

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

Agenda ID 15978
RESOLUTION E-4828
October 12, 2017

R E S O L U T I O N

Resolution E-4828. Pacific Gas and Electric Update to Bundled Procurement Plan Regarding Procurement and Future Updates.

PROPOSED OUTCOME:

- This Resolution revises the Bundled Procurement Plan for Pacific Gas and Electric (PG&E) to (1) include the existing rules regarding Once-Through-Cooling Plants, and (2) permit future revisions of the Bundled Procurement Plan to be completed by advice letter, with the appropriate tier classification designated by General Order 96-B.

SAFETY CONSIDERATIONS:

- There is no impact on safety.

ESTIMATED COST:

- There is no cost impact.

By Advice Letter 4919-E, Filed on September 20, 2016.

SUMMARY

This Resolution revises the Bundled Procurement Plan for Pacific Gas and Electric (PG&E) to (1) include the existing rules regarding procurement of Once-Through-Cooling Plants, and to (2) permit future revisions of the Bundled Procurement Plan to be completed by advice letter, with the appropriate tier classification designated by General Order 96-B.

BACKGROUND

In Decision (D.) 04-12-048, the Commission directed that any updates to the Bundled Procurement Plans (BPPs) of Investor Owned Utilities (IOUs) between official biennial revisions be completed by advice letter.¹

In D.12-04-046, the Commission adopted certain requirements for Investor Owned Utilities (IOUs) to procure power from Once-Through-Cooling (OTC) facilities.

Pacific Gas and Electric (PG&E) filed Advice Letter (AL) 4919-E to incorporate the requirements set forth in D.12-04-046 regarding OTC facilities into its Bundled Procurement Plan (BPP). AL 4919-E proposes language to be added to the BPP that accurately reflects the holding of D.12-04-046, including the requirement that power purchase agreements that terminate less than one year prior to the applicable OTC closure date must be submitted via a Tier 3 advice letter.

Unrelated to the OTC provisions, AL 4919-E also seeks changes to the process for amending PG&E's BPP. D.04-12-048 directed that updates to the BPPs made in between the biennial BPP revisions be accomplished via advice letter. While the Commission decision did not specify which advice letter tier should be used for revisions to the BPP, PG&E included text in its 2014 BPP stating it would be done by Tier 3 advice letters. PG&E's 2014 BPP was approved in D.15-10-031, and modified by D.16-01-015. Subsequently, PG&E has found the Tier 3 advice letter process to be unduly burdensome for revisions to its BPP; PG&E now requests flexibility to file advice letters with appropriate tier classifications as designated by General Order 96-B for future revisions to its BPP.

PG&E's request is consistent with the treatment of other utilities as neither Southern California Edison, nor San Diego Gas & Electric must file Tier 3 advice letters for revisions to their BPPs.

¹ D.04-12-048, Finding of Fact 106.

NOTICE

Notice of AL 4919-E was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the advice letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

AL 4919-E was not protested.

DISCUSSION

The first change requested by PG&E accurately incorporates the language of the Commission's decision with respect to OTC power plants. Placing this language in the BPP would ensure that future power purchase agreements for OTC plants are reviewed in accordance with D.12-04-046. Aside from adding to a lengthy BPP document, we do not perceive any downside to the proposed language.

The second proposed change would permit revisions to the BPP by advice letter, the tier of which would be determined by the classifications contained in General Order 96-B, instead of requiring all changes to PG&E's BPP to be made via Tier 3 advice letter. We note that the first change, listed above, is an example of why requiring **all** changes to the BPP be considered through a Tier 3 advice letter may not be the best use of Commission resources. This change is suitable for industry division disposition and would conserve Commission resources if it were processed accordingly. General Order 96-B sets forth criteria and refers to additional criteria (in the General Rules and Industry Rules)² to accurately classify which subjects require which level of review.

We further note that both Southern California Edison and San Diego Gas & Electric do not have the Tier 3 requirement for Advice Letter changes to their respective BPPs, and thus this change will bring PG&E's BPP into accord with the other utilities.

² See, e.g., Industry Rule 5, Tier Classifications for Advice Letters, et seq.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. Commission D.12-04-046 set forth rules regarding contracting with once-through cooling (OTC) power plants.
2. The rules in D.12-04-046 are not currently incorporated in the Bundled Procurement Plan of Pacific Gas and Electric Company.
3. In D.04-12-048, the Commission directed that any updates to the Bundled Procurement Plans (BPPs) of Investor Owned Utilities (IOUs) between official biennial revisions be completed by advice letter.
4. PG&E's BPP currently requires that future revisions to its BPP be made by Tier 3 advice letter.
5. The BPPs of other investor owned utilities do not require that future revisions to its BPP be made by Tier 3 Advice Letter.
6. General Order 96-B sets forth the appropriate tier classification for Advice Letters.

THEREFORE IT IS ORDERED THAT:

1. The request of the PG&E to revise its 2014 Bundled Procurement Plan to include the OTC plant contracting rules in D.12-04-046 and to permit future revisions to its BPP by advice letter with the appropriate tier classification designated by General Order 96-B as requested in Advice Letter AL 4919-E is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on October 12, 2017; the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director