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

Application of Pacific Gas and Electric
Company (U-39 E) for Approval and Recovery
of Oakland Clean Energy Initiative Preferred
Portfolio Procurement Costs

Application 20-04-013

U 39 E

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY
(U 39 E) TO DISMISS APPLICATION**

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Pacific Gas and Electric Company (PG&E) files this motion to dismiss this application A.20-04-013 (Motion to Dismiss) in response to the May 4, 2021 e-mail ruling issued by the assigned administrative law judge (Ruling). The Ruling directs PG&E to respond to the April 26, 2021 Joint Response submitted by several parties to the proceeding, and to clarify whether PG&E intended, in an earlier, April 5, 2021 filing, to request dismissal of this application.

PG&E appreciates the opportunity to clarify its earlier pleading, and to respond to the Joint Response.

Clarifying PG&E's April 5, 2021 filing, PG&E's intent was to request dismissal of this application, as the agreements that were the subject of the application were in the process of being terminated, rendering the application moot. Responding to the Ruling, this pleading is a formal motion requesting the Commission to dismiss this application. PG&E makes this request because the Dynergy Marketing and Trade LLC (Vistra) and the Tierra Robles Energy Storage, LLC (esVolta) Local Area Reliability Service Agreements ("Agreements" or "LARS Agreements") that were the subject of the application are now terminated, rendering the application moot. PG&E remains committed to working with the California Independent System Operator (CAISO) to maintain grid reliability in Oakland in a manner that enables the retirement of the remaining units of the Oakland Power Plant, but at this point cannot say with certainty whether the Vistra project might be developed even without the LARS Agreement, or whether

another approach might be taken to replace the “LARS Agreement” component of the Oakland Clean Energy Initiative (OCEI).

Responding to the Joint Response, PG&E respectfully disagrees with the Joint Response’s statement that PG&E filed its application prematurely, and therefore respectfully disagrees with the Joint Response’s statement that PG&E caused the Commission and the parties to engage in wasted effort. PG&E acknowledges that had it known when it filed its application that the subject Agreements would be terminated, PG&E would not have filed its application. But that information was not known at the time of filing, and as explained briefly in the following paragraphs, from PG&E’s perspective, the timing of the filing was appropriate.

One of the factors driving the contractual online date for any project subject to Commission approval is the anticipated timing of the Commission’s decision on the application seeking that approval. Parties are typically unwilling to agree to an online date that is too close to the anticipated Commission decision date. Agreeing to a date that is too close to the anticipated Commission decision date would require a party to make substantial expenditures on its project, in order to keep the project on track to meet the contractual online date, before having obtained certainty that the contract was approved, rather than rejected, by the Commission.

Turning to this proceeding, the timing of the filing was driven by the goal of PG&E, the CAISO, Vistra, and esVolta to obtain approval of the Agreements in time to enable the projects to come online well enough in advance of 2023, with the intent that that would in turn enable the CAISO to remove the reliability must run (RMR) designation from the remaining two Oakland Power Plant units for 2023. As PG&E described at various points during the proceeding, the goal was to have the Agreements approved (or rejected, should that have been the Commission determination) in early 2021, in order to provide certainty to Vistra and esVolta prior to their having to make major expenditures to meet their contractual commitments to come online.

Pursuing that goal meant that the application had to be filed long before the results of the interconnection studies were known. Had PG&E waited for Vistra and esVolta to obtain the results of their interconnection studies before filing the application for approval of the

Agreements, the anticipated Commission decision date would have been much later, and therefore the contractual online date would have had to have been much later, as well.

It was reasonable for PG&E to file the applications with this outstanding uncertainty. By doing so, PG&E was helping to move toward the target of retiring the remaining Oakland Power Plant units in 2023. Waiting longer to file the application, whether to wait for the results of the interconnection studies or for any other reason, would very probably have made it impossible to meet that goal.

The interconnection study uncertainties that existed at the time PG&E filed for approval of the Vistra and esVolta Agreements did not make the timing of the filing premature. As just described, the timing was driven by the goal of moving toward the retirement of the remaining Oakland Power Plant RMR units by 2023. Further, the timing was reasonable because PG&E did not expect that the results of the interconnection studies would have the consequences that they did, in terms of affecting the realistic dates for bringing each of the projects online, and in terms of affecting the ability of the esVolta project to meet its intended reliability purpose.

Based on the location of the projects and the infrastructure in place, at the time PG&E filed this application PG&E did not expect the interconnection studies would require substantial rethinking of the Agreements that PG&E was presenting for approval. Judging by the Agreements they signed, neither Vistra nor esVolta was particularly concerned that the interconnection studies might delay their contractual online commitments, either. Neither party's online date was contingent in any way on the outcome of the party's interconnection study.

In sum, in light of the goal of taking the steps necessary to help enable the retirement of the remaining Oakland Power Plant units in 2023, and in light of the fact that when this application was filed the interconnection studies were not anticipated to cause any significant modifications to the Agreements, PG&E's filing was not premature.

PG&E acknowledges the significant time and effort expended by the Commission, the assigned administrative law judge, and the Commission's staff in evaluating this application.

PG&E also acknowledges the significant time and effort expended by all of the intervenors, including the sponsors of the Joint Response, in evaluating this application. PG&E appreciates and respects all of those efforts.

When PG&E filed the application, it was only after PG&E had spent several years of effort to develop an innovative solution to maintain electric grid reliability in the north Oakland area while enabling the retirement of the Oakland Power Plant. PG&E's informed judgment was that the solution it proposed, including not only (1) the Agreements that are the subject of this application but also (2) a number a transmission upgrades and (3) load switching of Alameda load under identified contingency circumstances, was a well-developed approach that would maintain grid reliability, while possibly enabling the retirement of the Oakland Power Plant by 2023. No traditional, transmission-only solution offered the possibility of retiring the Oakland Power Plant in that time frame.

For the reasons just outlined, PG&E continues to believe it followed a reasonable path, and did not file its application prematurely. PG&E remains committed to working with the CAISO to develop solutions that will maintain grid reliability in the Oakland area while enabling the retirement of the Oakland Power Plant.

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