

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



February 3, 2011

**Advice Letter 3690-E**

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, CA 94177

**Subject: Documentation of CEC Pre-Certification in Compliance with Resolution E-4386 Approving Contract for Procurement of Renewable Energy Resources Resulting from PG&E's Power Purchase Agreement with Solaren Corporation**

Dear Ms. Yura:

Advice Letter 3690-E is effective December 16, 2010 per Resolution E-4380.

Sincerely,

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

Julie A. Fitch, Director  
Energy Division

June 18, 2010

**Advice 3690-E**  
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Documentation of CEC Pre-Certification in Compliance With Resolution E-4286 Approving Contract for Procurement of Renewable Energy Resources Resulting From PG&E's Power Purchase Agreement With Solaren Corporation**

## **I. INTRODUCTION**

### **A. Purpose**

In compliance with Resolution E-4286, Pacific Gas and Electric Company ("PG&E") submits this Advice Letter to demonstrate that the power purchase agreement ("PPA") PG&E executed with Solaren Corporation ("Solaren") complies with the Emissions Performance Standard ("EPS") established by the Commission in Decision ("D.") 07-01-039.

### **B. Subject**

On April 10, 2009, Pacific Gas and Electric Company ("PG&E") submitted Advice Letter 3449-E (the "Solaren Advice Letter") to the California Public Utilities Commission ("Commission" or "CPUC") requesting approval of a Renewables Portfolio Standard ("RPS") PPA between Solaren and PG&E. The Commission conditionally approved the Solaren Advice letter in Resolution E-4286 on December 3, 2009. The Commission noted that it would normally find that a long-term contract with a generating facility using solar technology complies with the EPS.<sup>1</sup> However, the Commission deferred its EPS determination in the case of Solaren because the California Energy Commission ("CEC") had not yet established space-based solar, a relatively unknown technology, as eligible for

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<sup>1</sup> Res. E-4286 at 14.

compliance with the Renewables Portfolio Standard program.<sup>2</sup> Rather, the Commission ordered PG&E to demonstrate through a Tier 3 advice letter that Solaren will be compliant with the EPS within 90 days after the CEC makes a determination on whether the technology is RPS-eligible.<sup>3</sup>

On April 26, 2010, the CEC pre-certified the Solaren facility as eligible for the RPS program.<sup>4</sup> Accordingly, in compliance with Resolution E-4286, PG&E provides this advice letter documenting the CEC's pre-certification in Appendix A and demonstrating that the Solaren project will be EPS-compliant.

The Solaren facility would not generate power through the combustion of fossil fuels<sup>5</sup> and would not produce any net greenhouse gas emissions as a direct byproduct of its conversion of solar energy into grid-ready renewable electricity. Because the Solaren project has now been pre-certified as RPS-eligible by the CEC, the Commission should find that the facility will comply with the EPS and should remove the contingencies related to CEC certification in its prior findings.<sup>6</sup>

## II. REGULATORY PROCESS

The Commission has categorized this advice letter as a Tier 3 filing.<sup>7</sup> Accordingly, it will become effective upon approval by the Commission.

## III. REQUEST FOR COMMISSION APPROVAL

As the CEC has determined that the technology contemplated in AL 3449-E is an RPS-eligible technology, PG&E requests that the Commission issue a resolution no later than **October 14, 2010**, that:

1. Finds the Solaren project will comply with the EPS;
2. Supersedes Finding 25 of Resolution E-4286 by finding that the CEC has determined that the technology contemplated in AL 3449-E is an RPS-eligible technology and therefore that any procurement pursuant to the PPA is procurement from an eligible renewable energy resource for purposes of

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<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*; *id.* at 20 (Ordering Paragraph 5).

<sup>4</sup> Although the date on the Pre-Certification Certificate at Appendix A includes a date of January 5, 2010, the CEC did not take final action on the Pre-Certification until April 26, 2010.

<sup>5</sup> See CEC Pre-Certification Certificate at Appendix A (noting no annual fossil fuel usage).

<sup>6</sup> See *id.* at 19 (Finding 25) (making finding of ability to apply Solaren output toward RPS targets contingent on CEC certification); *id.* (Finding 26) (making recovery of payments for Solaren output in rates contingent on CEC certification).

<sup>7</sup> See R. E-4286 at 20 (Ordering Paragraph 5).

- 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"), D.03-06-071 and D.06-10-050, or other applicable law.
3. Supersedes Finding 26 of Resolution E-4286 by finding that the CEC has determined that the technology contemplated in AL 3449-E is an RPS-eligible technology and therefore that all procurement and administrative costs, as provided by Public Utilities Code section 399.14(g), associated with the PPA shall be recovered in rates.
  4. Adopts the following finding of fact and conclusion of law in support of CPUC Approval:
    - a. The PPA is consistent with PG&E's 2008 RPS procurement plan.
    - b. The terms of the PPA, 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 PPA:
    - a. The utility's costs under the PPA shall be recovered through PG&E's Energy Resource Recovery Account.
  6. Supersedes Findings 19-21 of Resolution E-4286 by adopting the following findings with respect to resource compliance with the EPS:
    - a. The PPA is a covered procurement subject to the EPS because it is a new contract commitment with a baseload generating facility. However, because this facility would not generate power through the combustion of fossil fuels and would not produce any greenhouse gas as a direct byproduct of its conversion of solar energy into grid-ready renewable electricity, the facility meets the EPS.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **July 8, 2010**, 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, 4<sup>th</sup> 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: Jane K. Yura  
Vice President, Regulation and Rates  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-Mail: PGETariffs@pge.com

### **Effective Date**

PG&E requests that the Commission issue a final resolution approving this advice filing no later than **October 14, 2010**.

### **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.08-08-009, R.06-02-012 and R.08-02-007. Address changes to the General Order 96-B service list should be directed to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to

PGETariffs@pge.com. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.

A handwritten signature in cursive script that reads "Jane Yura /emt". The signature is written in black ink on a white background.

Vice President – Regulation and Rates

cc: Service List for R.08-08-009  
Service List for R.06-02-012  
Service List for R.08-02-007  
Paul Douglas – Energy Division  
Sean Simon – Energy Division

Attachments

**Public Attachments:**

**Appendix A – CEC Pre-Certification**

# 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 and Linda Tom-Martinez

Phone #: (415) 973-1082 and (415) 973-4612

E-mail: dxpu@pge.com and lmt1@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) #: **3690-E**

**Tier: 3**

Subject of AL: **Documentation of CEC Pre-Certification in Compliance With Resolution E-4286 Approving Contract for Procurement of Renewable Energy Resources Resulting From PG&E's Power Purchase Agreement with Solaren Corporation**

Keywords (choose from CPUC listing): Contracts, Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-4286

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

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

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: \_\_\_\_\_

Confidential information will be made available to those who have executed a nondisclosure agreement:  Yes  No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **October 14, 2010**

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<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: 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: Jane Yura**

**Vice President, Regulation and Rates**

**77 Beale Street, Mail Code B10B**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

# **Advice 3690-E**

## Appendix A

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512

1/5/2010

Calvin R. Boerman  
1600 Rosecrans Avenue Media Center, Suite 200  
Manhattan Beach, CA 90266

RE: APPROVAL OF APPLICATION FOR CALIFORNIA'S RENEWABLES  
PORTFOLIO STANDARD

Dear Applicant:

Your application on behalf of **Solaren SSP California Receive Station #1** has been approved for:

- Pre-certification: Eligible for Renewables Portfolio Standard  
 Certification: Eligible for Renewables Portfolio Standard

Please note that for pre-certified facilities, the information submitted on the application will be subject to further verification once the pre-certified facility has been completed.

A certificate confirming your eligibility is enclosed. The certificate also contains your identification number for purposes of the RPS, which is: **60941C**. Please use this number in all future correspondence with the Energy Commission regarding this facility's certification status under the RPS.

To maintain the certification status of this project, you must comply with all applicable requirements for certified or pre-certified facilities contained in the *Renewables Portfolio Standard Eligibility Guidebook, 3<sup>rd</sup> Edition* (publication number CEC-300-2007-006-ED3-CMF). You must also notify the Energy Commission immediately if there are any material changes in the information submitted in your application for certification (CEC-RPS-1A or CEC-RPS-2) or pre-certification (CEC-RPS-1B), or face disqualification. Any changes to the information provided in a certification or pre-certification application should be reported on an amended application form which supersedes the original application.

The Energy Commission may conduct periodic or random reviews to verify records submitted for certification or pre-certification. The Energy Commission may also conduct on-site audits and facility inspections to verify compliance with the requirements for certification or pre-certification, and may request additional information as necessary to monitor compliance with the certification and or pre-certification requirements specified in the *Renewables Portfolio Standard Eligibility Guidebook*. If you do not respond to the Energy Commission's request for an information update in a timely manner, you risk losing your certification status.

Lett 60941C

1/5/2010

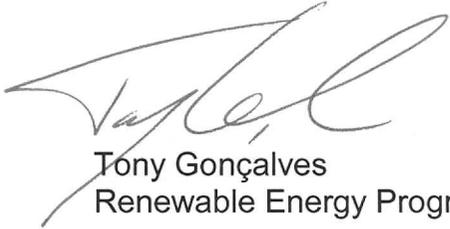
Page 2

The Energy Commission will list certified facilities on its website. Any changes in a facility's certification status will also be posted on the Energy Commission's website.

By applying for certification or pre-certification, you have also agreed to participate in the Energy Commission's generation tracking system. For more information about the tracking system, please refer to the section in the *Renewables Portfolio Standard Eligibility Guidebook* entitled, "Generation Tracking System."

If you have any questions about your certification, please do not hesitate to contact Mark Kootstra by phone at (916) 653-4487 or by e-mail at <mkootstr@energy.state.ca.us>.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tony Gonçalves', written over a horizontal line.

Tony Gonçalves  
Renewable Energy Program

Enclosure

# Pre-Certified Eligible for California's Renewables Portfolio Standard

## Solaren SSP California Receive Station #1

*This is to certify that*

**Beginning on: 12/2/2009**

**Located in: Cantus Creek, CA**

**Owned/Operated by: Solaren Corporation**

**Fuel Type: Photovoltaic**      **Size: 200.00 MW**

**Annual Fossil Fuel Usage: 0.00 %**

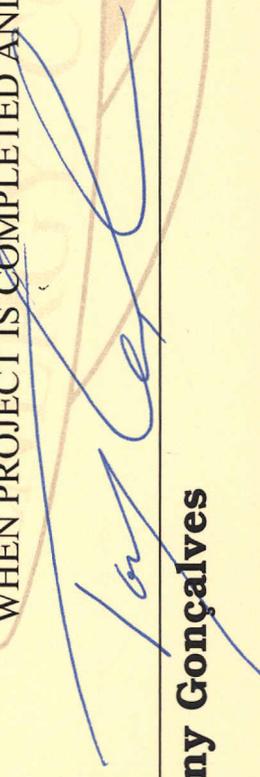
Has been pre-certified by the California Energy Commission as eligible for California's Renewables Portfolio Standard under the criteria established in the **Renewables Portfolio Standard Eligibility Guidebook, 3<sup>rd</sup> Edition**, publication number CEC-300-2007-006-ED3-CMF, January 2008, and assigned CEC-RPS-ID number:

**60941C**

THE APPLICATION FOR THIS FACILITY WAS SUBMITTED BY THE OWNER/OPERATOR OF THE FACILITY.

THIS FACILITY IS PRE-CERTIFIED BY THE CALIFORNIA ENERGY COMMISSION.

INFORMATION SUBMITTED FOR PRE-CERTIFICATION IS SUBJECT TO FURTHER VERIFICATION WHEN PROJECT IS COMPLETED AND BEGINS COMMERCIAL OPERATIONS.

  
\_\_\_\_\_  
**Tony Gonçalves**

**1/5/2010**

**Date Issued**

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

Alcantar & Kahl	Defense Energy Support Center	North Coast SolarResources
Ameresco	Department of Water Resources	Northern California Power Association
Anderson & Poole	Department of the Army	Occidental Energy Marketing, Inc.
Arizona Public Service Company	Dept of General Services	OnGrid Solar
BART	Division of Business Advisory Services	Praxair
BP Energy Company	Douglass & Liddell	R. W. Beck & Associates
Barkovich & Yap, Inc.	Downey & Brand	RCS, Inc.
Bartle Wells Associates	Duke Energy	Recon Research
Bloomberg New Energy Finance	Dutcher, John	Recurrent Energy
Boston Properties	Economic Sciences Corporation	SCD Energy Solutions
Brookfield Renewable Power	Ellison Schneider & Harris LLP	SCE
C & H Sugar Co.	Foster Farms	SMUD
CA Bldg Industry Association	G. A. Krause & Assoc.	SPURR
CAISO	GLJ Publications	Santa Fe Jets
CLECA Law Office	Goodin, MacBride, Squeri, Schlotz & Ritchie	Seattle City Light
CSC Energy Services	Green Power Institute	Sempra Utilities
California Cotton Ginners & Growers Assn	Hanna & Morton	Sierra Pacific Power Company
California Energy Commission	Hitachi	Silicon Valley Power
California League of Food Processors	International Power Technology	Silo Energy LLC
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Edison Company
Calpine	Los Angeles Dept of Water & Power	Sunshine Design
Cameron McKenna	Luce, Forward, Hamilton & Scripps LLP	Sutherland, Asbill & Brennan
Cardinal Cogen	MAC Lighting Consulting	Tabors Caramanis & Associates
Casner, Steve	MBMC, Inc.	Tecogen, Inc.
Chris, King	MRW & Associates	Tiger Natural Gas, Inc.
City of Glendale	Manatt Phelps Phillips	Tioga Energy
City of Palo Alto	McKenzie & Associates	TransCanada
Clean Energy Fuels	Merced Irrigation District	Turlock Irrigation District
Coast Economic Consulting	Mirant	U S Borax, Inc.
Commerce Energy	Modesto Irrigation District	United Cogen
Commercial Energy	Morgan Stanley	Utility Cost Management
Consumer Federation of California	Morrison & Foerster	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Wellhead Electric Company
Day Carter Murphy	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
	North America Power Partners	eMeter Corporation