

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 3, 2014

Advice Letters 4102-E and 4102-E-A

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: Power Purchase Agreement for the Procurement of Eligible
Renewable Energy Resources Between Sierra Pacific Industries
and PG&E and Supplemental Filing**

Dear Mr. Cherry:

Advice Letters 4102-E and 4102-E-A are effective January 16, 2014 per Resolution E-4632.

Sincerely,

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

Edward F. Randolph, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-7226

September 17, 2013

Advice 4102-E-A

(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing for Power Purchase Agreement for Procurement of Eligible Renewable Energy Resources Between Sierra Pacific Industries and Pacific Gas and Electric Company

I. Introduction

On September 7, 2012, Pacific Gas and Electric Company (“PG&E”) filed Advice Letter 4102-E seeking California Public Utilities Commission (“Commission” or “CPUC”) approval of a Renewables Portfolio Standard (“RPS”)-eligible power purchase agreement (“PPA”) executed with Sierra Pacific Industries (“SPI”). Advice Letter 4102-E is currently pending approval by the Commission. On September 5, 2013, PG&E executed an amendment to the PPA as described below and in Confidential Appendix A. The purpose of this Supplement is to obtain CPUC approval of the PPA as amended by the September 5, 2013 amendment (“Amendment”).

PG&E requests that the Commission issue a resolution no later than November 2013, approving the PPA with SPI, as amended by the September 5, 2013 Amendment.

II. Background

The PPA was executed as part of PG&E’s 2011 RPS request for offers (“RFO”). Under the PPA, PG&E will purchase output from four SPI facilities currently delivering to PG&E under Qualifying Facilities (“QF”) agreements, as well as output from a new, yet-to-be-built facility, Anderson II. Deliveries under the PPA commence upon commercial operation of the new Anderson II facility, at which time, the QF agreements will terminate.

- A. The guaranteed commercial operation date under the PPA is April 1, 2014, as may be delayed by Permitted Extensions. The Amendment changes the Permitted Extensions provision in the PPA, the details of which are confidential and included in confidential Appendix A.

III. Confidentiality

Explain if confidential treatment of specific material is requested. Describe the information and reason(s) for confidential treatment consistent with the showing required by D.06-06-066, as modified by D.08-04-023.

In support of this Supplemental Advice Letter, PG&E has provided the confidential information listed below. This information includes the Amendment, and other information that more specifically describes the rights and obligations of the parties. This information is being submitted 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 Supplemental Advice Letter.

Confidential Attachments:

Appendix A – Contract Amendment Summary

Appendix B – SPI Amendment to Power Purchase Agreement

IV. Effective Date

PG&E requests that this Tier 3 Supplemental Advice Letter become effective concurrent with Advice Letter 4102-E no later than November 30, 2013.

V. Notice

In accordance with General Order 96-B, Section IV, a copy of this Supplemental 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.12-03-014. Non-market participants who are members of PG&E's Procurement Review Group and have signed appropriate Non-Disclosure Certificates will also receive the Supplemental Advice Letter and accompanying confidential attachments by overnight mail. Address changes to the General Order 96-B service list should be directed to 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. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.

Sincerely,

Handwritten signature of Brian Cherry in cursive script, followed by a forward slash and the initials 'sw'.

Vice President – Regulatory Relations

cc: Service List for R.11-05-005
Service List for R.12-03-014
Edward Randolph, Director – Energy Division
Paul Douglas – Energy Division
Jason Simon – Energy Division
Adam Schultz – Energy Division
Joseph Abhulimen – DRA
Cynthia Walker – DRA
Beth Vaughan , California Cogeneration Council

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 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 Amendment itself, price information, and analysis of the proposed RPS Amendment, 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 - Contract Amendment Summary

Appendix B – SPI Amendment to Power Purchase Agreement

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 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: **Anupama Vege and Shirley Wong**

Phone #: **(415) 973-7600 and (415) 972-5505**

E-mail: **PGETariffs@pge.com, alvb@pge.com and slwb@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) #: **4102-E-A**

Tier: **3**

Subject of AL: **Supplemental Filing for Power Purchase Agreement for Procurement of Eligible Renewable Energy Resources Between Sierra Pacific Industries and Pacific Gas and Electric Company**

Keywords (choose from CPUC listing): **Contract, Portfolio**

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: **Gillian Clegg, (415) 973-1332**

Resolution Required? Yes No

Requested effective date: **November 30, 2013 (Concurrent with Advice 4102-E)** 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:

Service affected and changes proposed:

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:

**California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: EDTariffUnit@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 GILLIAN CLEGG
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN
ADVICE LETTER 4102-E-A
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Gillian Clegg, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2007. My current title is Principal within PG&E's Energy Procurement organization. In this position, my responsibilities include negotiating PG&E's Renewables Portfolio Standard Program ("RPS") Power Purchase Agreements. 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 PG&E's Advice Letter 4102-E-A submitted on September 17, 2013.

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"), 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. September 17, 2013 at San Francisco, California.



Gillian Clegg

PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
Advice Letter 4102-E-A
September 17, 2013

IDENTIFICATION OF CONFIDENTIAL INFORMATION

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
Document: Advice Letter 4102-E-A							
Appendix A	Y	<p>Item VII G) Renewable Resource Contracts under RPS program – Contracts without SEPs.</p> <p>Item VII (un-numbered category following VII G)) Score sheets, analyses, evaluations of proposed RPS projects.</p> <p>Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.</p> <p>General Order 66-C.</p>	Y	Y	Y	<p>This Appendix discusses and evaluates the Project and the terms of the Amended PPA; contains information, analyses, and evaluations of project viability; and it contains confidential information of the counterparty. Disclosure of this information would provide valuable market sensitive information to competitors and would be damaging to negotiations with other counterparties and should remain confidential.</p> <p>Finally, certain information has been obtained in confidence from the counterparty under an expectation of confidentiality. It is in the public interest to treat such information as confidential because if such information were made public, it would put the counterparty at a business disadvantage, could create a disincentive to do business with PG&E and other regulated utilities, and could have a damaging effect on current and future negotiations with other counterparty.</p>	<p>For information covered under Item VII G) remain confidential for three years after the commercial operation date, or one year after expiration (whichever is sooner).</p> <p>For information covered under Item VII (un-numbered category following VII G), remain confidential for three years.</p> <p>For information covered under General Order 66-C, remain confidential.</p>
Appendix B	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.	Y	Y	Y	<p>This Appendix contain the terms of the amended PPA for which PG&E seeks approval in the Advice Letter filing. Disclosure of certain terms of the PPA would provide valuable market sensitive information to competitors. Release of this information would be damaging to negotiations with other counterparties and should remain confidential. Furthermore, the counterparty to the PPA has an expectation that the terms of the PPA will remain confidential.</p>	<p>For information covered under Item VII G), remain confidential for three years after the commercial operation date, or one year after expiration (whichever is sooner).</p>

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

1st Light Energy	Division of Ratepayer Advocates	Occidental Energy Marketing, Inc.
AT&T	Douglass & Liddell	OnGrid Solar
Alcantar & Kahl LLP	Downey & Brand	Pacific Gas and Electric Company
Anderson & Poole	Ellison Schneider & Harris LLP	Praxair
BART	G. A. Krause & Assoc.	Regulatory & Cogeneration Service, Inc.
Barkovich & Yap, Inc.	GenOn Energy Inc.	SCD Energy Solutions
Bartle Wells Associates	GenOn Energy, Inc.	SCE
Bear Valley Electric Service	Goodin, MacBride, Squeri, Schlotz & Ritchie	SDG&E and SoCalGas
Braun Blaising McLaughlin, P.C.	Green Power Institute	SPURR
CENERGY POWER	Hanna & Morton	San Francisco Public Utilities Commission
California Cotton Ginners & Growers Assn	In House Energy	Seattle City Light
California Energy Commission	International Power Technology	Sempra Utilities
California Public Utilities Commission	Intestate Gas Services, Inc.	SoCalGas
California State Association of Counties	Kelly Group	Southern California Edison Company
Calpine	Linde	Spark Energy
Casner, Steve	Los Angeles Dept of Water & Power	Sun Light & Power
Center for Biological Diversity	MAC Lighting Consulting	Sunshine Design
City of Palo Alto	MRW & Associates	Tecogen, Inc.
City of San Jose	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Clean Power	Marin Energy Authority	TransCanada
Coast Economic Consulting	McKenna Long & Aldridge LLP	Utility Cost Management
Commercial Energy	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Davis Wright Tremaine LLP	NLine Energy, Inc.	Water and Energy Consulting
Day Carter Murphy	NRG Solar	Wellhead Electric Company
Defense Energy Support Center	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	North America Power Partners	