

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 3, 2009

**Advice Letters 3368-E/3368-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: Third Extension of Three Biomass Generation Power Purchase  
Agreements Resulting from PG&E's Interim Renewable Energy  
Solicitation and Supplemental Filing**

Dear Mr. Cherry:

Advice Letters 3368-E and 3368-E-A are effective February 20, 2009 per  
Resolution E-4223.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



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

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January 5, 2009

**Advice 3368-E-A**

(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Supplemental Filing for Third Extension of Three Biomass  
Generation power Purchase Agreements Resulting from  
PG&E's Interim Renewable Energy Solicitation**

Pacific Gas and Electric Company (PG&E) hereby submits to the California Public Utilities Commission (Commission or CPUC) this supplement to Advice 3368-E, dated November 24, 2008.

The advice letter seeks Commission approval enter into the third delivery period, thereby extending the terms, of three power purchase agreements ("PPAs") for electricity from three biomass generators -- Madera Power, LLC ("Madera"), Community Renewable Energy Services, Inc. ("CRES"), and Sierra Power Corporation ("Sierra"). The PPAs are substantially similar. Each contract provides three consecutive delivery periods, subject to CPUC approval of PG&E's entry into each subsequent delivery period. The price of power to be purchased during the third delivery period was miscalculated in the advice letter.

This supplement corrects "Confidential Appendix A "PPA Price, Comparison, and Extension"" that was filed on November 24 and shows the actual price PG&E proposes to pay for electricity during the extended contract term ("Supplement")<sup>1</sup>.

The substantive effect of initiating the third delivery period is that the inputs to the price formula are to be updated. The price term applicable to the second and third delivery periods was reviewed and approved in Resolution E-4058 and does not present an issue for consideration. However, the price increase approved in Resolution E-4058 was inadvertently omitted from the calculations underlying the advice letter and consequently, the third delivery period pricing was not accurately represented in Confidential Appendix A.

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<sup>1</sup> A correction to an advice letter is made by filing a supplement. General Order (G.O.) 96-B, section 7.5.1.

The derivation of the correct price is shown in the Appendix, "Corrected Price for Third Delivery Period". To allow for direct comparison between existing costs and proposed costs, the Supplement's pricing information is presented in the same format as the table on p. 28 of AL 2911-E, the Commission-approved advice letter that set forth the currently effective pricing schedule. Embedded within the Appendix is a corrected spreadsheet that shows the correct leveled price and notional value of the payments anticipated during the third delivery period.

No protest or response was received within the period for comment on the original advice letter filing.<sup>2</sup> Under the circumstances, it is highly unlikely that any meritorious protest would be filed, and it is unnecessary to extend or reopen the protest period or delay the effective date of Advice 3368-E due to the filing of this Supplement.<sup>3</sup> PG&E encourages the Energy Division to maintain its present schedule for approval of Advice 3368-E. Approval of the Supplemented Advice Letter before the expiration of the second delivery period is essential to maintain existing baseload deliveries from the three biomass-fueled eligible renewable energy resources to PG&E's consumers.

**Confidential Attachment:**

**Appendix -- Corrected Price for Third Delivery Period.**

PG&E submitted the confidential advice letter information in the manner directed by D.08-04-023 and the Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 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. A separate Declaration Seeking Confidential Treatment was filed concurrently with the advice letter.

The Appendix to this Supplement contains information about the price of energy procured by an investor-owned utility (IOU) which is confidential under either the terms of the IOU Matrix, Attachment 1, of D.06-06-066 and Appendix C of D.08-04-023 or General Order 66-C. Because the Appendix amends information that PG&E has shown to be subject to confidential treatment, the contents of the Appendix are also entitled to confidentiality protection, for the reasons set forth in the Declaration Seeking Confidential Treatment filed on November 24, 2008.

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<sup>2</sup> Protests were due on December 15, 2008, pursuant to G.O.96-B, section 7.4.1.

<sup>3</sup> "The filing of a supplement, or of additional information at the request of the reviewing Industry Division, does not automatically continue or reopen the protest period or delay the effective date of the advice letter." G.O. 96-B, section 7.5.1.

**Protests:**

PG&E asks that the protest and comment period not be reopened since this supplement is simply revising the inputs to a Commission-approved price formula.

**Effective Date:**

PG&E requests that the Commission issue a resolution approving this advice filing no later than **February 20, 2009**.

**Notice:**

In accordance with General Order 96-B, Section IV, a copy of this advice letter excluding the confidential appendix 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.08-08-009. 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 attachment 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 Lists for R.06-02-012, R.06-02-013, and R.08-08-009.

**Limited Access to Confidential Attachment:**  
**Appendix -- Corrected Price for Third Delivery Period.**

The Appendix to this Supplement is marked "Confidential Protected Material" because it contains energy procurement price information submitted under the confidentiality protection of Public Utilities Code Section 583 and General Order 66-C. PG&E's November 24, 2008 Declaration explaining why such information in the Advice Letter is protected from public disclosure pursuant to D.06-06-066 and D.08-04-023 applies equally to the Confidential Protected Material within the Supplement.

# 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) #: **3368-E-A**

Tier: **[3]**

Subject of AL: Supplement Third Extension of Three Biomass Generation Power Purchase Agreements Resulting from PG&E's Interim Renewable Energy Solicitation

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 the attached matrix that identifies all 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: Gary Jeung, (415)-973-5481 (submitted in 3368-E)

Resolution Required?  Yes  No

Requested effective date: February 20, 2009

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: 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**

**jn@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**

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

Aglet	Department of the Army	Northern California Power Association
Agnews Developmental Center	Dept of General Services	Occidental Energy Marketing, Inc.
Alcantar & Kahl	Division of Business Advisory Services	OnGrid Solar
Ancillary Services Coalition	Douglas & Liddell	PPL EnergyPlus, LLC
Anderson & Poole	Douglass & Liddell	Pinnacle CNG Company
Arizona Public Service Company	Downey & Brand	Praxair
BART	Duke Energy	R. W. Beck & Associates
BP Energy Company	Duncan, Virgil E.	RCS, Inc.
Barkovich & Yap, Inc.	Dutcher, John	RMC Lonestar
Bartle Wells Associates	Ellison Schneider & Harris LLP	Recon Research
Blue Ridge Gas	Energy Management Services, LLC	SCD Energy Solutions
Braun & Associates	FPL Energy Project Management, Inc.	SCE
C & H Sugar Co.	Foster Farms	SESCO
CA Bldg Industry Association	Foster, Wheeler, Martinez	SMUD
CAISO	Franciscan Mobilehome	SPURR
CLECA Law Office	G. A. Krause & Assoc.	Santa Fe Jets
CSC Energy Services	GLJ Publications	Seattle City Light
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
California Cotton Ginners & Growers Assn	Green Power Institute	Sequoia Union HS Dist
California Energy Commission	Hanna & Morton	Sierra Pacific Power Company
California League of Food Processors	Heeg, Peggy A.	Silicon Valley Power
California Public Utilities Commission	Hitachi	Smurfit Stone Container Corp
Calpine	Hogan Manufacturing, Inc.	Southern California Edison Company
Cameron McKenna	Imperial Irrigation District	St. Paul Assoc.
Cardinal Cogen	Innercite	Sunshine Design
Casner, Steve	International Power Technology	Sutherland, Asbill & Brennan
Cerox	Intestate Gas Services, Inc.	TFS Energy
Chamberlain, Eric	J. R. Wood, Inc.	Tabors Caramanis & Associates
Chevron Company	JTM, Inc.	Tecogen, Inc.
Chris, King	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
City of Glendale	Luce, Forward, Hamilton & Scripps LLP	Tioga Energy
City of Palo Alto	MBMC, Inc.	TransCanada
City of San Jose	MRW & Associates	Turlock Irrigation District
Clean Energy Fuels	Manatt Phelps Phillips	U S Borax, Inc.
Coast Economic Consulting	Matthew V. Brady & Associates	United Cogen
Commerce Energy	McKenzie & Associates	Utility Cost Management
Commercial Energy	Meek, Daniel W.	Utility Resource Network
Constellation	Merced Irrigation District	Utility Specialists
Constellation New Energy	Mirant	Vandenberg Air Force
Consumer Federation of California	Modesto Irrigation District	Verizon
Crossborder Energy	Morgan Stanley	Wellhead Electric Company
Davis Wright Tremaine LLP	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
		White & Case
Day Carter Murphy	New United Motor Mfg., Inc.	eMeter Corporation
Defense Energy Support Center	Norris & Wong Associates	
Department of Water Resources	North Coast SolarResources	