STATE OF CALIFORNIA ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

April 24, 2008

Advice Letters 3143-E/E-A

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: Contract for Procurement of Renewable Energy Resources Resulting from a Power Purchase Agreement between Shiloh Wind Partners, LLC and PG&E

Dear Mr. Cherry:

Advice Letters 3143-E and 3143-E-A are effective April 10, 2008.

Sincerely,

Sean H. Gallagher, Director
Energy Division

Pacific Gas and Electric Company™

Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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October 29, 2007

Advice 3143-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Contract for Procurement of Renewable Energy Resources Resulting from a Power Purchase Agreement between Shiloh Wind Partners, LLC and PG&E.

I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) seeks California Public Utilities Commission (Commission or CPUC) approval of a Power Purchase Agreement (PPA) that PG&E has executed with Shiloh Wind Partners, LLC (Shiloh II or Seller) resulting from a bilateral negotiation independent of any of PG&E's Renewables Portfolio Standard (RPS) solicitations. The Commission should grant CPUC Approval, as that term is defined by Commission decision (D.) 04-06-014 and confirm PG&E's ability to recover the cost of power purchased under the PPA through its Energy Resource Recovery Account (ERRA).

The Shiloh II project will be a new 150 megawatt (MW) wind facility located in Solano County, California. The turbines will be situated within the Solano County Wind Resource Area, which is located in the Greater Bay Area Local Capacity Requirement (LCR) area. The Shiloh II project is expected to commence deliveries in late 2008 and achieve energy deliveries of 509 gigawatt-hours (GWh) per year for a delivery term of 20 years. The project is being developed and constructed by enXco, a subsidiary of Advanced International Renewables of America, Inc., which is owned by Energies-Nouvelles, of which 50 percent is owned by Electricite de France (EDF). Shiloh II's advanced stage of development provides a high degree of confidence that the project can commence deliveries to help PG&E meet the RPS goal of achieving 20 percent of its energy deliveries from renewable energy resources by 2010.

Although the Shiloh II PPA was initiated through bilateral negotiations, negotiations commenced during the pendency of the 2006 RPS solicitation, and the results of the 2006 RPS solicitation provide a logical context for reviewing the reasonableness of the Shiloh II PPA. Because the parties sought to use a standard contract that incorporated the best available RPS drafting practices, the Shiloh II PPA terms are based on the CPUC-approved 2007 form of RPS

Contracts and incorporate the non-modifiable terms for RPS contracts adopted by D.04-06-014 and D.07-02-011, as modified by D.07-05-057. All of the changes are permissible, non-substantive changes to the modifiable and non-modifiable terms and have been identified for CPUC staff review in confidential Appendix H to this advice letter. These consist of re-numbering sections to achieve consistency, correcting a grammatical error, and deleting language made irrelevant by the seller's selection of an option available under the standard terms.

Shiloh II will be certified as an eligible renewable energy resource. Shiloh II is currently seeking California Energy Commission (CEC) pre-certification, since it has not yet obtained all of the environmental approvals necessary for final CEC certification. However, pursuant to the standard representation and warranty in the PPA, Shiloh II has committed that as of the initial energy delivery date, the project will constitute an eligible renewable energy resource certified by the CEC in accordance with the eligibility criteria in place as of the execution date.

The key criteria used to evaluate proposals tendered in response to RPS solicitations include the price of the bid and portfolio fit, that is, a comparison of the project's online-date and generation profile with PG&E's portfolio needs. The bids that are the most competitively priced and offer delivery most compatible with PG&E's resource requirements are "shortlisted" for negotiations and possible purchase. Had Shiloh II bid its product into the 2006 RPS Solicitation, the price of electricity procured under the Shiloh II PPA would have been competitive compared to other offers and Shiloh II would have been shortlisted.

PG&E's RPS procurement obligation increases annually by 1 percent of its previous year's retail sales. Its annual RPS procurement plans provide for new contracts for 1 percent to 2 percent of annual sales, such as between 727 GWh and 1,454 GWh in the 2006 plan. Shiloh II is expected to contribute 509 GWh of annual deliveries to PG&E's renewables portfolio beginning in 2008 and would serve an identified need in PG&E's renewables portfolio. In view of the value represented by the Shiloh PPA, PG&E's procurement from the Shiloh II project will comply with the least-cost and best-fit (LCBF) criteria defined in D.04-07-029.

When it became effective on January 1, 2003, California's RPS program included a mechanism that limited the utilities' procurement obligation to renewable power priced no higher than the CPUC-determined "market price referent" (MPR) and directed the CEC to make "supplemental energy payments" (SEPs) available to competitive bidders with above-MPR prices. Under SB 1036, which will become effective on January 1, 2008, the SEP program will be discontinued as of January 1, 2008, and the MPR will no longer have the significance it had under the original RPS legislation. Nonetheless, it is helpful to describe the Shiloh II price in terms of the MPR because the Commission has used the MPR as a familiar yardstick for measuring the reasonableness of a PPA price.

The price of electricity under the Shiloh II PPA exceeds the 2006 market price referent (MPR) that would apply to resources analogous to Shiloh II, that is, facilities with a commercial operating date in 2008 and a 20-year term. This Advice Letter demonstrates that the purchase price is reasonable based upon the value of the Shiloh II project. The procurement of deliveries at above-MPR cost is reasonable where the contract meets LCBF criteria and procurement is required to meet the utility's RPS obligation. The Commission supported this view early on in the LCBF decision, stating, "…(W)*e encourage the utilities to propose all renewable contracts that provide ratepayer and environmental benefit[s*]" D.04-10-29, mimeo at 10) Since Shiloh II was one of the least-cost resources available to PG&E at the time of contract signature, and there is still additional need for renewable deliveries during Shiloh's delivery period, the Commission should find that PG&E's payment of the entire contract cost is reasonable and should be recovered in rates.

Compliance with the Greenhouse Gas Emissions Performance Standard

The Commission has adopted an Emissions Performance Standard (EPS) that limits covered procurement of baseload generation of 50 MW or more to an emissions rate of no more than 1,100 tons of CO_2 per MWh (D.07-01-039, Attachment 7, and Item 4). As a wind generating facility, the Shiloh II project is pre-approved as RPS compliant with the interim EPS (Id. Item 5). PG&E has provided notice of Shiloh II's compliance with the interim EPS requirements by serving this Advice Letter on the service list in the RPS rulemaking, R.06-05-027.

Request for Approval

PG&E requests that the Commission issue a resolution no later than March 13, 2008, containing the findings required by the definition of "CPUC Approval" in Appendix A of D.04-06-014 and incorporated in the PPA, so that PG&E's contract for the renewable resource will remain in effect[1] and its costs will be recovered in rates, through the Energy Resource Recovery Account. The requested approval is described in more detail under the heading, "Request for Commission Approval," below.

In support of this Advice Letter, PG&E has provided the PPA and other information that more specifically describe the rights and obligations of the parties. This information is being submitted in the manner directed by the Administrative Law

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[1] As provided by D.04-06-014, the Commission must approve the Agreement and payments to be made thereunder, and find that the procurement will count toward PG&E's RPS procurement obligations, to make an executed RPS PPA binding on the parties.

Judge's Ruling Clarifying Interim Procedures for Complying with D. 06-06-066, issued August 22, 2006, to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided by section 583 of the Public Utilities Code under either the terms of the IOU Matrix, Attachment 1, of D.06-06-066 or General Order 66-C. A separate Declaration of Confidential Treatment is being filed concurrently with this Advice Letter.

Confidential Attachments:

Appendix A – Overview of 2004 – 2006 Solicitation Bids

Appendix B – 2006 Bid Evaluations

Appendix C – Intentionally Omitted

Appendix D – Contract Terms and Conditions Explained and MPR/SEP Calculations

Appendix E – Project Viability

Appendix F – Project's Contribution toward RPS Goals

Appendix G – Power Purchase Agreement

Appendix H1 – Standard Terms and Conditions Comparison - Modifiables
Appendix H2 – Standard Terms and Conditions Comparison - Non-modifiables

II. DESCRIPTION OF THE PROJECT

The following table summarizes the substantive features of the PPA:

Generating Facility	Type	Term Years	MW Capacity	Annual Deliveries	Commercial Operating Date	Project Location
Shiloh II	Wind	20	150 MW	509 GWh	December 31, 2008	Solano County, California

A copy of the PPA is provided in Confidential Appendix G and an explanation of the contract, including confidential terms, is provided in Confidential Appendix D.

III. CONTRACT ANALYSIS

A. Consistency with PG&E's Adopted RPS Plan.

A PPA between PG&E and an eligible renewable energy resource for the purpose of meeting the utility's RPS obligation should be approved if it is consistent with PG&E's current approved renewable procurement plan.[2] The Shiloh II PPA meets this standard and should be approved.

1. Consistency with PG&E's Adopted RPS Plan

PG&E's 2006 RPS plan was approved on May 25, 2006 (see, D.06-05-039). As required by statute, the plan includes an assessment of supply and demand to determine the optimal mix of renewable generation resources, consideration of compliance flexibility mechanisms established by the Commission, and a bid solicitation protocol setting forth the need for renewable generation of various operational characteristics.[3]

The goal of PG&E's 2006 RPS Solicitation Plan was to procure approximately 1 to 2 percent of PG&E's retail sales volume, or between 727 GWh and 1,454 GWh per year, with delivery terms of 10, 15, or 20 years. Offers for four specific products – as-available, baseload, peaking, and dispatchable resources were solicited by the 2006 Plan. Shiloh II offers approximately 509 GWH per year of as-available wind generation rate for a period of 20 years. This generation fits the approved 2006 RPS criteria and is expected to contribute significantly toward achievement of PG&E's 2010 RPS target.

2. Consistency with PG&E's Long-Term Procurement Plan

PG&E's 2004 long-term procurement plan stated that PG&E would aggressively pursue procurement of as-available, baseload, peaking, and dispatchable renewable resources. The power generated by this project will contribute to meeting the long-term goal of 20% renewables generation by the year 2010, and provide deliveries during the interval before 2010. The Shiloh II deliveries will constitute part of PG&E's base of renewable energy supplies during the 20 year contract term, consistent with the long-term plan.

As the Commission recognized in D.04-06-015, PG&E's pursuit of eligible renewable energy resources may lead it to execute "supra-MPR" contracts. Although the Shiloh II PPA is priced above the MPR, its selection is consistent with least cost best fit principles and the deliveries represented by the contract are

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[2] Public Utilities Code (Pub. Util. Code) § 399.14(c).
[3] Pub. Util. Code § 399.14(a)(3).

necessary to advance PG&E's RPS portfolio toward its long term 2010 goal.

B. Consistency of PG&E's bid evaluation process with Least-Cost Best Fit (LCBF) decision.

The RPS statute requires procurement of the "least cost, best fit" (LCBF) eligible renewable resources. In D.04-07-029, the Commission indicated how bids received through an RPS solicitation should be evaluated and ranked to create a "shortlist" of bids with which to negotiate. The bid ranking process applies LCBF principles to the solicitation. Since the application of LCBF principles is not limited to bids received in response to a competitive solicitation and offers received through bilateral negotiation, PG&E must demonstrate that its decision to negotiate with Seller is consistent with LCBF principles.

The renewables bid evaluation process focuses on four primary areas:

1. Determination of market value of bid,
2. Calculation of transmission adders and integration costs,
3. Evaluation of portfolio fit, and
4. Consideration of non-price factors.

Based on these factors, the Shiloh II transaction is competitive with other RPS opportunities and represents a least cost-best fit renewables procurement opportunity.

1. Market Valuation

In its "mark-to-market analysis," the present value of the bidder's payment stream is compared with the present value of the product's market value to determine the benefit (positive or negative) from the procurement of the resource, irrespective of PG&E's portfolio. PG&E evaluates the bid price and indirect costs, such as the costs the utility may incur to interconnect the resource to the transmission grid, or to integrate the generation into the system-wide electrical supply.[4]

2. Portfolio Fit

Portfolio fit describes how well the features of an offer match PG&E's portfolio needs. Shiloh II's delivery profile matched PG&E's anticipated need for renewable energy resources during the 20-year delivery term.

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[4] PG&E's RPS Renewable Energy Procurement Plan, June 24, 2004, page (p.)6, lines (ll.) 4-18.

C. Consistency with Adopted Standard Terms and Conditions.

The Commission set forth standard terms and conditions to be incorporated into RPS agreements in D.04-06-014 and D.07-02-011. The PPA contains the standard terms and conditions for RPS contracts adopted by D.07-02-011, as modified by D.07-05-057. During the course of negotiations, the parties found it necessary to modify some of the "non-modifiable" standard terms to reach agreement. These changes are non-substantive "conforming edits" that consist of re-numbering sections to achieve consistency, correcting a grammatical error, and deleting language made irrelevant by the seller's selection of an option available under the standard terms. These types of changes are allowed by D.07-05-057 and have been identified for CPUC staff review in confidential Appendix H to this advice letter.

Changes have been made also to terms that are subject to modification upon request of the bidder in Appendix A of D.04-06-014. Appendix H (confidential) compares each standard term and condition that has been materially modified from its form in the 2007 Solicitation filed on September 26, 2006.

The PPA represents a meeting of the minds between the respective developer and PG&E, and each term in the PPA was bargained for in consideration of every other term. Each provision is essential to the negotiated agreement between the parties and the Commission should therefore not modify any of the provisions. Rather than examine each modified term, the Commission should consider the agreement as a whole, in terms of its ultimate effect on utility customers. PG&E submits that the agreement protects the interests of its customers while achieving the Commission's goal of increasing procurement from eligible renewable resources.

D. Consistency with the Transmission Ranking Cost Decision

Under the transmission ranking cost decision, the customer's potential cost of accepting energy deliveries from a project must be considered when determining the project's value. Since interconnection studies have been completed for the Shiloh II project, the cost estimates from those studies provide the most reliable estimate of the cost of accepting deliveries from Shiloh II.

E. Terms and Conditions of Delivery

Shiloh II or its agent will be the scheduling coordinator for the project throughout the delivery term. The point of delivery will be the Bird's Landing switchyard, which is within NP15.

F. Actual Price

The actual price of the PPA is confidential, market sensitive information; however, as stated previously, it does exceed the MPR. Confidential Appendix D presents a detailed analysis of the contract payments in relation to the MPR.

G. Qualitative factors

PG&E considered the qualitative characteristics of the project as required by D.04-07-029 and D.06-05-039.

Shiloh II is located in the Greater Bay Area Local Capacity Area. The developer, enXco, has a successful record of developing, building and operating wind projects. It currently operates the Oasis project under a PPA with San Diego Gas & Electric Company.

PG&E also considered Shiloh II's advanced stage of development (details are discussed in Appendices D and E). With an on-line date prior to 2010, the Project adds 0.6 percent to 2010's 20 percent goal.

H. Project Milestones

The PPA identifies guaranteed project milestones. The Shiloh II project is also subject to other milestones that require remedial action plans to be submitted if these milestones are not met.

I. Project Viability

The probability that the Shiloh II project will generate renewable power as described in the PPA is evaluated in Confidential Appendix E, "Project Viability." Because the project-specific information needed to demonstrate viability, such as project status and financing, is commercially sensitive, proprietary business information, the project's fulfillment of the viability criteria is described in only general terms in the public portion of this advice letter.

1. Financeability of resource

There is a reasonable likelihood that Shiloh II will be financed and completed as required by the PPA and the project will be available to deliver energy by its guaranteed commercial operation date.

2. Sponsor's creditworthiness and experience

PG&E has reviewed this information and is satisfied that the Seller possesses the necessary credit and experience to perform as required by the PPA.

3. Project Status

The project has already met many of its development milestones and has reached an advanced stage of development. This provides an overall level of confidence in the project's ability to achieve timely construction and operation. In addition, performance assurance securities support the Seller's obligation to meet guaranteed project development milestones.

IV. PRG Feedback

PG&E presented the PRG with a description of the project on May 30, 2007. Some PRG members thought the price was high. In response, PG&E compared Shiloh's II terms with offers for comparable resources that were received in response to PG&E's 2006 and 2007 RPS solicitations. This comparison indicated that Seller's price term is competitive with other alternatives.

V. Supplemental Energy Payments

SB 1036 eliminates SEPs and establishes a CPUC-administered supplemental account as of January 1, 2008. This change in law has no practical effect on the Shiloh II project because the Shiloh II PPA is not based on a bid received in the competitive RPS solicitation and therefore does not qualify for either form of support.

VI. Request for Commission Approval

The continued effectiveness of the PPA is conditioned on the occurrence of "CPUC Approval," as that term is defined in the PPA. Time is of the essence in the Commission's consideration and approval of this advice letter.

Therefore, PG&E requests that the Commission issue a resolution no later than March 13, 2008, that:

1. **Approves the PPA in its entirety, including payments to be made by PG&E pursuant to the PPA, subject to the Commission's review of PG&E's administration of the PPA.**

2. **Finds that any procurement pursuant to the PPA is procurement from an eligible renewable energy resource for purposes of determining PG&E's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities**

Code Section 399.11 et seq.) ("RPS"), Decision ("D.") 03-06-071 and D.06-10-050, or other applicable law.

3. **Finds that any procurement pursuant to the PPA constitutes incremental procurement or procurement for baseline replenishment by PG&E from an eligible renewable energy resource for purposes of determining PG&E's compliance with any obligation to increase its total procurement of eligible renewable energy resources that it may have pursuant to the California RPS, D.03-06-071, or other applicable law.**

4. **Adopts the following findings of fact and conclusions of law in support of CPUC Approval:**

    a. **The PPA is consistent with PG&E's approved 2006 Renewables Procurement Plan.**
    b. **PG&E has attempted to maximize the likelihood of timely deliveries by requiring Seller to provide performance surety under terms that do not unduly increase the cost of procurement under the PPA.**
    c. **The terms of the PPA, including the price of electricity, are reasonable.**

5. **Orders PG&E to recover its PPA procurement costs under the existing revenue recovery mechanism:**

    a. **The utility's cost of procurement under the PPA shall be recovered through PG&E's Energy Resource Recovery Account.**

    b. **Any stranded costs that may arise from the PPA are subject to the provisions of D.04-12-048 that authorize recovery of stranded renewables procurement costs over the life of the contract. The implementation of the D.04-12-048 stranded cost recovery mechanism is being addressed in Rulemaking ("R.") 06-02-013.**

6. **Makes the following findings with respect to resource compliance with the Emissions Performance Standard (EPS) adopted in R.06-04-009:**

a. **Seller's renewable generating facility is an intermittent renewable energy resource, for purposes of compliance with the EPS adopted in R. 06-04-009.**

b. **PG&E is exempt from the requirement to show that the net emissions rate of the project does not exceed 1,100 lbs of CO_2 per MWh because Shiloh II is a wind generating facility.**

Protests

Anyone wishing to protest this filing may do so by sending a letter by November 19, 2007, which is **21**[5] 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:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Honesto Gatchalian, Energy Division, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

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

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[5] The 20 day protest period concludes on a weekend, thus PG&E moves it to the following business day.

Facsimile: (415) 973-7226
E-Mail: PGETariffs@pge.com

Effective Date:

PG&E requests that this advice filing become effective on **March 13, 2008.** PG&E submits this as a Tier 3 filing.

Notice:

In accordance with General Order 96-B, Section IV, 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 lists for R.01-10-024 and R.06-05-027. 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. Address changes should be directed to Rose De La Torre (415) 973-4716. Advice letter filings can also be accessed electronically at:

http://www.pge.com/tariffs

Brian K. Cherry
Vice President - Regulatory Relations

cc: Service List for R.06-05-027
Service List for R.01-10-024
Paul Douglass - Energy Division

Limited Access to Confidential Material:

The portions of this advice letter so marked Confidential Protected Material are submitted under the confidentiality protection of Sections 454.5(g) and 583 of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because it consists of the contract agreement itself, price information, and analysis of the proposed RPS contract which may be protected pursuant to the affected utility's declaration pursuant to D.06-06-066. A separate Declaration for Confidential Treatment regarding the confidential information is filed concurrently herewith.

Confidential Attachments:

Appendix A – Overview of 2004 – 2006 Solicitation Bids

Appendix B – 2006 Bid Evaluations

Appendix C – Intentionally Omitted

Appendix D – Contract Terms and Conditions Explained and MPR/SEP Calculations

Appendix E – Project Viability

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Appendix H1 – Standard Terms and Conditions Comparison – Modifiables

Appendix H2 – Standard Terms and Conditions Comparison - Non-modifiables

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 (ID U39 M)**

Utility type:	Contact Person: David Poster
☑ ELC ☑ GAS	Phone #: (415) 973-1082
☐ PLC ☐ HEAT ☐ WATER	E-mail: DXPU@pge.com

EXPLANATION OF UTILITY TYPE	(Date Filed/ Received Stamp by CPUC)
ELC = Electric GAS = Gas	
PLC = Pipeline HEAT = Heat WATER = Water	

Advice Letter (AL) #: **3143-E** **Tier:** [3]

Subject of AL: Contract for Procurement of Renewable Energy Resources Resulting from a Power Purchase Agreement between Shiloh Wind Partners, LLC and PG&E.

Keywords (choose from CPUC listing): RPS

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other ______________________________

If AL filed 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:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes. See page 4 of advice letter for the complete list of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement: All members of PG&E's Procurement Review Group who have signed nondisclosure agreements will receive the confidential information.

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Alice Harron. (415)-973-3662.

Resolution Required? ☑Yes ☐ No

Requested effective date: **03/1/2008** No. of tariff sheets: N/A

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[1]: N/A

Protests, dispositions, 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
Tariff Files, Room 4005
DMS Branch
505 Van Ness Ave., San Francisco, CA 94102
jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Brian K. Cherry, Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECLARATION OF ALICE HARRON SEEKING CONFIDENTIAL TREATMENT FOR CERTAIN DATA AND INFORMATION RELATED TO THE ENXCO POWER PURCHASE AGREEMENT ADVICE LETTER

I, Alice Harron, declare:

1. I am presently employed by Pacific Gas and Electric Company (PG&E) and have been an employee since 2003. My current title is Principal, Energy Supply in the Energy Procurement organization. In this position, my responsibilities include acquisition of power plants. In carrying out these responsibilities, I have acquired knowledge of PG&E's contracts with numerous counterparties, and have also gained knowledge of the operations of such sellers in general and, based on my experience in dealing with facility and contract owners, I am familiar with types of data and information about their contracts and operations that such parties would consider confidential and proprietary.

2. To the best of my knowledge and based on my experience and understanding of the "Administrative Law Judge's Ruling Clarifying Interim Procedures For Complying With Decision 06-06-066," issued August 22, 2006, I make this declaration seeking confidential treatment of, "Appendices A, B, D, E, F, G, and H to Advice Letter 3143-E," submitted on October 26, 2007. By this Advice Letter, PG&E is seeking this Commission's approval of a PPA that PG&E has executed with Shiloh Wind Partners, LLC.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix 1 (the "IOU Matrix") of D.06-06-066. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds, and why confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified

in the IOU Matrix for that type of data or information; (2) the information is not already public; and (3) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text that is pertinent to my testimony in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on October 29, 2007, at San Francisco, California.

Alice Harron

IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066

	Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
1	**Document: Advice Letter 3143-E**							
2	Appendix A	Y	Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.	Y	Y	Y	This information presents bid information and bid evaluations from the 2004, 2005 and 2006 solicitations. This information may provide market sensitive information to competitors and is therefore considered confidential for three years after winning bidders are selected. Furthermore, contracts from the 2005 and 2006 solicitation are still under negotiation further substantiating why releasing this information would be damaging to the negotiation process.	Remain confidential for three years after winning bidders selected
3	Appendix B	Y	Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.	Y	Y	Y	This information presents bid information and bid evaluations from the 2005 solicitation. This information may provide valuable market sensitive information to competitors and is therefore considered confidential for three years after winning bidders are selected. Furthermore, contracts from the 2005 solicitation are still under negotiation further substantiating why releasing this information would be damaging to the negotiation process.	Remain confidential for three years after winning bidders selected
4	Appendix C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Appendix D	Y	Item VIII B) Specific quantitative analysis involved in scoring and evaluation of participating bids. Items VII F)Renewable Resource Contracts under RPS program - Contracts with Supplemental Energy Payments (SEPs), VII G)Renewable Resource Contracts under RPS program - Contracts without SEPs, and VII Score sheets, analyses, evaluations of proposed RPS projects.	Y	Y	Y	PPAs would provide valuable market sensitive information to competitors. Counterparties have an expectation that the terms of their PPAs will remain confidential under the provisions of PG&E's Commission-approved RPS Solicitation Protocol. Therefore, I am informed and believe that the material is also protected under General Order No. 66-C. Since negotiations are still in progress with bidders from the 2005 and 2006 solicitations, this information should remain confidential for three years. Release of this information would be damaging to negotiations.	Remain confidential for three years after winning bidders selected
6	Appendix E	Y	Item VII Score sheets, analyses, evaluations of proposed RPS projects.	Y	Y	Y	If made public, this information could harm counterparties and adversely affect project viability. Counterparties have an expectation that this information remains confidential under the provisions of PG&E's Commission-approved RPS Protocol. Therefore, I am informed and believe that the material is also protected under General Order No. 66-C.	Remain confidential for three years
7	Appendix F	Y	Item VII Score sheets, analyses, evaluations of proposed RPS projects. [Consider also, Item VI B) Utility Bundled Net Open (Long or Short) Position for Energy (MWh)].	Y	Y	Y	This information would provide valuable market sensitive information to competitors and allow them to see PG&E's remaining RPS net open energy position. Since negotiations are still in progress with bidders from the 2005 and 2006 solicitations, this information should remain confidential for three years.	Remain confidential for three years
8	Appendix G	Y	Item VII F and G	Y	Y	Y	PPAs would provide valuable market sensitive information to competitors. Counterparties have an expectation that the terms of their PPAs will remain confidential under the provisions of PG&E's Commission-approved RPS Solicitation Protocol. Therefore, I am informed and believe that the material is also protected under General Order No. 66-C. Since negotiations are still in progress with bidders from the 2005 and 2006 solicitations, this information should remain confidential for three years. Release of this information would be damaging to negotiations.	Remain confidential for three years

IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066

	Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
9	Appendix H	Y	Item VII F and G	Y	Y	Y	PPAs would provide valuable market sensitive information to competitors. Counterparties have an expectation that the terms of their PPAs will remain confidential under the provisions of PG&E's Commission-approved RPS Solicitation Protocol. Therefore, I am informed and believe that the material is also protected under General Order No. 66-C. Since negotiations are still in progress with bidders from the 2005 and 2006 solicitations, this information should remain confidential for three years. Release of this information would be damaging to negotiations.	Remain confidential for three years

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