

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**Agenda ID: 19182
RESOLUTION E-5129
March 18, 2021**

R E S O L U T I O N

Resolution E-5129. Request by Pacific Gas and Electric Company to Extend the Procurement Authority of its 2014 Conformed Bundled Procurement Plan.

PROPOSED OUTCOME:

- Approves, without modification, the request of Pacific Gas and Electric Company to extend the procurement authority of its 2014 Conformed Bundled Procurement Plan.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this Resolution.

ESTIMATED COST:

- There are no costs associated with this Resolution.

By Advice Letter 5985-E, Filed on October 29, 2020.

SUMMARY

Pacific Gas and Electric Company's 2014 Conformed Bundled Procurement plan enables Pacific Gas and Electric Company to procure various products for terms of up to five years without the Commission's pre-approval, provided that no term extends beyond December 31, 2024. This Resolution approves, without modification, the request of Pacific Gas and Electric Company to extend its five-year procurement authority on a rolling basis until the Commission revises or replaces the investor owned utilities' 2014 Bundled Procurement Plans.

BACKGROUND

Pacific Gas and Electric Company's (PG&E) 2014 Conformed Bundled Procurement Plan ("2014 BPP"), which the Commission approved in Decision (D.)15-10-031, "governs procurement through December 31, 2024 and is limited to transactions with a duration of less than five years, for the 10-year planning period January 1, 2015 through December 31, 2024."¹ Although the Commission transferred the functions of the Long-Term Procurement Plan (LTPP) proceedings into Integrated Resource Plan (IRP) rulemaking (R.)16-02-007, the IRP proceedings have not yet considered revisions or replacement of the investor owned utilities' (IOU) 2014 Bundled Procurement Plans.² PG&E argues that "[a]s a result, for each day that passes after January 1, 2020, PG&E's pre-approved 5-year procurement authority is eroded by a day."³ In AL 5985-E, PG&E therefore requests that the Commission maintain the five-year procurement window by "extend[ing] PG&E's procurement authority under its 2014 BPP on a rolling basis, effective as of the approval of this advice letter, until an updated or new bundled procurement plan is approved for PG&E in the 2020 IRP proceeding [R.20-05-003] or elsewhere."⁴

NOTICE

Notice of AL 5985-E was made by publication in the Commission's Daily Calendar. Pacific Gas and Electric Company states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

¹ AL 5985-E at 2.

² Ibid. at 2.

³ Ibid. at 2.

⁴ Ibid. at 3.

PROTESTS

Advice Letter 5985-E was not protested. The Joint CCAs⁵ timely responded to AL 5985-E on November 18, 2020. The Joint CCAs state that they “do not oppose the relief requested [but] object to the continued use of the Advice Letter process to modify the [IOUs’] Bundled Procurement Plans,”⁶ which they argue is “procedurally improper.”⁷ The Joint CCAs note that the modifications that PG&E proposes would mean “its procurement authority, originally established for a 10-year planning period, will end only when and if the BPP is updated or replaced.”⁸ The Joint CCAs also assert that the BPP affects other programs and proceedings – including the Power Charge Indifference Adjustment (PCIA) proceeding and the Central Procurement Entity (CPE) role established in the Resource Adequacy (RA) program – and argue that PG&E’s current supply portfolio exceeds the demand of its bundled customers.⁹ The Joint CCAs conclude that “while the Joint CCAs do not oppose the specific ‘update’ to its BPP presented by PG&E in this Advice Letter, the lack of protest here should not be interpreted as acquiescence with the procedure used, or any future ‘update’ or revision to PG&E’s BPP.”¹⁰

PG&E timely replied to the response of the Joint CCAs on November 25, 2020. PG&E notes that the revisions in AL 5985-E “would simply afford PG&E treatment equal to that already approved for [Southern California Edison (SCE)] through Resolution E-5075 and [San Diego Gas & Electric (SDG&E)] through

⁵ The Joint CCAs include East Bay Community Energy, Marin Clean Energy, Peninsula Clean Energy Authority, Pioneer Community Energy, San José Clean Energy, Silicon Valley Clean Energy Authority, Sonoma Clean Power Authority, and Valley Clean Energy Alliance.

⁶ Joint CCAs Response at 1.

⁷ Ibid. at 2.

⁸ Ibid. at 2.

⁹ Ibid. at 2-3.

¹⁰ Ibid. at 3.

Resolution E-5083.”¹¹ PG&E agrees with the Joint CCAs that the Commission should review the IOUs’ BPPs as soon as possible but asserts that “objection to continued use of the advice letter process to modify PG&E’s BPP...is outside the scope of the relief requested.”¹² PG&E disagrees that revising the BPP through the advice letter process is improper, noting that:

[i]n D.04-12-048 and D.07-12-052, the Commission established that updates or modifications to IOU procurement plans in between Commission review proceedings could be filed via advice letter. In D.12-01-033, the Commission addressed the circumstance presented, directing if the Commission’s delay in approving the IOU’s new procurement plan threatened an IOU’s procurement ability, the IOU should file an advice letter to request the necessary extension of its procurement authorization.¹³

PG&E requests that the Commission approve AL 5985-E, without modification.¹⁴

DISCUSSION

The Commission has reviewed Advice Letter, the Joint CCAs’ Response, and PG&E’s Reply and finds that PG&E’s request to modify its 2014 BPP, as described in AL 5985-E, is reasonable.

We have not reviewed or replaced the IOUs’ Bundled Procurement Plans since D.15-10-031, and as a result, PG&E’s 2014 BPP is still in effect. PG&E is correct that the IOUs are authorized to revise their BPPs between review cycles via the advice letter process.¹⁵ PG&E is also correct that we have approved nearly identical revisions to SCE’s and SDG&E’s Bundled Procurement Plans via Resolution E-5075 and Resolution E-5083, respectively. We acknowledge the Joint CCAs’ concerns but conclude that the delay in comprehensive revision or

¹¹ PG&E Reply at 1.

¹² Ibid. at 1.

¹³ Ibid. at 2-3.

¹⁴ Ibid. at 3.

¹⁵ See D.04-12-048 at FOF 106, D.07-12-052 at OP 26, D.12-01-033 at 44-45, PG&E’s 2014 BPP at Sheet 36, and Resolution E-4828 at OP 1.

replacement of the Bundled Procurement Plans should not inhibit procurement by PG&E on a rolling basis, under the rules and review procedures in its 2014 BPP, until such comprehensive revision or replacement occurs.

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. Please note that comments are due 20 days from the mailing date of this resolution. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-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. The Commission has not undertaken comprehensive revision or replacement of the investor owned utilities' Bundled Procurement Plans since D.15-10-031.
2. Pacific Gas and Electric Company's 2014 Conformed Bundled Procurement Plan is still in effect.
3. The investor owned utilities are permitted to revise their Bundled Procurement Plans between review cycles via the advice letter process.
4. In Resolution E-5075 and Resolution E-5083, the Commission approved procurement authority extensions for Southern California Edison and San Diego Gas & Electric, respectively, that are nearly identical to the extension that Pacific Gas and Electric Company requests in Advice Letter 5985-E.
5. The delay in comprehensive revision or replacement of Pacific Gas and Electric Company's 2014 Conformed Bundled Procurement Plan should not inhibit procurement by Pacific Gas and Electric Company on a rolling basis, under the rules and review procedures in its 2014 Conformed Bundled Procurement Plan, until such comprehensive revision or replacement occurs.

THEREFORE IT IS ORDERED THAT:

1. The request of Pacific Gas and Electric Company to extend the procurement authority of its 2014 Conformed Bundled Procurement Plan as requested in Advice Letter 5985-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 March 18, 2021; the following Commissioners voting favorably thereon:

RACHEL PETERSON
Executive Director