



**Pacific Gas and
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April 1, 2005

**Advice 2643-E-A
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

Subject: Supplement to Updated 2005 Long-Term Procurement Plan

Pacific Gas and Electric Company (PG&E) hereby submits its supplement to its updated 2005 Long-Term Procurement Plan (LTPP) conforming to Decision (D.) 04-12-048, *Opinion Adopting Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company's Long-Term Procurement Plans*, (the Decision), issued on December 16, 2004. This update follows the initial filing made on March 25, 2005, by Advice 2643-E – 2005 Long Term Procurement Plan.

Purpose

Pursuant to the California Public Utilities Commission's (CPUC) instruction to file any updates to the existing LTPPs by advice letter by March 25, 2005,^{1,2} and compliant with D.04-12-048, OP 24, PG&E herein provides its remaining update. This supplemental filing includes updates to the original Tables 4-3 (capacity) and 4-4 (energy) from its original July 9, 2004, IRP filing. These updates are contained in Appendix A (tables 1 and 2) and are consistent with the California Energy Commission's (CEC) reporting format ("S-1" and "S-2") pursuant to the CPUC's March 15, 2005 request.³ In addition, yearly versions of the S-1 (capacity) and S-2 (energy) forms are included in Appendix B. These forms present PG&E's preferred case scenarios that will be filed with the CEC in April, 2005.⁴

¹ D.04-12-048, Ordering Paragraph (OP) 1.

² See also FOF 106, p. 202

³ CPUC letter from Sean Gallagher, Energy Division,

⁴ The versions filed with the CEC contain data on a monthly rather than yearly interval.

Background

On December 16, 2004, the CPUC issued D.04-12-048, adopting the LTPPs of PG&E and California's other investor-owned utilities (IOUs). OP 1 instructed PG&E to update its procurement plan to reflect the changes and modifications adopted in D.04-12-048, including:

- a. Annual energy and capacity resource accounting tables, consistent with directions on baseline load forecasts adopted in the decision;
- b. Procurement activities undertaken by PG&E subsequent to its initial filing in this proceeding;
- c. Revised energy efficiency targets as adopted in D.04-09-060;
- d. Demand response programs proposed for 2005 implementation in R.02-06-011;
- e. The effect of resource adequacy and local reliability requirements adopted respectively in D.04-10-035 and D.04-07-028;
- f. Changes occurring as a result of CPUC decisions implementing CCA in R.03-10-033;
- g. Revised forecasts for the price of natural gas if necessary,
- h. Status of qualifying facilities with soon-to-be-expiring contracts;
- i. Any other material information that may affect PG&E's procurement activities.

On page 60 of D.04-12-048, the CPUC states that PG&E shall verify in this compliance filing that the 450 megawatt (MW) demand response (DR) target is consistent with the definition of 'annual system peak' – *the annual system peak for its respective service territory, inclusive of all customers taking service within those boundaries*. In its 2004 LTP filing, PG&E did not use the definition of annual system peak specified in D. 04-12-048. Based on the definition provided in D.04-12-048, and PG&E's December 2004 updated load forecast, PG&E's 3% demand response target for 2005 is shown in Confidential Appendix C.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **April 20, 2005**, 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, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: 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.

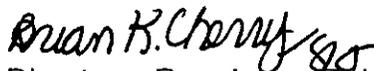
Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective on **April 1, 2005**, which is the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.04-04-003. Participants of PG&E's Procurement Review Group will also receive the advice letter electronically.


Director – Regulatory Relations

Attachments

Appendix A

Table 1: Capacity Balance
Table 2: Energy Balance

Appendix B

S1: CEC -- Capacity Balance
S2: CEC -- Energy Balance

APPENDIX A

Pacific Gas and Electric Company
2005 Integrated Resources Plan Update
 04/01/05

Capacity Balance Table (MW)
Medium Load Case

	Aug-05	Aug-06	Aug-07	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13	Aug-14
PEAK DEMAND CALCULATIONS (MW):										
Net Peak Demand + 15% Planning Reserve Margin										
Firm Sales Obligations										
Firm Peak Resource Requirement										
EXISTING & PLANNED RESOURCES										
Diablo Canyon										
Fossil										
Total Dependable Hydro Capacity										
Total Utility-Controlled Physical Resources										
EXISTING & PLANNED CONTRACTUAL RESOURCES										
Total DWR Contracts										
OF Contracts:										
Existing & Planned Renewable Contracts:										
Other Bilateral Contracts:										
Short Term and Spot Market Purchases:										
Existing Interruptible / Emergency (I/E) Programs										
Uncommitted Dispatchable Demand Response										
Unit Maintenance Outages and Limitations (-)										
TOTAL: EXISTING & PLANNED CAPACITY										
FUTURE GENERIC RESOURCE NEEDS										
Generic Renewable Resources										
Generic Dispatchable Resources										
Generic Peaking & Capacity Resources										
Total Capacity of Future Generic Resources										
Total Capacity										

Notes:

Other Bilateral Contracts - includes Mirant (2006-2012) approved by CPUC but pending before U.S. Bankruptcy Court and FERC
 Generic Dispatchable Resources - includes proposed contract with Duke for Morro Bay capacity, currently pending before CPUC

**Pacific Gas and Electric Company
2005 Integrated Resources Plan Update
04/01/05**

**Energy Balance Table (GWh)
Medium Load Case**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PEAK DEMAND CALCULATIONS (GWh):										
Net Energy Demand for Bundled Customers	80,242	81,440	79,908	80,917	77,944	76,386	74,792	73,050	72,948	73,265
Firm Sales Obligations	920	413	413	413	413	413	413	413	413	413
Total Energy Requirement	81,163	81,853	80,321	81,330	78,357	76,799	75,205	73,463	73,361	73,678
EXISTING & PLANNED RESOURCES										
Diablo Canyon	17,108	17,340	17,539	16,469	15,573	17,546	17,597	16,797	17,584	17,551
Fossil	975	233	245	245	177	178	171	173	171	174
Total Dependable Hydro Capacity	15,756	16,003	15,984	16,032	15,979	15,985	15,998	16,042	15,991	15,834
Total Utility-Controlled Physical Resources	33,838	33,576	33,768	32,746	31,730	33,709	33,765	33,011	33,745	33,559
EXISTING & PLANNED CONTRACTUAL RESOURCES										
Total DWR Contracts										
QF Contracts:	20,007	20,004	19,933	19,886	19,727	19,939	19,873	19,769	19,708	19,592
Existing & Planned Renewable Contracts:	1,280	1,287	1,286	506	519	526	528	528	527	300
Other Bilateral Contracts:	1,384	1,322	1,124	1,026	871	888	851	894	413	413
Short Term and Spot Market Purchases:	-492	-1,240	-3,632	-2,974	-8,860	-890	-2,525	-2,485	-2,841	-2,480
TOTAL: EXISTING & PLANNED										
FUTURE GENERIC RESOURCE NEEDS										
Generic Renewable Resources	0	1,678	1,822	4,518	5,423	6,481	6,864	7,023	7,105	7,250
Generic Dispatchable Resources										
Generic Peaking & Capacity Resources										
Total Generation of Future Generic Resources	1,048	3,668	4,408	6,519	10,453	16,766	19,006	20,388	21,707	22,189
Total										

APPENDIX B

Electricity Resource Planning Form S-1: Projected Capacity Balance
PG&E Preferred Case

	Aug-05	Aug-06	Aug-07	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13	Aug-14
PEAK DEMAND CALCULATIONS (MW):										
1 Forecast Total Peak Demand										
2 Losses and UFE										
3 Peak Demand: Existing Contracts										
4 Non-Core Reduction										
5 Direct Access (-)										
6 CCA & Departing Municipal Load (-)										
7 Uncommitted Price Sensitive DR Programs (-)										
8 Uncommitted Energy Efficiency (2005-2016) (-)										
9 Peak Coincidence										
10 Distributed Generation (+)										
11 Net Peak Demand for Bundled Customers										
12 Net Peak Demand + 15% Planning Reserve Margin										
13 Firm Sales Obligations										
14 Firm Peak Resource Requirement										
EXISTING & PLANNED RESOURCES										
Utility-Controlled Fossil and Nuclear Resources:										
15 Diablo Canyon										
16 Hunters Point										
17 Humboldt Bay										
18 Humbolt Extension										
19 Total Dependable Fossil and Nuclear Capacity										
Utility-Controlled Hydroelectric Resources (1-in-2):										
20 Total for all plants over 30 MW nameplate										
21 Total for all plants 30 MW nameplate or less										
22 Hydro Derate (-) for 1-in-5 conditions										
23 Hydro Derate (-) for 1-in-10 conditions										
24 Total Dependable Hydro Capacity										
Existing & Planned Renewable Resources:										
25 Unit 1 (fuel) [List each non-hydro resource.]										
26 ...										
27 Unit N (fuel)										
28 Total Renewable Dependable Capacity										
29 Total Utility-Controlled Physical Resources										

Electricity Resource Planning Form S-1: Projected Capacity Balance
PG&E Preferred Case

EXISTING & PLANNED CONTRACTUAL RESOURCES	
	DWR Contracts:
30	Calpine #1 Product 1
31	Calpine #2 Product 1
32	Coral
33	El Paso
34	Soledad
35	Calpine #3
36	Calpine 4
37	CalPeak Panoche
38	CalPeak Vaca Dixon
39	Wellhead Fresno
40	GWf
41	PacifiCorp
42	Wellhead Gates
43	Wellhead Panoche
44	Kings River
45	Total DWR Contracts
	QF Contracts by fuel types:
46	Natural gas
47	Biofuels
48	Geothermal
49	Small Hydro
50	Solar
51	Wind
52	Other
53	Total QF Dependable Capacity
	Existing & Planned Renewable Contracts:
54	Calpine 13
55	Calpine 20
56	Wheelabrator
57	Madera
58	CRES
59	Sierra
60	Diablo Winds
61	Etiwanda
62	Total Existing & Planned Renewable Contracts

Electricity Resource Planning Form S-1: Projected Capacity Balance
PG&E Preferred Case

	Other Bilateral Contracts:	
63	Puget Take	
64	Duke RMR	
65	RFO 5A	
66	RFO 6	
67	Pittsburg 5	
68	Pittsburg 6	
69	Potrero 3	
70	Potrero 4	
71	Potrero 5	
72	Potrero 6	
73	Contra Costa 7	
74	Total Other Bilateral Contracts	
	Short Term and Spot Market Purchases:	
75	Short Term and Spot Market Purchases	
76	TOTAL: EXISTING & PLANNED CAPACITY	
77	Existing Interruptible / Emergency (I/E) Programs	
78	Uncommitted Dispatchable Demand Response	
79	Unit Maintenance Outages and Limitations (-)	
80	TOTAL CAPACITY + I/E and UDDR	
	FUTURE GENERIC RESOURCE NEEDS	
81	Generic Renewable Resources	
	Non-Renewable Generic Resources:	
82	Generic Dispatchable Resources	
83	Generic Peaking and Capacity Resources	
84	Total Generic Resources	

Electricity Resource Planning Form S-1: Projected Capacity Balance
PG&E Preferred Case

Notes to Line Numbers:

- 46-52 Assumes QFs with expiring contracts continue at 90% after contract expiration.
- 46-52 QFs with contracts expiring before 2006 assumed extended five years at 100%, and 90% thereafter.
- 46 Natural gas includes natural gas-fueled EOR projects. Nondispatchable units based on 2002-2003 actuals, system peak hour.
- 47 Biofuels include biomass and biogas-fueled projects. Based on 2002-2003 actuals, system peak hour.
- 48 Based on 2002-2003 actuals, system peak hour.
- 49 Based on dry year (1 in 10) conditions, average monthly MW (hourly data not available for assumed dry year 1994).
- 50 Total resource less than 1 MW
- 51 Based on 2001-2003 actuals, system peak hour.
- 52 Other includes coal and waste-to-energy (primarily petroleum coke) fueled projects. Based on 2002-2003 average actuals, system peak hour.
- 74 Other Bilateral Contracts - includes proposed contract with Mirant (2006-2012) approved by CPUC but pending before U.S. Bankruptcy Court and FERC
- 82 Generic Dispatchable Resources - includes proposed contract with Duke for Morro Bay capacity (2005-2007), currently pending before CPUC

**Electricity Resource Planning Form S-2: Projected Energy Balance
PG&E Preferred Case**

ENERGY DEMAND CALCULATIONS (GWh)		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	Forecast Total Energy Demand	82,991	84,595	86,211	87,827	89,413	90,954	92,468	93,977	95,442	96,862
2	Losses and UFE	7,137	7,246	7,153	7,233	6,992	6,896	6,793	6,669	6,576	6,496
3	Energy Demand: Existing Contracts	0	0	0	0	0	0	0	0	0	0
4	Non-Core Reduction	0	0	0	0	2,986	4,636	6,381	8,200	8,403	8,603
5	Direct Access (-)	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238
6	CCA & Departing Municipal Load (-)	0	0	2,503	2,524	3,077	3,645	4,229	4,832	5,453	5,533
7	Uncommitted Energy Efficiency (2009-2016) (-)	217	433	736	1,151	1,680	2,215	2,693	3,246	3,895	4,638
8	Distributed Generation (-)	430	730	980	1,230	1,480	1,730	1,930	2,080	2,180	2,280
9	Net Energy Demand for Bundled Customers	80,242	81,440	79,908	80,917	77,944	76,386	74,792	73,050	72,948	73,265
10	Firm Sales Obligations	920	413	413	413	413	413	413	413	413	413
11	Total Energy Requirement	81,163	81,853	80,321	81,330	78,357	76,799	75,205	73,463	73,361	73,678

EXISTING & PLANNED RESOURCES		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Utility-Controlled Fossil and Nuclear Resources:											
12	Diablo Canyon	17,108	17,340	17,539	16,469	15,573	17,546	17,597	16,797	17,584	17,551
13	Hunters Point	742	0	0	0	0	0	0	0	0	0
14	Humboldt Bay	233	233	245	245	0	0	0	0	0	0
15	Humboldt (Extension)	0	0	0	0	177	178	171	173	171	174
16	Total Fossil and Nuclear Energy Supply	18,083	17,572	17,784	16,714	15,750	17,724	17,767	16,969	17,755	17,725

Utility-Controlled Hydroelectric Resources (1-in-2):											
17	Total for all plants over 30 MW nameplate	0	0	0	0	0	0	0	0	0	0
18	Total for all plants 30 MW nameplate or less	0	0	0	0	0	0	0	0	0	0
19	Hydro Derate (-) for 1-in-5 conditions	0	0	0	0	0	0	0	0	0	0
20	Hydro Derate (-) for 1-in-10 conditions	0	0	0	0	0	0	0	0	0	0
21	Total Hydro Energy Supply	15,756	16,003	15,984	16,032	15,979	15,985	15,998	16,042	15,991	15,834
Existing & Planned Renewable Energy:											
22	Unit 1 (fuel) [List each non-hydro resource.]	N/A									
23	...	N/A									
24	Unit N (fuel)	N/A									
25	Total Renewable Energy Supply	N/A									
26	Total Utility-Controlled Physical Resources	N/A									

**Electricity Resource Planning Form S-2: Projected Energy Balance
PG&E Preferred Case**

EXISTING & PLANNED CONTRACTUAL RESOURCES												
DWR Contracts:												
27	Calpine #1 Product 1	8,760	8,760	8,760	8,784	8,760	0	0	0	0	0	0
28	Calpine #2 Product 1	8,760	8,760	8,760	8,784	8,760	0	0	0	0	0	0
29	Coral	3,894	3,616	3,643	3,683	3,683	3,079	2,482	1,190	0	0	0
30	El Paso	246	0	0	0	0	0	0	0	0	0	0
31	Soledad	106	88	0	0	0	0	0	0	0	0	0
32	Calpine #3											
33	Calpine 4											
34	CalPeak Panoche											
35	CalPeak Vaca Dixon											
36	Wellhead Fresno											
37	GWF											
38	PacifiCorp											
39	Wellhead Gates											
40	Wellhead Panoche											
41	Kings River											
42	Total Energy Supply from DWR Contracts	11,754	11,754	11,687	11,674	11,604	11,862	11,806	11,717	11,669	11,648	
QF Contracts by fuel types:												
43	Natural gas	3,105	3,105	3,103	3,103	3,090	3,070	3,070	3,070	3,067	3,063	
44	Biofuels	1,098	1,098	1,098	1,094	1,057	1,047	1,047	1,047	1,047	1,003	
45	Geothermal	658	658	657	657	656	652	651	651	651	650	
46	Small Hydro	0	0	0	0	0	0	0	0	0	0	
47	Solar	976	973	973	973	973	973	969	969	964	947	
48	Wind	2,415	2,415	2,415	2,386	2,348	2,335	2,328	2,314	2,309	2,281	
49	Other	20,007	20,004	19,933	19,886	19,727	19,939	19,873	19,769	19,708	19,592	
50	Total Energy Supply from QF Contracts	20,007	20,004	19,933	19,886	19,727	19,939	19,873	19,769	19,708	19,592	
Existing & Planned Renewable Contracts:												
51	Calpine 13											
52	Calpine 20											
53	Wheelabrator											
54	Madera											
55	CRES											
56	Sierra											
57	Diablo Winds											
58	Etiwanda											
59	Total Existing & Planned Renewable Contracts	1,280	1,287	1,286	506	519	526	528	528	527	300	

Confidential Appendix C

2005 Demand Response Target

{Redacted} MW

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

ABAG Power Pool
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alicantar & 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
Cooperative Community 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
DGS Natural Gas Services
DMM Customer Services
Douglass & Liddell
Downey, Brand, Seymour & Rohwer
Duke Energy

Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Energy Management Services, LLC
Enron Energy Services
Exeter Associates
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
Gas Transmission Northwest Corporation
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Hanna & Morton
Heeg, Peggy A.
Hitachi Global Storage Technologies
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
PITCO
PPL EnergyPlus, LLC
Praxair, Inc.
Price, Roy
Product Development Dept
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
Transwestern Pipeline Co
Turlock Irrigation District
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA