

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion to Determine Whether Pacific Gas and Electric Company and PG&E Corporation's Organizational Culture and Governance Prioritize Safety.

Investigation 15-08-019 (Filed August 27, 2015)

MOTION FOR PARTY STATUS OF THE INDEPENDENT ENERGY PRODUCERS ASSOCIATION

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Dated: February 12, 2019

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Pursuant to Rules 11.1 and 1.4(a)(4) of the Commission's Rules of Practice and Procedure, the Independent Energy Producers Association (IEP) moves for party status in this proceeding. IEP is a trade association representing the interests of non-utility electric generators including Qualifying Facilities (QFs), RPS-eligible renewable resources, and non-renewable thermal resources. Collectively, IEP's member companies represent over 15,000 MWs of installed capacity serving load in California. Most of IEP's member companies have entered into power purchase agreements (PPAs) with Pacific Gas and Electric Company (PG&E).

On December 21, 2018, the Assigned Commissioner issued a Scoping Memo and Ruling ("Scoping Memo"). The Scoping Memo states that the next phase of this investigation will examine PG&E's and PG&E Corporation's (PG&E Corp) current corporate governance, structure, and operations to determine if the utility is positioned to provide safe electric and gas service. In addition, the Commission will review alternatives to the current management and

operational structures of providing electric and gas service. The Commission will consider whether there is a viable transition process from the status quo to any preferred alternative.¹

In evaluating proposed alternatives, the Commission will consider a range of factors, including the ability of the state to implement its energy policies, including the need to reduce greenhouse gas (GHG) emissions and local criteria pollutants in both the utility sector and the economy as a whole; the ability of the utility to meet financial challenges posed by large catastrophic events such as earthquakes and wildfires; the utility's ability to raise capital and purchase gas, electricity, equipment and services; and the cost of utility service.²

On January 29, 2019, a Debtor's Motion for Preliminary Injunction and Memorandum of Points and Authorities in Support (PG&E Motion) was filed by PG&E Corp in United States Bankruptcy Court Northern District of California, San Francisco Division.³ The PG&E Motion noted that the Commission is currently considering a variety of alternative corporate structures for PG&E, e.g., turning the gas and electric divisions into separate companies, creating residual subsidiaries, and dividing PG&E into multiple smaller utilities operating under a single parent company.⁴ Notably, PG&E indicates that if the Commission decides to pursue any one these alternatives, PG&E's PPAs may be affected.⁵

If IEP's motion is granted, IEP will contend that alternative corporate structures considered by the Commission should support the financial integrity of existing and future power purchase agreements, as the power purchase agreements serve as the foundation for investment in new energy infrastructure needed in California. Accordingly, IEP will contend that

2

¹ Scoping Memo, p. 2.

² Scoping Memo, p. 2.

³ Case 19-03003, Filed January 29, 2019, United States Bankruptcy Court, Northern District of California, San Francisco Division.

⁴ Debtors' Motion for Preliminary Injunction, pp. 9-10.

⁵ Ibid, p. 10.

independence, credit-worthiness, and overall viability and sustainability should be standards of review of any alternative corporate structures.

IEP on behalf of its member companies has a vested interest in the Commission's investigation. IEP's interests and concerns are not likely to be expressed by other parties, and IEP's participation in this proceeding will not harm nor prejudice any party and will not delay the schedule or broaden the scope of issues identified in the Scoping Memo. Accordingly, IEP respectfully asks the Commission to grant this motion and to give IEP party status in this proceeding.

Respectfully submitted February 12, 2019 at San Francisco, California.

INDEPENDENT ENERGY PRODUCERS

ASSOCIATION

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