



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Bear Valley Electric Service, Inc (913-E)

Utility type:

☒ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Jeff Linam

Phone #: (909) 394-3600 x664

E-mail: RegulatoryAffairs@bvesinc.com

E-mail Disposition Notice to: RegulatoryAffairs@bvesinc.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 519-E

Tier Designation: 3

Subject of AL: Authorization of recovery of all costs of the executed Morgan Stanley Confirmation for the Energy Product

Keywords (choose from CPUC listing): Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☒ Yes ☐ No

If yes, specification of confidential information: Please See marked appendices in Advice Letter No. 519-E
Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☒ Yes ☐ No

Requested effective date: 6/1/25

No. of tariff sheets: 0

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Jeff Linam
Title: Regulatory Affairs Manager
Utility Name: Bear Valley Electric Service, Inc
Address: 630 E. Foothill Blvd
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 394-3600 x664
Facsimile (xxx) xxx-xxxx:
Email: RegulatoryAffairs@bvesinc.com; nquan@gswater.com

Name: Ronald Moore
Title: Senior Regulatory Analyst, Regulatory Affairs
Utility Name: Bear Valley Electric Service, Inc
Address: 630 E. Foothill Blvd
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 394-3600
Facsimile (xxx) xxx-xxxx:
Email: RegulatoryAffairs@bvesinc.com

Clear Form



Bear Valley Electric Service, Inc.
P.O. Box 9028
San Dimas, CA 91773-9028
A Subsidiary of American States Water Company

June 13, 2025

Advice Letter No. 519-E

(913 E)

CALIFORNIA PUBLIC UTILITIES COMMISSION

Bear Valley Electric Service, Inc. ("BVES" or "Bear Valley") hereby transmits for filing the following:

SUBJECT

Authorization of recovery of all costs of the executed Morgan Stanley Confirmation for the Energy Product, including the costs of the price above the Energy Product benchmark price.

PURPOSE

BVES submits this Advice Letter pursuant to California Public Utilities Commission Decision No. ("D.") 25-04-026, dated April 24, 2025. This decision, among other things, preapproved forms of Confirmations associated with certain power purchase agreements ("PPAs") with respect to the Energy Product and the Revised Energy Product; preapproved a benchmark price process for the Energy Product and Revised Energy Product; and granted authority to recover costs with respect to the executed Confirmation.

BVES hereby requests authority to recover 1) the costs equal to the benchmark price of the Energy Product Confirmation; and 2) the above benchmark price costs of the Energy Product Confirmation. BVES executed the preapproved Energy Product Confirmation with Morgan Stanley Capital Group, Inc. ("Morgan Stanley"), all in accordance with D.25-04-026.

BACKGROUND

On December 15, 2023, BVES filed Application No. ("A") 23-12-010 for preapproval of certain PPAs and associated Confirmations, preapproval of a benchmark price process, authority to recover costs to an executed Confirmation, and authority to establish a memorandum account to track unrealized gains and losses with respect to an executed Confirmation.

In D.25-04-026, the Commission declared the following Conclusions of Law, among others:

Bear Valley's proposed procurement process follows and complies with the procedure authorized by the Commission in D.17-04-003 and reiterated in D.19-08-0303.¹

The process presented by BVES results in the development of a reasonable benchmark price.²

In accordance with D.17-04-003 and D.19-08-030, BVES should be directed to submit one executed winning Confirmation (including price) for either the Energy Product or Revised Energy Product using the advice letter process.³

BVES should be authorized to recover costs associated with the executed Confirmation.⁴

In D.25-04-026, the Commission ordered the following, among others:

The subject Confirmations are preapproved, with a modified start date of June 1, 2025.⁵

BVES is granted preapproval to determine a confidential benchmark price for the Energy Product and Revised Energy Product.⁶

BVES shall submit one executed winning Confirmation (including price) for either the Energy Product or Revised Energy Product using the advice letter process. If the Confirmation is at or below the applicable confidential benchmark price, BVES shall submit the Confirmation via a Tier 1 advice letter. If the Confirmation is above the applicable confidential price, BVES shall file the executed Confirmation via a Tier 3 advice letter.⁷

BVES is granted authority to recover costs associated with the executed Confirmation for either the Energy Product or Revised Energy Product.⁸

¹ D.25-04-026, Conclusions of Law #1 at p. 17.

² *Id.*, Conclusions of Law #3 at p. 17.

³ *Id.*, Conclusions of Law #5 at p. 17.

⁴ *Id.*, Conclusions of Law #6 at p. 18.

⁵ *Id.*, Ordering Paragraph #1 at p. 18.

⁶ *Id.*, Ordering Paragraph #2 at p. 18.

⁷ *Id.*, Ordering Paragraph #3 at pp. 18-19.

⁸ *Id.*, Ordering Paragraph #4 at p. 19.

ACTIONS TAKEN

Final Bid Process

BVES sent out final bid requests for the Energy Product and Revised Energy Product on May 14, 2025 to the short-listed bidders. A copy of the final bid request is attached hereto as Appendix A.

Final Bids Evaluation Process

Final bids were received for the Energy Product and Revised Energy Product on May 27, 2025, and are set forth in confidential Appendix B, attached hereto.

BVES used the same evaluation process it set forth in A.23-12-010 to determine which of the final bids resulted in the lowest cost for either the preapproved Energy Product or the preapproved Revised Energy Product. Upon completion of the final bid evaluation process, described in confidential Appendix B, BVES determined that the final bid submitted by Morgan Stanley for the Energy Product resulted in the lowest cost, best fit energy product for Bear Valley's customers. The final bid evaluations are set forth in confidential Appendix B.

Execution of Preapproved Confirmation for Energy Product with Morgan Stanley

BVES and Morgan Stanley executed the preapproved Morgan Stanley Confirmation for the Energy Product (including price-related information) on May 27, 2025. The form of the winning, executed Morgan Stanley Confirmation contains the terms and conditions preapproved by the Commission in D.25-04-026, with only price-related information added. A copy of the winning executed Morgan Stanley Confirmation is attached in confidential Appendix C hereto.

Winning Bid is Greater than Applicable Benchmark Price

As required by D.25-04-026, BVES utilized the confidential benchmark price methodology preapproved in D.25-04-026 to determine the applicable benchmark price for the Energy Product. The confidential benchmark price calculations are set forth in confidential Appendix D.

As set forth in confidential Appendix D, the winning bid for the Energy Product is greater than the benchmark price as determined by utilizing the confidential benchmark price methodology preapproved in D.25-04-026.

Costs That Are At or Below the Benchmark Price Are Per Se Reasonable and Authorized For Recovery

The preapproved procurement process authorized in D.25-04-026 was originated in D.14-12-003, and reconfirmed in D.17-04-003 and D.19-08-030, with no material changes in structure.

In D.14-12-003, the Commission described Bear Valley's proposed benchmark price recovery process, in relevant part, as follows:

If BVES should execute one or more PPAs at a price above the benchmark price, BVES request authority to file such PPA through a Tier 3 Advice Letter filing and requests authority to recover costs above the benchmark price. To the extent the Commission approves, in whole or in part, BVES' request to recover costs above the benchmark price, such costs (plus all costs related to the benchmark price) would be authorized for recovery. If the Commission ultimately denies BVES' request for recovery of costs related to prices above the benchmark price, BVES asserts that it should nevertheless have authority to recover costs based upon the benchmark price, provided that the other terms and conditions of the PPA are consistent with those pre-approved by the Commission.

The result of the BVES proposal is that **costs up to and including the benchmark price would be per se reasonable whether the final contract price was equal to the benchmark or not. If BVES executes a PPA at or above benchmark prices, then only those costs above the benchmark price would be subject to an after-the-fact reasonableness review triggered by the filing of BVES' Tier 3 Advice Letter.**⁹

In Conclusions of Law #5 of D.14-12-003, the Commission declared:

The Phase I Price Reasonableness Benchmark Methodology and Review Process proposed by BVES are reasonable and should be authorized on a non-precedential basis. **Costs incurred at or below the benchmark derived by this method will be per se reasonable.**¹⁰

In D.19-08-030, the Commission stated:

If the price of a Confirmation is above the applicable approved confidential benchmark price, Bear Valley will submit the

⁹ D.14-12-003 at p. 12 (emphasis supplied).

¹⁰ Id. at p. 25 (emphasis supplied)

Confirmation via a Tier 3 advice letter for recovery of above-benchmark costs. If the final Confirmation is consistent with the terms and conditions (excluding price) of the preapproved Confirmation, Bear Valley is authorized to recover the costs of the power that is priced at or below the approved benchmark price.¹¹

In D.17-04-003¹², the Commission revisited the non-precedential approval of Bear Valley's price reasonableness benchmark methodology and review process approved in D.14-12-003. The Commission concluded in D.17-04-003 that:

This [D.17-04-003] decision adopts on an interim basis the procurement process approved in Phase I [D.14-12-003] of this decision. * * * If the final price is above the product price benchmark, Bear Valley must submit a Tier 3 advice letter to seek recovery of the above-benchmark costs.¹³

In D.19-08-030, the Commission declared:

As of the date of the filing of this Application [A.19-04-027], the Commission has not reviewed, modified, or approved Bear Valley's plan or authorized any associated procurement plan for Bear Valley. Thus, the procurement methodology authorized in D.17-04-003 for Bear Valley remains in full effect.¹⁴

The executed Morgan Stanley Confirmation for the Energy Product is consistent with the terms and conditions (excluding price) of the Morgan Stanley Confirmation preapproved in D.25-04-026.¹⁵ Accordingly, without an after-the-fact reasonableness review, BVES is authorized to recover the costs of the Morgan Stanley Confirmation that are equal to the applicable benchmark price, which is set forth in Confidential Appendix D.

Authorized Procedure Requires Tier 3 Advice Letter Filing To Recover Above-Benchmark Price

Ordering Paragraph #3 of D.25-04-026 provides that if the price of the winning Confirmation for either the Energy Product or the Revised Energy Product is above the applicable approved and confidential benchmark price, BVES shall file the executed Confirmation via a Tier 3 advice letter.¹⁶ Citing previous approval of the preapproval

¹¹ D.19-08-030 at pp.11-12, including associated footnote #13 (*See*, OP No. 3 in D.17-04-003).

¹² Phase I of A.13-06-018 culminated in D.14-12-003. Phase II of A.13-06-018 culminated in D.17-04-003.

¹³ D.17-04-003 at p. 2.

¹⁴ D.19-08-030 at p. 9.

¹⁵ BVES is granted preapproval of the unexecuted Confirmations of Morgan Stanley. OP#1, D.25-04-026 at p. 18.

¹⁶ D.25-04-026 at pp. 18-19.

process in D.17-04-003 and D.19-08-030, the Commission noted the Tier 3 advice letter filing was “for the recovery of above-benchmark costs.”¹⁷ This Tier 3 Advice Letter complies with Ordering Paragraph #3 of D.25-04-026, and as previously provided in D.17-04-003 and D.19-08-030.

As previously stated, the above-benchmark costs are subject to an after-the-fact reasonableness review. The standard for review of above-benchmark costs is that of a prudent manager. Such a review requires the Commission to determine whether the management actions taken up to and including the final bid process were reasonable given what the utility knew or should have known at the time that the managerial decision was made, not how the decisions hold up in light of future developments. Ultimately, the Commission must determine whether the costs of the Morgan Stanley Confirmation related to the above-benchmark price are just and reasonable under the applicable facts and circumstances.¹⁸

BVES believes it has met the prudent manager standard, and the resulting above-market price costs are just and reasonable, based upon the following facts and circumstances.

BVES Was a Prudent Manager and Above-Benchmark Price Costs Are Just and Reasonable

BVES provides electric service to approximately 25,000 customers in the communities surrounding Big Bear Lake, a relatively remote resort community in the San Bernardino Mountains. BVES generally experiences a maximum winter peak load of approximately 47 MWs when tourism peaks and snowmaking machines at ski resorts are operating. Bear Valley’s power generation is currently comprised solely of an 8.4 MW peaking power plant, called the Bear Valley Power Plan (“BVPP”).¹⁹

Bear Valley’s total energy resources are comprised of power purchased from remote power suppliers through purchase power agreements (and related confirmations) and the BVPP. In an effort to purchase power to provide approximately fifty percent of Bear Valley’s energy needs, BVES issued a Request for Proposal (“RFP”) for a firm energy product in May 2023 to approximately 150 potential power suppliers (nearly every marketer of energy in California and various industry groups such as the Western Power Trading Form). Bidders were advised of the two-phase bid format. In October 2023, BVES required refresh bids for a slightly expanded energy product (the “Energy Product”). Based upon evaluations of bids received, BVES revised its original Energy Product (by shortening its term, resulting in the “Revised Energy Product”) and requested bids on its Revised Energy Product in December 2023. All bids were

¹⁷ *Id.* at p. 7.

¹⁸ *See*, D.14-12-003 at p. 13.

¹⁹ A.23-12-010 at p. 5.

carefully evaluated by BVES.

BVES filed Application 23-12-010 seeking preapproval of, among other things, PPAs (and associated Confirmations) with three well-qualified, short-listed bidders and a benchmark price methodology. In D.25-04-026, the Commission preapproved the PPAs, associated Confirmations, and the proposed benchmark price methodology, and authorized BVES to proceed with the final bid process with the short-listed bidders. Final bids were received for the Energy Product and Revised Energy Product on May 27, 2025.

The bid prices among the three well-qualified, short-listed bidders were relatively close, indicating strong competition and a clear picture of the market prices for both the Energy Product and the Revised Energy Product as of May 27, 2025. Although the bids were slightly above the associated benchmark prices,²⁰ the relative closeness of the bids to the benchmark prices reinforces the conclusion that the bid prices accurately reflected the market price of the energy products as of May 27, 2025. See confidential Appendix D for the calculation of the applicable benchmark prices and a comparison to the final bids.

The description above reflects a prudent manager's approach to obtaining the best possible price (i.e., phase-two winning bid) between two specific, preapproved energy products (Energy Product versus Revised Energy Product) that both fit the needs of that manager's (i.e., Bear Valley's) customers' energy profile.

The rigorous and extensive reach of the public bidding process used by BVES yielded the best possible price for a preapproved energy product for Bear Valley's customers. And the Commission has noted that where the bids from three short-listed power suppliers are relatively close in price, it reflects "the bids are competitive."²¹

Relevant commercially-available market forecasts of energy and capacity products are useful in developing a price reasonableness benchmark. They may also assist in analyzing whether a particular price is a just and reasonable price for a particular energy and capacity product.

However, BVES steadfastly believes that the best and most relevant information for determining just and reasonable prices for a specific energy product as of a specific date are the market bids for that specific energy product received as a result of a robust and rigorous public bidding process open to all third-party potential power suppliers. Why must BVES rely upon third party power suppliers? Because BVES has no power

²⁰ Benchmark prices are derived based upon a confidential benchmark methodology, approved in D25-04-026, which includes proprietary market analyses and related market price information.

²¹ D.25-04-026 at p. 12.

resources other than its BVPP, which is insufficient to meet all of Bear Valley's customers' needs. The only alternative power supply resource available to BVES to meet its customers' needs are third-party power suppliers. And the best method for obtaining the best price from third-party power suppliers is a robust and rigorous bidding process open to all qualified third-party power suppliers.

BVES believes the winning bid resulting from a robust and rigorous public bidding process is the quintessential "just and reasonable" price for any specific energy product at any specific date. It most accurately reflects the current market price of a specific energy product that best fits BVES customers' needs. Therefore, the costs of the above-benchmark price of the Morgan Stanley Confirmation are just and reasonable.

And Bear Valley's position is supported by Commission decision. In D.17-04-003 Commission stated:

The best and most reliable method for obtaining power products at the lowest cost is a robust and rigorous bidding process that invites all potential suppliers to participate: which is what Bear Valley states in testimony that it undertakes.²²

In addition, June 2025-2026 costs of the Morgan Stanley Confirmation are materially less than the cost forecast for the same time-period and amount of energy in Bear Valley's Test Year 2023 General Rate Case ("GRC"). This reduction in GRC forecasted energy costs will benefit BVES ratepayers. The amount of savings of the Morgan Stanley Confirmation as compared to the similar amount of forecasted energy in Bear Valley's 2023 GRC are set forth in Confidential Appendix B.

In summary, the total cost of the Morgan Stanley Confirmation is comprised of two components -- the cost of the benchmark price (which is per se reasonable) and the cost of the above-benchmark price (which BVES proves above is reasonable). Because the Morgan Stanley Confirmation was the result of a robust and rigorous public bidding process for Bear Valley's preapproved Energy Product, all costs resulting from the Morgan Stanley Confirmation are just and reasonable.

Accordingly, BVES respectfully requests that it be authorized through the approval of this Tier 3 Advice Letter filing to recover the above-benchmark price costs, plus the per se reasonable costs which are equal to the benchmark price, of the Morgan Stanley Confirmation.

²² D.17-04-003 at p. 21

TIER DESIGNATION

This advice letter is submitted with a Tier 3 designation.

EFFECTIVE DATE

BVES respectfully requests that this advice letter becomes effective as of June 1, 2025.

NOTICE AND PROTESTS

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter. A response is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the CPUC in acting on the request.

A protest must be mailed within 20 days of the date the CPUC accepts the advice letter for filing. The Calendar is available on the CPUC's website at www.cpuc.ca.gov.

A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter.

The utility may respond to a protest within five days.

All protests and responses should be sent to:

California Public Utilities Commission, Energy Division
ATTN: Tariff Unit
505 Van Ness Ave
San Francisco, CA
94102
E-mail: EDTariffUnit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

Copies of any such protests should be sent to this utility at:

Bear Valley Electric Service, Inc.
ATTN: Jeff Linam
630 East Foothill
San Dimas, CA 91773
E-mail: RegulatoryAffairs@bvesinc.com

If you have not received a reply to your protest within 10 business days, contact Ronald Moore at (909) 394-3600 ext. 682.

Correspondence:

Any correspondence regarding this compliance filing should be sent by regular mail or e-mail to the attention of:

Ronald Moore
Regulatory Affairs
Bear Valley Electric Service, Inc.
630 East Foothill Blvd.
San Dimas, California 91773
Email: RegulatoryAffairs@bvesinc.com

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

Sincerely,
/s/ Ronald Moore

Ronald Moore
Regulatory Affairs Department
Bear Valley Electric Service, Inc.

c: Jenny Au, Energy Division
Michael Campbell, California Public Advocates Office
Scott Logan, California Public Advocates Office
Energy Division
BVES General Order 96-B Service

APPENDIX A
FINAL BID REQUEST

From: Matlock, Sean <sean.matlock@bvesinc.com>
Sent: Wednesday, May 14, 2025 2:25 PM
To: Matlock, Sean <sean.matlock@bvesinc.com>
Subject: CORRECTION May 27, 2025 RE: BVES Short-List PPA Bidders – Final Offer 10:00 AM PDT May 26, 2025

Potential Bidders,
 It was brought to our attention that Monday May 26th, 2025 is the Memorial Day holiday; therefore, all final bids are due at 10:00 AM May 27th, 2025. Thank you.

Respectfully,

Sean Matlock
 Energy Resource Manager
 Assistant Corporate Secretary
 Bear Valley Electric Service, Inc.
 42020 Garstin Dr • PO Box 1547 • Big Bear Lake, CA 92315
 909.522.1913 cell
sean.matlock@bvesinc.com

From: Matlock, Sean <sean.matlock@bvesinc.com>
Sent: Wednesday, May 14, 2025 12:49 PM
To: Matlock, Sean <sean.matlock@bvesinc.com>
Subject: BVES Short-List PPA Bidders – Final Offer 10:00 AM PDT May 26, 2025

Bear Valley Electric Service, Inc. (BVES) is pleased to announce that the California Public Utilities Commission (CPUC) has approved moving forward to the final stage of the Power Purchase Agreement. Accordingly, we kindly request a final offer price for the following products:

- Original Shaped Energy Product for the period of June 1, 2025, to 2028.
- Revised Shaped Energy Product for the period of June 1, 2025, to 2027. (The only difference is the term length)
- Bid Submission Guideline: Please submit a single bid (All-In) for each product (two bids total). **Annual bids will not be considered.**
- Ultimately, BVES will select one product and one supplier.

Kindly ensure this information is submitted to Sean Matlock (sean.matlock@bvesinc.com) at 10:00 AM PDT on **May 26, 2025**. Notification of the winning bid will follow promptly.

Shaped (2 different products - different term lengths):

Hour	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
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2027

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2028

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6	9	8	7	7	7	7	5	3	3	8	8	8	9	9	9	5	1	4	6	7	13	13	11	10
7	10	9	8	8	8	7	5	4	4	10	10	10	11	11	11	7	3	5	8	8	14	14	12	11
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11	12	12	11	11	12	12	13	12	9	13	12	11	11	11	12	10	8	11	11	11	16	15	14	13
12	17	17	16	16	16	16	17	18	16	19	18	17	17	18	19	18	16	19	19	19	24	23	21	19

And:

Hour	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
2025																								
6	8	8	7	7	7	7	4	3	3	8	8	8	8	9	9	5	1	4	6	7	13	12	11	10
7	9	8	8	8	7	7	5	4	4	9	9	10	11	11	11	6	2	5	7	8	14	13	12	10
8	9	8	7	7	7	7	6	4	4	9	9	9	10	10	10	6	3	6	7	8	14	13	11	10
9	8	8	7	7	7	7	7	5	4	9	8	8	9	9	9	5	3	5	7	8	12	11	10	9
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11	13	12	11	11	12	12	13	12	9	13	12	11	11	11	12	10	8	11	11	11	16	15	14	13
12	17	16	16	16	16	15	17	17	15	19	18	17	17	17	19	17	16	19	19	19	23	22	21	19

2026

1	16	15	14	14	14	15	16	17	15	19	18	17	17	17	17	15	14	17	18	18	22	21	19	17
2	15	14	14	14	14	14	16	15	13	16	15	14	14	13	13	10	9	14	15	15	20	19	18	16
3	11	11	11	11	11	11	12	11	9	13	12	11	10	10	10	6	4	7	9	10	15	15	13	12
4	9	9	9	9	9	9	9	6	5	9	8	8	7	8	8	3	0	3	6	7	13	12	11	10
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6	8	8	7	7	7	7	4	3	3	8	8	8	9	9	9	5	1	4	6	7	13	12	11	10
7	9	8	8	8	7	7	5	3	4	9	9	10	11	11	11	6	2	5	7	8	14	14	12	11
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11	12	12	11	11	12	12	13	12	9	13	12	11	11	11	12	10	8	11	11	11	16	15	14	13
12	17	16	16	16	16	16	17	18	15	19	18	17	17	18	19	18	16	19	19	19	24	23	21	19

2027

1	16	15	15	14	15	15	16	17	16	19	18	17	17	17	17	15	14	17	18	18	22	21	19	17
2	15	14	14	14	14	15	16	15	13	16	15	14	14	13	13	10	9	14	16	15	20	19	18	16
3	11	11	11	11	11	11	12	10	9	12	12	11	10	10	10	6	4	7	9	10	15	15	13	12
4	9	9	9	9	9	9	9	6	5	9	8	8	7	8	8	3	1	3	6	7	13	12	11	10
5	9	8	8	8	8	8	6	3	3	8	7	6	6	7	7	3	1	3	5	6	11	11	10	9
6	9	8	8	8	7	7	5	3	3	8	8	8	9	9	10	5	1	4	6	7	13	13	11	10
7	9	9	8	8	8	7	5	4	4	10	10	10	11	11	11	6	2	5	8	8	14	14	13	11
8	9	8	8	7	7	7	6	4	4	9	9	9	10	10	10	6	3	5	7	8	14	13	11	10
9	9	8	8	7	7	8	7	5	4	9	9	9	9	9	9	5	3	5	7	8	13	12	11	9
10	9	9	8	8	8	9	10	8	6	10	9	8	8	8	9	6	3	5	7	7	12	12	11	10
11	12	12	11	11	12	12	13	12	9	13	12	11	11	11	12	10	8	11	11	11	16	15	14	13
12	17	17	16	16	16	16	17	18	16	19	18	17	17	18	19	18	16	19	19	19	24	23	21	19

Notes:

- 1) Firm CAISO IST at SP15 in the Day Ahead Market
- 2) 7x24 for all days, all hours, including NERC holidays
- 3) Pricing in \$/MWh (two all-in \$/MWh bids – one for 2025 -2027 and one for 2025-2028 with shapes and hourly volumes shown above)
- 4) Counterparty SCID

Original:

Year	MWh
2025 (June 1st)	50,554
2026	91,465
2027	92,561
2028	93,616
Contract Total	328,196

Revised:

Year	MWh
2025 (June 1st)	50,554
2026	91,465
2027	92,561
Contract Total	234,580

BVES will confirm any purchases via use of the preexisting EEL.

BVES, at its sole discretion, reserves the right to modify, suspend or terminate this solicitation as well as reject any offers related hereto.

For questions related to this solicitation, please send inquiries to Sean Matlock (sean.matlock@bvesinc.com). Thank you for considering BVES' request for final offer.

Respectfully,

Sean Matlock

Energy Resource Manager

Assistant Corporate Secretary

Bear Valley Electric Service, Inc.

42020 Garstin Dr • PO Box 1547 • Big Bear Lake, CA 92315

909.522.1913 cell

sean.matlock@bvesinc.com

CONFIDENTIAL APPENDIX B
FINAL BIDS EVALUATION

CONFIDENTIAL APPENDIX C
EXECUTED MORGAN STANLEY CONFIRMATION

CONFIDENTIAL APPENDIX D
BENCHMARK PRICE CALCULATIONS

APPENDIX E

CONFIDENTIALITY DECLARATION

CONFIDENTIALITY DECLARATION OF SEAN MATLOCK

I, Sean Matlock, hereby declare:

1. I am the Energy Resource Manager for Bear Valley Electric Service, Inc. (“BVES” or “Bear Valley”). I make this Declaration on behalf of BVES in support of confidential treatment of the confidential and market sensitive portions of the Advice Letter to which this Declaration is attached.
2. I make this Declaration based upon my personal knowledge of the facts stated below. If called to testify, I could and would competently testify thereto.
3. By this Declaration, I request that upon acceptance of the Advice Letter, the Energy Division and the Commission maintain the confidentiality of the confidential appendices identified in this Declaration. Since the confidential material has been redacted or removed from the public version of the Advice Letter, BVES does not request the Energy Division or the Commission to seal the public version.
4. Pursuant to D.08-04-023, a party may request confidential treatment of information by declaration, using the five factors required by D.06-06-066, where the information contains data of the type addressed in the matrices to D.06-06-066.²⁶ If another party or person asks to see the confidential data, the filer and the requesting person shall meet and confer to resolve the dispute informally, consistent with the intent of new Rule 11.3. If they cannot resolve the dispute, the party seeking confidential treatment shall file a motion in compliance with the procedures set forth in D.08-04-023.²⁷
5. In D.06-06-066, the Commission set forth the standard for designating information as confidential in Commission proceedings. As part of that Decision, the Commission established a matrix, which identified several categories of data and the level of confidentiality granted to each category (“IOU Matrix”). Specifically, in D.06-06-066, the Commission stated that “[w]here a party seeks confidentiality protection for data contained in the Matrix, its burden shall be to prove that the data match the Matrix category. Once it does so, it is entitled to the protection the Matrix provides for that category.”²⁸
6. Pursuant to D.06-06-066, the five factors an investor owned utility (“IOU”) must establish are as follows: (1) that any data redacted pursuant to the IOU Matrix constitutes a particular type of data listed

²⁶ D.08-04-023 at p. 21.

²⁷ *Id.*

²⁸ D.06-06-066, as modified by D.07-05-032, at p. 81.

in the IOU Matrix; (2) the category in the IOU Matrix to which the data corresponds; (3) that the IOU is complying with the limitations on confidentiality specified in the IOU Matrix for that type of data; (4) that the information is not already public; and (5) the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.²⁹

8. Confidential treatment of the redacted data in the Advice Letter is expressly provided for in the IOU Matrix as set forth in the chart below.

9. In determining which information would be redacted from the Advice Letter, BVES has ensured that it has only redacted that information deemed confidential pursuant to D.06-06-066. Therefore, a significant amount of the information in the Advice Letter is intact for those parties who will receive the redacted versions. Nonetheless, the Energy Division and the Commission are entitled to full disclosure to facilitate its review and approval of the power purchase agreements and the determination of a benchmark price, and therefore redacting the confidential information is necessary.

Advice Letter

The confidential data redacted from the Advice Letter is as follows:

10.1 Data at Issue: Terms and Conditions of Confirmation

Location of Confidential Information: Confidential Appendix B attached to Advice Letter.

<u>D.06-06-066 Matrix Requirement</u>	<u>How Data at Issue Meets Requirement</u>
1. Data at issue constitutes a particular type of data listed in the Matrix.	1. This data are the terms and conditions of negotiated power purchase agreements between BVES and non-affiliated third-party power suppliers.
2. Matrix category that data at issue corresponds to.	2. <u>Matrix Section VII(B):</u> Bilateral Contract Terms and Conditions – Electric—Contracts and Power Purchase Agreements Between Utilities and Non-affiliated third parties (except RPS).
3. IOU is complying with the limitations on confidentiality specified in the Matrix for that type of data.	3. Pursuant to Matrix Section VII(B), contract summaries, including counterparty, resource type, location, capacity expected deliveries, delivery point, length of contract and online date, where applicable, were provided in the application or testimony. The other terms and conditions of the power contracts are confidential for three years from the date the contract states deliveries begin or until one year following expiration, whichever comes first.

²⁹ D.06-06-066, as modified by D.07-05-032, at p. 25.

4. The information is not already public.	4. This information has not been made public.
5. The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.	5. This data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure any more than BVES has already done because the specific terms and conditions of the Master Agreement, Collateral Annex and Confirmation require specificity for the Commission's evaluation and determination.

Bid Information

The confidential data redacted from the Advice Letter is as follows:

Data at Issue: Bid Information

Location of Confidential Information: Confidential Appendix B and Confidential Appendix C.

<u>D.06-06-066 Matrix Requirement</u>	<u>How Data at Issue Meets Requirement</u>
1. Data at issue constitutes a particular type of data listed in the Matrix.	1. This data are a summary of the offers received pursuant to the RFP, including participating bids, counter-party names, prices, quantities, terms and conditions.
2. Matrix category that data at issue corresponds to.	2. <u>Matrix Section VIII(A):</u> Competitive Solicitation (Bidding) Information - Electric - Bid Information.
3. IOU is complying with the limitations on confidentiality specified in the Matrix for that type of data.	3. Pursuant to Matrix Section VIII (A), all bid information is confidential.
4. The information is not already public.	4. This information has not already been made public.
5. The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.	5. This data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure any more than BVES has already done because the specific bid data, including participating bids, counter-party names, and bid data on prices, quantities, terms and conditions require specificity for the Commission's evaluation and determination.

Data at Issue: Bid Analysis and Evaluation

Location of Confidential Information: Confidential Appendix B.

<u>D.06-06-066 Matrix Requirement</u>	<u>How Data at Issue Meets Requirement</u>
1. Data at issue constitutes a particular type of data listed in the Matrix.	1. This data contains bid analysis and bid information.
2. Matrix category that data at issue corresponds to.	2. <u>Matrix Section VIII(A):</u> Competitive Solicitation (Bidding) Information – Electric (Bid Information) <u>Matrix Section VIII(B):</u> Competitive Solicitation (Bidding) Information – Electric - Specific Quantitative Analysis Involved in Scoring and Evaluation of Bids.
3. IOU is complying with the limitations on confidentiality specified in the Matrix for that type of data.	3. Pursuant to Matrix Section VIII (A), all bid information is confidential. Quantities of bids and types of projects (power suppliers) were disclosed and made public. Bid prices and guarantees were redacted. Pursuant to Matrix Section VIII(B), evaluation guidelines should be public, but other information remains confidential for 3 years. Pursuant to these limitations, BVES' evaluation guidelines were made public, but the remaining analysis, scoring and evaluation was redacted.
4. The information is not already public.	4. This data has not already been made public.
5. The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.	5. This data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure any more than BVES has already done because the form/specificity of the confidential bid analysis and bid data information are necessary for the Commission's evaluation and determination.

Data at Issue: Price Information; Benchmark Price Methodology.

Location of Confidential Information: Confidential Appendix D.

<u>D.06-06-066 Matrix Requirement</u>	<u>How Data at Issue Meets Requirement</u>
1. Data at issue constitutes a particular type of data listed in the Matrix.	1. This data is utility electric price forecasts (based upon commercially available electric price forecasts that are interpreted and manipulated by BVES), combined with a methodology to establish benchmark prices for each confirmation.
2. Matrix category that data at issue corresponds to.	<u>Matrix Section II(A)(2) Cost Forecast Data</u> – Electric – Utility electric price forecasts.
3. IOU is complying with the limitations on confidentiality specified in the Matrix for that type of data.	2. Pursuant to Matrix Section II(A)(2), all utility electric price forecasts are confidential for 3 years.
4. The information is not already public.	3. This data has not already been made public.
5. The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.	4. This data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure, because the form/specificity of this information is necessary for consideration and determination by the Commission.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed this 13th day of June, 2025, at the City of Big Bear Lake, California.

Sean Matlock

Digitally signed by Sean Matlock
Date: 2025.06.13 07:47:55
-07'00'

Sean Matlock

Energy Resource Manager
Bear Valley Electric Service, Inc.
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