



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Application of Pacific Gas and Electric
Company and Pacific Generation LLC to
Recover Helms Uprate Costs.

Application 23-12-014
(Filed December 20, 2023)

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JOINT PARTY PREHEARING CONFERENCE STATEMENT

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Dated: April 2, 2024

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JOINT PARTY PREHEARING CONFERENCE STATEMENT

I. INTRODUCTION

Pursuant to the *Administrative Law Judge’s Ruling Setting Prehearing Conference And Requiring Prehearing Conference Statement*, issued March 22, 2024 (the “ALJ Ruling”), Pacific Gas and Electric Company (PG&E) and Pacific Generation LLC (PacGen) (together, the “Applicants”) are filing this Prehearing Conference Statement on behalf of the Applicants, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), The Utility Reform Network (TURN), and the California Community Choice Association (CalCCA) (collectively, the “Parties”).¹

In relevant part, the ALJ Ruling requires the Parties to meet and confer and to prepare, file, and serve a Joint Prehearing Conference Statement addressing the topics identified by the ALJ Ruling, by April 2.² The ALJ Ruling also requires Applicants to address, in the Joint Prehearing Conference Statement, when the Applicants intend to file the unredacted version of the Application (A.) 23-12-014, Attachment 1, or why Applicants should not be required to file an unredacted version of the Application 23-12-014, Attachment 1.

The Parties have organized the remainder of this Prehearing Conference Statement to correspond with the topics identified by Sections 2 and 3 of the ALJ Ruling.

¹ Pursuant to Rule 1.8(d) of the Commission’s Rules of Practice and Procedure, TURN, Cal Advocates, and CalCCA have fully authorized PG&E to sign and tender this document and to make the representations stated in Rule 1.8(b) on their behalf.

² ALJ Ruling, p. 4 (Ordering Paragraph (OP) 1).

II. TOPICS IDENTIFIED IN SECTION 2 OF THE ALJ RULING

A. Identification of the Speakers³

The following table identifies the speaker(s) expected to appear at the Prehearing Conference for each of the Parties:

| Party | Speaker Name | Phone Number | Email Address | Designation (primary or secondary) |
|---------------|--------------------|--------------|--|------------------------------------|
| Applicants | Daniel Hashimi | 818-388-1711 | Daniel.Hashimi@pge.com | Primary |
| Cal Advocates | Matthew George | 916-823-4844 | matthew.george@cpuc.ca.gov | Primary |
| TURN | Robert Finkelstein | 415-929-8876 | bfinkelstein@turn.org | Primary |
| CalCCA | Julia Kantor | 617-835-5113 | jkantor@keyesfox.com | Primary |

B. Objections to Categorization⁴

ALJ Resolution 176-3540, dated January 25, 2024, preliminarily categorized this proceeding as ratesetting. No Party objects to that categorization.

C. Proceeding Scope⁵

The following table lists the issues proposed by the respective Parties to be included in the scope of this proceeding. Many issues identified by the Parties in their filings are similar; where possible, the Parties have attempted to consolidate the same issue. However, many issues are more detailed statements of other more general issues, and therefore consolidation is not always possible.

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³ ALJ Ruling, p. 3 (“Identify and provide the name, phone number and email address of individuals intending to speak at the PHC, and, in the case of multiple representatives for the same party, indicate who is designated as the primary party representative.”)

⁴ *Id.*, p. 3 (“Identify objections to the preliminary categorization, if any.”).

⁵ *Id.*, p. 3 (“Provide a comprehensive list of proposed issues to be scoped in this proceeding.”).

| Issue # | Proposed Issue to be in Scope | Party Proposing Issue |
|---------|---|--|
| 1 | Whether the Commission should approve as just and reasonable the Joint Applicants' request to recover the incurred costs of the proposed uprate of the Helms facility, up to an authorized cap. ⁶ | Applicants, CalCCA ⁷ |
| 2 | Should the Joint Applicants be authorized to record the revenue requirement associated with actual costs of the Helms Uprate Project up to the authorized cost recovery cap and to recover these costs through two separate PABA subaccounts that prorate the costs between PCIA vintages based upon the relative increase in nameplate generation capacity? ⁸ | Applicants, CalCCA |
| 3 | Should Joint Applicants be authorized to file one or more Tier 3 Advice Letters seeking to demonstrate the cost-effectiveness of any proposed increase in the cost recovery cap for the Helms Uprate Project to the extent that future forecasts of the costs related to Interconnection Customer's Interconnection Facilities or FERC license amendment requirements make such an increase necessary? ⁹ | Applicants, TURN ¹⁰ , Cal Advocates ¹¹ |
| 4 | Should the Joint Applicants be authorized to record into a memorandum account any incurred costs for the Helms Uprate Project that exceed the cost recovery cap established by the Commission, with recovery of those costs subject to reasonableness review in a separate proceeding? ¹² | Applicants |
| 5 | Whether the project is reasonable given major uncertainties regarding overall timing and cost. ¹³ | TURN |
| 6 | Whether it is reasonable for PG&E to assume, for purposes of cost and schedule, that: (1) no review will occur under the California Environmental Quality Act | TURN |

⁶ Application, p. 25.

⁷ CalCCA Protest, p. 2 (“CCA customers have an interest in ensuring any approved cost recovery mechanism for the \$462 million worth of costs at stake in this Application is just and reasonable.”).

⁸ Application, p. 25.

⁹ *Id.*

¹⁰ TURN Protest, p. 2 (“PG&E’s proposal to adjust the initial cost estimate through a Tier 3 Advice Letter to incorporate additional costs relating to transmission network upgrades and any mitigation required by FERC could materially change the cost-effectiveness of the overall project.”)

¹¹ Cal Advocates, p. 7 (“Is PG&E proposal to recover costs above the maximum cost in an advice letter reasonable?”).

¹² Application, p. 25.

¹³ TURN Protest, p. 1.

| Issue # | Proposed Issue to be in Scope | Party Proposing Issue |
|---------|--|-----------------------------------|
| | (CEQA); (2) the California Independent System Operator (CAISO) cluster study will be complete by the middle of 2026; (3) the Federal Energy Regulatory Commission (FERC) will process the license application within two years; and (4) there will be no environmental mitigation requirements imposed by any state or federal agency. ¹⁴ | |
| 7 | Whether Applicants' inclusion of a "placeholder" of \$12.17 million for customer interconnection facility costs that would be updated through a Tier 1 Advice Letter is reasonable. ¹⁵ | TURN |
| 8 | Whether PG&E's proposal to set an initial cost cap that includes a 50% contingency factor is patently unreasonable, inconsistent with the application of contingency to other utility projects, and would incentivize massive cost inflation that harms ratepayers and benefits shareholders. ¹⁶ | TURN, Cal Advocates ¹⁷ |
| 9 | Whether the cost-effectiveness comparison of Helms uprate project costs with battery storage options shortlisted in PG&E's Mid-Term Reliability Phase 3 solicitation is useful and properly considers long-duration storage options that would be available by 2031. ¹⁸ | TURN |
| 10 | Whether the extremely long timeline for this project combined with significant uncertainties regarding costs and the duration of environmental review mean quickly evolving improvements in the cost and performance of long duration storage technologies could render the Helms uprate uneconomic. ¹⁹ | TURN |
| 11 | Whether in the event that subsequent changes to costs (or alternatives) render the project not cost-competitive, PG&E could seek to charge customers for significant capital costs already incurred for a project that is not completed. ²⁰ | TURN |

¹⁴ *Id.*

¹⁵ *Id.*, p. 2.

¹⁶ TURN Protest, p. 2.

¹⁷ Cal Advocates, p. 7. ("Is the use of a 50% project contingency to calculate the maximum cost reasonable?").

¹⁸ TURN Protest, p. 2.

¹⁹ *Id.*

²⁰ *Id.*, p. 3.

| Issue # | Proposed Issue to be in Scope | Party Proposing Issue |
|---------|--|-----------------------------------|
| 12 | Whether PG&E would realize significantly boosted shareholder returns due to the normalization of the Investment Tax Credit or could pursue options to allow the full value of the ITC to be passed through to ratepayers. ²¹ | TURN |
| 13 | Whether PG&E's claim that most of the project costs would displace otherwise needed Lifecycle Replacement Work is speculative, may significantly overstate the costs of the base case (no uprate), and could materially bias the cost-effectiveness results for the project. ²² | TURN |
| 14 | Whether PG&E has adequately investigated other sources of funding for the project from the federal and state government to offset any ratepayer obligations. ²³ | TURN |
| 15 | Whether the Helms uprate would result in abandoned investments due to recent capital additions at the facility and, if so, whether ratepayers would continue to be charged for these abandoned investments and what ratemaking treatment would apply. ²⁴ | TURN |
| 16 | The potential impact of long-term drought on the operation of an upgraded Helms project. ²⁵ | TURN |
| 17 | Whether the scope of the proceeding should initially be limited to whether a memorandum account should be established to track initial design and permitting costs. ²⁶ | TURN, Cal Advocates ²⁷ |
| 18 | Is there a need to uprate the Helms facility, and is the proposed uprate just and reasonable? ²⁸ | Cal Advocates |
| 19 | Is the Lifecycle Replacement work timely? Is the Lifecycle Replacement work needed over the same 10-year timeframe proposed for the Helms Uprate project? ²⁹ | Cal Advocates |

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Id.*, pp. 3-4.

²⁵ *Id.*, p. 4.

²⁶ TURN Protest, p. 4.

²⁷ See Cal Advocates Protest, pp. 6-7 (arguing for the scope to be limited to “whether PG&E should be authorized to establish a memorandum account to track detailed cost and feasibility studies. . . . In the alternative, the Application could be phased to consider: 1) establishment of a memorandum account for detailed cost and feasibility studies; 2) determination of need for and the timeline of stand-alone Lifecycle Replacement work; and 3) determination of the need for and the reasonableness of the Helms Uprate project once sufficient information is available.”).

²⁸ Cal Advocates Protest, p. 7.

²⁹ *Id.*

| Issue # | Proposed Issue to be in Scope | Party Proposing Issue |
|---------|---|-----------------------|
| 20 | Is it reasonable to combine the Lifecycle Replacement work with the Helms Uprate project? ³⁰ | Cal Advocates |
| 21 | Is the combined Lifecycle Replacement work and the Helms Uprate project reasonable? ³¹ | Cal Advocates |
| 22 | Is the combined Lifecycle Replacement work and Helms Uprate project cost-effective? ³² | Cal Advocates |
| 23 | Is the maximum cost of \$462 million based on a class 5 estimate for the proposed Lifecycle Replacement work and Helms Uprate project reasonable? Is the use of a 50% project contingency to calculate the maximum cost reasonable? | Cal Advocates |
| 24 | Is the maximum cost of \$462 million based on a class 5 estimate for the proposed Lifecycle Replacement work and Helms Uprate project reasonable? ³³ | Cal Advocates |
| 25 | Is it reasonable for PG&E to recover up to the maximum cost without further reasonableness review? ³⁴ | Cal Advocates |
| 26 | Does the proposed combined Lifecycle Replacement work and Helms Uprate project provide the best value for ratepayers relative to other options? ³⁵ | Cal Advocates |
| 27 | Is the proposed timeline for project construction and project on-line date reasonable? ³⁶ | Cal Advocates |
| 28 | Is the proposed plan to recover costs reasonable, and does the cost recovery plan comply with applicable decisions and statutes? ³⁷ | Cal Advocates |
| 29 | Is the Helms Uprate Project the best option to meet PG&E's long-duration energy storage procurement obligations under D.21-06-035 and/or future procurement orders? ³⁸ | Cal Advocates |

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*, p. 8.

³⁷ *Id.*

³⁸ *Id.*

| Issue # | Proposed Issue to be in Scope | Party Proposing Issue |
|---------|---|-----------------------|
| 30 | Does the Application comply with the Commission’s directives in D.23-11-069 and any other applicable decisions or statutes? ³⁹ | Cal Advocates |
| 31 | How does the combined Lifecycle Replacement work and Helms Uprate project impact PG&E’s ability to meet future climate goals and procurement targets? ⁴⁰ Does PG&E sufficiently address climate adaptation and resiliency for the project? ⁴¹ | Cal Advocates |
| 32 | Does this ratemaking application require a California Environmental Quality Act (CEQA) review by the Commission or another agency? Would a CEQA review impose additional cost or delay risk that the Joint Applicants have not accounted for? ⁴² | Cal Advocates |
| 33 | Is the information provided in the Application sufficient to address the shortcomings identified in the PG&E’s 2023 GRC Decision? ⁴³ Is there enough information in the Application to determine if the Helms Uprate project is reasonable? Can the Commission determine if the Helms Uprate project is reasonable based on information that PG&E acknowledges is highly uncertain, with a forecasted cost 150% above the base cost estimate? Has PG&E met the threshold burden of proof that the Helms Uprate is needed, reasonable, and is cost-effective? ⁴⁴ | Cal Advocates |
| 34 | Whether the Helms Uprate Project would necessitate transmission upgrades. ⁴⁵ | Cal Advocates |
| 35 | Whether the combined Helms Uprate and Lifecycle Replacement qualifies for the full 30% investment tax credit (ITC). ⁴⁶ | Cal Advocates |

³⁹ *Id.*

⁴⁰ *Id.*, fn. 30 (“Including but not limited to the goals outlined in SB 100 such as 100% zero-carbon electricity sales by 2045.”).

⁴¹ *Id.*, p. 8.

⁴² *Id.*

⁴³ *Id.*, fn. 31 (citing PG&E 2023 GRC Decision at 507-508).

⁴⁴ *Id.*

⁴⁵ Issue identified since filing Protest.

⁴⁶ Issue identified since filing Protest.

| Issue # | Proposed Issue to be in Scope | Party Proposing Issue |
|----------------|---|------------------------------|
| 36 | Whether PG&E should be required to submit a Tier 3 Advice Letter to demonstrate the cost-effectiveness of the Helms Uprate Project if PG&E fails to obtain the full 30% ITC benefit for the combined Uprate Project and Lifecycle Replacement work. ⁴⁷ | Cal Advocates |
| 37 | Whether PG&E’s cost recovery proposal for the costs associated with this new investment in Helms complies with state law ⁴⁸ and principles of cost causation— <i>i.e.</i> , whether the costs would be fairly allocated between PG&E’s bundled and unbundled customers such that each customer set is only paying for those costs it caused PG&E to incur. ⁴⁹ | CalCCA |
| 38 | Whether PG&E’s cost recovery proposal is consistent with best practices for allocating costs associated with utility re-investments in utility-owned generation. ⁵⁰ | CalCCA |

In their respective protests, each of the intervening parties has also reserved its right to raise additional issues that they believe may be within scope of the proceeding. Cal Advocates reiterates that its primary recommendation on the scope is that Commission consideration be limited to whether PG&E should be authorized to establish a memorandum account to track detailed design and cost studies for the Helms Uprate Project.

The following table lists the issues proposed by Cal Advocates to be included in a limited scope for consideration in the authorization of a memorandum account:

| Issue # | Proposed Issue to be in Scope | Party Proposing Issue |
|----------------|---|------------------------------|
| 1 | Whether PG&E should be authorized to establish a memorandum account for detailed cost and feasibility studies? | Cal Advocates |
| 2 | Is there a need for the Helms Uprate and Lifecycle replacement work? | Cal Advocates |
| 3 | Is the proposed Helms Uprate project just and reasonable given major uncertainties regarding overall timing & cost? | Cal Advocates |

⁴⁷ Issue identified since filing Protest.

⁴⁸ See, e.g., Cal. Pub. Util. Code §§ 366.2(a), 365.2, 366.3.

⁴⁹ CalCCA Protest, p. 2.

⁵⁰ *Id.*, p. 3.

Once the design and costs are more certain, subsequent phases of the proceeding, or separate proceedings, could then determine if the project is reasonable and cost-effective.

D. List of Disputed Facts⁵¹

The Parties take the position that they will not be able to identify disputed issues of material fact in the proceeding until discovery is complete and any intervenor testimony is served. It appears to the Applicants that many, if not all, of the issues identified by the intervening parties in their protests implicate policy or legal conclusions and may not involve disputes between the Applicants and the respective intervening party regarding the underlying facts. Since parties have only begun discovery, and the Commission has not yet defined the scope of this proceeding, it is not possible to identify a list of specific facts in dispute at this time. Parties will be able to identify a list of disputed facts only after preparing direct testimony, reviewing PG&E's rebuttal testimony and conducting discovery on the complete set of facts asserted by PG&E in its direct and rebuttal testimony. Cal Advocates notes that the resolution of scoped issues is not limited to policy and legal concerns; rather it will require factual exploration through discovery and testimony both of which will likely yield disputed issues of material fact.

E. Evidentiary Hearing Need⁵²

The Parties generally agree that hearings may be needed in this Proceeding to the extent parties identify contested issues of material fact following discovery and the submittal of any intervenor testimony.⁵³ However, to the extent parties' protests and any testimony raise only policy or legal issues that can be resolved in written comments and briefing, the Commission may find that no evidentiary hearing is required.

⁵¹ ALJ Ruling, p. 3 ("Identify each material fact in dispute among the parties and the corresponding issue that is proposed to be scoped in this proceeding, for which evidentiary hearing or presentation of evidence is required.").

⁵² ALJ Ruling, p. 3 ("Confirm, if parties agree that evidentiary hearing is not needed. If parties believe that evidentiary hearing is needed, estimate the time needed, if any, known unavailability dates, and the expected number of witnesses and related estimated cross-examination time.").

⁵³ See Application, p. 24; CalCCA Protest, p. 11; Cal Advocates Protest, p. 9; TURN Protest, p. 5.

To the extent hearings are needed, the Parties recommend that the California Public Utilities Commission (Commission) set aside 2-3 days on its hearing calendar. The Applicants cannot estimate any time needed for cross-examination of any intervenor witnesses until any intervenor testimony has been served. Intervenors similarly are unable to provide estimates of cross examination time at this juncture given that most cross examination is driven by rebuttal testimony served by the Applicants. Under the stipulated schedule proposal, PG&E will not serve rebuttal testimony until June 19th. Therefore, it is not feasible for intervenors to provide indicative estimates for the total amount of cross examination or the specific witnesses likely to be identified for that purpose. To provide a high-level estimate of cross-examination time needed, recognizing the uncertainties noted above and the potential that cross-examination may ultimately be unnecessary, the intervening parties each reserve four hours at this time, and Applicants reserve two hours. Currently known witness and attorney unavailability for any hearings in June-August 2024 are shown in the following table. The Parties note that the joint stipulation on scheduling proposed by the Applicants, CalCCA, and TURN⁵⁴ proposed potential hearing dates of **July 22-23, 2024** based on the Parties' then-known conflicts. To the extent the Commission wishes to schedule a third day for hearings, to the extent an additional day is needed, the Parties recommend that July 19 be reserved.

| Party | Dates of Witness or Attorney Unavailability (June - August 2024) |
|--------------------------|--|
| Applicants ⁵⁵ | Gabbard (Witness - Chap 1): 6/13, 6/20, 6/24, 6/27, 7/11-12, 7/18, 7/22, 8/5, 8/9, 8/14-16, 8/22, 8/26 Scott (Witness – Chap 2) – Fridays Hansen (Witness – Chap 3) – 8/19-8/30 Higham (Witness – Chap 4) - 6/3-6/7, 7/15-7/17 Doidge (Witness – Chap 4) – 6/3, 6/21, 6/27, 7/17 Brown (Witness – Chap 4) - 6/24-7/6, 8/12-8/19 |

⁵⁴ See Applicants' Reply to Protests, Feb. 1, 2024, Attachment 1.

⁵⁵ Because it may be difficult to identify the best dates for hearings based on the unavailability dates, PG&E notes that its witness and legal team are generally available on the following dates to the extent that the stipulated July 19-23 dates are not amenable to the Commission: July 8-10; July 31-Aug 2.

| Party | Dates of Witness or Attorney Unavailability (June - August 2024) |
|---------------|--|
| | Attorney Unavailability - 6/6-6/7; 7/24-30; 7/29-8/2; 8/27-8/28 |
| Cal Advocates | Attorney unavailable: June 3-9, week of August 28 Witnesses unavailable: June 6-7, June 10-28, August 5-8 |
| TURN | June 3, July 27 – August 10 |
| CalCCA | CalCCA attorney unavailable: June 5-7 CalCCA witness unavailable: June 24-28 and July 9-11 |

F. List of Any Legal Issues⁵⁶

Each of the proposed issues to be within the scope of this Proceeding in Section II.C, above, identifies legal and/or policy issues that may need to be resolved in the course of this Proceeding. At the most general level, the Parties agree that the Commission must determine in this Proceeding whether the relief requested by Applicants, including the rates that would result, are just and reasonable and should be granted pursuant to Sections 451, 454, and 701 of the California Public Utilities Code and whether that relief is consistent with the Commission’s prior Orders and Decisions including, but not limited to, D.23-02-040, D.22-02-004, and D.21-06-035.

A specific legal issue is whether the Helms Uprate will count toward PG&E’s bundled portfolio procurement requirement for long-duration energy storage resources adopted in the Mid-Term Reliability track of the Integrated Resource Plan proceeding, as the deadline for such procurement may be extended pursuant to D.24-02-047.

G. List of Stipulations⁵⁷

The Applicants, TURN, and CalCCA stipulated to a proposed schedule for this Proceeding, which was attached to the Applicants Reply to Protests filed on February 1, 2024. Cal Advocates did not join the stipulation because the time necessary to resolve issues before the Commission depends on how the proceeding is scoped and/or phased. Cal Advocates believes the proceeding schedule should be based on issuance of the Scoping Memo rather than dates

⁵⁶ ALJ Ruling, p. 3 (“Identify all questions of law whose resolution is required to dispose of this application.”).

⁵⁷ ALJ Ruling, p. 3 (“If you have settled on factual, legal or any other issues relating to the resolution of this proceeding, identify those issues and describe them.”).

certain due to the varying proposals of scope parties have recommended. Three months have passed since the Application was filed and Cal Advocates believes the stipulated schedule is already stale. The following table summarizes the stipulated future dates proposed by these parties:

| Activity | Stipulated Schedule Proposal |
|---------------------------------------|-------------------------------------|
| Intervenor Testimony | May 22, 2024 |
| Rebuttal Testimony | June 19, 2024 |
| Rule 13.9(a) Meet and Confer | June 25, 2024 |
| Evidentiary Hearings, if needed | July 22-23, 2024 |
| Opening Briefs | August 23, 2024 |
| Reply Briefs | September 13, 2024 |
| Proposed Decision | By End of October 2024 |
| Opening Comments on Proposed Decision | In accordance with Rule 14.3 |
| Reply Comments on Proposed Decision | In accordance with Rule 14.3 |
| Final Decision | End of November 2024 |

H. List of Motions⁵⁸

A pending Proposed Decision issued by the Commission would deny a pending Application by Applicants for a Certificate of Public Convenience and Necessity for one of the Applicants, Pacific Generation LLC. If that Proposed Decision is adopted by the Commission and becomes final and non-appealable during the pendency of the current Proceeding, the Applicants may file a motion seeking leave to remove Pacific Generation LLC as a co-applicant in this Proceeding. The Applicants do not expect that motion to have any significant impact on the schedule or scope of the Proceeding.

⁵⁸ ALJ Ruling, p. 4 (“Describe any and all anticipated motions.”).

I. Summary of Discovery⁵⁹

1. Discovery Status

The following table summarizes the status of discovery in this Proceeding.

| Party Name | DR No. | Request Date | Anticipated/Actual Completion Date | Status |
|-------------------|---------------|---------------------|---|---|
| Energy Division | 001 | 1/16/2024 | 1/24/2024 | Completed |
| TURN | 001 | 2/1/2024 | 2/12/2024 | Completed |
| TURN | 002 | 2/22/2024 | 3/11/2024 | Completed |
| Cal Advocates | 001 | 3/6/2024 | 3/20/2024, 3/22/2024, 4/1/2024, 4/5/2024 | In Progress (Q17b & 17c - Granted an extension to 4/5) |
| Cal CCA | 001 | 3/15/2024 | 3/29/2024 | In Progress (Q36 - Produced documents on 3/29 and will continue producing on a rolling basis) |
| Cal Advocates | 002 | 3/18/2024 | 4/1/2024, 4/2/2024 | In Progress (Q2 - Granted an extension to 4/15) |
| TURN | 003 | 3/22/2024 | 4/5/2024 | In Progress |
| Cal Advocates | 003 | 3/29/2024 | 4/15/2024 | In Progress |

2. Anticipated Discovery

Anticipated discovery by parties will depend, in large part, on the scoping ruling issued by the Commission. Absent a scoping ruling, parties are generally cautious with respect to investing time exploring issues that may not be within the scope of the case. At this time, parties cannot accurately forecast the exact topics of discovery (which is typically an iterative process) and dates of submission. The following table shows the future discovery anticipated by parties in this Proceeding.

| Party | Subject of Discovery by Proposed Scoped Issue in I.L.C. | Estimate Date of Submission of Discovery Request |
|--------------|--|--|
| TURN | Issues 5-16 | Rolling submissions through mid-May (for direct testimony) |
| TURN | PG&E rebuttal testimony | Rolling submissions up until evidentiary hearings |

⁵⁹ ALJ Ruling, p. 4 (“Specify discovery status, anticipated discovery completion date and all completed and/or remaining anticipated discovery on each of the proposed scoped issues, listed in response to section 2c, above, of this ruling.”).

| Party | Subject of Discovery by Proposed Scoped Issue in II.C. | Estimate Date of Submission of Discovery Request |
|---------------|---|---|
| CalCCA | Issues 1-2, 37-38 | Rolling submissions up until the submission of direct testimony |
| CalCCA | PG&E Rebuttal Testimony | Rolling submissions up until evidentiary hearings |
| Cal Advocates | Issues 3, 8, 18-36 | Rolling submissions as necessary. ⁶⁰ |
| Cal Advocates | PG&E Rebuttal Testimony | Rolling submissions. ⁶¹ |

J. Related Cases⁶²

The following are relating proceedings and cases identified by the Parties:

State Cases

- **R.20-05-003:** Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.
 - Issue: Mid-term and long-term reliability procurement needs, including need for long-duration energy storage resources.
- **A.21-06-021:** PG&E 2023 General Rate Case Application
 - Issue: PG&E proposed and then withdrew as part of a settlement a proposal to record the costs of the Helms Uprate project into a memorandum account.
 - Issue: on the issue of vintaging of new investments in utility-owned generation (UOG) assets, the Commission ordered that in future general rate cases, PG&E must justify its proposed vintaging treatment for UOG whenever it proposes to undertake certain new investments—new asset life extensions, incremental capacity additions, or changed functions—in any of its UOG assets.⁶³

⁶⁰ Cal Advocates will endeavor to conduct its discovery in a manner consistent with the proceeding schedule but it will not, and indeed cannot, waive its rights under PU Code Sections 309.5 and 314.

⁶¹ Cal Advocates will endeavor to conduct its discovery in a manner consistent with the proceeding schedule but it will not, and indeed cannot, waive its rights under PU Code Sections 309.5 and 314.

⁶² ALJ Ruling, p. 4 (“Specify any current or past cases within the Commission, other state agencies, or federal jurisdiction that are related to the factual and legal issues listed within this statement. Specify which issue(s) within this proceeding each case relates to.”).

⁶³ D.23-11-069, p. 511.

- **R.18-07-006:** Rulemaking to Establish a Framework and Processes for Assessing the Affordability of Utility Service
 - Issue: Identification of ways to reduce rates and assess affordability
- **R.20-08-022:** Rulemaking to Investigate and Design Clean Energy Financing Options for Electricity and Natural Gas Customers
 - Issue: Identification of opportunities to secure third-party (including federal government) funding for needed electrical system upgrades to reduce the impacts on rates.
- **PG&E 2027 General Rate Case** (not yet filed)
 - Issue: PG&E intends to propose the Lifecycle Replacement Work that would need to be done at Helms in the absence of the Helms Uprate project if the Helms Uprate proposal made in the current Application is not approved for cost recovery.
- **R.17-06-026 - PCIA Rulemaking**
 - Issue: The Commission considered issues related to vintaging costs for ongoing investments in UOG in this proceeding, and concluded: “It is possible that new investments in an old power plant may represent such a significant overhaul of the facility as to justify a ‘re vintaging’ of the facility. Likewise, it is possible that plant investments for certain upgrades may justify a different vintage treatment for those investments than for the underlying facility.”⁶⁴
- **A.22-09-018 - Application of Pacific Gas and Electric Company (U 39 E) and Pacific Generation LLC for Approval to Transfer Certain Generation Assets, for a Certificate of Public Convenience and Necessity, for Authorization to File Tariffs and to Issue Debt, and for Related Determinations.**

⁶⁴ D.18-10-019, p. 135.

- Issue: Pacific Generation LLC is an Applicant in the present case with the intention that if the pending A.22-09-018 is approved, Pacific Generation LLC would become the owner of the Helms facility and PG&E would continue to operate the facility.

Federal Cases

- **FERC Hydroelectric Licensing:** PG&E anticipates filing a request for an amendment to its FERC license for the Helms facility, as further described in Chapter 2 of PG&E's Prepared Testimony.
- **Treasury and the Internal Revenue Service (IRS) Guidance:** The Inflation Reduction Act of 2022 provides incentives to advance clean energy goals, including tax credits. The Applicants are anticipating receiving such tax credits for the Helms Uprate. Treasury and the IRS are still in the process of issuing guidance regarding bonus incentives that increase the investment tax credit rate from 6% to the 30% investment tax credit forecasted by the Applicants. Additionally, Treasury and the IRS are considering comments by parties requesting technical changes to either the statute or regulations interpreting provisions in the statute that may impact the ability of the Applicants to elect out of the normalization provisions with respect to the tax credits received for the Helms Uprate.

K. Other Issues⁶⁵

Schedule: In order to meet its proposed schedule for beginning procurement of long-lead time consulting services and materials for the Helms Uprate early in 2025, PG&E has requested that this proceeding be concluded within 12 months, or by the end of 2024. Toward that end, PG&E, TURN, and CalCCA stipulated to a schedule, set forth as an attachment to PG&E's Reply to Protests and copied in relevant part in Section II.G, above. That schedule would enable a final Commission Decision by the end of 2024.

⁶⁵ ALJ Ruling, p. 4 ("Issues that may impact just and efficient disposition of this application.").

III. SECTION III OF THE ALJ RULING: UNREDACTED PREPARED TESTIMONY

The ALJ Ruling states: “On December 20, 2023, Joint Applicants filed the underlying application along with the prepared testimony marked “Attachment 1” including engineering and independent evaluator reports supporting the options proposed. This testimony was marked as a public version and has significant redaction of content. An unredacted version was not filed but may be necessary for the Commission’s review of this Application.”⁶⁶ The ALJ Ruling further orders that Applicants address, in this Joint Prehearing Conference Statement, “when they intend to file the unredacted version of the Application 23-12-014, Attachment 1, or why Applicants should not be required to file an unredacted version of the Application 23-12-014, Attachment 1.”⁶⁷

The Applicants served the public version of the Applicants’ prepared testimony concurrently with the filing of its Application. The Applicants also uploaded the public version of the prepared testimony as a “supporting document” in the Commission’s Electronic Filing System, pursuant to Commission Rule 13.7(f). The Applicants’ prepared testimony includes attachments to both Chapters 2 and 3. The attachments to Chapter 2 are consultant and contractor preliminary design studies, which were confidential in part and so redacted in the public version of testimony. The attachments to Chapter 3 include a confidential attachment that compares the quantified value of the Helms Uprate Project against other relevant market procurement opportunities and the confidential version of the report of the Independent Evaluator. The Applicants prepared a separate confidential, unredacted version of the prepared testimony, which they served concurrently on the Commission’s staff (including the Chief Administrative Law Judge) and have provided to other parties upon request, consistent with the Commission’s applicable confidentiality rules and procedures. The Applicants attached confidentiality

⁶⁶ ALJ Ruling, p. 4.

⁶⁷ *Id.*

declarations, supporting the claims of confidentiality, as Appendix B to the confidential version of their prepared testimony.

The Applicants would like to clarify that their prepared testimony was not an “Attachment” to their Application, and so was not filed as part of the Application. Consistent with typical Commission practice, the Applicants intend to offer the prepared testimony into evidence in one of two ways: (1) Applicants will make an oral motion to offer the prepared testimony into evidence in lieu of oral direct testimony at any hearings held in this Proceeding, as provided in Commission Rule 13.8(a); or (2), if no hearings are held, Applicants anticipate filing a written motion to admit the prepared testimony into evidence pursuant to Rule 13.8(c).

With regard to the confidential version of their prepared testimony, Applicants anticipate moving to seal the confidential version of their testimony as part of the evidentiary record pursuant to Commission Rule 11.5. If hearings are held in this proceeding, Applicants intend to move to seal the confidential version of the testimony at hearing, as provided in Rule 11.5(a), unless otherwise directed by the ALJ. If no hearings are held in this proceeding, the Applicants anticipate filing a written motion to seal the confidential version of their prepared testimony concurrently with the written motion offering the prepared testimony into evidence, as provided in Rule 11.5(b).

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IV. CONCLUSION

The Parties have conferred to produce this Prehearing Conference Statement and hope that it facilitates the April 4, 2024, Prehearing Conference and the Commission's issuance of a Scoping Memorandum.

Respectfully Submitted,

M. GRADY MATHAI-JACKSON
DANIEL S. HASHIMI

By: /s/ M. Grady Mathai-Jackson
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Dated: April 2, 2024