

DOCKET
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Pacific Gas and
Electric Company
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CONFIDENTIAL

Mark Krausse
Director
State Agency Relations

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*Reviewed
and signed*

COMPLETED

April 29, 2011

Docket #



11-IEP-7B

Melissa Jones, Executive Director
California Energy Commission
1516 9th Street, MS-4
Sacramento, CA 95814-5512

Re: Docket: 11-IEP-1C - PG&E's ^{4B} ~~Resource Plan~~ Demand Forms Data Response

Woodward 5/27/2011

Dear Ms. Jones,

The accompanying narrative, compact discs, and paper copies contain PG&E's response to the California Energy Commission's request for information to PG&E's historical, forecast, and contract data regarding electricity supply as the CEC requested by its forms and instructions adopted in December, 2010.

We are also providing applications for confidential designation for a subset of the data in these forms. For ease of review, we have provided two different copies of the paper and electronic sets – one confidential version and one with the confidential cells blacked out. PG&E requests that the Commission promptly grant this request in order to ensure protection of this confidential, proprietary, and competitive-sensitive trade secret information.

Please note that, as a general matter, the forward-looking information contained in this response is preliminary in nature, given that future events and regulatory decisions that have not been taken into account are likely to occur and these events and decisions may significantly affect the information in this response. Thus, PG&E does not purport that the information contained in this response will reflect actual future resources.

We value the cooperative and collaborative working relationship we have with the CEC and with your analysts. In lieu of our narrative description of the tables comprising PG&E's response for the supply forms, we have coordinated an in-person meeting with Jim Woodward to discuss questions and concerns. PG&E appreciates the tremendous amount of hard work and ambitious schedule ahead of you in the 2011 IEPR, and encourage you to call me at the number above or Dan Patry at (415)973-6146, with any questions or concerns you might have.

Sincerely,

Mark Krausse by Dan Patry
Mark Krausse

ORIGINAL

APPLICATION FOR CONFIDENTIAL DESIGNATION
(20 CCR SECTION 2025)

2011 INTEGRATED ENERGY POLICY REPORT
Docket Number 11-IEP-1B

Applicant: Pacific Gas and Electric Company ("PG&E")

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1. (a) Title, data, and description of the record.

Electricity Supply forms issued by the California Energy Commission (CEC) for the 2011 Integrated Energy Policy Report.

(b) Specify the part(s) of the record for which you request confidential designation.

PG&E is providing the information requested in Electricity Supply Forms S-1, S-2, S-4 and S-5¹. This information is available to all Commissioners and to staff members on the 2011 Integrated Energy Policy Report Committee solely for its own use in the IEPR proceeding. However, PG&E is requesting confidential designation for certain information designated as confidential in Electricity Supply Forms S-1, S-2, S-4 and S-5.²

PG&E has provided Form S-1 (annual capacity resource tables), Form S-2 (annual energy balance tables), S-4 (wind resource nameplate capacity) and Form S-5 (bilateral contracts). The CEC granted confidentiality to the below data categories in the 2007 and 2009 IEPR forms on April 24, 2009, March 12, 2007 and May 9, 2007. PG&E's request for confidentiality in these 2011 IEPR forms is consistent with those decisions for similar data. The types of data contained in these categories are unchanged or substantially similar to the categories in the 2009 and 2007 IEPR forms. PG&E requests that these categories be deemed confidential for the same reasons as presented in the 2009 and 2007 IEPR are still relevant.

¹ Form S-3 is only for publicly owned LSE with annual peak loads under 200 MW.

² PG&E requests that the confidentiality of this information be maintained by restricting access to hard copies and controlled electronic files only and solely to the IEPR proceeding.

- Line 20, Spot Market Purchases

Historical Period (2009-2010)

As described in the documents supporting Form S-1, supply resource values do not necessarily represent the actual peak capacity that was realized during the historical period. Rather, they represent capacity expected to have been available during the peak. PG&E is seeking (and has previously been granted³) confidentiality for forecasted values for the below data categories. PG&E also requests confidentiality for the following limited set of data categories for the historical period, because divulging them would allow easy extrapolation to the forecast period.

PG&E requests confidentiality for the following lines for 2009 and 2010 historical period, as well as forecasted data through 2010:

- Line 17a, Total QF Capacity,
- Line 17g, QF capacity from gas-fired units,
- Line 17h, QF capacity from units with other fuels,
- Lines 19a- 19z, covering long-term bilateral contracts, and
- Line 20, Short-Term and spot Market Purchases.

PG&E also requests confidentiality for Form S2, Lines 15a – 15z, covering energy from bilateral contracts, because divulging them would allow easy extrapolation to the forecast period.

Supply Form S-2 (Energy)

Forecast Period (2011 -2020):

PG&E requests confidentiality for the following lines yearly totals of 2011 through 2013:

- Line 1, Forecast Total Energy Demand / Consumption;
- Line 5, Adjusted Energy Demand / Consumption;
- Lines 9a-c, Total Nuclear Energy Supply, Diablo Canyon Units 1 and 2;
- Line 21, Generic Non-Renewable Energy;
- Line 21a-b, Incremental CHP New Facilities and Incremental CHP New Contracts for Existing Facilities;
- Line 21c, Generic Non-Renewable Energy Other;
- Line 32, Total Retail Sales;
- Line 33, Renewable Energy as a Percentage of Retail Sales;

PG&E requests confidentiality for the following lines yearly totals of 2011 through 2020:

- Line 6, Firm Sales Obligations;

³ CEC Executive Director, B. B. Blevins, March 12, 2007 confidentiality decision.

Supply Form S-5 (Bilateral Contract and Power Purchase Agreements)

PG&E has provided the following amended Form S-5 for approximately 120 bilateral contracts as approved by CEC Staff. The Form S-5 is submitted as a spreadsheet, because that is more readable and user-friendly than a separate sheet for each and every contract. The CEC granted confidentiality to all of these contracts for the following data categories in the 2007 and 2009 IEPRs on April 24, 2009, March 12, 2007 and May 9, 2007:

- Contract Products;
- Availability of Contract Products;
- Must Take;
- Generating Unit(s) Specified,⁵
- Supplier/Seller
- Capacity of the Unit(s);
- Availability of the Unit(s);
- Unit Contingent / LD Contract;
- Firm;
- Contract / Agreement Type⁶
- Transmission Contingent & Path;
- Termination & Extension Rights;
- Performance Requirements; and
- Notes

In the April 24, 2009 decision the CEC found that disclosure of the information in these categories "could place PG&E at a competitive disadvantage if disclosed, and this could lead to potentially higher costs to PG&E ratepayers...." In the March 12, 2007 decision the CEC found that disclosure of the information in these categories "would place PG&E at an economic disadvantage and require trade secret protection." The information contained in these categories for the 2011 IEPR is unchanged or substantially similar to the information for these categories in the 2007 and 2009 IEPRs. PG&E requests that these categories be deemed confidential for all contracts because these same disclosure concerns are still relevant.

PG&E also seeks confidential treatment for only specific types of information that is disclosed in responding to the following two categories:

⁵ Previously "Unit(s) Under Contract."

⁶ Previously "Contract Pricing." While this category no longer seeks numerical information on pricing terms compared to the 2007 IEPR, this category still reveals sensitive contract term information such as the mechanism used to determine energy payments under the contract pricing (e.g., whether the pricing terms are fixed, gas/power indexed, shaping and firming, include capacity, etc.).

market participants to have access to competitively sensitive information that would normally not be available to them in this form or format. As a matter of law and public policy, the CEC should ensure that it does not facilitate availability of such data.

Certain categories of this information already are subject to protection from disclosure by the California Public Utilities Commission under Section 454.5 of the Public Utilities Code. That section requires the California Public Utilities Commission to maintain on a confidential basis market sensitive and trade secret information related to a distribution utility's procurement plan. The data provided here is similar to the same data that has been or would likely be protected in that forum as well. See CPUC Decision No. 06-06-066, Appendix 1. Since the CPUC issued that decision, PG&E has been scrupulous in adhering to the CPUC's confidentiality rules.

(b) Discuss the public interest in nondisclosure of the record. If the record contains trade secrets or its disclosure would otherwise cause loss of a competitive advantage, please also state how it would be lost, the value of the information to the Applicant, and the ease or difficulty with which the information could be legitimately acquired or duplicated by others.

The public and PG&E's customers have a compelling interest in protecting this information from disclosure to competitors or electricity suppliers who could use the information to manipulate the costs of energy supplies procured by PG&E and other utilities on behalf of their customers. Because of the ease with which PG&E's net short position can be derived using this disaggregated data, protection from disclosure to third parties is required. These determinations need not be mathematically exact to cause harm; customers incur substantial risk of higher energy prices (or fewer revenues from sales) any time a potential supplier knows that a utility must buy or sell gas or electricity on behalf of its customers at any given time. PG&E believes that it would be relatively easy to perform these calculations if the data in these forms were disclosed on a disaggregated basis.

In general, PG&E's electricity procurement-related and resource planning forecasts created after January 1, 2003 when the utilities resumed their procurement responsibilities are a prime candidate for confidential treatment because such information could be used to reveal sensitive PG&E-specific data on the net short, spot purchases, spot sales, total bundled sales, and contract purchases. Similarly, if buyers know when PG&E has to sell power, PG&E could get a lower price than if the market assumed the utility had discretion over whether or not to sell. Such market knowledge is a key factor, for example, for why prices drop during spring hydro run-off periods.

The more detail that is made public concerning a utility's relative peak demand and capacity positions, the greater the potential for market abuse. Suppliers could calculate adjustments to a utility's resource portfolio and be able to determine more

PG&E has not to the best of its knowledge previously released this information to the general public or to third parties or market participants on an unlimited basis in this format or projecting out over this duration of time. While certain of the information here or similar categories of information may have been provided in part or in aggregated form previously under protective order or nondisclosure agreements in various state or federal regulatory filings, PG&E has not to the best of its knowledge previously publicly disclosed this data in this disaggregated format.

For all these reasons, PG&E requests that the CEC protect this information from disclosure to the public, PG&E's suppliers, or PG&E's competitors.

I certify under penalty of perjury that the information contained in this application for confidential designation is true, correct, and complete to the best of my knowledge and that I am authorized to make the application and certification on behalf of the Applicant.

Dated: April 28, 2011

Signed: Christopher J. Warner

Name: Christopher J. Warner
Title: Chief Counsel
Pacific Gas and Electric Company