

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-5429

December 4, 2025

R E D A C T E D
R E S O L U T I O N

Resolution E-5429. Pacific Gas and Electric Company's requested approval of contract termination agreements with Solar Partners II and Solar Partners VIII, owners of Ivanpah Solar Electric Generating Station, are rejected without prejudice.

PROPOSED OUTCOME:

- Reject the contract termination agreements in their entirety, without prejudice.

SAFETY CONSIDERATIONS:

- There are no safety considerations. Ivanpah Solar Electric Generating Station is expected to continue operation with all applicable safety requirements relating to the project.

ESTIMATED COST:

- There are no additional costs.

By Advice Letter 7485-E, filed on January 17, 2025.

SUMMARY

This Resolution rejects Pacific Gas and Electric's (PG&E's) contract termination agreements (CTAs) with Solar Partners II and Solar Partners VIII (collectively, Solar Partners), owners of the Ivanpah Solar Electric Generating Station (Ivanpah) where PG&E compensates Solar Partners in exchange for terminating their existing Power Purchase Agreements (PPAs). The CTAs with Solar Partners for which PG&E seeks approval in Advice Letter (AL) 7485-E are summarized in Table 1 below:

Table 1: PG&E AL 7485-E Ivanpah Contracts Overview

Counterparty	Facility	Delivery Term Start Date	Technology	Current Contract End Date	Nameplate Capacity
Solar Partners II, LLC	Ivanpah Unit I	01/21/2014	Solar Thermal	01/20/2039	126 MW
Solar Partners VIII, LLC	Ivanpah Unit III	01/27/2014	Solar Thermal	01/26/2039	133 MW

Note: Ivanpah Unit II is contracted to Southern California Edison for 133 MW. The total nameplate capacity for units I, II, and III is 392 MW.

BACKGROUND

Overview of the Renewable Portfolio Standard (RPS) Program Requirements

The California RPS program was established by Senate Bill (SB) 1078, and has been subsequently modified by SB 107, SB 1036, SB 2 (1X), SB 350 and SB 100.¹ The RPS program is codified in Public Utilities Code Sections 399.11-399.33.²

The RPS program administered by the CPUC requires each retail seller of electricity to procure eligible renewable energy resources so that the amount of electricity generated from eligible renewable resources equals 60 percent of retail sales by December 31, 2030.³

Additional background information about the CPUC's RPS Program is available at <https://www.cpuc.ca.gov/rps>.

¹ SB 1078 (Sher, Chapter 516, Statutes of 2002); SB 107 (Simitian, Chapter 464, Statutes of 2006); SB 1036 (Perata, Chapter 685, Statutes of 2007); SB 2 (1X) (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session); SB 350 (de León, Chapter 547, Statutes of 2015); SB 100 (de Leon, Chapter 312, Statutes of 2018).

² All further statutory references are to the Public Utilities Code unless otherwise specified.

³ D.11-12-020 established a methodology to calculate procurement requirement quantities for the three different compliance periods covered in SB 2 (1X) (2011-2013, 2014-2016, and 2017-2020). D.16-12-040 established additional procurement requirement quantities for the three compliance periods established by SB 350: 2021-2024, 2025-2027, 2028-2030.

Power Charge Indifference Adjustment (PCIA) Proceeding Background

Phase II of PCIA proceeding Rulemaking (R.) 17-06-026 aimed to reduce above-market costs of legacy contracts apportioned to all retail sellers of electricity through the Voluntary Allocation and Market Offer (VAMO) process for RPS resources. The VAMO process, adopted in Decision (D.) 21-05-030 was intended to seek opportunities to reduce excess and/or uneconomic resources in the investor-owned utilities' PCIA-eligible portfolios. The decision directed the investor-owned utilities (IOUs) to conduct requests for information (RFI) to seek opportunities to reduce excess and/or uneconomic resources from their RPS portfolios by terminating, allocating, or otherwise modifying legacy contracts. The RFI processes were incorporated into the IOUs' annual RPS Procurement Plans (RPS Plan) for the two years following the VAMO decision. Retail sellers, including the IOUs, submit for approval annual RPS Procurement Plans outlaying their RPS portfolio management intents for the calendar year. In Ordering Paragraph (OP) 6 of D. 21-05-030, the CPUC ordered each IOU to propose two RFIs for "Contract Assignments and Contract Modifications". Consistent with that order, the IOUs conducted RFIs seeking opportunities for contract terminations. The CTAs for which AL 7485-E seek approval are a result of PG&E's 2023 RFI.

Ivanpah Project Background

Ivanpah PPAs were originally approved by the CPUC on August 20, 2009, by Resolution E-4266 for 110 MW from Unit I and 200 MW from Unit III. The CPUC subsequently approved an amendment in 2010 via Resolution E-4369 that modified contracted capacity to 118 MW from Unit I and 130 MW from Unit III.⁴

Ivanpah began commercial operation in January 2014. In response to unexpected difficulties meeting contractual guaranteed energy production (GEP), Solar Partners and PG&E executed forbearance agreements for each Ivanpah unit whereby PG&E agreed to withhold from taking any steps towards declaring an event of default from December 18, 2015, through July 31, 2016, in exchange for monetary compensation for any GEP shortfalls.⁵ While both units of Ivanpah met their GEP during this forbearance period, Ivanpah Unit 3 was expected to fall short after the forbearance period ended. In response, PG&E and Solar Partners executed a contract amendment, approved by Resolution E-4841 on May 11, 2017, which provided PG&E curtailment rights and increased flexibility for the project to deliver on its contractual commitments. The

⁴ First amendment approved by Resolution E-4369 on October 28, 2010.

⁵ Forbearance agreements approved by the CPUC on March 17, 2016, by Resolution E-4771.

contract amendments approved in 2017 by the CPUC also limit total deliveries for which PG&E is obligated to pay the full contract price; provide PG&E with curtailment rights; and provide Solar Partners with the ability to cure future GEP failures by “further performance and financial payments” (discussed in more detail in Confidential Appendix B), which if not met can still lead to an event of default. Consistent with common practice in PPAs (and distinct from financial obligations of utility owned generation facilities), the PG&E-Ivanpah PPA obligates PG&E to pay for the output of the facility, but relieves PG&E of payment obligations in the event of non-performance. In the case of a default of certain key contract obligations, PG&E is not required to pay compensation to terminate either Ivanpah PPA.

The CTAs for which PG&E seeks approval in AL 7485-E are contingent upon a similar agreement with Southern California Edison, who is contracted with Ivanpah Unit II. As of November 4, 2025, Southern California Edison has not submitted an Advice Letter seeking approval of such an agreement.

NOTICE

PG&E states that a copy of AL 7485-E was distributed to parties on the service list for Rulemaking (R.)18-07-003 and R.24-01-017 in accordance with Section IV of General Order 96-B.

PROTESTS

The protest period for PG&E AL 7485-E concluded on February 6, 2025. No protests were received.

A response from the U. S. Department of Energy (DOE) in support of PG&E AL 7485-E was submitted to the CPUC on January 17, 2025. In their letter, DOE references a \$1.6 billion loan guarantee provided for the construction of Ivanpah and states that it has worked in close coordination with Solar Partners regarding the technical operation of the facilities to maximize repayment of these federal funds. Moreover, DOE states that they coordinated closely with Solar Partners in submitting the CTA proposals to PG&E and is coordinating in ongoing negotiations with Southern California Edison regarding the termination of Unit II’s contract. The \$1.6 billion loan has not yet been fully repaid.

DOE expresses strong support for AL 7485-E. DOE asserts that the associated CTAs reduce above-market costs for ratepayers and facilitate Solar Partners’ ability to repay outstanding federal debt obligations. Moreover, DOE speculates that CPUC approval

of the CTAs provides opportunity for redevelopment of the Ivanpah site to generation with a more cost competitive technology. Lastly, DOE asserts that the CTAs represent environmental benefits that include “decreased avian species exposure from concentrated solar power towers” and reduced emissions from natural gas fired systems associated with the plant.

DISCUSSION

PG&E Requests in AL 7485-E

In AL 7485-E, PG&E requests that the CPUC approve a resolution that:

1. Approves the CTAs in their entirety, including payments to be made by PG&E pursuant to the CTAs;
2. Finds that all Termination Payments associated with the underlying CTAs shall be recovered in rates through PG&E’s 2009 vintage of the Portfolio Allocation Balancing Account;
3. Finds that the Termination Payments associated with the underlying CTAs do not finance assets in rate base;
4. Adopts the following finding of fact and conclusion of law in support of CPUC approval:
 - a. The CTAs are consistent with PG&E’s 2022 RPS Plan.
 - b. The terms of the CTAs, including the Termination Payments, are reasonable
5. Adopts the following finding of fact and conclusion of law in support of cost recovery for the Termination Payments:
 - a. The utility’s costs under the CTAs shall be recovered through PG&E’s 2009 vintage of PG&E’s Portfolio Allocation Balancing Account.

Energy Division Evaluation

Energy Division evaluated PG&E AL 7485-E and its associated CTAs based on the following criteria:

- Consistency with CPUC Decisions, including but not limited to:
 - a. D.21-05-030; order to conduct the 2023 RFI
 - b. D.22-12-030; authorization to conduct the 2023 RFI
- Independent Evaluator (IE) Review
- PG&E's Renewables Portfolio Standard Needs; and
- Reasonableness of Ratepayer Value and Reliability

Consistency with CPUC Decisions: Direction and Authorization to Conduct RFI

In Ordering Paragraph (OP) 6 of D. 21-05-030, the CPUC ordered each IOU to propose two RFIs for "Contract Assignments and Contract Modifications" in the RPS proceeding. PG&E conducted an RFI in 2022. PG&E's 2022 RPS Plan included an update on the RFIs, including that PG&E's 2022 RFI yielded one offer for a contract termination opportunity, but PG&E deemed it to provide insufficient value to ratepayers. Pursuant to D.21-05-030 PG&E requested in its 2022 RPS Plan⁶ authorization to conduct a second RFI (PG&E's 2023 RFI) utilizing the same structure as its 2022 RFI. PG&E's 2022 RPS Plan was approved by D.22-12-030. PG&E's 2023 RFI yielded the CTAs for which AL 7485-E seeks approval.

Because D.21-05-030 ordered PG&E to run two RFIs and D.22-12-030 authorized the 2023 RFI, PG&E's issuance of the RFI which yielded the CTAs was consistent with these CPUC Decisions.

Independent Evaluator Review

The CPUC requires the use of independent evaluator (IE) in procurement processes and decisions undertaken by the IOUs. PG&E retained Arroyo Seco Consulting to serve as its IE to oversee, review, and assess PG&E's evaluation and negotiation of the CTAs to ensure that they were conducted fairly. In the IE Report included in AL 7485-E, Arroyo Seco Consulting provides an evaluation of the CTAs, including the fairness of PG&E's evaluation methodology and process, reasonableness of contract negotiations, and opinion on merit for CPUC approval. Thus, consistent with D.06-05-039 and D.09-06-050, an IE oversaw PG&E's RFI process and PG&E's negotiations with NRG.

In the IE report, Arroyo Seco opined that PG&E's outreach and solicitation were adequate, though response from counterparties was "not particularly robust." The IE further opined that it believes the Net Market Value approach used by PG&E for

⁶ PG&E's 2022 RPS Procurement Plan was approved by D.22-12-030.

evaluation of the CTAs was appropriate for the situation and that PG&E's conduct of contract-specific negotiations of the terms and conditions of the CTAs was fair to ratepayers and competitors.

Arroyo Seco expresses that its independent analysis supports PG&E's conclusion that the CTAs will provide ratepayer savings, though concedes that PG&E's valuation of the contracts is dependent on assumptions made for input parameters utilized in the evaluation including the future value of energy, resource adequacy, and renewable energy credits (RECs). Thus, if PG&E's assumptions of the future value of these parameters errs, the expected ratepayer savings may increase or decrease. The IE's analysis was limited to the subjects considered by AL 7485-E: PG&E's RFI, evaluation methodology, and CTAs. Specifically, the IE reviewed the adequacy of PG&E's outreach, the fairness of proposal evaluation and selection methodology, the fairness of administering the proposal evaluation and selection process, the fairness of contract-specific negotiations, and merit for CPUC approval (market valuation, consistency with PG&E's RPS goals, and portfolio fit). Based on the specific criteria reviewed by the IE, the IE opines that the CTAs merit CPUC approval.

Consistency with PG&E's RPS needs

According to the AL 7485-E, PG&E "is well positioned to meet its near-term RPS requirements"⁷ even absent Ivanpah's expected generation. Pursuant to statute, PG&E's annual RPS 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 setting forth the need for renewable generation of various operational characteristics.⁸

While PG&E acknowledges risks involving "significant market, operational, or regulatory changes"⁹ could impact their expected RPS need year, it also describes in its 2024 RPS Plan some of the steps it is taking to mitigate those risks. PG&E describes its portfolio as "comprised of a variety of technologies, project sizes, and contract types," providing a "solid foundation for meeting current and future compliance needs"¹⁰.

⁷ PG&E AL 7485-E, at 6.

⁸ Pub. Util. Code § 399.13(a)(5).

⁹ PG&E 2024 Final RPS Procurement Plan, at 78.

¹⁰ PG&E 2023 Final RPS Plan, at 29.

Moreover, PG&E “expects to continue procurement of additional volumes of incremental RPS-eligible contracts [...] through mandated procurement programs” such as Integrated Resources Planning and BioMAT¹¹, which would form an additional buffer to possible compliance delays.

In AL 7485-E, PG&E asserts that with these CTAs, it aims to benefit customers by better optimizing its portfolio while not jeopardizing its ability to meet RPS requirements. The CTAs for which PG&E seeks approval are for contracts PG&E deems to be excess and/or uneconomic. Therefore, because PG&E has sufficient generation and banked RECs to meet its near-term compliance obligations, the CTAs and resulting termination of contracts with Solar Partners are consistent with PG&E’s near-term RPS needs as stated in its 2024 RPS Procurement Plan.

Reasonableness of Reliability and Ratepayer Value

While PG&E AL 7485-E asserts estimated ratepayer savings as a result of the CTAs, the CPUC must consider both the estimated amount of ratepayer savings and their likelihood of materializing. In addition to ratepayer savings, the CPUC must consider other factors related to utilities’ duties to ensure safe, reliable, and affordable utility services that meet the state’s clean energy goals. In order to fully examine the CTAs based on these criteria, factors including system reliability and overall ratepayer value are considered herein.

Reliability

Since the rotating outages related to the Energy Crisis in the early 2000s, reliability has been a primary concern of the CPUC. The state has ordered delayed retirements for a small number of generation assets, including Diablo Canyon Nuclear Generating Station, primarily to ensure system reliability as additional resources come online to serve reliability needs. Reliability outlooks are continually revisited and revised as California transitions to increasing proportions of renewables and zero carbon resources to meet SB 100 goals.

Several published reports detail the supply and demand characteristics that determine grid reliability. The California Energy Commission’s (“CEC’s”) 2024 Integrated Energy Policy Report Update found that “tight electricity conditions are expected to continue in

¹¹ Id. at 38.

the coming years,”¹² pointing to increasing load growth from building and transportation electrification, data centers and artificial intelligence, and hydrogen production. The CPUC’s Loss of Load Expectation Study for 2026, assuming the retention of most or all existing resources, found that existing and expected resources can meet resource adequacy obligations, but also recommends an increase to the planning reserve margin to accommodate the CPUC’s Slice of Day Framework.¹³ Additionally, the CPUC, CEC, and California Air Resources Board Joint Agency Reliability Planning Assessment found that “the California system is expected to have sufficient resources,”¹⁴ but caveats their finding with assumptions of full achievement of the CPUC’s Preferred System Plan, normal hydro conditions, and normal transmission capacity. The Joint Agency Reliability Planning Assessment further details possible events compromising this assessment, which include wildfires, drought, reduction in future generator build-out, and/or limits in California’s ability to import power during periods of high system stress. Thus, reliability assessments from both demand and supply perspectives provide a cautiously optimistic reliability picture, but rest on factors including maintaining current available generation and expected generator development and build-out.

While California has over 20 GW of energy resources contracted and expected to be built, there are still major factors affecting current and future generator development and build-out, including shifting federal policies. On April 4, 2025, President Trump announced sweeping reciprocal tariffs¹⁵ which, combined with previous tariffs on steel and aluminum, will increase prices across clean energy technologies and could delay maintenance and expansion of the U.S. electrical grid.¹⁶ On July 4, 2025, President Trump signed House Resolution 1,¹⁷ a federal budget bill which included provisions

¹² CEC. 2024 Integrated Energy Policy Report Update, at 2.

<https://www.energy.ca.gov/publications/2024/2024-integrated-energy-policy-report-update>

¹³ CPUC. (2024). Loss of Load Expectation Study for 2026 Including Slice of Day Tool Analysis. At 4. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/slice-of-day-compliance-materials/2026_lole_final_report_07192024.pdf

¹⁴ CEC, CPUC, and CARB. (2025). Joint Agency Reliability Planning Assessment, at 58. <https://www.energy.ca.gov/publications/2025/joint-agency-reliability-planning-assessment-covering-requirements-sb-846>

¹⁵ US White House. (2025). ["Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits"](#).

¹⁶ Abrahams, Leslie. (2025). ["The Impacts of Tariffs on Clean Energy Technologies"](#). Center for Strategic & International Studies.

¹⁷ US Congress. (2025). ["H.R.1 - 119th Congress \(2025-2026\): One Big Beautiful Bill Act | Congress.gov | Library of Congress"](#)

sunsetting tax credits for renewable energy projects, which is expected to reduce nationwide renewables buildout by 72 gigawatts (GW) by 2030 and 300 GW by 2035.¹⁸ On August 29, 2025, California Governor Gavin Newsom issued Executive Order N-33-25, attempting to streamline California renewable energy projects to meet tax credit expiration deadlines, but the Executive Order's effectiveness is yet to be quantified. Additionally, on July 17, 2025, the United States Department of the Interior (DOI) signaled intentions to "eliminate longstanding right-of-way and capacity fee discounts for existing and future wind and solar projects," a move expected to further hinder wind and solar project development.¹⁹ Moreover, an August 1, 2025 Department of the Interior order effectively eliminates solar and wind development on federal lands in favor of "reasonable project alternatives with higher capacity densities."²⁰ In addition to adding uncertainty to solar development, this last federal policy shift has direct implications for any potential redevelopment specific to the Ivanpah site, which is located on federal lands, managed by the Bureau of Land Management (BLM). Thus, Energy Division finds that shifting federal priorities are creating uncertainty in the expected generator development and build-out forecasts and the likelihood of existing site redevelopment, both of which could potentially affect reliability outlooks.

Most recently, a September 30, 2025, ruling in the Integrated Resources Planning proceeding, R.25-06-019, presents a staff analysis proposing additional procurement requirements during years 2029-2032.²¹ CPUC staff cited changing conditions including increasing load growth projections, the phasing out of tax credits to renewable energy projects, and tariffs on electricity supply related materials and equipment as cause to update capacity expansion modeling. Using an updated baseline and set of assumptions, CPUC staff conducted technical modeling informing their recommendation to require additional procurement. If additional procurement is potentially required to ensure system reliability in light of changing conditions, it would be counterproductive to retire existing generation assets. Thus, consistency with

¹⁸ Jenkins, J., Farbes, J., & Haley, B. (2025). Impacts of the One Big Beautiful Bill On The US Energy Transition – Summary Report. REPEAT Project. <https://doi.org/10.5281/zenodo.15801701>

¹⁹ US Department of the Interior. (2025). "Interior Ends Preferential Treatment for Unreliable, Subsidy-Dependent Wind and Solar Energy". <https://www.doi.gov/pressreleases/interior-ends-preferential-treatment-unreliable-subsidy-dependent-wind-and-solar>

²⁰ US Department of the Interior (2025). "Secretary Burgum Announces Order to Rein In Environmentally Damaging Wind and Solar Projects". <https://www.doi.gov/pressreleases/secretary-burgum-announces-order-rein-environmentally-damaging-wind-and-solar>

²¹ CPUC. (2025). "Administrative Law Judge's Ruling Seeking Comments on Electricity Portfolios for 2026-2027 Transmission Planning Process and Need for Additional Reliability Procurement."

R.25-06-019.

current Integrated Resources Planning modeling would dictate that Ivanpah should remain online in light of the current uncertainty regarding reliability.

Ratepayer Costs & Infrastructure

As noted above, PG&E asserts estimated ratepayer savings as a result of the CTAs. Specifically, PG&E asserts the CTAs' ratepayer savings based on the difference between the net present value of the current Ivanpah contract and the CTAs, but it does not account for the value of transmission and interconnection infrastructure funded by ratepayers through electric rates or incorporated into PPA costs. The total ratepayer costs paid via electricity rates to Southern California Edison, the Participating Transmission Owner of the Eldorado-Ivanpah Transmission Project which serves Ivanpah's capacity to the CAISO grid are in excess of \$333 million. There are additional embedded costs for Ivanpah's interconnection which are incorporated into Ivanpah's PPA costs. While this infrastructure may continue to benefit ratepayers, especially in the case that Ivanpah is redeveloped, aforementioned uncertainty in generator development (or in this case re-development) build-out creates risk that ratepayers' sunk investments for transmission and interconnection infrastructure will be stranded, for the near future and until a re-development plan on federal land could be meaningfully advanced. Moreover, the costs of this ratepayer-funded infrastructure are greater than the estimated savings of the CTAs (examined in Confidential Appendix B). Thus, terminating the Ivanpah contracts risks stranding sunk infrastructure costs in excess of the estimated CTA savings.

Staff have reviewed AL 7485-E, PG&E's RFI methodology and evaluation criteria, the IE Report, and contextual factors related to reliability, renewable project development, and ratepayer assets. Staff finds that, although PG&E's RFI methodology and evaluation criteria were reasonable and fair, uncertainty in renewables project development driven in part by changing federal policy may undermine a core assumption of current reliability assessments. Moreover, project development uncertainty introduces unnecessary risk of stranding infrastructure assets California ratepayers are funding through their assumed lifespan. Therefore, to help ensure a reliable California electric system and to protect ratepayer infrastructure investments, the CPUC rejects PG&E AL 7485-E and the associated contract termination agreements without prejudice. With additional certainty in project development or specific plans representing a viable replacement project, contract termination agreements similar to those proposed by PG&E AL 7485-E could represent value for ratepayers while limiting risk. Moreover, absent the CTAs, if Solar Partners defaults on their GEP or other contractual obligations, PG&E can terminate the Ivanpah PPAs without owing compensation.

Confidential Information

The CPUC, 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 CPUC 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 of specific terms in RPS contracts. Such information, such as price, may be kept confidential until 30 days after the commercial operation date/energy delivery start date or eighteen months from the date of CPUC 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

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. Any comments are due within 20 days of the date of its mailing and publication on the CPUC's website and in accordance with any instructions accompanying the notice. 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 on November 4, 2025. Energy Division timely received five comments regarding Draft Resolution E-5429, from PG&E, The Public Advocates Office at the California Public Utilities Commission (Cal Advocates), DOE, California Community Choice Association (CalCCA), and CMB Ivanpah Asset Holdings, Inc. (CMB).

Additionally, Energy Division received one late comment from Clark County Department of Aviation (CCDOA). Energy Division accepted the late comment.

PG&E filed reply comments to the Resolution on November 26, 2025.

COMMENT SUMMARY

CalCCA, DOE, CCDOA, and PG&E wrote comments in opposition to Draft Resolution E-5429, raising concerns about the high cost to customers and safety concerns if Ivanpah remains in operation. Cal Advocates and CMB, a creditor of Ivanpah Master Holdings, LLC, parent company of Solar Partners, wrote comments in support of Resolution E-5429. CMB and Cal Advocates agree it is reasonable to reject the CTAs without prejudice given concerns about stranded infrastructure costs and the feasibility of redeveloping the site with more cost-effective resources. Additionally, CMB raised concerns about fairness and transparency in the process leading up to PG&E's submittal of Advice Letter 7485-E. PG&E's reply comment addressed comments and concerns raised by CalCCA, Cal Advocates and CMB.

Cost-Effectiveness of Ivanpah and Feasibility of Redevelopment

CalCCA and PG&E argue that the CTAs followed CPUC requirements to reduce uneconomic resources in PG&E's PCIA-eligible portfolio. PG&E maintains that Ivanpah is not a cost-effective solution to meet reliability needs and argues that the CPUC's evaluation of AL 7485-E considers factors in excess of the CPUC's applicable directives. DOE and PG&E argue that if the CTAs are not approved, PG&E ratepayers will be exposed to the high costs of the Ivanpah PPA and that Solar Partners may make investments in order to improve Ivanpah's operations and avoid defaulting on contractual obligations. DOE asserts in response to some of the concerns raised, it is exploring the feasibility of replacement generation to be developed on the Ivanpah site. Additionally, PG&E comments that Resolution E-5429's overstates the potential risk of sunk infrastructure costs and alleges it misunderstands Ivanpah's PPAs terms, including GEP and contract default provisions.

The Commission recognizes that its applicable directives were included in the pre-approved RFI. However, the terms of the presented CTAs were not pre-approved, and we believe the implications of the CTAs and the current circumstances both warrant consideration in evaluating the CTAs. PG&E and DOE's comment that Solar Partners needs to make investments in Ivanpah further demonstrates that the plant is not currently in a state conducive to meeting its contractual obligations, underscoring the risk to ratepayers of making a significant, new ongoing financial commitment via these CTAs. Further, this resolution rejects the CTAs without prejudice, which allows PG&E, Solar Partners, and DOE to continue exploring redevelopment options for future consideration.

Lastly, PG&E's comment correctly points out that Resolution E-5429 erroneously refers to the 2017 contract amendment as increasing the delivery price of units. We corrected this error.

Rejecting the CTAs Violates Pub. Util. Code 366.2(f)(2)

CalCCA asserts that PG&E has demonstrated that Ivanpah's costs are uneconomic and avoidable and therefore rejecting them would violate Pub. Util. Code 366.2(f)(2). We believe that given the risks identified in this resolution of stranding infrastructure costs in excess of PG&E's estimated customer savings, PG&E has not demonstrated at this time that Ivanpah costs are uneconomic and thus, warrants further consideration. Further, CalCCA fails to recognize that PG&E's estimated ratepayer savings are based upon assumptions of the costs of replacement products, so the alleged avoidable costs are speculative. PG&E's Net Market Value methodology rests on projections that may or may not reflect future market conditions and, in fact, changed significantly over the course of just the CTA negotiations.

Stranded Infrastructure Costs and Reliability Needs

Cal Advocates argues that the rejection of the CTAs prevents ratepayers from having to "finance long-term contract termination payments and used infrastructure while there is a need for additional procurement to meet reliability needs" and CMB echoes concerns about avoiding stranded infrastructure. Cal Advocates asserts that changes in federal policies "affect PG&E's ability to replace the energy that Ivanpah generates with other renewable resources." CMB asserts that the CTAs run contrary to California's policy goals including "maintaining renewable generation, avoiding stranded infrastructure, preserving workforce investment, reducing emissions, and protecting ratepayers."

Other Comments

CCDOA opines that the CTAs should be approved based on safety concerns related to Ivanpah's proximity to the existing Jean Sport Aviation Center in Jean, Nevada and the Southern Nevada Supplemental Airport, which is planned to be built in the Ivanpah Valley. Alternatively, CCDOA recommends the CPUC postpone its decision and reevaluate the Advice Letter with these safety considerations. The Commission recognizes that CCDOA's comment reflects Ivanpah's long and complex operational history with a wide variety of stakeholders. Since this Resolution dismisses Advice

Letter 7485-E without prejudice, PG&E may submit another proposal at which time CCDOA will have the opportunity to raise any safety concerns earlier in the process.

Reply Comments

PG&E responds to CalCCA's comments about uneconomic PPA costs that should be removed from the PCIA portfolio if AL 7485-E is rejected. PG&E argues that removing these PPAs from the PCIA would increase costs for bundled service customers, which would violate the indifference requirement set forth in Public Utilities Code section 365.2. PG&E also addresses Cal Advocates and CMB's concerns about the costs of replacement products, arguing that the CTAs would allow for a cost-effective portfolio.

FINDINGS

1. PG&E filed AL 7485-E on January 17, 2025, to request approval of contract termination agreements with Solar Partners II, LLC and Solar Partners VIII, LLC for units I and III (respectively) of Ivanpah Solar Electric Generating Station.
2. PG&E's issuance of its 2023 RFI which yielded the CTAs was consistent with Decision 21-05-030 and D.22-12-030.
3. An IE oversaw PG&E's RFI process and PG&E's negotiations with NRG, consistent with D.06-05-039 and D.09-06-050.
4. The CTAs are consistent with PG&E's RPS needs.
5. Reliability assessments rest on factors including maintaining current available generation and expected generator development and build-out.
6. Shifting federal priorities are creating uncertainty in the expected generator development build-out.
7. Consistency with Integrated Resources Planning modeling would dictate that Ivanpah should remain online.
8. Terminating the Ivanpah contracts risks stranding sunk infrastructure costs in excess of the estimated CTA savings.

9. Uncertainty in renewables project development driven in part by changing federal policy may undermine a core assumption of current reliability assessments.
10. The confidential appendices, marked "[REDACTED]" in the public copy of this Resolution, as well as the confidential portions of Advice Letter 7485-E should remain confidential at this time.

THEREFORE IT IS ORDERED THAT:

1. Pacific Gas and Electric Company's Advice Letter 7485-E, requesting CPUC review and approval of two contract termination agreements with Solar Partners is rejected without prejudice.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on December 4, 2025; the following Commissioners voting favorably thereon:

/s/ RACHEL PETERSON

Rachel Peterson
Executive Director

ALICE REYNOLDS
President

DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
MATTHEW BAKER
Commissioners

Dated December 4, 2025, at San Francisco, California.

Confidential Appendix A

Summary of Major Contract Terms

[REDACTED]

Confidential Appendix B

Reasonableness of RFI and Evaluation Methodology, Value to Ratepayers

[REDACTED]