

**DRAFT**

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

**ENERGY DIVISION**

**Agenda ID# 21908  
RESOLUTION E-5295  
November 2, 2023**

**REDACTED**

**RESOLUTION**

Resolution E-5295. Pacific Gas and Electric Company requests approval of six (6) long-term power purchase and sale agreements (PPSAs or Transactions) with multiple counterparties to sell renewable generation and the associated renewable energy credits. These Transactions result from the implementation of the Voluntary Allocation and Market Offer mechanism.

**PROPOSED OUTCOME:**

- This Resolution approves the six (6) long-term PPSAs under the rules and requirements laid out in D.21-05-030 and D.22-11-021 regarding the implementation of the Voluntary Allocation and Market Offer (VAMO) mechanism to address portfolio optimization activities associated with RPS resources subject to Power Charge Indifference Adjustment (PCIA) cost recovery. These agreements are for long-term bundled RPS-eligible energy and associated Renewable Energy Credits (RECs) from facilities with power purchase agreements with remaining terms of more than 10 years from the start date of market offer deliveries in PG&E's PCIA-eligible RPS portfolio. These agreements are approved without modification.

**SAFETY CONSIDERATIONS:**

- The Transactions will not alter existing agreements or any facility operations. Because these agreements do not require a change in facility operations, there are no incremental safety implications associated with approval of this agreement.

**ESTIMATED COST:**

- Actual costs of the Transactions are confidential at this time.  
By Advice Letter 6977-E, filed on June 30, 2023.

## **SUMMARY**

Pacific Gas and Electric Company's Transactions with the various counterparties ("Counterparties") as noted in the following, comply with D.22-11-021 and the Renewables Portfolio Standard (RPS) procurement guidelines and are approved without modification.

The Counterparties associated with the Transactions are:

- City of San Jose (SJCE)  
The City of San Jose operates San Jose Clean Energy, a not for profit locally controlled electricity generation service provider for San Jose residents and business;
- San Diego Community Power (SDCP)  
SDCP is a Community Choice Aggregator (CCA) that provides electricity to customers across San Diego County;
- East Bay Community Energy (EBCE)  
EBCE is a CCA that provides electricity to customers across Alameda and San Joaquin counties;
- Calpine Energy Services (CES)  
CES is an Energy Services Provider (ESP) that provides retail direct access electricity in California and serves as a gas and power wholesale marketing entity for its parent company Calpine Corporation, the largest generator of gas-fired and geothermal electricity in the U.S.;
- Pilot Power Group (PPG)  
PPG is consulting group that provides energy supply and energy management services to its clients;
- Central Coast Community Energy (3CE)  
3CE is a CCA that provides electricity to customers in Monterey, San Benito, San Luis Obispo, Santa Cruz, and Santa Barbara counties.

Pacific Gas and Electric Company (PG&E) filed Advice Letter (AL) 6977-E on June 30, 2023, requesting California Public Utilities Commission (CPUC or Commission) review and approval of the Transactions with the various Counterparties. The

Transactions are for long-term contracts for 35 percent of the remaining portion of PG&E’s long-term PCIA-eligible RPS energy portfolio remaining after the Voluntary Allocation process.

This resolution approves the Transactions between PG&E and the Counterparties without modification. PG&E’s execution of the Transactions is consistent with Decision 22-11-021 which directed PG&E and the other IOUs to offer 35 percent of remaining PCIA eligible long-term contracts as long-term contracts in a market offer solicitation. Sales from PG&E to the Counterparties are reasonably priced and payments received by PG&E pursuant to the Transactions shall be credited to PG&E’s ratepayers via PG&E’s Portfolio Allocation Balancing Account (PABA). Moreover, this transaction is consistent with PG&E’s 2022 RPS procurement plan approved by D.22-12-030.

Table 1 below provides a summary of the Transactions between PG&E and the Counterparties.

**TABLE 1: Counterparties and Portfolio Volume Percentage**

<b>Counterparty</b>	<b>Portfolio %</b>	<b>Total Estimated Volume (MWh)</b>
<b>City of San Jose</b>	10	6,686,846
<b>San Diego Community Power</b>	7	4,680,792
<b>East Bay Community Power</b>	10	6,686,846
<b>Calpine Energy Services</b>	3	2,006,054
<b>Pilot Power Group</b>	3	2,006,054
<b>Central Coast Community Energy</b>	2	1,337,369
<b>Total</b>	<b>35</b>	<b>23,403,961</b>

**BACKGROUND**

D.21-05-030 in Rulemaking (R.) 17-06-026 implemented the Voluntary Allocation and Market Offer (VAMO) framework for Power Charge Indifference Adjustment (PCIA) eligible Renewables Portfolio Standard contracts. D.21-05-030 directed the implementation of the VAMO process through the RPS proceeding, R.18-07-003. PG&E, together with Southern California Edison Company (SCE) and San Diego Gas and Electric Company (SDG&E) offered proposals for Market Offer solicitations as part of Track 1 of 2022 RPS Plans.

The Commission considered the IOUs Market Offer proposals as part of R.18-07-003 and issued D.22-11-021 directing certain modifications to the IOUs’ proposals. Ordering Paragraph 1 of D.22-11-021 approved the Voluntary Allocations of Load Serving

Entities (LSEs). Ordering Paragraph 2 of D.22-11-021 directed the IOUs to offer 100 percent of remaining PCIA eligible short-term contracts. Ordering Paragraph 3 directed the IOUs to offer 35 percent of remaining PCIA eligible long-term contracts as long-term contracts. Ordering Paragraph 4 directed the IOUs to offer 65 percent of remaining PCIA eligible long-term contracts as either short-term or long-term contracts subject to a methodology to optimize value for ratepayers.

Ordering Paragraph 12 directed PG&E, SCE, and SDG&E to each file a Tier 1 Advice Letter, to among other things make certain changes to their Market Offer processes and protocols. Those advice letters were timely filed and approved by Energy Division staff.<sup>1</sup> Ordering Paragraph 13 directed the IOUs to each file a Tier 2 Advice Letter, to implement a solicitation for long-term PCIA-eligible contracts remaining after the Voluntary Allocation solicitation. Those advice letters were timely filed and approved by Energy Division staff.<sup>2</sup>

Ordering Paragraph 6 of D.22-11-021 directed PG&E to seek Commission approval of executed short-term Market Offer contracts via Tier 1 Advice Letter and long-term Market Offer contracts via Tier 3 Advice Letter. PG&E sought Commission approval of their short-term market offer solicitation via a tier 1 advice letter which was approved by Energy Division staff.<sup>3</sup> PG&E's short-term Market Offer included only remaining short-term contracts. PG&E's long-term Market Offer included both short-term portions of long-term contracts and long-term portions of its long-term contracts. PG&E sought approval for the short-term portion of its long-term contracts via advice letter 6961-E.

PG&E filed advice letter 6977-E on June 30, 2023, requesting approval of long-term Market Offer agreements with the Counterparties, which we address here.

### **NOTICE**

Pacific Gas and Electric Company states that a copy of Advice Letter 6977-E was mailed and distributed to the R.18-07-003 service list in accordance with Section 4 of General Order 96-B.

### **PROTESTS**

PG&E Advice Letter 6977-E was not protested.

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<sup>1</sup> SCE AL 4914-E, SDG&E AL 4117-E, and PG&E 6779-E.

<sup>2</sup> SCE AL 4922-E, SDG&E AL 4126-E, and PG&E 6794-E.

<sup>3</sup> PG&E 6894-E.

## DISCUSSION

### **Pacific Gas and Electric Company (PG&E) requests approval of Market Offer Agreements with the Counterparties.**

In March 2023, PG&E launched its RPS Long-Term Market Offer solicitation for RPS-eligible energy and associated Renewable Energy Credits (REC). On June 30, 2023, PG&E filed AL 6977-E requesting approval of long-term Market Offer agreements with the Counterparties. In AL 6977-E, PG&E asserts that the Market Offer Agreements (Transactions) comply with the guidance to hold a long-term Market Offer solicitation directed in D.22-11-021. The revenues from this transaction will be credited to PG&E's ratepayers through PG&E's Portfolio Allocation Balancing Account.

Pursuant to the Transactions, PG&E forecasts selling 23,403,961 megawatt-hours (MWh) of RPS-eligible energy and associated RECs to the Counterparties between 2023 and 2043. The RPS-eligible generation and associated RECs will come from facilities that are currently operating and providing deliveries to PG&E pursuant to CPUC-approved contracts. The facilities from which PG&E will transfer PCIA-eligible energy and associated RECs to the Counterparties are listed in Table 2 below, but subject to change as its PCIA portfolio changes. All the facilities are located in California and interconnected to the California Independent System Operator (CAISO) balancing authority.

**TABLE 2 – List of Long-Term Resource Pool (Products C and E)**

Resource Name	Technology	CES RPS ID	PCIA Vintage	End Date
Montezuma Wind Energy Center	Wind	60543A	2010	1/27/2036
High Plains Ranch II	Solar PV	60603A	2008	10/30/2038
Topaz Solar Farm	Solar PV	61698A	2008	10/26/2039
Ivanpah Unit 1	Solar Thermal	62273A	2009	1/20/2039
Ivanpah Unit 3	Solar Thermal	62275A	2009	1/26/2039
AV Solar Ranch One	Solar PV	60790A	2009	11/20/2039
Agua Caliente Solar Project	Solar PV	60894A	2009	6/22/2039
High Plains Ranch III	Solar PV	60603A	2010	9/30/2038
Mojave Solar Project	Solar Thermal	60848A	2009	11/20/2039
Genesis Solar Energy Project	Solar Thermal	60605A	2009	3/6/2039
DTE Stockton	Biomass	60964A	2009	2/20/2039
Alpaugh 50	Solar PV	60945A	2010	3/7/2038
Alpaugh North	Solar PV	60946A	2010	3/7/2038
Atwell Island	Solar PV	60947A	2010	3/11/2038
Corcoran	Solar PV	60948A	2010	8/14/2038
White River	Solar PV	60949A	2010	6/26/2038
Sunshine Landfill	Landfill Gas	60815A	2010	8/31/2034
Potrero Hills Landfill	Landfill Gas	63116A	2010	4/12/2041
Desert Center Solar Farm	Solar PV	61068A	2010	12/16/2039
North Star Solar	Solar PV	61198A	2010	6/19/2035
Vasco Wind Energy Center	Wind	61344A	2010	3/12/2037
Montezuma II Wind Energy Center	Wind	61345A	2010	3/13/2037
Westlands Solar Farms	Solar PV	61755A	2011	4/30/2034
Orion Solar	Solar PV	61570A	2011	6/25/2034
North Sky River Energy Center	Wind	61385A	2011	12/20/2037
Copper Mountain Solar 2	Solar PV	60990A	2011	5/12/2040
Shiloh IV Wind Project	Wind	61617A	2011	1/27/2038
West Antelope	Solar PV	61850A	2012	2/8/2035
Western Antelope Blue Sky Ranch A	Solar PV	61517A	2012	2/16/2035
SPI Biomass Portfolio	Biomass	60088A	2012	9/22/2035
SPI Biomass Portfolio	Biomass	61146A	2012	9/22/2035
SPI Biomass Portfolio	Biomass	60087A	2012	9/22/2035
SPI Biomass Portfolio	Biomass	60089A	2012	9/22/2035

SPI Biomass Portfolio	Biomass	60576A	2012	9/22/2035
Kansas	Solar PV	61263A	2012	12/31/2037
Lost Hills Solar	Solar PV	61893A	2012	12/31/2043
Cuyama Solar Array	Solar PV	61891A	2012	12/31/2043
Blackwell Solar	Solar PV	61892A	2012	12/31/2043
Henrietta Solar	Solar PV	61841A	2012	9/30/2036
Kent South	Solar PV	61262A	2012	2/18/2035
Algonquin SKIC 20 Solar	Solar PV	61558A	2012	3/30/2035
<del>White River Solar 2</del>	<del>Solar PV</del>	<del>62045A</del>	<del>2012</del>	<del>10/1/2034</del>
Mammoth G1	Geothermal	60306A	2012	12/25/2033
Alamo Solar, LLC	Solar PV	61453A	2012	6/29/2035
CID Solar PV Project	Solar PV	62285A	2012	3/19/2035
Old River One	Solar PV	60853A	2013	2/8/2035
Shafter Solar	Solar PV	62325A	2013	7/15/2035
Rising Tree Wind Farm II	Wind	62426A	2013	8/6/2035
Kekawaka Creek Hydroelectric Facility	Small Hydro	60186A	2013	5/31/2035
RE Astoria	Solar PV	62284A	2013	1/2/2034
Midway Solar Farm I	Solar PV	61295A	2013	5/31/2040
California Flats Solar Project	Solar PV	62552A	2013	4/9/2034
Portal Ridge Solar C Project	Solar PV	61684A	2014	4/20/2037
Sunray 2	Solar PV	62694A	2014	8/24/2037
Bayshore Solar A	Solar PV	63133A	2015	4/17/2038
Bayshore Solar B	Solar PV	63134A	2015	4/17/2038
Bayshore Solar C	Solar PV	63135A	2015	4/17/2038
Java Solar	Solar PV	63137C	2016	1/30/2040
RE Gaskell West 3	Solar PV	63619C	2017	3/22/2038
RE Gaskell West 4	Solar PV	63617C	2017	3/22/2038
RE Gaskell West 5	Solar PV	63618C	2017	3/22/2038
PGE Alta	Small Hydro	60033	Pre-2002	N/A
PGE Centerville	Small Hydro	60034	Pre-2002	N/A
PGE Coleman	Small Hydro	60037	Pre-2002	N/A
PGE Cow Creek	Small Hydro	60038	Pre-2002	N/A
PGE Crane Valley	Small Hydro	60039	Pre-2002	N/A
PGE Deer Creek	Small Hydro	60040	Pre-2002	N/A
PGE De Sabla	Small Hydro	60041	Pre-2002	N/A
PGE Dutch Flat 1	Small Hydro	60042	Pre-2002	N/A
PGE Halsey	Small Hydro	60043	Pre-2002	N/A
PGE Hamilton Branch	Small Hydro	60044	Pre-2002	N/A
PGE Hat 1	Small Hydro	60045	Pre-2002	N/A
PGE Hat 2	Small Hydro	60046	Pre-2002	N/A
PGE Inskip	Small Hydro	60047	Pre-2002	N/A

PGE Kerckhoff 1	Small Hydro	62360	Pre-2002	N/A
PGE Kilarc	Small Hydro	60049	Pre-2002	N/A
PGE Lime Saddle	Small Hydro	60050	Pre-2002	N/A
PGE Newcastle	Small Hydro	60053	Pre-2002	N/A
PGE Oak Flat	Small Hydro	60276	Pre-2002	N/A
PGE Phoenix	Small Hydro	60054	Pre-2002	N/A
PGE Potter Valley	Small Hydro	60055	Pre-2002	N/A
PGE Five Points	Solar PV	61432	2010	N/A
PGE Stroud	Solar PV	61434	2010	N/A
PGE Westside	Solar PV	61433	2010	N/A
PGE Cantua	Solar PV	61823	2011	N/A
PGE Giffen	Solar PV	61822	2011	N/A
PGE Huron	Solar PV	61821	2011	N/A
PGE Gates	Solar PV	62353	2012	N/A
PGE Guernsey	Solar PV	62354	2012	N/A
PGE West Gates	Solar PV	62352	2012	N/A
PGE Rock Creek RPS	Small Hydro	62269	Pre-2002	N/A
PGE San Joaquin 1A	Small Hydro	60056	Pre-2002	N/A
PGE San Joaquin 2	Small Hydro	60057	Pre-2002	N/A
PGE San Joaquin 3	Small Hydro	60058	Pre-2002	N/A
PGE South	Small Hydro	60059	Pre-2002	N/A
PGE Spaulding 1	Small Hydro	60060	Pre-2002	N/A
PGE Spaulding 2	Small Hydro	60061	Pre-2002	N/A
PGE Spaulding 3	Small Hydro	60062	Pre-2002	N/A
PGE Spring Gap	Small Hydro	60063	Pre-2002	N/A
PGE Toadtown	Small Hydro	60064	Pre-2002	N/A
PGE Tule River	Small Hydro	60065	Pre-2002	N/A
Vaca-Dixon Solar (PG&E)	Solar PV	60966	2010	N/A
PGE Volta 1	Small Hydro	60066	Pre-2002	N/A
PGE Volta 2	Small Hydro	60067	Pre-2002	N/A
PGE West Point	Small Hydro	60068	Pre-2002	N/A
PGE Wise 1	Small Hydro	60069	Pre-2002	N/A
PGE Wise 2	Small Hydro	60070	Pre-2002	N/A
PGE A.G.Wishon	Small Hydro	60032	Pre-2002	N/A



**PG&E requests that the Commission issue a resolution that:**

1. approves the Transactions between PG&E and the Counterparties, dated June 30, 2023, based on the guidance from D.22-11-021.

**Energy Division evaluated the Transactions with the Counterparties based on the following criteria:**

- Consistency with D.22-11-021;
- Consistency with PG&E's 2022 RPS Procurement Plan and RPS Portfolio Need;
- Cost Reasonableness and Valuation;
- Project Viability Assessment and Development Status;
- Independent Evaluator Review;
- Procurement Review Group Participation; and
- Safety Considerations.

**Consistency with D.22-11-021**

D.22-11-021 established several requirements for the IOUs' implementation of the Long-Term Market Offer process:

- must offer 35 percent of remaining PCIA eligible long-term contracts as long-term contracts;<sup>4</sup>
- must offer the remaining 65 percent long-term PCIA-eligible contracts, but must use a methodology to optimize value for ratepayers between short-term and long-term bids;<sup>5</sup>
- must offer a contract term through the end of the term of the longest contract in the IOU's PCIA-eligible RPS portfolio;<sup>6</sup>
- must seek CPUC approval of executed long-term Market Offer contracts via Tier 3 Advice Letters;<sup>7</sup>
- bids in the Market Offer must specify the quantity of RPS resources in percentage increments, which must be represented in whole numbers;<sup>8</sup>
- for PG&E, if it uses a bid floor, must use a bid floor consistent with the methodology adopted in D.21-01-005;<sup>9</sup>

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<sup>4</sup> D.22-11-021 at OP 3.

<sup>5</sup> D.22-11-021 at OP 4.

<sup>6</sup> D.22-11-021 at OP 5.

<sup>7</sup> D.22-11-021 at OP 6.

<sup>8</sup> D.22-11-021 at OP 7.

<sup>9</sup> D.22-11-021 at OP 8.

- must use a Code of Conduct if the IOUs choose to participate in their solicitations;<sup>10</sup>
- may not hold concurrent RPS sales solicitations; and<sup>11</sup>
- must use an Independent Evaluator (IE) and consult the Procurement Review Group (PRG).<sup>12</sup>

PG&E complied with requirements established by D.22-11-021. First, PG&E offered 35 percent of remaining long-term PCIA-eligible as long-term contracts to all market participants.<sup>13</sup> Second, PG&E offered the remaining 65% of long-term PCIA eligible contracts as long-term or short-term contracts, consistent with CPUC approved AL 6961-E.<sup>14</sup> Third, PG&E offered a contract term running through May 31, 2043, the end date of the longest contract term in its PCIA-eligible RPS portfolio. Fourth, PG&E filed AL 6977-E, a Tier Three advice letter seeking CPUC approval of the resulting Transactions. Fifth, PG&E accepted the Counterparties' whole number bids for 100 percent of PG&E's remaining bundled long-term PCIA-eligible RPS product. Sixth, PG&E was consistent with the sales framework methodology adopted in D.21-01-005, and AL 4922-E.<sup>15</sup> Seventh, PG&E did not participate in its own solicitation and therefore was not required to follow the Code of Conduct approved in AL 6779-E.<sup>16</sup> Eighth, PG&E did not hold a concurrent RPS solicitation outside of the Market Offer process.<sup>17</sup> Lastly, PG&E engaged Arroyo Seco, as IE for this solicitation and consulted the PRG.<sup>18</sup> Therefore, the Transactions are consistent with the requirements established by D.22-11-021.

### **Consistency with PG&E's 2022 RPS Procurement Plan and RPS Portfolio Need**

Pursuant to statute PU Code 399.13, PG&E's RPS Procurement Plan (Plan) includes an assessment of RPS supply and demand to determine the optimal mix of renewable generation resources; description of existing RPS portfolio; description of potential RPS compliance delays; status update of projects within its RPS portfolio; an assessment of the project failure and delay risk within its RPS portfolio; and bid solicitation protocol

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<sup>10</sup> D.22-11-021 at OP 9.

<sup>11</sup> D.22-11-021 at OP 10.

<sup>12</sup> D.22-11-021 at p. 15.

<sup>13</sup> AL 6977-E.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Independent Evaluator Report, p. 33.

<sup>17</sup> AL 6977-E.

<sup>18</sup> Ibid.

setting forth the need for renewable generation of various operational characteristics.<sup>19</sup> California's RPS statute also requires that the Commission review the results of a renewable energy resource solicitation submitted for approval by a utility.<sup>20</sup> The Commission reviews the results to verify that the utility conducted its solicitation according to its Commission-approved procurement plan.

In PG&E's 2022 RPS Plan, PG&E forecasted having a net long RPS position through the end of Compliance Period 5 (2025-2027) with the use of its RPS bank.<sup>21</sup> PG&E's forecast included consideration of the VAMO implementation and assumes that PG&E only retains its own bundled share of the available VAMO volumes and that all remaining Market Offer volumes are successfully sold. Therefore, its RPS position already accounts for the impact of these Transactions. PG&E's 2022 Draft RPS Procurement Plan was approved by D.22-12-030 on December 15, 2022.

The Counterparties agreement is for the sale of renewable generation and associated RECs and is consistent with PG&E's renewable resource needs as identified in its 2022 RPS Plan. Therefore, the Transactions are consistent with PG&E's RPS portfolio needs in its 2022 RPS Procurement Plan, as approved by D.22-12-030.

### **Cost Reasonableness and Valuation**

In AL 6977-E, PG&E asserted that the Counterparties Transactions are intended to "optimize" PG&E's RPS portfolio and provide benefits for ratepayers consistent with D.22-11-021 and Advice Letter 6794-E.

In reviewing requests for contract approval, the Commission compares contract prices to the most recent solicitations and recently executed contracts. This was PG&E's first long-term RPS sales solicitation. Thus, the Commission compared the bids received in the solicitation and the other Transactions prices to the Counterparties Transactions we review here. Based on this analysis and the confidential analysis provided by PG&E in AL 6977-E, we determine that the Transactions prices are reasonable. Confidential Appendix A includes a discussion of the contractual pricing terms and the analysis of the reasonableness of the Transaction' prices.

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<sup>19</sup> Pub. Util. Code § 399.13(a)(5).

<sup>20</sup> Pub. Util. Code § 399.13(d).

<sup>21</sup> PG&E Final 2022 RPS Procurement Plan at p. 23. PG&E forecasted having a net short position by 2023 – the net short position does not account for an entities RPS bank. Id.

The total expected revenues of the sales agreements are reasonable based on the estimated costs to PG&E ratepayers and the sales agreements' prices relative to the solicitation and recently executed contracts.

Payments received by PG&E under the sales agreement shall be credited to PG&E's ratepayers through PG&E's PABA over the life of the sales agreement, subject to Commission review of PG&E's administration of the sales agreement.

### **Project Viability Assessment and Development Status**

The generation to be delivered pursuant to the Counterparties Transactions are from a large portfolio of facilities already under contract with PG&E, all of which have already been certified by the California Energy Commission (CEC) as RPS-eligible and are generating RPS-eligible energy. The facilities are listed in Table 2 above. The Transactions with the Counterparties do not change the development status of these existing projects.

It is reasonable that the pool of generating facilities under this contract will continue to be viable and will continue to operate under their existing contracts such that PG&E can meet the terms of these Transactions.

### **Independent Evaluator Review**

PG&E retained Arroyo Seco as the independent evaluator (IE) to oversee PG&E's Long-Term Market Offer solicitation and to evaluate the overall merits of the executed contracts that resulted from the solicitation. AL 6977-E included a public and confidential IE report on PG&E's Long-term Market Offer solicitation.

In its report, the IE states that it believes that all the sales agreements resulting from the solicitation merit Commission approval. Specifically, the IE notes that PG&E evaluated each conforming response, and the evaluation process was fair for all conforming responses. Additionally, the IE states that the negotiations were conducted fairly and consistent with Codes of Conduct.

Consistent with D.06-05-039, D.09-06-050, and D.22-11-021, an independent evaluator oversaw PG&E's Long-Term Market Offer solicitation and asserts that the executed contracts merit Commission approval.

### **Procurement Review Group Participation**

The Procurement Review Group (PRG) was initially established in D.02-08-071 as an advisory group to review and assess the details of the IOUs' overall procurement strategy, solicitations, specific proposed procurement contracts and other procurement processes prior to submitting filings to the Commission.<sup>22</sup> PG&E asserts that details regarding evaluation process, solicitation results and shortlisted bids were discussed during the following PRG meetings: February 7, 2023, April 13, 2023, and April 27, 2023. PG&E consulted with the PRG and provided their rationale for selecting the shortlisted bids. PG&E received input from PRG participants on the shortlist prior to notifying the shortlisted bidders and executing contracts.

Pursuant to D.02-08-071 and D.22-11-021, PG&E's Procurement Review Group participated in the review of PG&E's Long-Term Market Offer from which the Transactions with the Counterparties arose.

### **Safety Considerations**

California Public Utilities Code Section 451 requires that every public utility maintain adequate, efficient, just, and reasonable service, instrumentalities, equipment and facilities to ensure the safety, health, and comfort of the public.

The Counterparties' Transactions are for the sale of renewable generation and associated RECs from RPS-eligible facilities. The proposed sales agreements do not alter existing power purchase agreements or any facility operations. As these agreements do not require a change in facility operations, there are no incremental safety implications associated with approval of this contract beyond the status quo. Based on the information provided, these agreements do not appear to result in any adverse safety impacts on the facilities or operations of PG&E.

### **Confidential Information**

The Commission, through the implementation of Pub. Util. Code § 454.5(g), has determined in D.06-06-066, as modified by D.07-05-032 and D.21-11-029, that certain material submitted to the Commission as confidential should be kept confidential to ensure that market sensitive data does not influence the behavior of bidders in future RPS solicitations. D.06-06-066, as modified adopted a time limit on the confidentiality

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<sup>22</sup> PG&E's PRG included representatives from the Commission's Energy Division and Public Advocates Office, Earth Justice, The Utility Reform Network, Coalition of California Utility Employees, and Coast Economic Consulting.

of specific terms in RPS contracts. Such information, such as price, is confidential until 30 days after the commercial operation date/energy delivery start date or 18 months from the date of Commission approval, whichever comes first or one year after contract termination, except contracts between IOUs and their affiliates, which are public.

The confidential appendices marked "[REDACTED]" in the public copy of this resolution, as well as the confidential portions of the advice letter, should remain confidential at this time.

### **COMMENTS**

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to Public Utilities Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

### **FINDINGS**

1. PG&E's Long-Term Market Offer solicitation was implemented consistent with D.22-11-021.
2. The Transactions are consistent with PG&E's RPS portfolio needs in its 2022 RPS Procurement Plan, as approved by D.22-12-030.
3. The total expected revenues of the sales agreements are reasonable based on the estimated costs to PG&E ratepayers and the sales agreements' prices relative to PG&E's Market Offer solicitation and other recently approved contracts.
4. Payments received by PG&E under the sales agreement shall be credited to PG&E's ratepayers through PG&E's Portfolio Allocation Balancing Account over the life of the sales agreements, subject to Commission review of PG&E's administration of the sales agreements.
5. It is reasonable that PG&E's pool of PCIA-eligible RPS generating facilities under this contract will continue to operate under their existing contracts such that PG&E should be able to meet the terms of the Counterparties' Transactions.
6. Consistent with D.06-05-039, D.09-06-050, and D.22-11-021 an independent evaluator oversaw PG&E's Long-Term Market Offer solicitation.

7. Pursuant to D.02-08-071 and D.22-11-021, PG&E's Procurement Review Group participated in the review of PG&E's Long-Term Market Offer solicitation from which the Counterparties' Transactions arose.
8. The confidential appendices marked "[REDACTED]" in the public copy of this resolution, as well as the confidential portions of the advice letter, should remain confidential at this time.
9. AL 6977-E should be approved effective today without modification.

**THEREFORE IT IS ORDERED THAT:**

Pacific Gas and Electric Company's Advice Letter 6977-E requesting Commission review and approval of the Market Offer Agreements with the Counterparties (City of San Jose ("SJCE"), San Diego Community Power ("SDCP"), East Bay Community Energy ("EBCE"), Calpine Energy Services ("CES"), Pilot Power Group ("PPG"), Central Coast Community Energy ("3CE")), Central Coast Community Energy ("3CE")) is approved without modification 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 November 2, 2023; the following Commissioners voting favorably thereon:

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Rachel A. Peterson  
Executive Director

**Confidential Appendix A**

Evaluation Summary of the Counterparties Portfolio Sale Agreement

**[Redacted]**