



Pacific Gas and Electric Company **2023 Competitive Solicitation for Biomethane**

Pacific Gas and Electric Company (PG&E) is issuing this competitive solicitation to obtain biomethane (renewable natural gas or RNG) to serve PG&E's compressed natural gas (CNG) vehicle customers and fleet.

1. SOLICITATION OBJECTIVE

PG&E's Core Gas Supply (CGS) seeks to obtain firm biomethane delivered at the PG&E Citygate delivery point or biomethane injected into a common carrier pipeline by potential suppliers. Through this competitive solicitation, PG&E seeks to lower CNG vehicle customer costs, reduce the greenhouse gas impact of CNG as vehicle fuel, and encourage further development of biomethane sources.

PG&E intends to contract for biomethane supply using a transaction confirmation based on the Term Sheet included in this Solicitation package. If the successful Offer is for physical delivery of biomethane, the Term Sheet will be documented for the successful Participant as a confirmation ("Transaction Confirmation") to the North American Energy Standards Board (NAESB) Base Contract for the Sale and Purchase of Natural Gas ("NAESB Base Contract") and NAESB Special Provisions to the Base Contract for Sale and Purchase of Natural Gas ("NAESB Special Provisions"). The NAESB Base Contract, NAESB Special Provisions, and the Transaction Confirmation are collectively referred to as the "Agreement Documents".

2. SOLICITATION SCHEDULE

- **Please submit the Offers to PG&E by 2:00 p.m. Pacific Prevailing Time on July 13, 2023.** Offers must be submitted via Power Advocate. Offers must contain:
 - A completed Offer Sheet.
 - A Term Sheet with any exceptions or modifications, if applicable.
 - Proof of an approved Fuel Pathway from the California Air Resources Board (CARB).
 - Proof of an approved Fuel Pathway from the U.S. Environmental Protection Agency (EPA).
- PG&E will notify participants whose Offers PG&E has selected for further negotiations by 5:00 p.m., Pacific Prevailing Time on August 15, 2023. PG&E will provide notification to participants via email.

3. SOLICITATION TERMS

The basic requirements for PG&E's competitive solicitation are:

- Contract Quantity: full service contract (100% of CNG vehicle customer load), estimated 500-700 dekatherms per day (Dth/d)

- **Delivery Period:** up to five (5) years beginning October 1, 2023
- **Environmental Credit Revenue Sharing:** The successful Participant will share with PG&E a percentage of the value of (1) Low Carbon Fuel Standard (LCFS) credits under California’s LCFS program; (2) D3 Renewable Identification Numbers (RINs) and (3) D5 RINs generated under the U.S. EPA’s Renewable Fuels Standard (RFS). The supplier will generate these credits from PG&E’s use of this biomethane for CNG vehicle fuel with an agreed-upon carbon intensity value.

Product A and B detail the products that PG&E is seeking in this solicitation:

- **Product A:** physical delivery of biomethane at PG&E Citygate
- **Product B:** injection of biomethane into a common carrier natural gas pipeline linked to the PG&E system (book-and-claim accounting)

Additional provisions are provided in the attached Term Sheets for this solicitation.

Offer Evaluation Criteria: Offers will be assessed primarily on the carbon intensity of the project used to generate the LCFS credits (lower is better) and the revenue-sharing percentages to PG&E for the LCFS and RINs credits generated (higher is better). Additional qualitative factors may include preferences for in-state projects, physical delivery of biomethane at PG&E Citygate, and offers not requiring special administrative handling.

Fuel Pathways: Participants must provide proof of an approved Fuel Pathway to PG&E at the time of Offer submittal. Alternatively, if the Fuel Pathway is not approved yet, participants must provide an estimated date of approval. The estimated date for commencement of deliveries shall be included in Participant’s Offer but no later than the date stated in the attached Offer Sheets.

Delivery: Participants that submit an Offer for Product A must ensure that the biomethane can be injected into PG&E’s transmission pipeline—either at the Participant’s project location or an interconnection point on PG&E’s gas system—and delivered to PG&E Citygate.

Pricing: Participants that submit an Offer for Product A must provide a rate valid for the entire term based on PG&E Citygate index pricing.

Gas Quality: Participants that submit an Offer for Product A must ensure that the biomethane meets the gas quality specifications set forth in PG&E’s gas tariffs.¹

NAESB: Participants that submit an Offer for Product A that do not have a NAESB Base Contract in place with PG&E on behalf of its Core Gas Supply function are required to submit a completed and signed NAESB Base Contract and a completed and signed NAESB Special Provisions in addition to the Term Sheet and Proof of Approved Fuel Pathway.

PG&E may consider non-conforming offers, and may, at its sole discretion, accept or reject such an offer or pursue negotiations for such contract quantity.

4. PROCESS CONDITIONS

¹ [GAS RULES 21.pdf \(pge.com\)](#)

All Offer submittal information pertaining to this solicitation will be hosted and received through the Power Advocate website. Telephonic, hardcopy, or facsimile transmission of an Offer is not acceptable. In order to participate in this solicitation, Participants must register and be accepted through Power Advocate at the Public Registration Link:

<https://www.poweradvocate.com/pR.do?okey=156041&pubEvent=true>

PG&E strongly encourages Participants to register with Power Advocate well before Offers are due. Detailed instructions for submitting Offer(s) and using Power Advocate are located at the link below:

[Power Advocate Instructions](#)

The electronic documents for the attachments must be in a Microsoft Word or Adobe Acrobat PDF file as applicable. For each document, please include the Participant's company name in each file name.

This competitive solicitation does not constitute an offer to buy and creates no obligation to execute any agreement or to enter into a transaction under an agreement as a consequence of any aspect of the solicitation.

PG&E makes no guarantee that any offer from this solicitation will be selected for further negotiation or execution of definitive agreement. PG&E reserves the right at any time, in its sole discretion, to abandon this solicitation process, to change any dates or deadlines specific in this solicitation, to change the basis for evaluation of offers, to terminate further participation in this process by any Participant, to accept any Offer or to enter into any definitive agreement, to evaluate the qualification of any Participant or the terms and conditions of any Offer, to change any form, document, term or condition used in this solicitation, to consider a partial volume in an Offer package, and to reject any or all Offers, all without notice and without assigning any reasons and without liability of PG&E or any of its affiliates, or representatives of any Participants. PG&E shall have no obligation to consider any Offer. PG&E shall not be deemed to have accepted any Offer, and shall not be bound by any term thereof, unless and until an authorized representative of PG&E executes a definitive agreement with the Participant.

5. INFORMATION RELEASE AND CONFIDENTIALITY

All information and documents exchanged, the negotiations of any transaction, and the status or existence of negotiations, between PG&E and the Participant in connection with this solicitation shall be considered confidential information and PG&E and the Participant shall be prohibited from disclosing such information to any and all third parties except as provided in this solicitation.

PG&E retains the right to disclose any information or documents provided by the Participant along with the status of the negotiations of the offer to the California Public Utilities Commission (CPUC), its staff, and to any other entity with competent jurisdiction over PG&E at any time even in the absence of a protective order, confidentiality agreement or nondisclosure agreement, as the case may be, without notification to the Participant and without liability or any responsibility of PG&E to the Participant or any third party. PG&E cannot ensure that the CPUC and any other entity with competent jurisdiction over PG&E will afford confidential treatment to confidential information in connection with this solicitation, or that confidentiality agreements or orders will be obtained from the CPUC.

6. COMMUNICATION

All solicitation communications will be distributed via email from the solicitation mailbox: RNGprocurement@pge.com. Please email this mailbox to get on the distribution list.

To promote accuracy and consistency of the information provided to all participants, PG&E encourages participants to direct any questions relating to this solicitation to RNGprocurement@pge.com well in advance of the Offers due date.

7. BINDING

All Offers submitted to PG&E under this solicitation are binding on Participant when delivered by Participant to PG&E. PG&E will notify each Participant regarding the status of its Offer on or before 5:00 p.m. Pacific Prevailing Time, August 15, 2023 via email. If the Offer is not short-listed for further negotiations, PG&E will inform the Participant that the Offer will no longer be binding.