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**Pacific Gas and
Electric Company**

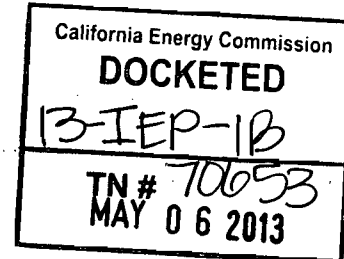
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May 3, 2013

Mr. Robert Oglesby
Executive Director
California Energy Commission
1516 9th Street, MS-4
Sacramento, CA 95814-5512



Re: Docket: 13-IEP-1B - Pacific Gas and Electric's Resource Plan Response

Dear Mr. Oglesby: *Rob,*

The accompanying compact discs contain Pacific Gas and Electric Company's (PG&E) response to the California Energy Commission's (CEC) December 2012 request for information. Supply Forms S-1, S-2 and S-5 show PG&E's historical, forecasted, and contract data regarding electricity supply.

PG&E seeks confidential designation for a subset of the data and its Application for Confidential Designation is enclosed. For ease of review, two electronic sets of the Supply Forms are provided – one confidential version and one with the confidential cells redacted. PG&E requests that the Commission promptly grant PG&E's Application for Confidential Designation to ensure protection of PG&E's 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 cannot be predicted 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 or conditions.

We value the cooperative and collaborative working relationship we have with the CEC and with your analysts. PG&E appreciates the tremendous amount of hard work and ambitious schedule ahead of you in the 2013 IEPR, and encourage you to call me at the number above or Matthew Plummer at (415) 973-3477, with any questions or concerns you might have.

Sincerely,

Valerie J. Winn

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**APPLICATION FOR CONFIDENTIAL DESIGNATION
(20 CCR SECTION 2025)**

**2013 INTEGRATED ENERGY POLICY REPORT
Docket Number 13-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 2013 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, and S-5.¹ This information is available to all Commissioners and to staff members on the 2013 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 Resource Planning Forms S-1, S-2, and S-5.²

PG&E has provided Form S-1 (annual capacity resource tables), Form S-2 (annual energy balance tables), and Form S-5 (bilateral contracts). The CEC granted confidentiality to the below data categories in the 2007, 2009, and 2011 IEPR forms. PG&E's request for confidentiality in these 2013 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 2007, 2009 and 2011 IEPR forms. PG&E requests that these categories be deemed

¹ Form S-3 is only for publicly owned LSE with annual peak loads under 200 MW and Form S-4 has been retired by the CEC.

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.

confidential for the same reasons as presented in the 2007, 2009, and 2011 IEPR are still relevant.

2. State and justify the length of time the Commission should keep the record confidential.

PG&E requests that the following categories of information designated as confidential be kept confidential for a period of three years from submission. That is until May 3, 2016 for Forms S-1 and S-2 and, for Form S-5, up to the contract expiration date or May 3, 2016, whichever is later. PG&E believes that this confidentiality is required to ensure that supply and resource data do not reveal PG&E's "net open" and ongoing and future procurement and competitive positions and strategies, thereby compromising PG&E's ability to secure the most favorable deals for customers. It is in the public interest to protect data concerning PG&E's net open position from disclosure to market participants and competitors, in order that such market participants and competitors not manipulate or misuse the information in order to raise capacity and energy prices during a period when real or perceived imbalances in supply and demand may exist. This competitive and market sensitive information should remain confidential, as knowledge about PG&E's specific procurement needs and patterns could undermine its competitive position and current business plans. At the same time, the public interest in ensuring that the State's energy policy plans and forecasts include this information is protected, because the information is being made available to the Commission staff and all Commissioners for internal use in the IEPR proceeding without restriction, as well as for public use on an aggregated basis.

Supply Form S-1 (Capacity)

PG&E requests confidentiality for the following lines for 2011 through 2022:

- Line 17a, Total Qualifying Facility (QF) Capacity;
- Line 17g, Natural Gas;
- Line 17h, Other; and
- Line 20, Short-Term and Spot Market Purchases.

PG&E requests confidentiality for the following lines for 2013 through 2022:

- Line 19a, Lines 19b-am, Total Capacity from Other Bilateral Contracts, each individual contract broken down.

PG&E requests confidentiality for the following lines for 2013 through 2015:

- Line 21, Total: Existing and Planned Capacity; and
- Line 25, Generic Non-Renewable Resources.

PG&E requests confidentiality for the following lines for 2011 through 2015:

- Line 10, Firm Sales Obligations;
- Line 11, Firm LSE Peak-Hour Resource Requirement;
- Line 22, Firm LSE Peak-Hour Resource Requirement; and
- Line 23, Capacity Surplus or (Capacity Need).

Supply Form S-2 (Energy)

PG&E requests confidentiality for the following lines yearly totals of 2013 through 2015:

- 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 19, Energy Surplus or (Energy Need); and
- Line 21, Generic Non-Renewable Energy;

PG&E requests confidentiality for the following lines yearly totals of 2013 through 2022:

- Line 6, Firm Sales Obligations;
- Line 7, Firm LSE Energy Requirement;
- Line 8a, Lines 8b-f, Total Fossil Energy Supply; Colusa, Fuel Cell, Gateway, Humboldt, and Oakley;
- Line 12a, Line 12b Total Energy Supply from DWR Contracts, each individual contract broken down;
- Line 13a, Lines 13g-h, Total Energy Supply from QF Contracts, Natural Gas, and Other;
- Line 15a, Lines 15b-ah, Total Energy Supply from Other Bilateral Contracts, each individual contract broken down;
- Line 17, Total Energy: Existing and Planned Resources; and
- Line 18, Firm LSE Energy Requirement

PG&E requests confidentiality for the following lines related to hydroelectric generation for 2013 only:

- Line 10a, Total Hydroelectric Energy Generation; and
- Line 10b, Total Energy: Hydro Plants larger than 30 MW

While the hydroelectric forecast for 2014 through 2022 is based on average year generation, the hydroelectric forecast for 2013 was based on precipitation and generation forecasts for calendar year 2013 at the time of forecast development. Since PG&E is seeking (and has previously been granted³) confidential treatment

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

for similar forecasted values (Line 10d, Hydroelectric Energy in Dry-Year Conditions [1-in-5]), PG&E also requests confidentiality for the following limited set of data categories relating to the current forecast of 2013 annual generation. PG&E is confronted with unique challenges and opportunities due to our numerous hydroelectric resources, and confidentiality of this data is required to protect PG&E's position as a major buyer and seller of energy for its customers.

PG&E requests confidentiality for the following line for 2011 through 2015:

- Line 16, Short Term and Spot Market Purchases

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

PG&E has provided the following Form S-5 for approximately 230 bilateral contracts. 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 the following data categories or their analogues through the 2007, 2009 and 2011 IEPRs:

- Supplier / Seller;
- Delivery Points (BAA / zone), *previously Delivery Point 1-CAISO Congestion Zone*;
- Delivery Points (load pocket/substation), *previously Delivery Point 2-Substation*;
- Locational Attributes of Unit (BAA / zone), *previously Locational Attributes of Unit(s)*;
- Locational Attributes of Unit (load pocket/substation), *previously Locational Attributes of Unit(s)*;
- Contract / Agreement Products;
- Availability of Products, *previously Limitations on Availability*;
- Must Take;
- Generating Units Specified;
- Nameplate of Units, *previously Capacity of the Units*;
- Availability of the Units;
- Unit Contingent / LD Contract;
- Firm;
- Firming or Shaping;
- Contract / Agreement Type;
- Transmission Contingent & Path;
- Termination & Extension Rights;
- Performance Requirements; and
- Notes

In its decision on the 2009 IEPR Application for Confidentiality, the CEC found that disclosure of the information in categories "could place PG&E at a

competitive disadvantage if disclosed, and this could lead to potentially higher costs to PG&E ratepayers.” In its decision on the 2007 IEPR Application for Confidentiality, 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 2013 IEPR is unchanged or substantially similar to the information for these categories in the 2007, 2009, and 2011 IEPRs. PG&E requests that these categories be deemed confidential for all contracts because these same disclosure concerns are still relevant.

3. (a) State the provision(s) of the Public Records Act or other law that allows the Commission to keep the record confidential, and explain why the provision(s) applies to the record.

Supply Forms S-1, S-2, and S-5 provide competitively and commercially sensitive business and resource planning information and trade secrets. Under the Public Records Act, Govt. Code Section 6254(k), records subject to the privileges established in the Evidence Code are not required to be disclosed. See also Govt. Code Section 6254.7(d). Evidence Code Section 1060 provides a privilege for trade secrets, which is defined in Civil Code Section 3426.1. That definition includes information, including a formula, technique, and process, that derives independent economic value from not being generally known to the public or to other persons who could obtain value from its disclosure.

These forms contain detailed disaggregated forecast information, as well as commercially and competitively sensitive expected capacity information, that relatively easily allows a party to calculate PG&E’s current energy supply and capacity needs on a disaggregated basis, as well as disclose financially and commercially sensitive information on individual projects. By thus calculating PG&E’s “residual net short” position, potential suppliers achieve a competitive advantage that potentially harms PG&E’s customers who may end up paying higher power prices.⁴ Second, to release this information publicly would allow 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

⁴ “Residual net short” refers to the amount of energy PG&E needs to procure in the market after meeting its forecasted load with existing power supplies, including existing power purchase contracts and utility retained generation.

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 accurately the utility's incremental needs from the market. Suppliers might then bid up prices either through additional buying or less aggressive selling, in anticipation of significant purchases by the utility, as compared with prior periods. See PG&E Application for Confidentiality, March 2, 2005, CEC Docket No. 04-IEP-1D.

PG&E believes that the public interest in favor of disclosure of IEPR-related information can be promoted without disclosure of this information on a disaggregated basis. The disaggregated information is being provided without restriction to the Commission staff and all Commissioners for their internal use in the IEPR proceeding.

4. **State whether the record may be disclosed if it is aggregated with other information or masked to conceal certain portions (including but not limited to the identity of the Applicant). State the degree of aggregation or masking required. If the data cannot be disclosed even if it is aggregated or masked, explain why.**

Certain of the data in Supply Forms S-1, S-2 and S-5 could be provided in an aggregated format for disclosure to the public and third parties. PG&E believes this aggregation would be sufficient to avoid the competitive and ratepayer harms that would occur in the event the disaggregated data were disclosed to market participants.

5. **State how the record is kept confidential by the Applicant and whether it has ever been disclosed to a person other than an employee of the Applicant. If it has, explain the circumstances under which disclosure occurred.**

PG&E maintains access to this information on a confidential basis. It is only available by hard copy and electronically on a limited basis within certain departments and corporate affiliates, such as PG&E's parent company, that must have access to the information to conduct their procurement, regulatory, and business planning and forecasting activities. In addition, under Standard of Conduct #2 adopted by the CPUC for the utilities' electric procurement activities, PG&E employees are obligated to protect the Company's trade secrets:

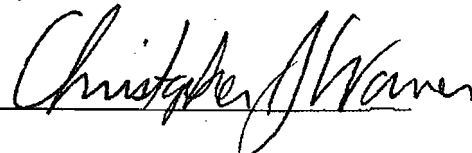
2. Each utility must adopt, actively monitor, and enforce compliance with a comprehensive code of conduct for all employees engaged in the procurement process that: 1) identifies trade secrets and other confidential information; 2) specifies procedures for ensuring that such information retains its trade secret and/or confidential status [e.g., limiting access to such information to individuals with a need to know, limiting locations at which such information may be accessed, etc.]; ... (See D.02-12-074, pp. 57-58.)

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: May 3, 2013

Signed: 

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