

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



November 8, 2011

**Advice Letter 3913-E**

Brian K. Cherry  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**Subject: Contract Amendments in Compliance with Resolution E-4415  
Approving Two Contracts for Procurement of Renewable  
Energy Resources Between PG&E Company and Potrero Hills  
Energy Producers, LLC, and Sunshine Gas Producers, LLC**

Dear Mr. Cherry:

Advice Letter 3913-E is effective September 28, 2011.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director  
Energy Division

September 28, 2011

**Advice 3913-E**  
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Contract Amendments in Compliance With Resolution E-4415 Approving Two Contracts for Procurement of Renewable Energy Resources Between Pacific Gas and Electric Company (“PG&E”) and Potrero Hills Energy Producers, LLC, and Sunshine Gas Producers, LLC**

**Purpose:**

In compliance with Resolution E-4415, approved August 18, 2011, Pacific Gas and Electric Company (“PG&E”) submits this Advice Letter attaching amendments to two power purchase agreements for procurement of renewable energy resources between PG&E and Potrero Hills Energy Producers, LLC, and Sunshine Gas Producers, LLC (collectively “PPAs”).

**Background:**

On August 18, 2011, in Resolution E-4415 (the “Resolution”), the Commission approved, with modification, two PPAs that were filed on February 25, 2010, with PG&E’s Advice Letter 3623-E, and amended in Supplemental Advice Letter 3623-E-A filed on April 13, 2011. The Resolution required that the pricing terms of both PPAs be changed but approved all other terms and conditions as proposed.

In compliance with Resolution E-4415, PG&E provides in Confidential Appendices A and B an amendment to each of the two PPAs.<sup>1</sup> Each amendment modifies the corresponding PPA to eliminate all contract pricing provisions other than the contract price approved in the Resolution. The amendments to each PPA also make minor modifications to accommodate the change required by the Resolution, including changes to the respective Delivery Term Security provisions and increases to the time required to satisfy or waive the respective Conditions Precedent.

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<sup>1</sup> Because each of the PPAs was already amended twice, the present amendments are referred to as “Third Amendments.”

**Confidential Attachments:**

In support of this Advice Letter, PG&E submits the following confidential information in the manner directed by D.08-04-023 and the August 22, 2006, Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under either the terms of the IOU Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023, or General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this Advice Letter.

**Confidential Attachments:**

**Appendix A – Third Amendment to Power Purchase Agreement (Potrero Hills Energy Producers, LLC)**

**Appendix B – Third Amendment to Power Purchase Agreement (Sunshine Gas Producers, LLC)**

**Protests:**

Anyone wishing to protest this filing may do so by sending a letter by **October 18, 2011**, 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 it 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: Brian K. Cherry  
Vice President, Regulation and Rates  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

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

Due to the limited scope of PG&E's compliance filing, this filing should not delay the effective date of the Advice Letter.

**Effective Date:**

PG&E requests that this supplemental filing become effective on **September 28, 2011**. PG&E submits this as a Tier 1 advice filing effective pending disposition.

**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.11-05-005 and R.10-05-006. 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 and electronic approvals should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.



Vice President – Regulation and Rates

cc: Service List for R.11-05-005  
Service List for R.10-05-006  
Paul Douglas – Energy Division  
Sean Simon – Energy Division  
Cynthia Walker – DRA  
Joseph Abhulimen – DRA  
Yuliya Shmidt - DRA

Attachments

**Limited Access to Confidential Material:**

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protections of Sections 583 and 454.5(g) 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 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

**Confidential Attachments:**

**Appendix A – Third Amendment to Power Purchase Agreement (Potrero Hills Energy Producers, LLC)**

**Appendix B – Third Amendment to Power Purchase Agreement (Sunshine Gas Producers, LLC)**

# 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) #: **3913-E**

Tier: **1**

Subject of AL: **Contract Amendments in Compliance With Resolution E-4415 Approving Two Contracts for Procurement of Renewable Energy Resources Between Pacific Gas and Electric Company ("PG&E") and Potrero Hills Energy Producers, LLC, and Sunshine Gas Producers, LLC**

Keywords (choose from CPUC listing): Contracts, Portfolio, 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-4415

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:  Yes  No 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: Charles Post (415-973-9286)

Resolution Required?  Yes  No

Requested effective date: **September 28, 2011**

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: Brian Cherry**

**Vice President, Regulation and Rates**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

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

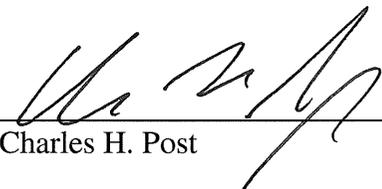
**DECLARATION OF CHARLES H. POST  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED IN  
ADVICE LETTER 3913-E  
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Charles H. Post, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2000. My current title is Principal within PG&E's Energy Procurement organization. My responsibilities include negotiating Power Purchase Agreements (PPAs), including PG&E's Renewables Portfolio Standard Program ("RPS") PPA. 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 Decision ("D.") 08-04-023 and the August 22, 2006, "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendices A and B to Advice Letter 3913-E submitted on September 28, 2011.
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 of D.06-06-066 and Appendix C of D.08-04-023 (the "IOU Matrix"), and/or constitutes information that should be protected under General Order 66-C. The matrix also specifies the category or

categories in the IOU Matrix to which the data and information corresponds, if 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, if 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 to the best of my knowledge the foregoing is true and correct. Executed September 28, 2011, at San Francisco, California.

  
\_\_\_\_\_  
Charles H. Post

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)  
Advice Letter 3913-E  
September 28, 2011**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066 AND DECISION 08-04-023**

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
<b>Document: Advice Letter 3913-E</b>							
Appendices A & B	Y	Item VII F) Renewable Resource Contracts under RPS program - Contracts with SEPs.	Y	Y	Y	These Appendices contain amendments to the PPAs. The amended terms are not part of the public contract summaries as identified in D.06-06-066. Disclosure of these confidential PPA terms would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2009 and 2011 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparties to the PPAs have an expectation that the terms of the PPAs will remain confidential pursuant to confidentiality provisions in the PPAs.	Remain confidential for three years.

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

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