ADVICE LETTER
SUMMARY
ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Peninsula Clean Energy Authority

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<thead>
<tr>
<th>Utility type:</th>
<th>GAS</th>
<th>WATER</th>
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<td>ELC</td>
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<td>PLC</td>
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Contact Person: Chelsea Keys
Phone #: (650) 382-2002
E-mail: ckeys@peninsulacleanenergy.com
E-mail Disposition Notice to: ckeys@peninsulacleanenergy.com

Explanation of Utility Type
- ELC = Electric
- PLC = Pipeline
- GAS = Gas
- HEAT = Heat
- WATER = Water

(Date Submitted / Received Stamp by CPUC): December 17, 2021

Advice Letter (AL) #: 22E
Tier Designation: 2

Subject of AL: PENINSULA CLEAN ENERGY AUTHORITY'S REQUEST FOR MONTH-AHEAD LOCAL RESOURCE ADEQUACY WAIVER FOR THE FEBRUARY 2022 COMPLIANCE PERIOD

Keywords (choose from CPUC listing): Contracts, Portfolio, Procurement, Reliability

AL Type: [ ] Monthly [ ] Quarterly [ ] Annual [✓] One-Time [ ] Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.19-06-026

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: n/a

Summarize differences between the AL and the prior withdrawn or rejected AL: n/a

Confidential treatment requested? [✓] Yes [ ] No

If yes, specification of confidential information: Market Sensitive Information
Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Chelsea Keys, ckeys@peninsulacleanenergy.com, (650) 382-2002

Resolution required? [ ] Yes [✓] No

Requested effective date: 12/17/21
No. of tariff sheets: n/a

Estimated system annual revenue effect (%): n/a

Estimated system average rate effect (%): n/a

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: n/a

Service affected and changes proposed: See Advice Letter

Pending advice letters that revise the same tariff sheets: n/a

1Discuss in AL if more space is needed.
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Chelsea Keys
Title: Senior Manager, Power Resources
Utility Name: Peninsula Clean Energy Authority
Address: 2075 Woodside Road
City: Redwood City
State: California Zip: 94061
Telephone (xxx) xxx-xxxx: (650) 382-2002
Facsimile (xxx) xxx-xxxx:
Email: ckeys@peninsulacleanenergy.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:
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<th>ENERGY Advice Letter Keywords</th>
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December 17, 2021

California Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

Advice Letter PCE/No. 22E

RE: PENINSULA CLEAN ENERGY AUTHORITY’S REQUEST FOR MONTH-AHEAD LOCAL RESOURCE ADEQUACY WAIVER FOR THE FEBRUARY 2022 COMPLIANCE PERIOD

EFFECTIVE DATE

Peninsula Clean Energy Authority requests that this Tier 2 Advice Letter become effective on December 17, 2021, which is the date of this submission.

TIER DESIGNATION: Tier 2 Designation

PURPOSE

Pursuant to California Public Utilities Commission (“Commission”) Decision (“D.”) 06-06-064, D.07-06-029, D.19-02-022, D.19-06-026, D.20-06-002, D.20-06-031 and Section 25 of the Commission’s 2022 Filing Guide For System, Local, and Flexible Resource Adequacy Compliance Filings (“2022 Filing Guide”), Peninsula Clean Energy Authority (“PCE”) hereby submits this Tier 2 Advice Letter requesting a waiver of certain local resource adequacy (“RA”) requirements for the February 2022 compliance period. Additionally, PCE has fulfilled its collective procurement obligations within the Pacific Gas & Electric Company (“PGE Other”) area and, on that basis, requests that the Commission deem PCE compliant with its local RA requirements during the periods described in Appendix A. The specific local areas and periods covered by this waiver request are market-sensitive and confidential and are provided to the Commission in Appendix A.

BACKGROUND

In D.06-06-064, the Commission established a waiver process whereby load serving entities (“LSEs”) may request relief from the local RA procurement obligation with a demonstration that they have made commercially reasonable efforts to contract for local RA resources. As discussed further below, the Commission established specific standards that LSEs must demonstrate in requesting waivers. These waiver requests are required to be submitted at the time the LSE files its local RA compliance showing. D.19-02-022 extended this waiver process to multiyear local RA requirements.
In D.19-06-026, the Commission adopted the requirement that local RA waivers must be submitted through a Tier 2 Advice Letter process. This process requires service of the Tier 2 Advice Letter to the service list in the open RA proceeding, with confidential information redacted, as necessary, in addition to the submission of the Advice Letter to the Energy Division.

In D.20-06-031, the Commission determined that LSEs shall have fulfilled their local RA obligations in the six disaggregated PG&E Other local capacity areas if the following requirements are met: (1) the LSE makes the required demonstration as part of the current local waiver process through a Tier 2 Advice Letter for its disaggregated PG&E Other local capacity requirements, and (2) the LSE, in its Year Ahead compliance filing, demonstrates procurement of local RA capacity within the PG&E Other local capacity areas (“LCAs”) such that the LSE’s collective procurement in the six disaggregated PG&E Other LCAs meets the LSE’s collective requirement for the disaggregated PG&E Other LCAs. Further, as provided in the 2022 Filing Guide, if the LSE demonstrates that they made reasonable efforts to procure capacity in the disaggregated PG&E Other areas and procured sufficient resources to meet the aggregated PG&E Other area requirement, the LSE will be deemed compliant, subject to verification that the LSE indeed made the required demonstration.

PCE has made every reasonable effort to meet all of its local RA requirements, as documented in Appendices A and B, but despite these efforts has been unable to meet all of these requirements. As further described in Appendix A, PCE has procured sufficient resources to meet its collective PG&E Other requirements for the February 2022 compliance period. PCE understands that the issues preventing LSEs from fully procuring local resources, especially within the disaggregated PG&E Other areas, may be a problem within the local RA market generally, rather than issues specific to any LSE. PCE remains committed to working with the Commission and other stakeholders to address these problems and other reliability concerns.

Through this Advice Letter submittal, PCE seeks the waiver of local RA obligations and/or penalties for the February 2022 period, and PCE requests the Commission deem PCE compliant with its local RA obligations in the PG&E Other LCAs. As demonstrated in this Advice Letter and confidential supporting appendices, PCE meets the waiver requirements set forth in the 2022 Filing Guide.

REQUEST FOR CONFIDENTIAL TREATMENT

The Appendices to this Advice Letter contain market-sensitive information regarding PCE’s RA procurement efforts, business practices, and confidential RA supply data. The basis for this request for confidential treatment is provided in the attached Confidentiality Declaration.

STANDARD FOR LOCAL RESOURCE ADEQUACY WAIVERS AND COMPLIANCE WITH PG&E OTHER REQUIREMENT

The standards for submitting and assessing an LSE’s local RA waiver request are primarily set forth in D.06-06-064 and outlined in Section 25 of the 2022 Filing Guide, which states:
An LSE requesting a waiver must make such request at the time it files its Local [Resource Adequacy Requirements, “RAR”] compliance showing. The waiver request must include both of the following:

(1) a demonstration that the LSE reasonably and in good faith solicited bids for its RAR capacity needs along with accompanying information about the terms and conditions of the Request for Offer or other form of solicitation, and

(2) a demonstration that despite having actively pursued all commercially reasonable efforts to acquire the resources needed to meet the LSE’s local procurement obligation, it either

   (a) received no bids, or

   (b) received no bids for an unbundled RA capacity contract of under $51 per kW-year or for a bundled capacity and energy product of under $73 per kW-year, or

   (c) received bids below these thresholds but such bids included what the LSE believes are unreasonable terms and/or conditions, in which case the waiver request must demonstrate why such terms and/or conditions are unreasonable.

These requirements are necessary but are not necessarily a sufficient basis for the Commission to grant waiver. The Commission will also consider other information brought to its attention regarding the reasonableness of the waiver request.

Further, as detailed in D.20-06-002 and Section 25 of the 2022 Filing Guide, the Commission established the PG&E Other compliance mechanism, as discussed above. The standards required for meeting the PG&E Other compliance mechanism, and thereby being determined to have fulfilled an LSEs’ local RA obligation, are as follows:

(a) The LSE makes the required demonstration as part of the current local waiver process through a Tier 2 Advice Letter for its disaggregated PG&E Other local capacity requirements, and

(b) The LSE, in its Year Ahead compliance filing, demonstrates procurement of local RA capacity within the PG&E Other LCAs such that the LSE’s collective procurement in the six disaggregated PG&E Other LCAs meets the LSE’s collective requirement for the disaggregated PG&E Other LCAs.

If the LSE demonstrates that they made reasonable efforts to procure capacity in the disaggregated PG&E Other areas and procured sufficient resources to meet the aggregated PG&E Other area requirement, the LSE will be deemed compliant, subject to verification that the LSE indeed made the required demonstration.
JUSTIFICATION FOR WAIVER AND COMPLIANCE FINDING

Consistent with the standards for local RA waivers reflected in the 2022 Filing Guide, PCE engaged in good faith efforts to procure the resources required to meet all local RA requirements for the February 2022 compliance period. Furthermore, PCE requests the Commission deem PCE compliant with its local RA requirements for the February 2022 compliance period. Further details regarding these efforts and PCE’s justifications for its waiver request and request for a compliance finding are provided in PCE’s supporting narrative, attached hereto as Appendix A.

APPENDICES

Appendix A: [Confidential] Supporting Narrative
Appendix B: [Confidential] Supporting Documentation

NOTICE

Anyone wishing to protest this advice submission may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice submission. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above). In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Chelsea Keys
Senior Manager, Power Resources
Peninsula Clean Energy Authority
2075 Woodside Road
Redwood City, California 94061
ckeys@peninsulacleanenergy.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

CORRESPONDENCE

For questions, please contact Chelsea Keys at (650) 382-2002 or by electronic mail at ckeys@peninsulacleanenergy.com.
Declaration of Chelsea Keys Supporting Confidentiality Claim for Submission of Peninsula Clean Energy Authority’s Advice Letter 22E, Request for Month-Ahead Local Resource Adequacy Waiver for the February 2022 Compliance Period

In accordance with General Order 66-D, Decision (“D.”) 06-06-066, D.08-04-023, and D.20-07-005, providing for the submission of confidential information to the California Public Utilities Commission (“Commission”) in an Advice Letter filing, Peninsula Clean Energy Authority (“PCE”) submits the following declaration in support of its claim of confidentiality for the below-specified information provided in PCE Advice Letter 22E: *Peninsula Clean Energy Authority’s Request for Month-Ahead Local Resource Adequacy Waiver for the February 2022 Compliance Period* (“PCE 22E”) and the supporting documentation for PCE 22E provided in Confidential Appendices A and B.

The undersigned declares, under penalty of perjury, as follows:

1. I am the Senior Manager, Power Resources for PCE. In this capacity, I have knowledge of the information provided in this declaration and am authorized to make this declaration on PCE’s behalf by PCE’s Chief Executive Officer, Jan Pepper.

2. In this Advice Letter Submission, PCE is securely and confidentially uploading the following documents to the Energy Division through the Commission’s File Transfer Protocol (“FTP”) system:
   a. “PCE Advice Letter 22E”
   b. “PCE Confidentiality Declaration”
   c. “Appendix A – [Confidential] – Supporting Narrative”
   d. “Appendix B – [Confidential] – Supporting Documentation”

3. In this Advice Letter Submission, PCE is publicly submitting the following documents to the Energy Division and the service list for the current Resource Adequacy Rulemaking, R.21-10-002, via email:
   a. “PCE Advice Letter 22E”
   b. “PCE Confidentiality Declaration”

4. Through this declaration, PCE requests that the Confidential Appendices be treated as confidential and kept under seal.

5. This request for confidentiality is being made pursuant to the requirements and authority of Commission Decisions 06-06-066, 08-04-023, and 20-07-005, Commission General Order 66-D, and California Government Code Section 6255(a).
6. The attached “Table of Confidential Information” identifies the specific information that is subject to this confidentiality request, provides specific citations to the authority upon which each request is based, provides a granular justification for confidential treatment, and specifies the length of time that the information is to be kept confidential.

7. PCE is complying with the limitations on confidentiality specified in the D.06-06-066 Matrix (as amended by subsequent decisions) for the types of data being submitted subject to a request for confidentiality.

8. To the best of my knowledge, the information being submitted subject to this request for confidentiality is not already public.

9. PCE is providing a public version of PCE 22E and is separately providing confidential information in its Confidential Appendices to the Commission. These Confidential Appendices contain confidential information and redacted versions of these documents cannot reasonably be produced.

10. As set forth below, the Confidential Appendices contain information that is highly market-sensitive and cannot be aggregated, redacted, summarized, masked, or otherwise protected in a way that allows partial disclosure.

11. The following person is designated as the person for the Commission to contact regarding potential release of this information by the Commission:

   Chelsea Keys  
   Senior Manager, Power Resources  
   Peninsula Clean Energy Authority  
   2075 Woodside Road  
   Redwood City, California 94061  
   ckeys@peninsulacleanenergy.com

Executed on December 17, 2021 at Redwood City, California

/s/ Chelsea Keys

Chelsea Keys  
Senior Manager, Power Resources  
Peninsula Clean Energy Authority
# TABLE OF CONFIDENTIAL INFORMATION

**PCE Advice Letter 22E:**
Peninsula Clean Energy Authority’s Request for Month-Ahead Local Resource Adequacy Waiver for the February 2022 Compliance Period

<table>
<thead>
<tr>
<th>Redaction Reference</th>
<th>Authority For Confidentiality Request</th>
<th>Justification for Confidential Treatment</th>
<th>Length of Time Data To Be Kept Confidential</th>
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</table>
| Confidential Appendix to PCE Advice Letter 22E Appendix A – Supporting Narrative (entire document) | ESP/CCA Matrix, Item II(B) – RA Supply Data Commission General Order 66-D California Government Code, Section 6255(a) | PCE’s supporting narrative provides market-sensitive RA supply information:  
• Capacity under contract (MW)  
• Capacity deficiencies (MW)  
• Price information  
• Identifying information for specific local areas.  
• Identifying information for specific procurement time periods.  
• Confidential information regarding PCE’s RA procurement practices.  

All of this information constitutes RA “Supply Data” under Item II(B), and as such is confidential.  

The Commission has established that the public interest in preserving a functional RA market by keeping information confidential that could expose load serving entities’ open RA position outweighs any minimal public interest in making this information public.  

Under Item II(B), RA Supply Data is confidential for the first 3 years of the forecast period. |

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the information contained in Appendix A would provide valuable market sensitive information to market participants, could damage PCE’s future contract negotiations, create distortions to the resource adequacy market.

<table>
<thead>
<tr>
<th>Confidential Appendix to PCE Advice Letter 22E</th>
<th>Appendix B – Supporting Documentation (entire document)</th>
<th>Confidential Appendix to PCE Advice Letter 22E</th>
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<tr>
<td>ESP/CCA Matrix, Item II(B) – RA Supply Data</td>
<td>Commission General Order 66-D</td>
<td>Appendix B consists of documentation of PCE’s efforts to procure Local RA resources for February 2022, including confidential request(s) for offers (“RFOs”) issued by or on behalf of PCE, bids received by PCE, documentation of the results of the RFO(s), and other bids/offers submitted by PCE. All of this information is RA “supply data” under Item II(B) and as such is confidential. In addition, this information is highly market-sensitive because it reveals confidential communications, proposals, offers, and bids between market participants, reveals PCE’s business practices and procurement strategies, and could be used by other market participants to determine PCE’s RA short position, creating market disruption. The public interest in a functional resource adequacy market outweighs any public interest in these highly market sensitive communications, strategies, and business practices.</td>
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<tr>
<td>Commission General Order 66-D</td>
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