. OP 3(e) references LSEs' option to show resources for no compensation or indicate that the resource will be available to show the local RA attribute if bid in and the bid is not accepted. This option was superceded by OP 3 of D.24-12-003, the RA OIR Track 2 Decision, which eliminated the non-compensated self showing option. OP 3(h) was superceded in OP 2 of D. 22-03-034, the RA OIR Phase 1 Decision. See section related to Compliance with Ordering Paragraphs of the RA OIR Phase 1 Decision (D.22-03-034) below.

OP	LCR RCM Decision (D.20-12-006) Ordering Paragraph Language	Section of Report or Supporting Documentation
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 2025 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 2025 CPE Local RA RFO.
6	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. (a) In the case of a new hybrid resource, the entire hybrid resource may be eligible for the LCR RCM. (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. (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.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2025 CPE Local RA RFO.

OP	LCR RCM Decision (D.20-12-006) Ordering Paragraph Language	Section of Report or Supporting Documentation
9	Pacific Gas and Electric Company's (PG&E) proposed competitive neutrality protocol is adopted, as follows: 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's distribution service area shall be limited to PG&E 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 (UOG) resources or PG&E-contracted resources that can provide local RA and are eligible to bid or show to the CPE. PG&E staff receiving such confidential, competitive information from LSEs, generators, third-party marketers, DRPs or the CAISO in the discharge of PG&E'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.	Refer to CPE_Conf_Atch_D_IE_Report for more information regarding the PG&E CPE's compliance with the competitive neutrality rule.
10	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.	The 2021 ERRA compliance filing was filed on February 28, 2022. The information contained in the ERRA proceeding was in compliance with OP 10. The 2022 ERRA compliance filing was filed on February 28, 2023. The information contained in the ERRA proceeding was in compliance with OP 10. The 2023 ERRA compliance filing was filed on February 28, 2024. The information contained in the ERRA proceeding was in compliance with OP 10. The 2024 ERRA compliance filing was filed on February 28, 2025. The information contained in the ERRA proceeding was in compliance with OP 10. PG&E has controls in place to prevent the sharing of confidential information. Only those with access can view the confidential information.

OP	RA OIR Phase 1 Decision (D.22-03-034) Ordering Paragraph Language	Section of Report or Supporting Documentation
2	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: 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. 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.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2025 CPE Local RA RFO. Refer to CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contra cts_Amended.
3	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.	OP 3 references the option for LSEs to elect to self-show a resource for no compensation if their bid is not accepted. This option was superseded by OP 3 of D.24-12-003, the RA OIR Track 2 Decision, which eliminated the non-compensated self showing option. Refer to CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contra cts_Amended.
4	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.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2025 CPE Local RA RFO. Refer to CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contra cts_Amended.

OP	RA OIR Phase 1 Decision (D.22-03-034) Ordering Paragraph Language	Section of Report or Supporting Documentation
5	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.	PG&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.
8	The selection criteria in OP 14 of the CPE Decision are replaced with the following criteria. a. Future needs in local and sub-local areas; b. Resource costs; c. Operational characteristics of the resources (facility type); d. Location of the facility (with consideration for environmental justice); e. Costs of potential alternatives; f. Greenhouse Gas adders; g. Energy-use limitations; and h. Procurement of preferred resources and energy storage (to be prioritized over fossil generation). 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.	Refer to Public Attachment 5(a) CPE's Solicitation Protocol from the 2025 CPE Local RA RFO.
9	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)."	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2025 CPE Local RA RFO indicating the information required to be submitted for all offers.

OP	RA OIR Phase 1 Decision (D.22-03-034) Ordering Paragraph Language	Section of Report or Supporting Documentation
10	In its solicitation process, the central procurement entity shall consider bids of any contract term length greater than or equal to one month.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2025 CPE Local RA RFO.
11	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.	Refer to CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended.
12	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. 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: 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) The Cost Allocation Mechanism Procurement Review Group (CAM PRG) was properly consulted, as described in Ordering Paragraph 13 of D.20-06-002; 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 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.	Refer to CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended.

13	The timeline adopted is adopted for CPE procurement and replaces the timeline adopted in OP 28 of the CPE Decision. • 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. • No Later Than Mid-May: Load-serving entities (LSEs) in Southern California Edison (SCE) and Pacific Gas & Electric Company (PG&E) transmission access charge (TAC) areas make self-shown commitment of local resources to the CPE for the applicable Resource Adequacy (RA) years. • No Later than June: The Commission adopts multi-year local RA requirements for the applicable compliance years as part of its June decision. • No Later Than Early July: CPE receives total jurisdictional share of multi-year local RA requirements for the applicable compliance years. • July: ○ For the SCE and PG&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. ○ For the San Diego Gas and Electric Company (SDG&E) TAC area, LSEs receive initial RA allocations (system, flexible, local requirements) and CAM credits. • Mid-August: CPE makes local RA showing to the Commission. • End of August: LSEs in the SCE and PG&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. • September: ○ For PG&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. ○ For the SDG&E TAC area, LSEs receive final RA allocations (system, flexible, local requirements) and CAM credits. • End of October: ○ LSEs in the SDG&E TAC make system, flexible, and three-year local RA showing. ○ LSEs in PG&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.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2025 CPE Local RA RFO outlining the timeline for the RFO, including the launch date in February 2025. 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 2026 RA Filing Guide, the PG&E CPE made its local RA showing to the Commission on August 19, 2025.
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OP	RA OIR Phase 1 Decision (D.22-03-034) Ordering Paragraph Language	Section of Report or Supporting Documentation
	○ The CPEs and LSEs that committed to self-show make year-ahead showing to CAISO.	
15	Ordering Paragraph 3 of Decision 20-12-006 is modified as follows: 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: 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.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE's Solicitation Protocol from the 2025 CPE Local RA RFO explaining the LCR RCM Compensated Self-Shown product requirements. 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.
17	Each central procurement entity's (CPE) Annual Compliance Report shall include the following information: a) Total local Resource Adequacy (RA) allocation for the CPE from the Commission; b) Total local demand response (DR) resources allocated for the CPE by the Commission; c) Total local Cost Allocation Mechanism resources (non-DR) applied towards CPE requirements; d) Total local resources procured by the CPE; e) Total load-serving entity self-shown local resources; f) Net total position associated with the CPE; g) Total capacity of preferred resources that were bid or shown to the CPE; h) Total capacity of preferred resources selected and not selected by the CPE; and i) Total capacity of MW procured by the CPE from generation facilities located in Disadvantaged Communities. The new data requirements for the Annual Compliance Report shall be effective for the 2023 Annual Compliance Report.	Refer to Public Attachment A - PG&E CPE Aggregate Procurement Summary and Additional Reporting, which fulfills this requirement.

OP	RA OIR Phase 1 Decision (D.22-03-034) Ordering Paragraph Language	Section of Report or Supporting Documentation
19	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.	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. 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. The 2025 ERRA forecast proceeding was filed on May 15, 2024 (A.24-05-009). A separate confidential chapter was included in the ERRA forecast testimony. The 2026 ERRA forecast proceeding was filed on May 15, 2025 (A.25-05-011). A separate confidential chapter was included in the ERRA forecast testimony. PG&E has controls in place to prevent the sharing of confidential information. Only those with access can view the confidential information.

OP	RA OIR Phase 3 Program Refinements Decision (D.23-06-029) Ordering Paragraph Language	Section of Report or Supporting Documentation												
12	The Central procurement entity (CPE) shall report the following in both: (a) the mid-August compliance filing and (b) the September Annual Compliance Report: Monthly Procurement Summary Covering All CPE Procurement <table><tr><td>Total California Public Utility Commission (CPUC) Local Allocation (excluding demand response (DR)) Report</td><td>Total CPUC-allocated Local DR</td><td>Local Cost Allocation Mechanism (CAM) (non-DR)</td><td>Total Procured Resources</td><td>Total Self-Shown</td><td>Net Total</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> and (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 amounts 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.	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							Refer to Public Attachment A - PGE CPE Aggregate Procurement Summary and Additional Reporting, which fulfills this requirement
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									

OP	RA OIR Track 2 Decision (D.24-12-003) Ordering Paragraph Language	Section of Report or Supporting Documentation
3	The non-compensated self-showing option of the central procurement entity (CPE) framework is eliminated, effective 30 days from the issuance date of this decision. For self-shown capacity that has been committed to the CPEs, the CPEs shall send a letter to load-serving entities with an existing and/or active attestation within 30 days of the issuance of this decision, nullifying any remaining commitments and stating that the commitments shall no longer be relied on for purposes of satisfying the CPE’s compliance obligations.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2025 CPE Local RA RFO, which addresses the elimination of the non-compensated self-showing option from the CPE framework. PG&E CPE issued nullification letters to LSEs with active attestations on Dec. 24, 2024.
5	California Community Choice Association’s proposal to lock central procurement entity (CPE) allocations to load-serving entities (LSE) one year earlier is adopted, on an interim basis. This will be effective in 2025 for the 2027 Resource Adequacy (RA) compliance year and will be reevaluated by the end of 2027. The following CPE procurement process is adopted (using Y to indicate the compliance year). (a) Local CPE procurement conducted by October 31 in Y-2 for compliance year Y will be considered “locked:” in Y-1, the CPEs will no longer procure for local requirements allocated in Y-2. (b) In Y-1, the CPEs will only conduct procurement for the incremental changes between what was provided in Y-2 and the California Independent System Operator’s updated Local Capacity Technical study for compliance year Y. Any incremental procurement the CPE conducts for compliance year Y will be allocated to LSEs in accordance with the annual CPE and LSE allocation timelines in August and mid-September.	Refer to Public Attachment 5(a) CPE RFO Documentation for the CPE’s Solicitation Protocol from the 2025 CPE Local RA RFO, which addresses the new CPE procurement timeline. Additionally, Public Attachment E addresses PG&E CPE’s deferred procurement.
6	The central procurement entities (CPE) shall provide the following additional information in their Annual Compliance Reports: (1) the CPEs’ local Resource Adequacy (RA) capacity procured on a California Independent System Operator (CAISO)-defined local capacity area level; (2) the CPEs’ net open positions on a CAISO-defined local capacity area level; and (3) capacity purchased by the CPEs on a resource-specific level, which aligns with reporting processes of other Cost Allocation Mechanism (CAM)-eligible resource procurement.	Refer to Public Attachment A - PGE CPE Aggregate Procurement Summary and Additional Reporting, which fulfills this requirement.

Attachment 6

Confidentiality Declarations and Matrices

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

**PACIFIC GAS AND ELECTRIC COMPANY
CENTRAL PROCUREMENT ENTITY (CPE)
ANNUAL COMPLIANCE REPORT ADVICE LETTER 7704-E**

**DECLARATION OF MEHUL PATEL
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN PG&E CPE'S ANNUAL COMPLIANCE REPORT**

I, Mehul 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, 24-12-003, and relevant Commission rules, I make this declaration seeking confidential treatment for certain procurement data and information contained in PG&E CPE's 2025 Annual Compliance Report, Advice Letter 7704-E.

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 for CPE-specific data (as modified in D.23-06-029 and D.24-12-003), and/or other relevant Commission rules. The matrix also specifies why confidential protection is justified. Further, the data and information identified as confidential (1) is not already public; and

(2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure as part of this filing. 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, 2025, at Oakland, California.

/s/

MEHUL PATEL

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**PG&E CENTRAL PROCUREMENT ENTITY
ANNUAL COMPLIANCE REPORT ADVICE LETTER 7704-E
SEPTEMBER 19, 2025**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, D.24-12-003, Appendix B, or Separate Confidentiality Statute, or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document: CPE Annual Compliance Report – Confidential Attachment A: New Contracts Executed/Amended			
All information contained in the following files/folders in Confidential Attachment A: 1) “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”; 2) Documents within the CPE RFO Documentation Folder: (“03_PG&E CPE 2025 RFO – Qualitative Evaluation Results.pdf”; “04_PG&E CPE 2025 RFO – Quantitative Evaluations Results.pdf”); 3) Documents within the CPE Bilateral Documentation Folder: (“03_PG&E CPE 2025 Bilateral Procurement – Qualitative Evaluation Results.pdf”; “04_PG&E CPE 2025 Bilateral Procurement – Quantitative Evaluations Results.pdf”); 4) All executed contract documents in the following zip files within the CPE Attestations and New Contracts Folder: • “Bilateral Transactions-CONF.zip” • “Bundled RA Agreement-CONF.zip”; • “Nullification Letters-CONF.zip”; • “Shown Capacity Attestations-CONF.zip”; • “Shown RA with RCM-CONF.zip”	D.24-12-003, Appendix B: 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. 24-12-003, Appendix B: 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. 24-12-003, Appendix B: 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

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**PG&E CENTRAL PROCUREMENT ENTITY
ANNUAL COMPLIANCE REPORT ADVICE LETTER 7704-E
SEPTEMBER 19, 2025**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, D.24-12-003, Appendix B, or Separate Confidentiality Statute, or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document: CPE Annual Compliance Report – Confidential Attachment A: New Contracts Executed/Amended (Continued)			
All information contained in the following files/folders in Confidential Attachment A: 1) “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”; 2) Documents within the CPE RFO Documentation Folder: (“03_PG&E CPE 2025 RFO – Qualitative Evaluation Results.pdf”; “04_PG&E CPE 2025 RFO – Quantitative Evaluations Results.pdf”); 3) All executed contract documents in the following zip files within the CPE Attestations and New Contracts Folder: • “Shown Capacity Attestations-CONF.zip”; • “Shown RA with RCM-CONF.zip”	D. 24-12-003, Appendix B: Capacity Procured (Self-Shown) – Resource Specific	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.	Front 3 years

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**PG&E CENTRAL PROCUREMENT ENTITY
ANNUAL COMPLIANCE REPORT ADVICE LETTER 7704-E
SEPTEMBER 19, 2025**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, D.24-12-003, Appendix B, or Separate Confidentiality Statute, or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document: CPE Annual Compliance Report – Confidential Attachment B: Counterparty Information			
“PGE CPE - Confidential Attachment B – Non-Invest Grade Ctrpty.pdf”	D. 24-12-003, Appendix B: 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. 24-12-003, Appendix B: 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. 24-12-003, Appendix B: 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

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**PG&E CENTRAL PROCUREMENT ENTITY
ANNUAL COMPLIANCE REPORT ADVICE LETTER 7704-E
SEPTEMBER 19, 2025**

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Document: CPE Annual Compliance Report – Confidential Attachment C: Key Briefing Packages			
All information contained in the following files/folders in Confidential Attachment C: 1) “PGE CPE - Confidential Attachment C – Key Briefing Packages.pdf”; 2) All files, folders and documents within zip file: “Meeting Invitations, Materials and Summaries – by month_CONF.zip” “CAM PRG Communications_Conf.pdf”	D. 24-12-003, Appendix B: 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. 24-12-003, Appendix B: 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. 24-12-003, Appendix B: 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

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**PG&E CENTRAL PROCUREMENT ENTITY
ANNUAL COMPLIANCE REPORT ADVICE LETTER 7704-E
SEPTEMBER 19, 2025**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, D.24-12-003, Appendix B, or Separate Confidentiality Statute, or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document: CPE Annual Compliance Report – Confidential Attachment C: Key Briefing Packages (Continued)			
All information contained in the following files/folders in Confidential Attachment C: 1) “PGE CPE - Confidential Attachment C – Key Briefing Packages.pdf”; 2) All files, folders and documents within zip files: • “Meeting Invitations, Materials and Summaries – by month_CONF.zip” • “CAM PRG Communications_CONF.pdf”	D. 24-12-003, Appendix B: Capacity Procured (Self-Shown) – Resource Specific	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.	Front 3 years

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

PG&E CENTRAL PROCUREMENT ENTITY
ANNUAL COMPLIANCE REPORT ADVICE LETTER 7704-E
SEPTEMBER 19, 2025

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, D.24-12-003, Appendix B, or Separate Confidentiality Statute, or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document: CPE Annual Compliance Report – Confidential Attachment D: IE Report			
Grey-Shaded Information in “PGE CPE - Confidential Attachment D – IE Report_RFO.pdf” on pages: 27, 29-34, 36, 42-57, 64-66, 69-71, 73-74. Grey-Shaded Information in “PGE CPE - Confidential Attachment D – IE Report_Bilateral.pdf” on pages: TOC, 2, 6-20.	D. 24-12-003, Appendix B: 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. 24-12-003, Appendix B: 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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PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**PG&E CENTRAL PROCUREMENT ENTITY
ANNUAL COMPLIANCE REPORT ADVICE LETTER 7704-E
SEPTEMBER 19, 2025**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, D.24-12-003, Appendix B, or Separate Confidentiality Statute, or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document: CPE Annual Compliance Report – Confidential Attachment D: IE Report (Continued)			
Grey-Shaded Information in “PGE CPE - Confidential Attachment D – IE Report_RFO.pdf” on pages: 27, 29-34, 36, 42-57, 64-66, 69-71, 73-74.	D. 24-12-003, Appendix B: Capacity Procured (Self-Shown) – Resource Specific	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.	Front 3 years
Document: CPE Annual Compliance Report – Confidential Attachment E: Deferred Procurement			
Grey-Shaded Information in “PGE CPE - Confidential Attachment E – Deferred Procurement.pdf” on pages: 3, 5-11.	D. 24-12-003, Appendix B: 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. 24-12-003, Appendix B: 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

**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, Mehul Patel, am the Director of the Central Procurement Entity (“CPE”) Implementation department of Pacific Gas and Electric Company (“PG&E”), a California corporation.

Gillian Clegg, the Vice President of the Energy Policy and Procurement organization of PG&E, delegated authority to me to sign this declaration. My business office is located at:

Pacific Gas and Electric Company
300 Lakeside Dr.
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.23-10-011

3. Title and description of document(s):

Advice Letter 7704-E: PG&E CPE 2025 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
☐	Customer-specific data, which may include demand, loads, names, addresses, and billing data. (Protected under Pub. Util. Code § 8380; Civ. Code §§ 1798 <i>et seq.</i>; CPUC Decisions (D.) 14-05-016)	
☐	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&E job titles); and statements attributed to the individual. (Protected under Civ. Code §§ 1798 <i>et seq.</i>; Gov. Code § 7927.400; 42 U.S.C. § 1320d-6; General Order (G.O.) 77-M; see also CPUC D. 04-08-055, 06-12-029)	
☐	Physical facility, cyber-security sensitive, or critical 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 and/or General Order 66-D ("The subject information: (1) is not customarily in the public domain by providing a declaration in compliance with Section 3.2(c) stating that the subject information is not related to the location of a physical structure that is visible with the naked eye or is available publicly online or in print; and (2) the subject information either: could allow a bad actor to attack, compromise or incapacitate physically or electronically a facility providing critical utility service; or discusses vulnerabilities of a facility providing critical utility service"). (Protected under Gov. Code § 7927.705, 7929.205; 6 U.S.C. § 671; 6 CFR § 29.2)	

☒ Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data. (Protected under Civ. Code §§ 3426 <i>et seq.</i>; Gov. Code §§ 7927.300, 7927.705, 7929.420, 7927.605, 7930.205; Evid. Code §1060; 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
☐ Corporate financial records. (Protected under Gov. Code §§ 7927.705, 7927.605)	
☒ Third-Party information subject to non-disclosure or confidentiality agreements or obligations. (Protected under Gov. Code § 7927.705; 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. (Gov. Code § 7922.000): The PG&E CPE 2025 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	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

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**PG&E CENTRAL PROCUREMENT ENTITY
ADVICE LETTER 7704-E: PG&E CPE 2025 ANNUAL COMPLIANCE REPORT
ATTACHMENT TO DECLARATION SUBMITTED ON SEPTEMBER 19, 2025**

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
Documents and Files provided within the CPE_04_Confidential Attachments Folder: 1) Confidential Attachment A: PGE CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended; 2) Confidential Attachment B: PGE 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	• “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”; • <u>All files and documents</u> in the CPE RFO Documentation Folder: ○ “00_RFO_Solicitation Materials.docx”; ○ “01_2025_CPE Solicitation Issuance Mailing List.xlsx”; ○ “02_New Additions to CPE Mailing List Since Issuance of 2025 RFO.xlsx”; ○ “03_PG&E CPE 2025 RFO – Qualitative Evaluation Results.pdf”; ○ “04_PG&E CPE 2025 RFO – Quantitative Evaluations Results.pdf”; • <u>All files and documents</u> in the CPE Bilateral Documentation Folder ○ “00_Bilateral Materials.docx” ○ “01_PG&E CPE Bilateral Outreach Summary.docx” ○ “02_PG&E CPE Bilateral Outreach Email.msg” ○ “03_PG&E CPE 2025 Bilateral Procurement – Qualitative Evaluation Results.pdf” ○ “04_PG&E CPE 2025 Bilateral Procurement – Quantitative Evaluation Results.pdf” • <u>All executed contract documents</u> in the following zip files within the CPE Attestations and New Contracts Folder: ○ “Bilateral Transactions-CONF.zip” ○ “Bundled RA Agreement-CONF.zip” ○ “Nullification Letters-CONF.zip” ○ “Shown Capacity Attestations-CONF.zip”; ○ “Shown RA with RCM-CONF.zip” • “PGE CPE - Confidential Attachment B – Non-Invest Grade Ctrpty.pdf”; • “PGE CPE - Confidential Attachment C – Key Briefing Packages.pdf”; • All files, folders and documents within zip file “Meeting Invitations, Materials and Summaries – by month_CONF.zip”; • All files, folders and documents within zip file “CAM PRG Communications_CONF.zip”; • Grey-shaded information within “PGE CPE - Confidential Attachment D – Final IE Report_RFO.pdf” on pages: 27, 29-34, 36, 42-57, 64-66, 69-71, 73-74; • Grey-Shaded Information in “PGE CPE - Confidential Attachment D – IE Report_Bilateral.pdf” on pages: TOC, 2, 6-20; and • Grey-Shaded Information in “PGE CPE - Confidential Atch E – Deferred Procurement.pdf” on pages: 3, 5-11.	Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data. (Protected under Civ. Code §§ 3426 et seq.; Gov. Code §§ 7927.300, 7927.705, 7929.420, 7927.605, 7930.205; Evid. Code §1060; 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

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
Documents and Files provided within the CPE_04_Confidential Attachments Folder: 1) Confidential Attachment A: PGE CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended; 2) Confidential Attachment B: PGE CPE_Conf_Atch_B_Counterpary_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	• “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”; • <u>All files and documents</u> in the CPE RFO Documentation Folder: ○ “00_RFO_Solicitation Materials.docx”; ○ “01_2025 CPE Solicitation Issuance Mailing List.xlsx”; ○ “02_New Additions to CPE Mailing List Since Issuance of 2025 RFO.xlsx”; ○ “03_PG&E CPE 2025 RFO – Qualitative Evaluation Results.pdf”; ○ “04_PG&E CPE 2025 RFO – Quantitative Evaluations Results.pdf”; • <u>All files and documents</u> in the CPE Bilateral Documentation Folder ○ “00_Bilateral Materials.docx” ○ “01_PG&E CPE Bilateral Outreach Summary.docx” ○ “02_PG&E CPE Bilateral Outreach Email.msg” ○ “03_PG&E CPE 2025 Bilateral Procurement – Qualitative Evaluation Results.pdf” ○ “04_PG&E CPE 2025 Bilateral Procurement – Quantitative Evaluation Results.pdf” • <u>All executed contract documents</u> in the following zip files within the CPE Attestations and New Contracts Folder: ○ “Bilateral Transactions-CONF.zip” ○ “Bundled RA Agreement-CONF.zip” ○ “Nullification Letters-CONF.zip” ○ “Shown Capacity Attestations-CONF.zip”; ○ “Shown RA with RCM-CONF.zip” • “PGE CPE - Confidential Attachment B – Non-Invest Grade Ctrpty.pdf”; • “PGE CPE - Confidential Attachment C – Key Briefing Packages.pdf”; • All files, folders and documents within zip file “Meeting Invitations, Materials and Summaries – by month_CONF.zip”; • All files, folders and documents within zip file “CAM PRG Communications_CONF.zip”; • Grey-shaded information within “PGE CPE - Confidential Attachment D – Final IE Report_RFO.pdf” on pages: 27, 29-34, 36, 42-57, 64-66, 69-71, 73-74; • Grey-Shaded Information in “PGE CPE - Confidential Attachment D – IE Report_Bilateral.pdf” on pages: TOC, 2, 6-20; and • Grey-Shaded Information in “PGE CPE - Confidential Atch E – Deferred Procurement.pdf” on pages: 3, 5-11.	Third-Party information subject to non-disclosure or confidentiality agreements or obligations. (Protected under Gov. Code § 7927.705; see, e.g., CPUC D.11-01-036)	Documents and Files provided within the CPE_04_Confidential Attachments Folder: 6) Confidential Attachment A: CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended; 7) Confidential Attachment B: CPE_Conf_Atch_B_Counterpary_Information; 8) Confidential Attachment C: CPE_Conf_Atch_C_Key_Briefing_Packages; 9) Confidential Attachment D: CPE_Conf_Atch_D_IE_Report; and 10) Confidential Attachment E: CPE_Conf_Atch_E_Deferred_Procurement

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
Documents and Files provided within the CPE_04_Confidential Attachments Folder: 1) Confidential Attachment A: PGE CPE_Conf_Atch_A_Attestations and New_Contracts_Executed_Contracts_Amended; 2) Confidential Attachment B: PGE 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	• “PGE CPE - Confidential Atch A – Attestations_New Contracts_Amendments.pdf”; • <u>All files and documents</u> in the CPE RFO Documentation Folder: ○ “00_RFO_Solicitation Materials.docx”; ○ “01_2025 CPE Solicitation Issuance Mailing List.xlsx”; ○ “02_New Additions to CPE Mailing List Since Issuance of 2025 RFO.xlsx”; ○ “03_PG&E CPE 2025 RFO – Qualitative Evaluation Results.pdf”; ○ “04_PG&E CPE 2025 RFO – Quantitative Evaluations Results.pdf”; • <u>All files and documents</u> in the CPE Bilateral Documentation Folder ○ “00_Bilateral Materials.docx” ○ “01_PG&E CPE Bilateral Outreach Summary.docx” ○ “02_PG&E CPE Bilateral Outreach Email.msg” ○ “03_PG&E CPE 2025 Bilateral Procurement – Qualitative Evaluation Results.pdf” ○ “04_PG&E CPE 2025 Bilateral Procurement – Quantitative Evaluation Results.pdf” • <u>All executed contract documents</u> in the following zip files within the CPE Attestations and New Contracts Folder: ○ “Bilateral Transactions-CONF.zip” ○ “Bundled RA Agreement-CONF.zip” ○ “Nullification Letters-CONF.zip” ○ “Shown Capacity Attestations-CONF.zip”; ○ “Shown RA with RCM-CONF.zip” • “PGE CPE - Confidential Attachment B – Non-Invest Grade Ctrpty.pdf”; • “PGE CPE - Confidential Attachment C – Key Briefing Packages.pdf”; • All files, folders and documents within zip file “Meeting Invitations, Materials and Summaries – by month_CONF.zip”; • All files, folders and documents within zip file “CAM PRG Communications_CONF.zip”; • Grey-shaded information within “PGE CPE - Confidential Attachment D – Final IE Report_RFO.pdf” on pages: 27, 29-34, 36, 42-57, 64-66, 69-71, 73-74; • Grey-Shaded Information in “PGE CPE - Confidential Attachment D – IE Report_Bilateral.pdf” on pages: TOC, 2, 6-20; and • Grey-Shaded Information in “PGE CPE - Confidential Atch E – Deferred Procurement.pdf” on pages: 3, 5-11.	Other categories where disclosure would be against the public interest. (Gov. Code § 7922.000)	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

Attachment 7

Proposed Protective Order

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

**Pacific Gas and Electric Company (“PG&E”))
Central Procurement Entity (“CPE”) 2025)
Annual Compliance Report)**

Advice 7704-E

[PROPOSED] PROTECTIVE ORDER

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

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

3. Definitions

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

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

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

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

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

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

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

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

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

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

3. Are not an employee of a market participant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Access and Use by Governmental Entities.

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

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

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

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

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

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

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

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

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

Entered: _____
Administrative Law Judge

Date: _____

APPENDIX A TO PROTECTIVE ORDER

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

**Pacific Gas and Electric Company (“PG&E”))
Central Procurement Entity (“CPE”) 2025)
Annual Compliance Report)
_____)**

Advice 7704-E

NON-DISCLOSURE CERTIFICATE

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

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

Attachment A

**Attestations and New Contracts Executed/Contracts
Amended**

(Confidential)

Attachment B

Counterparty Information

(Confidential)

Attachment C

Key Briefing Packages

(Confidential)

Attachment D

Independent Evaluator (IE) Reports

(Confidential)

Attachment E

Deferred Procurement

(Confidential)

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

AT&T	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
Albion Power Company		Peninsula Clean Energy
Alta Power Group, LLC	Electrical Power Systems, Inc. Fresno	Pioneer Community Energy
Anderson & Poole	Engie North America	Public Advocates Office
BART	Engineers and Scientists of California	Redwood Coast Energy Authority
Ava Community Energy		Regulatory & Cogeneration Service, Inc.
BART		Resource Innovations
Buchalter	GenOn Energy, Inc.	Rockpoint Gas Storage
Barkovich & Yap, Inc.	Green Power Institute	
Biering & Brown LLP		
Braun Blasing Smith Wynne, P.C.	Hanna & Morton LLP	San Diego Gas & Electric Company
		San Jose Clean Energy
		SPURR
California Community Choice Association	ICF consulting	
California Cotton Ginners & Growers Association	iCommLaw	Sempra Utilities
California Energy Commission	International Power Technology	Sierra Telephone Company, Inc.
California Hub for Energy Efficiency	Intertie	Southern California Edison Company
California Alternative Energy and Advanced Transportation Financing Authority	Intestate Gas Services, Inc.	Southern California Gas Company
California Public Utilities Commission		Spark Energy
Calpine	Kaplan Kirsch LLP	
Cameron-Daniel, P.C.	Kelly Group	Sun Light & Power
Casner, Steve	Ken Bohn Consulting	Sunshine Design
Center for Biological Diversity	Keyes & Fox LLP	Stoel Rives LLP
Chevron Pipeline and Power	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
	Los Angeles County Integrated	TerraVerde Renewable Partners
		Tiger Natural Gas, Inc.
Clean Power Research	Waste Management Task Force	
Coast Economic Consulting		
Commercial Energy	MRW & Associates	Utility Cost Management
Crossborder Energy	Manatt Phelps Phillips	
Crown Road Energy, LLC	Marin Energy Authority	Water and Energy Consulting
	McClintock IP	
	McKenzie & Associates	
Davis Wright Tremaine LLP	Modesto Irrigation District	
Day Carter Murphy	NLine Energy Inc.	Yep Energy
Dept of General Services	NOSSAMAN LLP	
Douglass & Liddell	NRG Energy Inc.	
Downey Brand LLP		
	OnGrid Solar	