

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



October 3, 2006

Advice Letter 2905-E

Rose de la Torre  
Pacific Gas & Electric  
77 Beale Street, Room 1088  
Mail Code B10C  
San Francisco, CA 94105

Subject: 2007 preliminary local RA compliance filings

Dear Ms de la Torre:

Advice Letters 2905-E is effective September 21, 2006. Thank you for your time.

Sincerely,

Sean H. Gallagher, Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
Tariffs Section	
M Brown	D Poster
R Dela Torre	S Ramaiya
B Lam	
OCT 10 2006	
_____	
Return to _____	Records _____
_____	File _____
cc to _____	



**Brian K. Cherry**  
Vice President  
Regulatory Relations

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San Francisco, CA 94105

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September 22, 2006

**Advice 2905-E**

(Pacific Gas and Electric Company ID U 39 E)

**Subject: Preliminary 2007 Local Resource Adequacy (RA) Filing for Compliance - Submitted Pursuant to the February 10, 2006 Revised Protective Order, Decision 05-10-042 and Decision 06-06-064, Opinion on RA Requirements**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter in compliance with Decision (D.) 06-06-064. PG&E's Preliminary Local RA compliance filing for 2007, prepared in accordance with the "2007 Filing Guide for System and Local Resource Adequacy Compliance Filings" (Guide) issued by the Energy Division on August 10, 2006, is included in Confidential Attachment 2; the signed officer Certification form is included as a tab in that attachment. The California Public Utilities Commission (CPUC) requested declaration for this compliance filing is included in Attachment 1.

***A portion of the information provided in Attachment 2 is commercially sensitive and confidential protected material and is being submitted subject to the protections of Section 583 of the California Public Utilities Code and pursuant to: i) the "Revised Protective Order Regarding Confidentiality of Market Sensitive Load Data and Information" that ALJ Wetzell issued in his February 10, 2006, ruling; ii) the California Energy Commission's (CEC) agreement to adhere to that protective order, which the CEC signed on February 14, 2006; and iii) D. 06-06-066, which established Confidentiality standards.***

**Purpose**

The purpose of this Advice Letter compliance filing is to identify the resources that PG&E owns or has under contract that are either listed on the California Independent System Operator Corporation's (CAISO) local area resource data list or on the list of units proposed for 2007 Reliability Must-Run (RMR) Contracts.

This advice letter contains:

**Attachment 1:** *Declaration of Terrance Robertson supporting the confidentiality claims made in this filing.*

**Confidential Attachment 2:** *Preliminary 2007 Local RA Workbook*

The Preliminary 2007 Local RA Workbook contains commercially sensitive information detailing the resources it owns or has acquired in various local RA requirement areas; it includes the required signed officer Certification form.

The attached CD contains electronic filings of this Advice Letter and the Attachments.

### **Background**

As specified in D.06-06-064, LSE's must make annual compliance filings demonstrating that they have met 100% of the applicable local procurement obligation for each month of the following calendar year (January through December) concurrently with the LSE's "year-ahead" compliance filing for System RAR. The decision also called for LSE's to make a preliminary local RA compliance filing on September 22, 2006, to show the local area resources that they had procured by that date.

On August 10, 2006, the Energy Division (ED) issued changes to the Guide as required by D.05-10-042 in R.04-04-003, including a RA Reporting Template Spreadsheet and Instructions. This Advice Letter has been prepared in accordance with the Guide and the Reporting Template Spreadsheet Instructions.

As instructed by the Guide, PG&E used CAISO information to determine whether any of the resources that it owns or has procured are located in a transmission constrained area identified by the CAISO or are designated as a RMR unit<sup>1</sup>. PG&E used the CAISO's "2007 Local Area Reliability Service" report dated August 31, 2006, to determine the units that were designated RMR for 2007 (<http://www.caiso.com/1863/1863914e14390.pdf>). PG&E used the CAISO's "2007 Local Area Resource Information for Calendar Year 2007- Corrections as of August 9, 2006" unit list to determine which units are in local areas (<http://www.caiso.com/1833/1833e9e35fee0.xls>).

PG&E has included comments regarding several resources in column A of the "I\_Phys\_Res" tab of the RA Reporting Template. These comments provide general notes on the nature of some of the contracts that PG&E has with particular resources, including contract limitations that may affect the resource adequacy

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<sup>1</sup> The Guide is somewhat inconsistent on this point. Page 2 of the Guide requires the reporting of "any unit with a 2006 RMR contract." Page 9 of the Guide requires the reporting of units that are "among the list of units proposed for 2007 RMR Contracts". PG&E has used the 2007 RMR contract criteria for this filing.

capacity available from the unit. These comments also provide clarification for the type of contract that PG&E has with many of the RMR contract units highlighted by an entry in the "LSE Contract with RMR Unit" column (column E) on the "I\_Phys\_Res" tab of the RA Reporting Template.<sup>2</sup>

PG&E has both a unit toll contract and a wraparound contract for several units. For these units, PG&E has shown the "LSE contract with RMR unit" column as "Full RA Contract" because the unit toll contract governs if the units are not awarded RMR contracts. If the units are awarded RMR contracts, then the wraparound contracts govern and the capacity shown would actually be allocated on the Summary tab, as the wraparound contract would not fully displace the fixed cost recovery.,

This Advice Letter does not request an increase of any rate or charge, or the withdrawal of service, nor does it conflict with any other schedule or rule.

### **Protests**

In compliance with directives provided through the Energy Division's RA Guide, dated August 10, 2006, this advice filing is not subject to protests.

### **Effective Date**

PG&E requests that this advice filing be approved effective the date of filing, **September 22, 2006**, pursuant to instruction from the CPUC's Energy Division. According to the August 10, 2006, Energy Division Guidance, RA compliance filings do not require a resolution.

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<sup>2</sup> According to the Guide, the "LSE Contract with RMR Unit" column is intended to indicate "whether the LSE has signed a contract with the [Provisional RMR] unit, and what type of contract the LSE signed." Two options allowed are: "Full RA Contract" and "Wraparound". PG&E has used the "Full RA Contract" designation for all of its own units and for units with which it either has RA rights outright through a RA contract, through a unit toll contract, a DWR contract, or a must-take contract signed prior to the implementation of RA requirements. PG&E used the "Wraparound" designation for several units which it has under contract through RMR wraparound agreements, but which do not fully displace the RMR fixed cost recovery. In these cases PG&E has set the monthly MW values at zero to indicate that it will not receive any direct local RA benefit from the wraparound contract, but will instead obtain its local RA credit through a RMR allocation to be indicated on the "Summary" tab once the CPUC Energy Division allocates 2007 RMR credits for local RA requirements.

**Notice**

In accordance with direction from the CPUC's Energy Division 2007 RA Filing Guide, Attachment 2 of this submission is being filed with the CPUC, California Energy Commission (CEC), and California Independent System Operator (CAISO). A redacted version of Attachment 2 is available upon request.

A public version of this advice letter filing can also be accessed electronically at:  
**<http://www.pge.com/tariffs>**



Vice President, Regulatory Relations

**Attachments**

Attachment 1: Declaration of Terrance Robertson  
Confidential Attachment 2: Preliminary 2007 RA Workbook  
(Redacted Version Available)

cc: California Energy Commission  
California Independent System Operator  
Service List for R. 05-12-013  
Service List for R.04-04-003  
Service List for GO 96-A

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

Company name/CPUC Utility No. Pacific Gas and Electric Company U39M

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: David Poster

Phone #: (415) 973-1082

E-mail: dxpu@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2905-E

Subject of AL: Preliminary Local Resource Adequacy Requirement Filing for Compliance Year 2007

Keywords (choose from CPUC listing): RA

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.05-10-042 and D.06-06-064

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL \_\_\_\_\_

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

Resolution Required?  Yes  No

Requested effective date: 9/21/2006

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

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

**CPUC, Energy Division**

**Utility Info (including e-mail)**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

## **Attachment 1**

### **Declaration of Terrance M. Robertson**

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

**DECLARATION OF TERRANCE M. ROBERTSON IN SUPPORT OF PRELIMINARY LOCAL RA COMPLIANCE FILING**

I, Terrance M. Robertson, declare:

1. I am a principle in the Electric Procurement department at Pacific Gas and Electric Company (PG&E). I am responsible for the intermediate-term electric resource planning and procurement at PG&E including local resource adequacy (Local RA) procurement for 2007. In carrying out these responsibilities, I have acquired knowledge of the local area resources in PG&E's electric portfolio, which are the subject of the filing.

2. I have reviewed PG&E's Preliminary 2007 Local RA compliance filing and was responsible for the preparation of the Preliminary Local RA Workbook (Workbook). I am familiar with the information required for the filing, and would testify to the facts and representations in this declaration under oath based on personal knowledge.

3. Based on my review of the Workbook and my knowledge of the information required for the filing, the Workbook contains confidential information (Protected Information) that is material, market sensitive, electric procurement-related information within the scope of Public Utilities Code section 454.5(g). The Protected Information is also entitled to confidential treatment under Appendix 1 of D.06-06-066 (entitled "IOU Matrix"). Based on my knowledge and experience and in accordance with D.06-06-066 and the August 22, 2006 Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with D.06-06-066, R. 05-06-040, I make this declaration seeking confidential treatment of the Protected Information as detailed in the declaration.

4. The Protected Information falls into one or more of the following categories in the IOU Matrix:

- IV) Resource Planning Information - Electric
  - A) Forecast of IOU Generation Resources
  - B) Forecast of Qualifying Facility Generation
  - C) Forecast of IOU Hydro Greater than 30 MW

- E) Forecast of Pre-1/1/2003 (“Old-World”) Bilateral Contracts
- F) Forecast of Post-1/1/2003 (“New-World”) Bilateral Contracts
- G) Forecast of DWR Contracts
- I) Forecast of Existing Renewable Resource Contracts
- V) Load Forecast Information and Data - Electric
  - B) LSE Total Peak Load Forecast – Bundled Customer (MW)
- VI) Net Open Position Information - Electric
  - A) Utility Bundled Net Open (Long or Short) Position for Capacity (MW)

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix, for three years.

5. Specifically, the following information contained in Attachment 2 is Protected Information:

- In the Summary Tables 1 through 4 of the “Summary” tab, the “Total Procurement in XXX Local Area” (where XXX refers to the LA Basin, San Diego, Greater Bay Area, and Other PG&E) information is protected under the IOU Matrix category IV items and the category VI item noted above. This information represents the forecast of electric capacity (Local RA) as well as a component of the capacity (Local RA) net open position. This information, if released, would allow entities to closely approximate PG&E’s capacity net open position, when combined with other publicly available data.
- In the Summary Tables 1 through 4 of the “Summary” tab the “XXX Local RA” and “XXX RMR Allocation” (where XXX refers to the LA Basin, San Diego, Greater Bay Area, and Other PG&E) information is protected under the IOU Matrix category V item noted above. This information, if released, would allow the calculation of PG&E’s 2007 bundled customer total peak load, when combined with other publicly available data.
- In the Summary Tables 1 through 4 of the “Summary” tab the “Compliance Status” information is protected under the IOU Matrix category VI item noted above. This information qualitatively represents PG&E’s capacity (Local RA) net open position.

- In the “I\_Phys\_Res” tab the “RA Capacity” for January through December information on the “Subtotal” row is protected under the IOU Matrix category IV items and the category VI item noted above. This information represents the forecast of electric capacity (Local RA) as well as a component of the capacity (Local RA) net open position. The protected information has been highlighted in gray on the tab. This information, if released, would allow entities to closely approximate PG&E’s capacity net open position, when combined with other publicly available data.
- In the “I\_Phys\_Res” tab the “Contract Identifier,” “Scheduling Resource ID,” and “RA Capacity” for January through December information for some resources is protected under the IOU Matrix categories IV items noted above. The protected information has been highlighted in gray on the tab and segregated at the bottom of the tab below a row labeled “\*\*\*\*\* Confidential Data Below \*\*\*\*\*”. This information, if released, would allow entities to closely approximate PG&E’s capacity (Local RA) net open position when combined with other publicly available data.
- In the “I\_Phys\_Res” tab the “Local RAR Area,” “LSE Contract with RMR Unit,” and “Min. Hours” for January through December information for some resources is protected under the IOU Matrix category IV items noted above. The protected information has been highlighted in gray on the tab. This information, if released, could allow entities to possibly identify resources within PG&E’s portfolio and provide a forecast of the availability of those resources.

6. PG&E is complying with the limitations on confidentiality specified in the IOU Matrix for the type of data described above.

7. I am not aware of any instances in which the Protected Information identified in this declaration has been disclosed to the public.

8. The Workbook specifies the level of aggregation required by the Energy Division. The Protected Information cannot be provided in an aggregated, partially redacted, summarized, masked or otherwise protected form in a fashion that is consistent with the required format, or without divulging confidential information.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 22nd day of September 2006, at San Francisco, California.

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Terrance M. Robertson  
Pacific Gas and Electric Company

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

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Elsesser	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Stanford University
California ISO	International Power Technology	Sutherland, Asbill & Brennan
Calpine	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Calpine Corp	IUCG/Sunshine Design LLC	Tecogen, Inc
Calpine Gilroy Cogen	J. R. Wood, Inc	TFS Energy
Cambridge Energy Research Assoc	JTM, Inc	Transcanada
Cameron McKenna	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
Cardinal Cogen	Manatt, Phelps & Phillips	U S Borax, Inc
Cellnet Data Systems	Marcus, David	United Cogen Inc.
Chevron Texaco	Matthew V. Brady & Associates	URM Groups
Chevron USA Production Co.	Maynor, Donald H.	Utility Cost Management LLC
City of Glendale	MBMC, Inc.	Utility Resource Network
City of Healdsburg	McKenzie & Assoc	Wellhead Electric Company
City of Palo Alto	McKenzie & Associates	Western Hub Properties, LLC
City of Redding	Meek, Daniel W.	White & Case
CLECA Law Office	Mirant California, LLC	WMA
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	