

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 18, 2009

Advice Letter 3243-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: Withdrawal of AL 3243-E – Contracts for Procurement of Renewable Energy Resources Resulting from Power Purchase Agreements between Affiliates of BrightSource Energy, Inc., and PG&E

Dear Mr. Cherry:

Advice Letter 3243-E is withdrawn as indicated in your letter dated May 13, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

415.973.4977

April 1, 2008

Advice 3243-E

(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Contracts for Procurement of Renewable Energy Resources
Resulting from Power Purchase Agreements between Affiliates of
BrightSource Energy, Inc. and PG&E**

I. INTRODUCTION

Pacific Gas and Electric Company (“PG&E”) seeks California Public Utilities Commission (“Commission” or “CPUC”) approval of five Renewables Portfolio Standard (“RPS”) power purchase agreements (“PPAs”), a Development and Program Agreement (“Program Agreement”), a Royalty Agreement and a Royalty Agreement Guaranty (collectively, the “Agreements”) related to the procurement of renewable energy from five new as-available concentrating solar thermal power projects located in the Mojave Desert (“Projects”) that will be developed by BrightSource Energy, Inc. (“BrightSource”). Approval of the Agreements will authorize PG&E to: 1) procure up to 900 megawatts (“MW”) of solar thermal power for a 25-year term from the Projects pursuant to the PPAs; and 2) obtain supplemental financial security and royalty payments from BrightSource and Luz II Ltd. (“Luz II”), which is a wholly-owned subsidiary of BrightSource, under the Program Agreement and the Royalty Agreement to protect and ensure benefits for PG&E and its customers in the event that later-phase, lower-cost projects are not developed.

The PPAs and related agreements are a significant next step in the implementation of PG&E’s “Solar Strategy.” Because there is uncertainty at this point in time as to which of the emerging solar technologies can achieve the greatest efficiencies and reductions in cost over time, PG&E’s procurement strategy does not rely on a single technology, developer or solar equipment manufacturer. Instead, PG&E employs a portfolio approach to drive costs down through competition and to ensure as broad

a portfolio of successful and cost competitive projects for its customers. In this vein, the Solar Strategy has two features:

1. *Procure energy from projects that use existing, reliable, proven technologies at sizes that capture economies of scale; and*
2. *Enable next generation technologies through procurement from projects that utilize technologies that have the potential to realize lower long-term costs and drive a technology shift in the industry.¹*

The 554 MW Solel-MSP-1, LLC (“Solel”) power purchase agreement, approved by the Commission on December 20, 2007 in Resolution E-4138, is an example of the first prong of the strategy as the Solel agreement provides for a large-scale application of an existing, proven technology (solar thermal trough). The 177 MW Ausra CA II, LLC, dba Carrizo Energy, LLC (“Ausra”) power purchase agreement, submitted to the Commission for approval in Advice Letter 3150-E on November 5, 2007, is part of the second prong of PG&E’s Solar Strategy. The Ausra power purchase agreement is with a new solar thermal facility utilizing Compact Linear Fresnel Reflector technology for the solar reflector array. The low-cost, standardized equipment design offers the potential for significantly lower solar-based generation costs.

The PPAs continue PG&E’s implementation of the second prong of its Solar Strategy. The PPAs feature a new, promising “Distributed Power Tower” (“DPT”) technology that may yield lower long-term costs as each phase becomes operational and is improved upon. The PPAs for the third, fourth and fifth projects are premised upon the realization of a significant technology shift that, if successful, may result in prices that are below the 2007 Market Price Referent (“MPR”) adjusted for the contract term and year of initial deliveries. Because customers will initially incur costs for generation output from the early projects in excess of the costs for generation output from subsequent projects, PG&E has negotiated contractual mechanisms to protect and reward customers for their early financial support of the DPT technology. The Program Agreement provides for additional, significant Program Security deposits that will be reduced over time as the subsequent projects become operational. In addition, PG&E has negotiated royalty payments as set forth in the Royalty Agreement that are based on Luz II and its

¹ In addition, PG&E has filed an Application requesting approval of its Emerging Renewable Resource Program (“ERRP”). See “Application of Pacific Gas and Electric Company (U 39-E) and San Diego Gas & Electric Company (U 902-E) For Approval of Their Separate Emerging Renewable Resource Programs,” A.07-07-015, filed July 18, 2007.

affiliates' world-wide sales of power generation equipment using the DPT technology and on license fees and related revenues received from licensees of the DPT technology. These royalty payments will be recorded to PG&E's Energy Resource Recovery Account for the benefit of PG&E's customers.

The PPAs are innovative, market-transforming contracts. The Projects will contribute approximately 2,200 gigawatt hours ("GWh") per year of renewable power. Initial deliveries under the first PPA are projected to commence on December 31, 2011, and are expected to help assure PG&E meets its 20 percent RPS portfolio goal in 2010 through flexible compliance. The subsequent PPAs will also contribute to the Utility's RPS goals in subsequent years. Additionally, the Projects contribute to the Utility's strategy of diversifying its solar energy portfolio among various solar technologies.

Because there is no MPR for contracts with terms of 25 years like the PPAs, PG&E extrapolated a 25-year MPR from the 20-year MPR adopted on October 4, 2007 in Resolution E-4118 for comparison with the PPAs. Deliveries under the first and second PPAs are priced above this 25-year MPR, and deliveries under the third, fourth and fifth PPAs are priced below this MPR.²

Senate Bill ("SB") 1036, effective January 1, 2008, eliminated the California Energy Commission's ("CEC") authority to award supplemental energy payments ("SEPs"), and established a public goods charge ("PGC")-based procurement cap equal to the funds that would have been collected under the SEP program. The above-MPR costs of approved long-term RPS contracts with new or repowered facilities resulting from RPS solicitations may be counted toward this PGC-based procurement cap. Because the PPAs were not transacted through a competitive solicitation, procurement under the PPAs is not eligible to count against this cap.

The PPAs were negotiated on a bilateral basis. PG&E commenced negotiations with BrightSource nearly two years ago and the comprehensive and complex nature of the package of PPAs, Program Agreement, Royalty Agreement and Royalty Agreement Guaranty was better considered outside the annual solicitation process. Consistent with the protocol used for review of renewable contracts resulting from the 2007 RPS Solicitation, PG&E has included Confidential Appendices A through K, which address the reasonableness of the terms and conditions of the Agreements.

² Under the limited circumstances described in Confidential Appendix D to this Advice Letter, the prices under the third, fourth and fifth PPAs will also be above the 25-year MPR if certain events occur.

As is discussed below under the section entitled “Request for Confidential Treatment,” PG&E is seeking confidential treatment of the information contained in these appendices.

PG&E requests that the Commission approve the Agreements as reasonable in their entireties, including any payments PG&E will make pursuant to the Agreements, subject only to the Commission’s review of PG&E’s administration of the Agreements. The Commission should also find that the delivery of electricity under the PPAs constitutes procurement of energy from an eligible renewable energy resource in compliance with any obligation PG&E has to procure eligible renewable energy resources pursuant to California’s RPS statute. PG&E requests that the Commission issue a resolution no later than October 16, 2008, containing the findings required by the definition of “CPUC Approval” within the RPS Standard Contract Terms and Conditions adopted by Decision (“D.”) 07-11-025 and incorporated in the PPAs.³

II. DETAILED DESCRIPTION OF THE PROJECT

A. Contract Summary

BrightSource and its affiliates have agreed to develop a series of five electricity generation projects in the Mojave Desert using the DPT technology. The first project will have a generating capacity of 100 MW, and the second, third, fourth and fifth projects will each have a generating capacity of 200 MW. The output of each project will be sold to PG&E under a separate PPA between PG&E and a BrightSource affiliate. PG&E holds options for the fourth and fifth projects, which it may exercise under certain conditions. The following table summarizes the substantive features of each of the PPAs:

³ As provided by D.07-11-025, the Commission must approve each of the PPAs and the payments to be made thereunder, and find that the procurement will count toward PG&E’s RPS procurement obligations, for the executed PPAs to be binding on the parties. Furthermore, each PPA is subject to no-fault termination if final, non-appealable CPUC approval is not received within 365 days of the filing of this Advice Letter.

Generating Facility	Type	Term (Years)	MW Capacity	Annual Deliveries (GWh)	Expected Commercial Operating Date	Project Location
PPA 1	DPT technology	25	100	246	December 31, 2011	Ivanpah Dry Lake, CA, near Primm, NV
PPA 2	DPT technology	25	200	492	December 31, 2013	Ivanpah Dry Lake, CA, near Primm, NV
PPA 3	DPT technology	25	200	492	December 31, 2014	Broadwell Dry Lake, CA, northeast of Ludlow, CA
PPA 4	DPT technology	25	200	492	December 31, 2014 ⁴	Broadwell Dry Lake, CA, northeast of Ludlow, CA
PPA 5	DPT technology	25	200	492	December 31, 2015 ⁴	Broadwell Dry Lake, CA, northeast of Ludlow, CA

PG&E's decision to enter into the PPAs is based upon the aggregate value it expects to receive from the PPAs. If the later projects are not constructed and placed into commercial operation, PG&E will not receive the benefits needed to

⁴ The expected online dates for the fourth and fifth projects may change depending on the date on which PG&E exercises its respective option for each of these projects, if such options are exercised, and on the commercial operation date of the first project. Additional details regarding expected commercial operation dates are provided in Confidential Appendix D.

support its entry into the PPAs. In recognition of this issue, and in addition to the performance obligations and security requirements contained in each PPA, BrightSource has agreed in the Program Agreement to provide further financial security with respect to the development of the Projects. Under the Royalty Agreement, Luz II (whose obligations under the Royalty Agreement are guaranteed by BrightSource through the Royalty Agreement Guaranty) has agreed to pay royalties to PG&E based on world-wide sales of power generation equipment using the DPT technology and on license fees and related revenues received from licensees of the DPT technology. Copies of the PPAs, the Program Agreement, the Royalty Agreement and the Royalty Agreement Guaranty are provided in Confidential Appendices G, I, J and K, and a contract analysis is provided in Confidential Appendix D.

B. DPT Technology

BrightSource's core technology breakthrough is the DPT 550, which is a concentrating solar thermal technology using a central power tower. DPT 550 technology will be used for the first two projects, and is BrightSource's first commercial technology that will utilize super-heated steam. A field of heliostats, commonly referred to as "mirrors," tracks the sun through the day and focuses the sun's rays on a solar boiler sitting atop the tower. The sun's rays are very highly concentrated at the boiler, generating immense heat. This heat is used to generate steam, which is in turn used to run a steam turbine that generates electricity. The third, fourth and fifth projects are intended to deploy an improved DPT technology, which would generate steam at even higher temperature and pressure, or supercritical steam, and would yield even higher thermal efficiency.

BrightSource believes that the DPT 550 technology may offer some potential advantages over traditional trough-based solar generation technologies. First, the steam generated by the DPT 550 is expected to be of a higher quality (higher temperature and pressure), resulting in greater thermal efficiency. Second, by collecting the heat in a tower (rather than in a fluid pumped through miles of tubes as in solar troughs), parasitic loads on the system are expected to be lower. Third, direct steam generation can reduce capital costs and increase efficiency over having multiple fluids and heat exchanges as in a traditional trough-based system (in which heat is collected into a special oil, and then steam is generated at a heat exchanger). Finally, the solar tower design may have greater siting flexibility, allowing it to be located across a wider range of terrain.

Over the course of the third, fourth and fifth projects, BrightSource is projecting significant technology and development cost decreases that would be passed along to customers via declining PPA prices. These cost reductions come primarily from three areas. First, BrightSource expects a drop in the cost of capital for the third, fourth and fifth projects. The cost of capital for the first project is higher than for the subsequent projects due to the unproven nature of the technology. As BrightSource builds and operates each plant, the cost of financing subsequent units is expected to decrease. Second, BrightSource expects the cost of the power block and facility operation to decrease as the company develops larger plants. Finally, BrightSource expects the cost of the mirrors to drop over time, driven by better manufacturing with scale and an optimization of the mirror design and layout within the plant.

III. PRG PARTICIPATION AND FEEDBACK

PG&E provided its Procurement Review Group (“PRG”) with a briefing on its strategy for procurement of solar energy as well as reports on the negotiations of the Agreements on several occasions. The first briefing occurred on March 30, 2007. This briefing presented PG&E’s strategy for signing power purchase agreements both with projects that use existing, reliable, proven technologies and with projects that use technologies with a potential to realize lower long-term costs and drive a technology shift in the industry, and discussed the role of the potential BrightSource transactions in that strategy. The second briefing occurred on May 30, 2007, specifically on the BrightSource transactions. At the third PRG briefing on July 11, 2007, PG&E provided updates on its solar procurement strategy and the status of the BrightSource transactions. These presentations included a general overview of the negotiated terms and conditions of the Agreements. PG&E provided more recent updates to its PRG on the status of the BrightSource transactions on January 9, 2008 and February 22, 2008.

There was no opposition to PG&E’s execution of the Agreements. The PRG supports PG&E moving forward with the Agreements.

IV. THE PPAS ARE CONSISTENT WITH THE COMMISSION’S RPS-RELATED DECISIONS

A. Consistency with PG&E’s Adopted RPS and Long-Term Procurement Plans

1. Consistency with Identified Renewable Resource Need

PG&E's 2007 RPS procurement plan (the "Plan") was approved in D.07-02-011 on February 15, 2007. 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.⁵ The goal of the Plan was to procure approximately 1 to 2 percent of PG&E's retail sales volume, or between 750 GWh and 1,500 GWh per year, with delivery terms of 10, 15, or 20 years. Offers for four different products – as-available, baseload, peaking, and dispatchable resources – were solicited by the Plan.

Under the terms of the PPAs, PG&E would receive approximately 2,200 GWh per year of as-available solar generation for a period of 25 years once all five facilities reach commercial operation. Although the first 100 MW of the potential 900 MW of as-available capacity from the PPAs are not projected to reach commercial operation until December 31, 2011, they will contribute toward PG&E's RPS target, particularly because PG&E's contracts with older renewable generating facilities are scheduled to expire in the coming years. This generation fits the criteria for renewables procurement contained in the Plan.

Beyond providing PG&E's customers with a large volume of renewable power, the Projects also help support the Utility's goal of increasing renewable energy supply by enabling the commercialization of new renewable generation technologies. Under the Solar Strategy, the Utility plans to procure both proven technologies (like solar trough) that can more reliably provide relatively lower prices today, and emerging technologies that have a potential to provide a breakthrough shift in the supply curve and reduce prices further in the long term. This Solar Strategy will help the Utility to meet the current 2010 target and beyond.

2. Consistency with PG&E's 2006 Long Term Procurement Plan

PG&E's 2006 Long-Term Procurement Plan ("LTPP") stated that PG&E would aggressively pursue procurement of as-available, baseload, peaking, and dispatchable renewable resources. In approving PG&E's 2006 LTPP, the Commission noted that development of renewable energy is of "great importance to

⁵ Pub. Util. Code § 399.14(a)(3).

the Governor, the State of California, and the Commission.”⁶ Consistent with the 2006 LTPP, the Projects will contribute to meeting load requirements with renewable energy during peak periods because they use solar thermal technology that operates during the daytime when demand is at its highest level. Procurement pursuant to the PPAs will also contribute to the goal of 20 percent renewables generation by the year 2010 and to the Utility’s RPS goals in subsequent years.

B. Consistency of Bid Evaluation Process with Least-Cost Best Fit Decision

The RPS statute requires procurement of the “least-cost, best-fit” (“LCBF”) eligible renewable resources.⁷ In D.04-07-029, the Commission provided guidance as to how bids received through an RPS solicitation should be evaluated and ranked to carry out LCBF principles. It described the process by which the utility ranks bids to select or “shortlist” the bids with which it will commence negotiations. 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.

Because the PPAs resulted from bilateral negotiations, the Projects did not undergo the same matrix evaluation conducted for bids received in the 2007 RPS Solicitation. However, the Projects were compared to the 2007 bids using the same LCBF criteria. As shown in the confidential appendices, the PPAs are competitive with bids received and evaluated in the 2007 RPS Solicitation.

1. Market Valuation

In its “mark-to-market analysis,” the present value of the PPAs’ payment stream is compared with the present value of the products’ 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 to the utility transmission system caused by interconnection of the resources to the grid or integration of the generation into the system-wide electrical supply.

⁶ D.07-12-052 at 74.

⁷ Pub. Util. Code § 399.14 (a)(2)(B).

PG&E's analysis of the market value of each of the PPAs is addressed in Confidential Appendix D.

2. Portfolio Fit

Portfolio fit is how well an offer matches PG&E's portfolio needs. Because deliveries under the PPAs will occur mainly during the daytime and are largely coincidental with PG&E's peak demand, the PPAs provide a reasonable match to PG&E's portfolio needs. In addition, because solar power is relatively predictable, the costs to integrate generation from such a technology are less than those of other non-dispatchable technologies.

3. Consistency with the Transmission Ranking Cost Decision

Under the RPS program, the potential customer cost of accepting energy deliveries from a particular project must be considered when determining a project's value. Southern California Edison Company's ("SCE") transmission ranking cost report ("TRCR") identified the remaining available transmission capacity and upgrade costs for SCE substations at which renewable resources are expected to interconnect.

Since the Projects' first point of interconnection is within the service territory of SCE, PG&E determined the SCE TRCR cluster at which each BrightSource project would interconnect to the transmission grid and used the relevant transmission adder associated with that cluster.

4. Consistent Application of Time of Day Factors

The Time of Day ("TOD") factors are applied to a non-time differentiated purchase price in order to weight payments according to the value of electricity delivered during various periods. The TOD factors that were applied to the PPAs were consistent with the TOD factors that were applied to bids received in the 2007 RPS Solicitation.

5. Qualitative Factors

PG&E considered certain qualitative factors as required by D.04-07-029 and D.07-02-011 when evaluating the PPAs. As noted above, approval of the PPAs will add to the diversity of solar technologies in PG&E's renewable portfolio and could convey significant customer benefits.

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, D.07-02-011 as modified by D.07-05-057, and D.07-11-025. As shown in Confidential Appendix H1, the PPAs contain the non-modifiable standard terms and conditions identified in Attachment A of D.07-11-025.

During the course of negotiations and in order to reach agreement, the parties found it necessary to modify some of the standard terms the Commission designated as modifiable in D.07-11-025. Confidential Appendix H2 identifies the changes made to these modifiable terms from their form in the 2007 RPS Solicitation Protocol issued on March 12, 2007.

The PPAs represent a meeting of the minds between BrightSource and PG&E, and each term was bargained for in consideration of every other term. Each provision is essential to the negotiated agreements between the parties and the Commission should therefore not modify the parties' agreements. The Commission should evaluate the reasonableness of the PPAs as a whole, in terms of their ultimate effect on utility customers. PG&E submits that the PPAs protect the interests of customers while achieving the Commission's goal of increasing procurement from eligible renewable resources.

D. Consistency with Minimum Quantity Decision

Under Public Utilities Code section 399.14(b), the Commission "may authorize a retail seller to enter into a contract of less than 10 years' duration with an eligible renewable energy resource," provided that it "has established, for each retail seller, minimum quantities of eligible renewable energy resources to be procured either through contracts of at least 10 years' duration or from new facilities commencing commercial operations on or after January 1, 2005." In D.07-05-028, the Commission determined that in order to count energy deliveries from short-term contracts with existing facilities toward RPS goals, RPS-obligated load-serving entities must contract for deliveries equal to at least 0.25 percent of their prior year's retail sales through long-term contracts or through short-term contracts with new facilities.

The PPAs are long-term contracts with new facilities and thus count towards PG&E's procurement obligation for 2008 under D.07-05-028. As of the date of this filing, PG&E has executed two other RPS contracts in 2008. One of these is a

short-term contract with an existing facility, and the other is a long-term contract with an existing facility.

V. MPR AND SEPs

PG&E and BrightSource have agreed to treat the PPA prices and details of the Program Agreement, Royalty Agreement and Royalty Agreement Guaranty as confidential, market-sensitive information that is not to be publicly revealed.

Although there is no MPR for RPS contracts with 25-year terms, the prices under the first and second PPAs are above the 25-year MPR that PG&E extrapolated from the 20-year 2007 MPR, adjusted for the year of initial deliveries, and the prices under the third, fourth and fifth PPAs are below this MPR. Under the limited circumstances described in Confidential Appendix D, the prices under the third, fourth and fifth PPAs will be above this 25-year MPR if certain events occur. Confidential Appendix D presents a detailed analysis of the present value of the contract payments in relation to the adjusted MPR and other appropriate benchmarks.

Although the first and second PPAs are priced above the MPR, the Commission has ruled:

[The RPS statute] is clear that the utility may choose to propose RPS contracts at supra-MPR prices. The Commission would carefully consider the merits of such contracts, bearing in mind the state's aggressive goals for renewable energy development and the limited amount of SEP funds presently available. While these supra-MPR contracts would not be considered *per se* reasonable, we encourage the utilities to propose all renewable contracts that provide ratepayer and environmental benefit[s].⁸

PG&E is submitting the Agreements to the Commission for approval, given the customer and environmental benefits that will be captured under the Agreements. As shown in the confidential appendices, the PPAs are competitive with other offers

⁸ D.04-06-015 at 10.

reviewed in the 2007 RPS Solicitation and would have been placed on the 2007 RPS short-list.

As noted above, SB 1036 eliminated SEPs and established a PGC-based procurement cap effective January 1, 2008. Because the PPAs were not based on bids received in a competitive RPS solicitation, procurement under the PPAs is not eligible to count against the PGC-based cap. Accordingly, PG&E requests that the Commission find the entire contract cost of the PPAs and related agreements to be reasonable and fully recoverable in rates over the life of the contracts.

VI. PROJECT VIABILITY

The likelihood that the facilities subject to the PPAs will generate renewable power as described in the PPAs is evaluated in Confidential Appendix E, "Project Viability." Because project-specific information needed to demonstrate viability, such as project status and financing is commercially sensitive, proprietary business information, only certain viability criteria are described in the public portion of this Advice Letter.

A. Financing

There is a reasonable likelihood that the Projects will be financed and completed as required by the PPAs and will be available to deliver energy by the guaranteed commercial operation dates.

B. Sponsor's Creditworthiness and Experience

BrightSource has provided appropriate credit-related information as part of the negotiations with PG&E. PG&E has reviewed this information and is satisfied that the counterparty to each PPA possesses the necessary credit and experience to perform as required by the PPAs, and that BrightSource and Luz II possess the necessary credit and experience to perform as required by the Program Agreement, Royalty Agreement and Royalty Agreement Guaranty.

C. Project Status

The PPAs include guaranteed construction start dates and guaranteed commercial operation dates. The sellers' obligation to meet these milestones is supported by a performance assurance security. In addition, in the Program Agreement, PG&E has

negotiated additional, significant Program Security deposits that will be reduced over time as the subsequent projects become operational.

VII. CONTINGENCIES AND PROJECT MILESTONES

The PPAs identify the construction start dates and the commercial operation dates as guaranteed project milestones. The PPAs are subject to no-fault termination if CPUC Approval is not received within 365 days of the filing date of this Advice Letter. Other contingencies and milestones are addressed in Confidential Appendix D.

VIII. TERMS AND CONDITIONS OF DELIVERY

Each counterparty (or its agent) will act as its own scheduling coordinator. The point of delivery will be within SP-15. Transmission-related issues are addressed in Confidential Appendix D.

IX. REGULATORY PROCESS

A. Requested Effective Date

PG&E requests that the Commission issue a resolution approving this advice filing no later than October 16, 2008. Time is of the essence in the Commission's consideration and approval of this Advice Letter. California's ambitious RPS goals require resources in addition to those that have responded to the utility RPS solicitations. New resources to achieve and maintain those goals must be identified and developed as soon as possible to maintain California's growth of renewable generation.

As noted above, the first BrightSource project is expected to begin commercial operation on December 31, 2011, and can thus offer renewable deliveries that will contribute to PG&E's 2010 RPS target. Approval of the PPAs is necessary to enable BrightSource to proceed with definitive project financing discussions and to secure steam turbine deliveries, for which there is a constrained market resulting in long lead times. Approval by the requested effective date will allow for BrightSource to meet project timelines, and could allow for the first project to come online earlier than currently expected provided that certain other prerequisites for commercial operation (such as CEC approval and completion of transmission upgrades) have been satisfied. BrightSource is diligently pursuing satisfaction of these requirements. PG&E filed this Advice Letter seeking approval of the PPAs

and related agreements as soon as was reasonably possible after execution of the contracts.

B. Earmarking

PG&E is not currently proposing to earmark the PPAs.

C. RPS-Eligibility Certification

Each PPA includes the standard representation and warranty that the project is an eligible renewable energy resource certified by the CEC.

D. Request for Confidential Treatment

In support of this Advice Letter, PG&E has provided the following confidential information, including the Agreements and other information that more specifically describes the rights and obligations of the parties. This information is being submitted in the manner directed by the Administrative Law 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, Appendix 1 of D.06-06-066, or General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this Advice Letter.

Confidential Attachments:

Appendix A – Overview of 2004 – 2007 Solicitation Bids

Appendix B – 2007 Bid Evaluations

Appendix C – Independent Evaluator RPS Solicitation Report – Intentionally Omitted

Appendix D – Contract Terms and Conditions Explained

Appendix E – Project Viability

Appendix F – Project's Contribution Toward RPS Goals

Appendix G – Power Purchase AgreementsAppendix H1– Standard Terms and Conditions Comparison – NonmodifiabilesAppendix H2– Standard Terms and Conditions Comparison – ModifiabilesAppendix I – Development and Program AgreementAppendix J – Royalty AgreementAppendix K – Royalty Agreement Guaranty

E. Compliance with the Greenhouse Gas Emission Performance Standard

In D.07-01-039, the Commission adopted an Emissions Performance Standard (“EPS”) that applies to contracts for a term of five or more years for baseload generation with an annualized plant capacity factor of at least 60 percent. Because the annualized plant capacity factors of the Projects are designed and intended to be less than 60 percent, the Projects are not subject to the EPS. PG&E has provided notice of the Projects’ exemption from the interim EPS requirements by serving this Advice Letter on the service list in the RPS rulemaking, R.06-05-027.

X. REQUEST FOR COMMISSION APPROVAL

The continued effectiveness of the PPAs is conditioned on the occurrence of “CPUC Approval,” as that term is defined in the PPAs. 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 **October 16, 2008** that:

1. Approves the PPAs, the Program Agreement, the Royalty Agreement and the Royalty Agreement Guaranty in their entireties, including payments to be made by PG&E pursuant to the PPAs and the Program Agreement, subject to the Commission’s review of PG&E’s administration of the PPAs and the Program Agreement.
2. Finds that any procurement pursuant to the PPAs is procurement from eligible renewable energy resources 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 all procurement and administrative costs, as provided by Public Utilities Code section 399.14(g), associated with the PPAs shall be recovered in rates.
4. Adopts the following finding of fact and conclusion of law in support of CPUC Approval:
 - a. The PPAs are consistent with PG&E’s approved 2007 RPS procurement plan.
 - b. The terms of the PPAs, including the price of delivered energy, are reasonable.
5. Adopts the following finding of fact and conclusion of law in support of cost recovery for the PPAs and the Program Agreement:
 - a. The utility’s cost of procurement under the PPAs and the Program Agreement shall be recovered through PG&E’s Energy Resource Recovery Account.
 - b. Any stranded costs that may arise from the PPAs 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. Adopts the following finding with respect to resource compliance with the Emissions Performance Standard (“EPS”) adopted in R.06-04-009:
 - a. The PPAs are not covered procurement subject to the EPS because the generating facilities have a forecast annualized capacity factor of less than 60% and therefore are not baseload generation under paragraphs 1(a)(ii) and 3(2)(a) of the Adopted Interim EPS Rules.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **April 21, 2008**, 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:

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

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

Effective Date:

PG&E requests that the Commission issue a resolution approving this advice filing no later than October 16, 2008.

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.06-02-012, R.06-02-013 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.06-02-013
Service List for R.06-02-012
Paul Douglas - Energy Division

Attachments

Limited Access to Confidential Material:

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protection of Section 583 of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because it consists of, among other items, the contract itself, price information, and analysis of the proposed RPS contract, which are protected pursuant to D.06-06-066. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

Confidential Attachments:

Appendix A – Overview of 2004 – 2007 Solicitation Bids

Appendix B – 2007 Bid Evaluations

Appendix C – Independent Evaluator RPS Solicitation Report – Intentionally Omitted

Appendix D – Contract Terms and Conditions Explained

Appendix E – Project Viability

Appendix F – Project’s Contribution Toward RPS Goals

Appendix G – Power Purchase Agreements

Appendix H1– Standard Terms and Conditions Comparison – Nonmodifiabiles

Appendix H2– Standard Terms and Conditions Comparison – Modifiabiles

Appendix I – Development and Program Agreement

Appendix J – Royalty Agreement

Appendix K – Royalty Agreement Guaranty

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:

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) #: 3243-E

Tier: 3

Subject of AL: **Contracts for Procurement of Renewable Energy Resources Resulting from Power Purchase Agreements between Affiliates of BrightSource Energy, Inc. 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 AL¹: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes, see attached matrix

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: Marino Monardi (415) 973-8573

Resolution Required? Yes No

Requested effective date: October 16, 2008

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 proposed¹: N/A

Pending advice letters that revise the same tariff sheets:

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

**DECLARATION OF MARINO MONARDI
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER 3243-E
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Marino Monardi, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2004. My current title is Director in PG&E's Energy Supply Department. In this position, my responsibilities include managing power procurement solicitations and negotiating power purchase agreements with counterparties in the business of producing electric energy. 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 electricity sellers in general. Through this experience, I have become familiar with the type of information that would affect the negotiating positions of electricity sellers with respect to price and other terms, as well as with the type of information that such sellers consider confidential and proprietary.

2. Based on my knowledge and experience, and in accordance with 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, H, I, J and K to Advice Letter 3243-E," submitted on April 1, 2008. By this Advice Letter, PG&E is seeking this Commission's approval of five power purchase agreements, a Development and Program Agreement, a Royalty Agreement and a Royalty Agreement Guaranty that PG&E has executed with BrightSource Energy, Inc. ("BrightSource") and various BrightSource affiliates.

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 Decision 06-06-066, or constitutes information that should be protected under Public Utilities Code § 583 and General Order 66-C. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds (where applicable), 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 (where applicable); (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 in the attached matrix that is pertinent to this filing.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on April 1, 2008 at San Francisco, California.


MARINO MONARDI

PACIFIC GAS AND ELECTRIC COMPANY Advice Letter 3243-E April 1, 2008		IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066		PG&E's Justification for Confidential Treatment	Length of Time	
Redaction Reference	1) The material submitted substitutes 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)	
1 Document: Advice Letter 3243-E	Y	Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.	Y	Y	Y	For information covered under Item VIII A), remain confidential until after final contracts submitted to CPUC for approval For information covered under Item VIII B), remain confidential for three years after winning bidders selected
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	For information covered under Item VIII A), remain confidential until after final contracts submitted to CPUC for approval For information covered under Item VIII B), 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	For information covered under Item VIII A), remain confidential until after final contracts submitted to CPUC for approval For information covered under Item VIII B), remain confidential for three years after winning bidders selected
4 Appendix D	Y	Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids. Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs. Item VII (un-numbered category following VII G) Score sheets, analyses. G) Score sheets, analyses. Evaluations of proposed RPS projects.	Y	Y	Y	For information covered under Item VIII A), remain confidential until after final contracts submitted to CPUC for approval For information covered under Item VIII B), remain confidential for three years after winning bidders selected For information covered under Item VII G), remain confidential for three years from date of initial deliveries For information covered under Item VII (un-numbered category following VII G), remain confidential for three years

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
5 Appendix E	Y	Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects.	Y	Y	Y	This Appendix contains information concerning and analyses and evaluations of project viability. If made public, this information could harm the counterparties and adversely affect project viability. I am informed and believe that General Order 66-C provides a separate and independent basis for confidential treatment. General Order 66-C includes in its category of records not open to public inspection "Information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on project viability.	Remain confidential for three years
6 Appendix F	Y	Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects. Item VI B) Utility Bundled Net Open Position for Energy (MWh).	Y	Y	Y	This Appendix contains information that, if disclosed, 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, 2006 and 2007 solicitations, this information should remain confidential for three years.	Remain confidential for three years
7 Appendix G	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.	Y	Y	Y	This Appendix contains the PPAs. Disclosure of the PPAs would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006 and 2007 solicitations, this information should remain confidential for three years. Release of this information would be damaging to negotiations. Furthermore, the counterparties have an expectation that the terms of the PPAs will remain confidential pursuant to confidentiality provisions in the PPAs. I am informed and believe that General Order 66-C provides a separate and independent basis for confidential treatment. General Order 66-C includes in its category of records not open to public inspection "Information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on current and future negotiations with other offers.	Remain confidential for three years from date of initial deliveries
8 Appendices H1 and H2	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.	Y	Y	Y	These Appendices contain certain terms of the PPAs. Disclosure of certain terms of the PPAs would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006 and 2007 solicitations, this information should remain confidential for three years. Release of this information would be damaging to negotiations. Furthermore, the counterparties have an expectation that the terms of the PPAs will remain confidential pursuant to confidentiality provisions in the PPAs. I am informed and believe that General Order 66-C provides a separate and independent basis for confidential treatment. General Order 66-C includes in its category of records not open to public inspection "Information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on current and future negotiations with other offers.	Remain confidential for three years from date of initial deliveries

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 I	N	The information contained in this Appendix is not identified in the Matrix, but should be protected under Public Utilities Code § 583 and General Order 66-C.	N/A	Y	Y	This Appendix contains the Development and Program Agreement. Although this information is not identified in the Matrix, for the reasons stated below, it should be protected under Public Utilities Code § 583 and General Order 66-C. General Order 66-C includes in its category of records not open to public inspection "Information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). Disclosure of the Development and Program Agreement would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006 and 2007 solicitations, this information should remain confidential. It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on current and future negotiations with other offers. Furthermore, BrightSource has an expectation of confidentiality with respect to this information pursuant to the provisions of a confidentiality agreement entered into with PG&E.	Remain confidential
10 Appendix J	N	The information contained in this Appendix is not identified in the Matrix, but should be protected under Public Utilities Code § 583 and General Order 66-C.	N/A	Y	Y	This Appendix contains the Royalty Agreement. Although this information is not identified in the Matrix, for the reasons stated below, it should be protected under Public Utilities Code § 583 and General Order 66-C. General Order 66-C includes in its category of records not open to public inspection "Information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). Disclosure of the Royalty Agreement would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006 and 2007 solicitations, this information should remain confidential. It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on current and future negotiations with other offers. Furthermore, Luz II has an expectation of confidentiality with respect to this information pursuant to the provisions of a confidentiality agreement entered into with PG&E.	Remain confidential
11 Appendix K	N	The information contained in this Appendix is not identified in the Matrix, but should be protected under Public Utilities Code § 583 and General Order 66-C.	N/A	Y	Y	This Appendix contains the Royalty Agreement Guaranty. Although this information is not identified in the Matrix, for the reasons stated below, it should be protected under Public Utilities Code § 583 and General Order 66-C. General Order 66-C includes in its category of records not open to public inspection "Information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). Disclosure of the Agreement would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006 and 2007 solicitations, this information should remain confidential. It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on current and future negotiations with other offers. Furthermore, BrightSource has an expectation of confidentiality with respect to this information pursuant to the provisions of a confidentiality agreement entered into with PG&E.	Remain confidential

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

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 & Kahl	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	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
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	