

PG&E: THE NEXT DECADE OF PROCUREMENT

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Pacific Gas & Electric Company (PG&E) Overview

Pacific Gas & Electric Company

- A natural gas and electric utility serving more than 16M people across 70,000 sq. miles in Northern and Central California
 - 5.5M electric distribution accounts
 - 4.5M natural gas distribution accounts

PG&E 2022 Peak Bundled Load 9,438 MW (approx.)



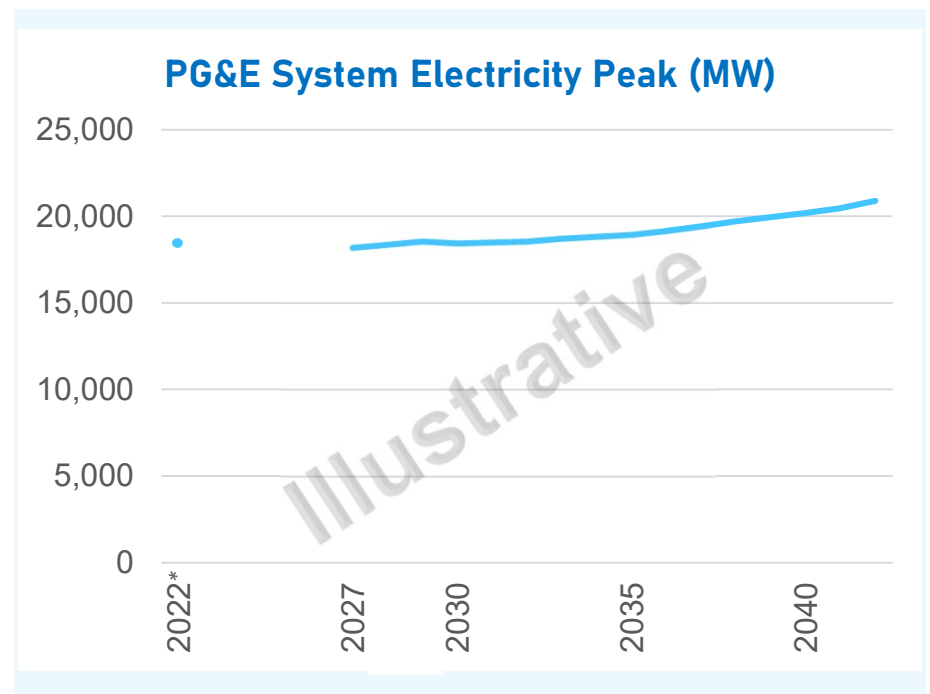
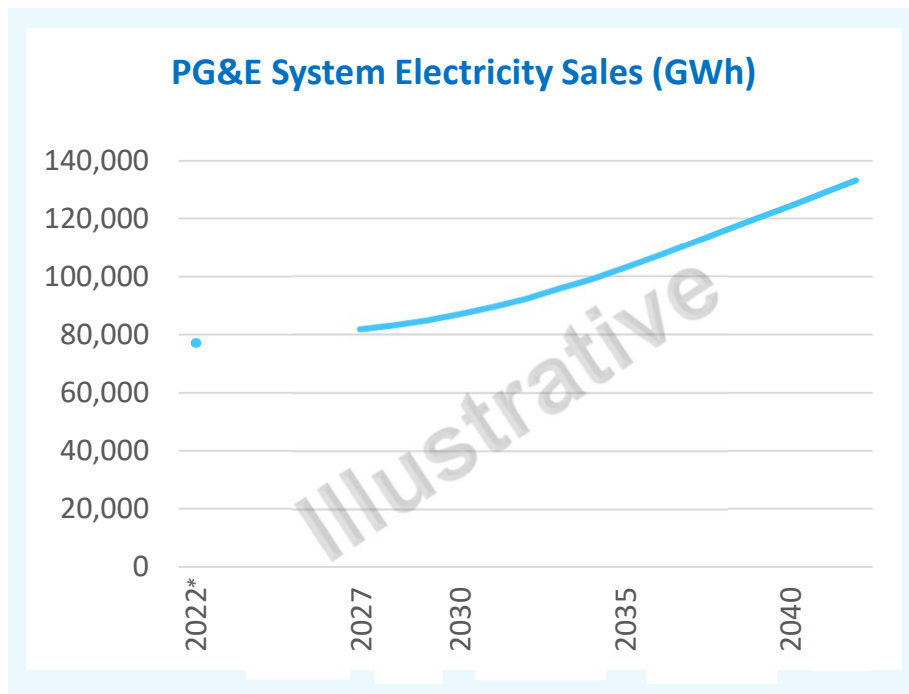
PG&E's Service Area





Beyond the Net Peak: Increase Energy Demand Eclipses Increase in Peak Demand

Over the next 20 years, System sales are forecast to increase ~70% while the PG&E System peak only increases ~15% as demand-side programs are anticipated to shift EV charging from traditional peak hours.



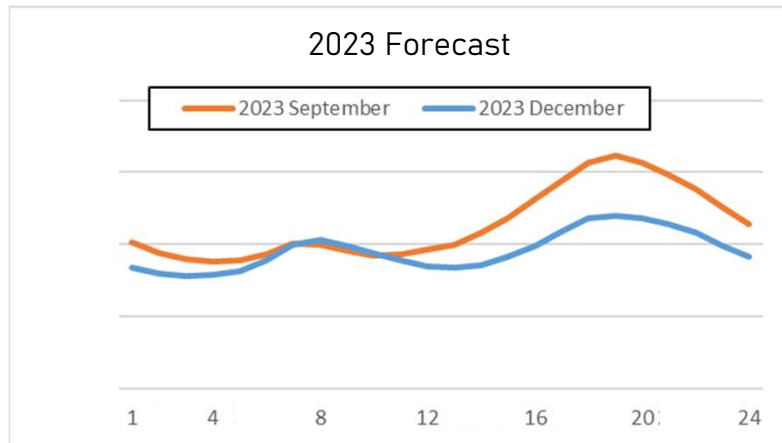
*Actual 2022 Figures
Note: Confidential Years Omitted

Source: PG&E's Spring
2023 Annual Load Forecast

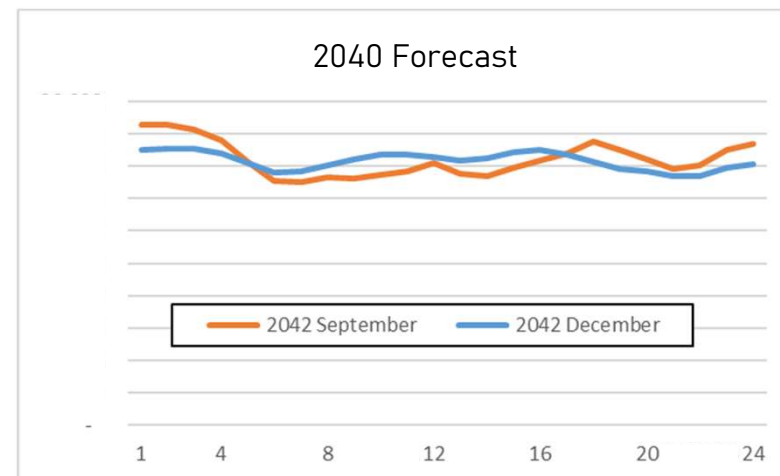
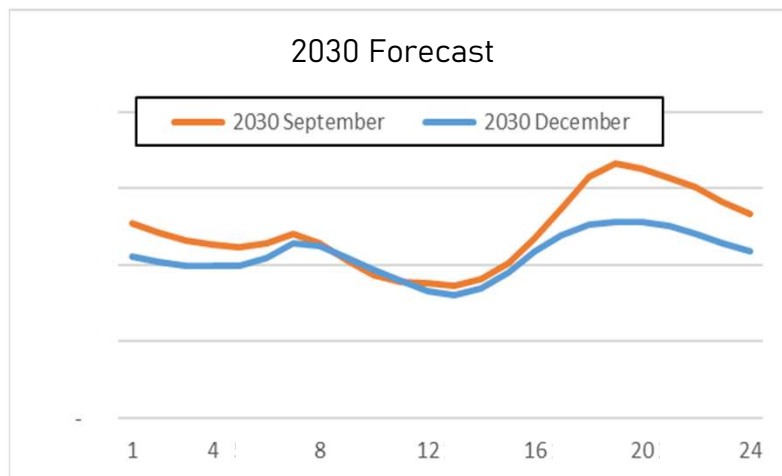


Flattening the Duck and Responding to Higher Winter Loads

Relatively higher winter load gets less “ducky” by the end of the decade, and flattens considerably by the end of the 2030s as building electrification and electric vehicles offer opportunities for customers to shift their load in response to price signals



- ❑ Daily shapes don't change much in the next 10 years or more, as customers continue to install rooftop solar at the same pace as behind-the-meter storage
- ❑ From 2030-2040, building electrification and EVs increase winter load while behind the meter storage and customers shifting load contribute to load shapes that are generally flatter.



Graphs are indicative

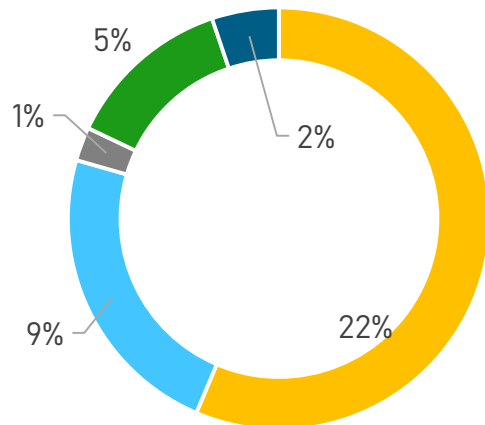


The Next Decade of Procurement: Renewable Portfolio Standard (RPS)

As load increases due to electrification and renewable compliance obligations rise, there is significant demand for renewable sources. PG&E is in the market for renewable resources for the first time in 9 years.

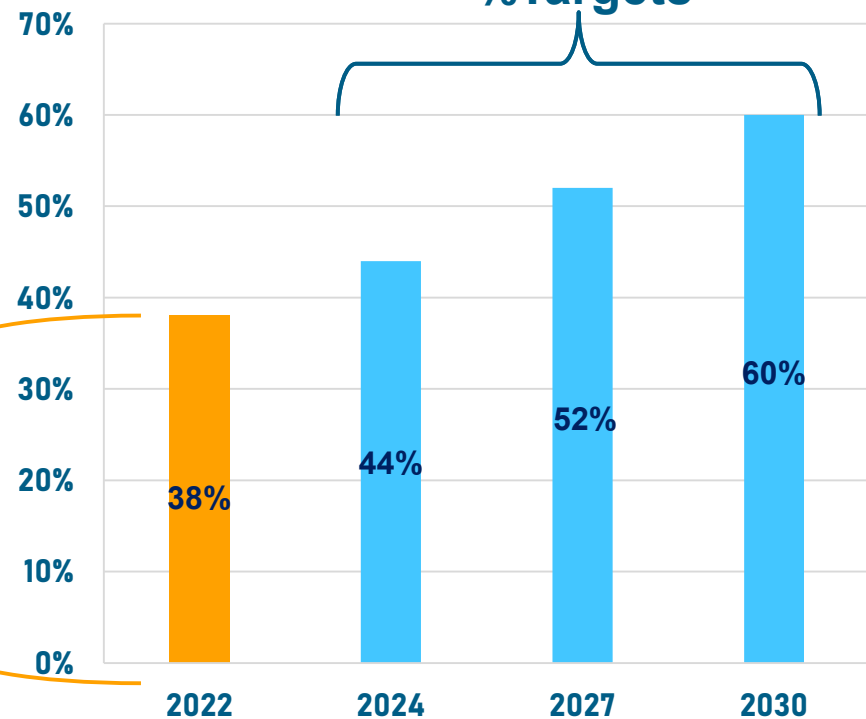
- Initial Voluntary Allocation and Market Offer (VAMO) program was successful in allocating significant RPS volumes to CCA and DA providers.
- Total VAMO offerings will reduce PG&E's RPS position, returning PG&E to a buying position.

PG&E 2022 RPS of 38%



- Solar
- Wind
- Geothermal
- Biomass/gas & Waste
- Eligible Hydro

Future SB 100 RPS %Targets



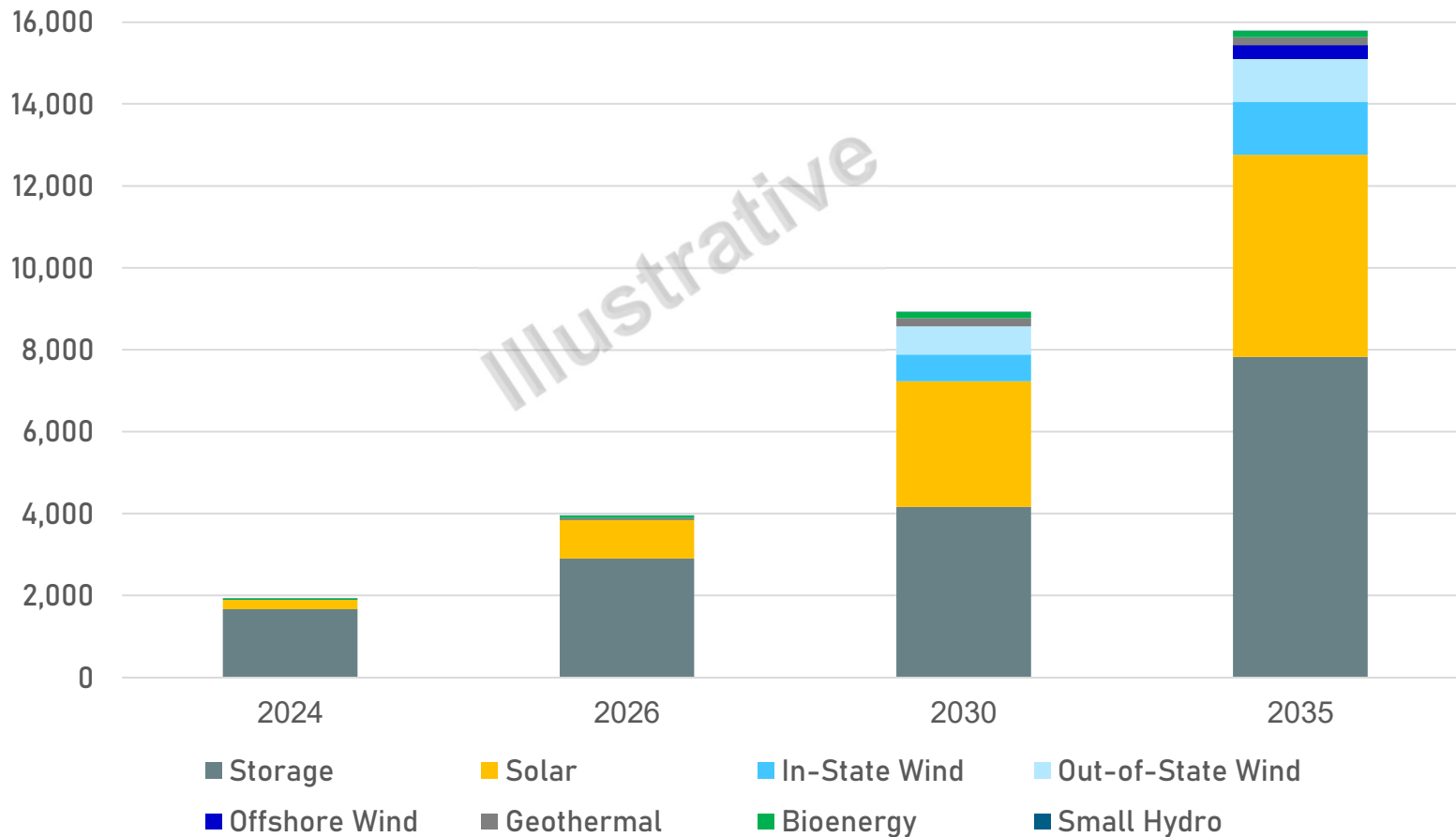
PG&E Current RPS %
(% of bundled retail sales, CEC Methodology)



The Next Decade of Procurement: Integrated Resource Plan (IRP)

PG&E's 2022 IRP filing indicated storage will grow to support a reliable and GHG-Free system, while solar will continue to play a large role. Looking out further, the system will need a diverse resource mix, including geothermal and out-of-state or off-shore wind to ensure GHG-free energy at all hours and over the winter months. Market forces will drive actual procurement.

PG&E Resource Procurement (Cumulative MW)





Future Uncertainties – A Changing Procurement Landscape

Uncertainty exists, but California may become increasingly reliant on central procurement of large and long lead time resources to achieve statewide policy goals.

Diablo Canyon Power Plant

- SB 846, passed in September 2022, directed PG&E to take all actions necessary to extend operations at DCPD for 5 additional years to 2030 contingent on:
 - The CPUC's Decision on new retirement dates by December 31, 2023
 - Renewal of DCPD's NRC operating license



Central Procurement Legislation

- AB 1373 would authorize the California Department of Water Resources to procure diverse clean energy resources on behalf of all CPUC jurisdictional customers

Thank You

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