

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 2, 2007

Advice Letter 2506-E

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

Subject: Renewable Resource Procurement Contracts

Dear Mr. Cherry:

Advice Letter 2506-E is effective July 8, 2004.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



**Karen A. Tomcala**  
Vice President  
Regulatory Relations

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San Francisco, CA 94105

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May 10, 2004

**Advice 2506-E  
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

**Subject: Renewable Resource Procurement Contracts**

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter in accordance with Ordering Paragraph 3 of Resolution E-3853, which directs PG&E to make this filing in accordance with the confidential discussion in the section entitled "Contracts selected" of the Resolution. PG&E incorporates by reference all attachments submitted with AL 2423-E, which was approved by the California Public Utilities Commission (CPUC or Commission) in Resolution E-3853.

All attachments to this advice letter comprise Confidential Protected Material, in accordance with the May 20, 2003, Modified Protective Order issued in Rulemaking (R.) 01-10-024, and pursuant to Public Utilities Code Section 583.

**Purpose**

In Resolution E-3853, the California Public Utilities Commission (CPUC or Commission) approved renewable energy contracts between PG&E and the following three biomass power producers:

<b>Biomass Power Producer</b>	<b>MW Capacity</b>
Madera Power, LLC	25
Community Renewable Energy Services, Inc.	12
Sierra Power Corporation	7

In accordance with the confidential section of the Resolution, PG&E now provides contract information, under seal, as specified.

PG&E asks that the Commission approve this advice letter no later than July 8, 2004 by finding that the payments to be made by PG&E pursuant to the contracts



are reasonable and prudent for purposes of recovery in full in retail rates under the Public Utilities Code for the full term of the contract(s) extension without further Commission review.<sup>1</sup>

### Background

On August 13, 2003, the Assigned Commissioner Michael Peevey issued the Assigned Commissioner's Ruling (ACR), which provides guidance and outlines the parameters of utility procurement of renewable resources prior to full Renewable Portfolio Standards (RPS) implementation. The ACR instructs utilities to abide by the terms of the first RPS decision (D.) 03-06-071, and also allows utilities to engage in bilateral negotiations or issue competitive solicitations. In Resolution E-3853, the Commission approved the contracts as consistent with the criteria provided in the ACR.

### Protests

Anyone wishing to protest this filing may do so by sending a letter by **May 30, 2004**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief – Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226  
E-mail: [RxDd@pge.com](mailto:RxDd@pge.com)

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<sup>1</sup> All three renewable energy contracts are cost effective and continue to provide benefit to ratepayers based on the price benchmark approved in Resolution E-3853.

**Effective Date**

PG&E requests that this advice filing become effective on **June 19, 2004**, which is 40 days after the date of filing.

**Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter excluding the confidential appendices is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.01-10-024. Non-market participants who are members of PG&E's Procurement Review Group and have signed appropriate Non-Disclosure Certificates will also receive the advice letter and accompanying confidential attachments by overnight mail.

The portions of this advice letter so marked Confidential Protected Material are in accordance with the May 20, 2003, Modified Protective Order in R. 01-10-024 Regarding Confidentiality of Pacific Gas and Electric Company (PG&E) Power Procurement Information. As required by that Order, reviewing representatives of Market Participating Parties will not be granted access to Protected Material, but will instead be limited to reviewing redacted versions of documents that contain Protected Material.

Vice President – Regulatory Relations

*Karen A. Tomcala / DP*

Confidential Attachments are provided in accordance with Ordering Paragraph 3 of Resolution E-3853, which directs PG&E to make this filing in accordance with the confidential discussion in the section entitled "Contracts selected" of the Resolution.

Cc: R01-10-024 Service List  
Pacific Gas and Electric Company's Procurement Review Group

**PG&E Electric Advice Filing List  
General Order 96-A, Section III(G)**

ABAG Power Pool  
Aglet Consumer Alliance  
Agnews Developmental Center  
Ahmed, Ali.  
Alcantar & Elsesser  
Anderson Donovan & Poole P.C.  
Applied Power Technologies  
APS Energy Services Co Inc  
Arter & Hadden LLP  
Avista Corp  
Barkovich & Yap, Inc.  
BART  
Bartle Wells Associates  
Blue Ridge Gas  
Bohannon Development Co  
BP Energy Company  
Braun & Associates  
C & H Sugar Co.  
CA Bldg Industry Association  
CA Cotton Ginners & Growers Assoc.  
CA League of Food Processors  
CA Water Service Group  
California Energy Commission  
California Farm Bureau Federation  
California ISO  
Calpine  
Calpine Corp  
Calpine Gilroy Cogen  
Cambridge Energy Research Assoc  
Cameron McKenna  
Cardinal Cogen  
Cellnet Data Systems  
Childress, David A.  
City of Glendale  
City of Healdsburg  
City of Palo Alto  
City of Redding  
CLECA Law Office  
Constellation New Energy  
CPUC  
Creative Technology  
Crossborder Inc  
CSC Energy Services  
Davis, Wright Tremaine LLP  
Davis, Wright, Tremaine, LLP  
Defense Fuel Support Center  
Department of the Army  
Department of Water & Power City  
Dept of the Air Force  
DGS Natural Gas Services  
DMM Customer Services  
Downey, Brand, Seymour & Rohwer  
Duke Energy  
Duke Energy North America

Duncan, Virgil E.  
Dutcher, John  
Dynergy Inc.  
Ellison Schneider  
Energy Law Group LLP  
Enron Energy Services  
Exeter Associates  
Foster, Wheeler, Martinez  
Franciscan Mobilehome  
Future Resources Associates, Inc  
GLJ Energy Publications  
Goodin, MacBride, Squeri, Schlotz &  
Grueleich Resource Advocates  
Hanna & Morton  
Heeg, Peggy A.  
Hogan Manufacturing, Inc  
House, Lon  
Imperial Irrigation District  
Integrated Utility Consulting Group  
International Power Technology  
J. R. Wood, Inc  
JTM, Inc  
Kaiser Cement Corp  
Korea Elec Power Corp  
Marcus, David  
Masonite Corporation  
Matthew V. Brady & Associates  
Maynor, Donald H.  
McKenzie & Assoc  
McKenzie & Associates  
Meek, Daniel W.  
Mirant California, LLC  
Modesto Irrigation Dist  
Morrison & Foerster  
Morse Richard Weisenmiller & Assoc.  
New United Motor Mfg, Inc  
Norris & Wong Associates  
North Coast Solar Resources  
Northern California Power Agency  
PG&E National Energy Group  
Pinnacle CNG Company  
PPL EnergyPlus, LLC  
Price, Roy  
Product Development Dept  
Provost Pritchard  
R. M. Hairston & Company  
R. W. Beck & Associates  
Recon Research  
Regional Cogeneration Service  
RMC Lonestar  
Sacramento Municipal Utility District  
SCD Energy Solutions  
Seattle City Light  
Sempra

Sempra Energy  
Sequoia Union HS Dist  
SESCO  
Sierra Pacific Power Company  
Silicon Valley Power  
Simpson Paper Company  
Smurfit Stone Container Corp  
Southern California Edison  
SPURR  
St. Paul Assoc  
Stanford University  
Sutherland, Asbill & Brennan  
Tabors Caramanis & Associates  
Tansev and Associates  
Tecogen, Inc  
TFS Energy  
TJ Cross Engineers  
Transwestern Pipeline Co  
Turlock Irrigation District  
United Cogen Inc.  
URM Groups  
Utility Cost Management LLC  
Utility Resource Network  
Wellhead Electric Company  
Western Hub Properties, LLC  
White & Case  
WMA