

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



October 16, 2012

**Advice Letter 4106-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: Advice Letter Filing of Photovoltaic (PV) Power Purchase  
Agreements in Accordance with the PG&E PV Program**

Dear Mr. Cherry:

Advice Letter 4106-E is effective October 8, 2012.

Sincerely,

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

Edward F. Randolph, Director  
Energy Division

September 7, 2012

**Advice 4106-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Advice Letter Filing of Photovoltaic (PV) Power Purchase Agreements in Accordance With the PG&E PV Program**
**I. INTRODUCTION**
**A. Purpose of the Advice Letter**

Pursuant to Decision (“D.”) 10-04-052 and Resolution E-4368, Pacific Gas and Electric Company (“PG&E”) hereby submits this Advice Letter, seeking approval of the California Public Utilities Commission (“Commission” or “CPUC”) of six power purchase agreements (“PPAs”) between PG&E and three sellers. These six Renewables Portfolio Standard (“RPS”)-eligible PPAs (the “2012 PV Program PPAs”) were executed as a result of PG&E’s 2012 Photovoltaic (“PV”) Program PPA solicitation (the “2012 PV Program PPA Solicitation”).

The 2012 PV Program PPAs are summarized in the following table:

<b>Seller</b>	<b>Project Name</b>	<b>Generation Type</b>	<b>Capacity (MW)</b>	<b>Estimated Average Annual Energy (MWh)</b>	<b>Expected Commercial Operation Date<sup>1</sup></b>	<b>Delivery Term (Years)</b>
SilRay Inc	East Side Calpella	PV	2	3,362	4/18/2014	20
SilRay Inc	Foothill Farmington	PV	2	3,235	4/18/2014	20
SilRay Inc	Parducci	PV	2	3,362	4/18/2014	20

<sup>1</sup> Per D.10-04-052 and Resolution E-4368, the Expected Commercial Operation Date for the 2012 PV Program PPAs is calculated as 18 months from date of CPUC Approval of the PPAs, including the appeal period per CPUC rules. As noted below, PG&E requests the CPUC’s approval of these six PPAs within 31 days of the filing this Advice Letter, which is October 8, 2012 (The 30 day period concludes on a Sunday. PG&E hereby moves this date to the following business day, consistent with the provisions in G.O. 96-B, Section 1.5.). April 18, 2014 is 18 months, including the appeal period, from October 8, 2012.

SilRay Inc	Ruddick	PV	2	3,362	4/8/2014	20
Recurrent Energy, LLC	RE Kent South LLC	PV	20	47,559	4/8/2014	20
SKIC Solar, LLC	SKIC Solar 1	PV	20	46,957	4/8/2014	20

The Commission instructed PG&E to use the Tier 2 advice letter process for PV Program PPAs implemented pursuant to D.10-04-052 and Resolution E-4368. Accordingly, this Advice Letter is being submitted through the Tier 2 process. PG&E requests that the Commission approve the PV PPAs through an Energy Division disposition within 31 days of the filing of this Advice Letter (by October 8, 2012.)

In accordance with General Order (“GO”) 96-B, the confidential information included in this Advice Letter is noted below, and is described in greater detail in the accompanying Confidentiality Declaration. This Advice Letter contains both confidential and public appendices as listed below:

Confidential Appendix A: 2012 PV Program PPA Solicitation Overview and Summary Table

Confidential Appendix B: Confidential PPAs

Confidential Appendix B-1: PV PPA – SilRay Incorporated, 2 MW East Side Calpella

Confidential Appendix B-2: PV PPA – SilRay Incorporated, 2 MW Foothill Farmington

Confidential Appendix B-3: PV PPA – SilRay Incorporated, 2 MW Parducci

Confidential Appendix B-4: PV PPA – SilRay Incorporated, 2 MW Ruddick

Confidential Appendix B-5: PV PPA – Recurrent Energy, 20 MW RE Kent South

Confidential Appendix B-6: PV PPA – SKIC Solar, LLC, 20 MW SKIC Solar 1

Confidential Appendix C1: Independent Evaluator Report (Confidential Version)

Appendix C2: Independent Evaluator Report (Public Version)

## **B. General Program Description**

On February 2, 2009, PG&E filed Application (“A.”) 09-02-019, seeking authorization for a five-year, 500 megawatt (“MW”) solar PV program designed to promote the development of distributed solar PV in PG&E’s service territory and to help the State meet its aggressive RPS goals. On April 22, 2010, the Commission adopted D.10-04-052, which authorized PG&E to own and operate 250 MW of primarily ground-mounted solar PV facilities of 20 MW or less and to enter into long-term PPAs for 250 MW of similar facilities (50 MW target each year for 5 years for each half of the program). This Advice Letter addresses the PV PPA solicitation that PG&E conducted during the second year of the PV Program.

Given the intent of the PV program to promote development of distributed solar PV, the Commission adopted non-negotiable standard PPAs for Large Projects (three to 20 MW) and Small Projects (one to less than three MW) to streamline the procurement process. The Commission concluded this would be in “ratepayers’ interest because it will expedite the negotiation and Commission approval of PPAs and could attract more sellers to participate in the solicitation.”<sup>2</sup> The adoption of the standard contracts has also allowed PG&E to simplify the evaluation of bids. After meeting the threshold requirements for participation in the 2012 PV PPA Solicitation, offers were evaluated on price, ability to meet interconnection deadlines, supplier diversity and location.<sup>3</sup> D.10-04-052, Resolution E-4368, and the approved Advice Letter (“AL”) 3786-E include the requirement that projects must begin operation within 18 months following Commission approval of the PPA.

Upon evaluation of the proposals received, PG&E executed PPAs (using the standard Large and Small Project contracts, as applicable, as approved by the Commission) with the following counterparties:

- SilRay Incorporated, for its 2 MW East Side Calpella project;
- SilRay Incorporated, for its 2 MW Foothill Farmington project;
- SilRay Incorporated, for its 2 MW Parducci project;
- SilRay Incorporated, for its 2 MW Ruddick project;
- Recurrent Energy, LLC, for its 20 MW RE Kent South LLC project; and
- SKIC Solar, LLC, for its 20 MW SKIC Solar 1 project

Although PG&E selected projects that totaled 50 MW, the total capacity of the 2012 PV Program PPAs is 48 MW, 2 MW less than the 50 MW authorized for this year’s solicitation. This occurred because a project that PG&E had selected for a PPA declined to continue participation in the solicitation on August 6, 2012. In response to the late change in the primary selection list, PG&E worked with the developer of another project that had already been offered a PPA as part of the solicitation to increase the size of its project within the range of their original Offer, with the goal of making up as much of the shortfall as possible. PG&E was therefore able to adhere to its cost-based selection criteria while procuring all but 2 MW of the 50 MW authorized for this program year. Consistent with Resolution E-4368, the remaining 2 MW will be added to the 50 MW authorized for the 2013 solicitation.

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<sup>2</sup> D.10-04-052, p. 60.

<sup>3</sup> Resolution E-4368 instructed PG&E to give a tie-breaking credit to offers for projects located in a California Independent System Operator (CAISO) designated Local Capacity Requirement (“LCR”) area, p. 32 and Ordering Paragraph (“OP”) 7.

### **C. Summary of 2012 PV Program PPA Solicitation**

PG&E launched the 2012 PV Program PPA Solicitation on April 3, 2012 and sought PPAs for a total of up to 50 MW from new PV facilities ranging in size from one to 20 MW.

The Participants' Webinar was held April 11, 2012 and was well attended, with approximately 150 people attending via the internet and/or by phone. The Participants' Webinar materials and an audio file of the conference are posted on PG&E's PV Program website:

<http://www.pge.com/b2b/energysupply/wholesaleelectricsuppliersolicitation/PVRFO2012/index.shtml>

The Participants' Webinar covered the following major subjects: (1) an overview of the commercial process used in the solicitation; (2) the evaluation methodology used to select winning Offers; (3) the map of PG&E's distribution system showing areas with a higher likelihood for successful interconnection to PG&E's system; (4) the documents required to be included with Offers; (5) the details of the Excel Offer form; and (6) questions from webinar attendees.

PG&E maintains a Question and Answer section on the 2012 PV Program PPA Solicitation website for questions of general interest. Participants are also encouraged to send questions to a PG&E PV PPA Program electronic mail address:

[PVProgram@pge.com](mailto:PVProgram@pge.com).

### **D. Consistency with Approved Form PV PPA**

The SilRay Incorporated, Recurrent Energy LLC, and SKIC Solar LLC PPAs are entirely consistent with the pre-approved pro forma Large PV PPA and Small PV PPA adopted by the Commission.<sup>4</sup> Accordingly, PG&E requests that the Commission issue a resolution within 31 days of the filing of this Advice Letter (by October 8, 2012), approving the 2012 PV Program PPAs.

### **E. RPS Statutory Goals**

Senate Bill ("SB") 1078 established the California RPS Program, requiring an electrical corporation to increase its use of eligible renewable energy resources to 20 percent of total retail sales no later than December 31, 2017. The legislature subsequently accelerated the RPS goal to reach 20 percent by the end of 2010.

On April 12, 2011, Governor Brown approved Senate Bill 2 in the First Extraordinary Session of the 2011 Legislative Session ("SB 2 (1x)"). SB 2 (1x) became effective as of December 11, 2011 and made significant changes to the RPS program, most notably

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<sup>4</sup> Advice Letter 3786-E and Resolution E-4368, p. 20.

extending the RPS goal from 20 percent of retail sales by the end of 2010 to a goal of 33 percent of retail sales after 2020. SB 2 (1x) also modified and changed many details of the RPS program, including the addition of portfolio content categories for incremental (i.e., post-June 1, 2010) procurement and the adoption of multi-year compliance requirements through 2020. Commission implementation of SB 2 (1x) is ongoing.

Decision 11-12-052 requires that IOUs make an upfront showing related to the portfolio content categorization of each proposed RPS procurement transaction. Specifically, for approval of contracts meeting the criteria of Section 399.16 (b)(1)(A) (i.e., "Portfolio Content Category One"), an IOU may show that the RPS-eligible generator has its first point of interconnection with the WECC transmission system within the boundaries of a California balancing authority area.<sup>5</sup>

Each of the 2012 PV Program PPAs satisfies the upfront showing required by D.11-12-052 for Portfolio Content Category One. Each 2012 PV Program PPA is for the purchase of an in-state RPS-eligible renewable energy resource that is expected to have its first point of interconnection with WECC transmission system with the CAISO, a California Balancing Authority. Therefore, the RPS-eligible procurement from the Project satisfies the criteria for the Portfolio Content Category One adopted in D.11-12-052.

The six projects that are the subject of this Advice Letter are expected to become operational by early 2014. These PPAs will help to meet PG&E's long-term forecasted RPS need.

#### **F. Confidentiality**

PG&E is requesting confidential treatment of Appendices A, B, and C1. 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 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.

#### **G. PG&E's Evaluation Methodology for the 2012 PV Program PPA Solicitation**

PG&E launched the 2012 PV Program PPA Solicitation on April 3, 2012, and followed the schedule set forth in the table below. In accordance with the Commission's decision

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<sup>5</sup> See D.11-12-052 at 40-41; See also *Id.* at 37 (explaining that the upfront showing required of IOUs for procurement projected to meet Portfolio Content Category One based on the relevant point of interconnection would be "straightforwardly based on showing that the RPS-eligible generator has the applicable first point of interconnection.").

and resolution authorizing the PV Program, PG&E sought PPAs for a total of up to 50 MW from new PV facilities sized in the one to 20 MW range located in PG&E's service territory.

Date/Time	Event
April 3, 2012	PG&E issues 2012 PV Program PPA Solicitation.
April 11, 2012	Participants' Webinar.
May 3, 2012 1:00 P.M.	Deadline for participants to submit offers and to submit applications for interconnection. Offer evaluation begins.
May 21, 2012	Participants provide proof that interconnection applications have been deemed complete and that the project has received a queue position.
July 30, 2012	PG&E notifies participants of selected offers.
August 6, 2012	Participants with selected offers accept selection and continued participation in the 2012PV Program PPA Solicitation.
August 13, 2012 5:00 P.M.	Participants with selected offers submit signed PPAs.
August 30, 2012	PG&E executes PPAs.
September 7, 2012	Advice letter filing for executed PPAs.

PG&E considered all timely offers submitted to the 2012 PV Program PPA Solicitation if the offers met the eligibility requirements: (1) the generating facility was a new PV electric generation facility; (2) the generating facility was located within PG&E's service territory; (3) the nameplate capacity of the offer was no less than one MW and no greater than 20 MW; and (4) the pre-time of delivery contract price was no greater than \$246/MWh. Projects that clearly would not complete the interconnection process within the 18 month commercial operation deadline were removed from further consideration.

PG&E used the following CPUC-approved<sup>6</sup> evaluation criteria to rank the offers:

Pricing. PG&E considered the contract price offered as the primary ranking criterion.

<sup>6</sup> On February 1, 2011, the CPUC approved Advice Letter 3786-E, which contained PG&E's final 2011 PV Program Solicitation Protocol. The Protocol contained the same evaluation criteria listed here and conformed to the Commission's prior orders regarding the PV Program.

Supplier Diversity. It is the policy of PG&E that Women-, Minority-, and Disabled Veteran-owned Business Enterprises (“WMDVBEs”) shall be given the opportunity to participate in this solicitation through the development of the selected projects. PG&E evaluated whether an offer contributed to PG&E’s supplier diversity goals. The Supplier Diversity evaluation considered the Participant’s status as a WMDVBE and/or the Participant’s plan or policy regarding subcontracting with WMDVBEs.

Local Capacity Requirements. Consistent with Resolution E-4368, if needed as a tie-breaker criterion when selecting offers, PG&E was prepared to favor offers located in CAISO-identified LCR areas as capacity installed in those areas should provide greater customer value than capacity installed elsewhere in the PG&E system.

#### **H. Market Price Referent (“MPR”)**

The actual price of each of the six 2012 PV Program PPAs is confidential, market sensitive information. Each of the six PPAs are priced below the 2011 MPR<sup>7</sup> for the 20-year delivery terms of the contracts beginning in 2014.

#### **I. Compliance with the Interim Emissions 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. The EPS does not apply to the 2012 PV Program PPAs because all six generating facilities have a forecast annualized capacity factor of less than 60 percent and therefore are not baseload generation under Paragraphs 1(a)(ii) and 3(2)(a) of the Adopted Interim EPS Rules.

Notification of compliance with D.07-01-039 is provided through this Advice Letter, which has been served on Service Lists A.09-02-019 and R.11-05-005.

#### **J. Procurement Review Group (“PRG”) Participation**

##### **1. PRG Participants**

PG&E’s PRG is composed of non-market participants, and currently includes representatives from the Commission’s Energy Division, the Division of Ratepayer Advocates, The Utility Reform Network, California Utility Employees, the Union of Concerned Scientists, Coast Economic Consulting, and the California Department of Water Resources.

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<sup>7</sup> Resolution E-4442.

## **2. Date Information Provided to PRG**

Prior to issuing the 2012 PV Program PPA Solicitation, PG&E provided the PRG a preview of the solicitation at the March 13, 2012 PRG meeting. PG&E reviewed the anticipated schedule for the solicitation, the eligibility requirements, and the selection methodology to be employed.

Prior to selecting offers in the 2012 PV Program PPA Solicitation, PG&E consulted with its PRG at the June 19, 2012 PRG meeting. PG&E informed the PRG of the offers received in the 2012 PV Program PPA Solicitation, offers eliminated as non-conforming (and the reasons for elimination), the evaluation process, and the tentative Primary and Backup offers PG&E proposed to select to fill the 2012 PV Program PPA Solicitation target of 50 MW.

On August 13, 2012, PG&E provided the PRG with an update on the status of the selected Primary and Backup offers, and PG&E's plan for execution of the PPAs.

## **K. Independent Evaluator ("IE")**

As required by the Commission's Decision adopting the PV Program, an IE reviewed PG&E's conduct and evaluation of the 2012 PV Program PPA Solicitation. The redacted public IE report is provided in Appendix C2 and the confidential IE report is provided in Appendix C1.

## **II. REQUEST FOR COMMISSION APPROVAL**

PG&E requests the Commission approve the 2012 PV Program PPAs through an Energy Division disposition within 31 days of the filing of this Advice Letter (by October 8, 2012), including adoption of the following findings of fact and conclusions of law:<sup>8</sup>

1. Each of the 2012 PV Program PPAs should be approved in its entirety, including payments to be made by PG&E pursuant to each PPA, subject to the Commission's review of PG&E's administration of the PPA;
2. A finding that the selection of the 2012 PV Program PPAs was consistent with PG&E's approved 2012 PV Program PPA Solicitation protocol, and that the terms of each PPA, including the price of delivered energy, are reasonable and prudent;
3. A finding that any procurement pursuant to the 2012 PV Program PPAs constitutes procurement from an eligible renewable energy resource for purposes of determining PG&E's compliance with any obligation or target that it may have to procure eligible renewable energy resources pursuant to the California RPS

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<sup>8</sup> PG&E requests that any summary disposition by Energy Division approving the content of this advice letter be deemed to have adopted the requested findings and conclusions.

(Public Utilities Code Section 399.11 et seq.), D.03-06-071, D.06-10-050, D.10-04-052, Resolution E-4368, D.11-12-020 and D.11-12-052 or other applicable law;

4. A finding that, subject to after-the-fact verification that all applicable criteria have been met, the Energy Division accepts PG&E's up-front showing that deliveries from the PPA should be categorized as procurement under the portfolio content category specified in Section 399.16(b)(1)(A);
5. A finding that all procurement and administrative costs, as provided by Public Utilities Code Section 399.13(g), associated with the 2012 PV Program PPAs shall be recovered in rates and all of the utility's costs under the PV PPAs shall be recovered through PG&E's Energy Resource Recovery Account;
6. A finding that each of the 2012 PV Program PPAs is not covered procurement subject to the EPS because each of the respective generating facilities has a forecast capacity factor of less than 60 percent and, therefore, is not baseload generation under Paragraphs 1(a)(ii) and 3(2)(a) of the Adopted Interim EPS Rules;
7. A finding that PG&E has provided the notice of procurement required by D.06-01-038 in this Advice Letter filing;
8. A finding for purposes of implementation of SB 2 (1x) that each of the 2012 PV Program PPAs provides for generation within PG&E's service territory that is expected to be interconnected to a California Balancing Authority; and
9. A finding that any stranded costs that may arise from the PPA 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 addressed in D.08-09-012.

### **III. TIER DESIGNATION**

Pursuant to D.10-04-052 and Resolution E-4368, PG&E submits this Advice Letter with a Tier 2 designation.

### **IV. EFFECTIVE DATE**

PG&E is designating this as a Tier 2 Advice Letter, in accordance with D.10-04-052. Accordingly PG&E requests that the Energy Division issue a disposition approving the 2012 PV Program PPAs within the initial review period, which will expire within 31 days of the filing of this Advice Letter (by October 8, 2012). Pursuant to General Order 96-B, the advice letter will be effective upon approval.

**V. NOTICE**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **September 27, 2012**, which is 20 days after the date of this filing. 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: EDTariff@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, 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:

Brian Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

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

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for (A.) 09-02-019 and Rulemaking 11-05-005. Address changes to the General Order 96-B service list and all electronic approvals 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. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.



Vice President – Regulatory Relation

cc: Service List A.09-02-019 and Rulemaking 11-05-005  
Paul Douglas – Energy Division  
Sean Simon – Energy Division  
Adam Schultz – Energy Division

Attachments

**Confidential Attachments:**

**Confidential Appendix A: 2012 PV Program PPA Solicitation Overview and Summary Table**

**Confidential Appendix B: Confidential PPAs**

Confidential Appendix B-1: PV PPA – Silray Incorporated, 2 MW East Side Calpella

Confidential Appendix B-2: PV PPA – Silray Incorporated, 2 MW Foothill Farmington

Confidential Appendix B-3: PV PPA – Silray Incorporated, 2 MW Parducci

Confidential Appendix B-4: PV PPA – Silray Incorporated, 2 MW Ruddick

Confidential Appendix B-5: PV PPA – Recurrent Energy, LLC, 20 MW RE Kent South

Confidential Appendix B-6: PV PPA – SKIC Solar, LLC, 20 MW SKIC Solar 1

**Confidential Appendix C1: Independent Evaluator Report (Confidential Version)**

**Public Attachment:**

**Appendix C2: Independent Evaluator Report (Public Version)**

# 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: Meredith Allen and Shirley Wong

Phone #: (415) 973-2868 and (415) 972-5505

E-mail: meae@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) #: **4106-E**

Tier: **2**

Subject of AL: **Advice Letter Filing of Photovoltaic (PV) Power Purchase Agreements in Accordance With the PG&E PV Program**

Keywords (choose from CPUC listing): Agreement, Procurement, Contract, Portfolio

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **Decision 10-04-052 and Resolution E-4368**

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 identified all of the confidential information.**

Confidential information will be made available to those who have executed a nondisclosure agreement: **Non-market participants who are members of PG&E's Procurement Review Group who have signed a nondisclosure agreement 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: **Dennis L. Sullivan, (415) 973-4666**

Resolution Required?  Yes  No

Requested effective date: **October 8, 2012**

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:

CPUC, Energy Division  
Attn: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, CA 94102  
EDTariff@cpuc.ca.gov

Pacific Gas and Electric Company  
Attn: Brian 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 DENNIS L. SULLIVAN  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED IN  
ADVICE LETTER 4106-E  
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Dennis L. Sullivan, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"). I am the manager of new resource procurement in PG&E's Energy Procurement organization. In this position, my responsibilities include project management of PG&E's Photovoltaic Program ("PV Program") Power Purchase Agreements Request for Offers and finalization of the Power Purchase Agreements submitted for approval in this Advice Letter. In carrying out these responsibilities, I have acquired confidential information related to offers received in this solicitation, the evaluation process used to select offers, and the development of the final set of Power Purchase Agreements. 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.

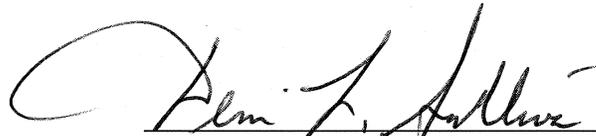
2. Based on my knowledge and experience, and in accordance with Decision ("D") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendix A, B, and C1 to PG&E's Advice Letter 4106-E, submitted on September 7, 2012.

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.

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 on September 7, 2012, San Francisco, California.

  
DENNIS L. SULLIVAN

PACIFIC GAS AND ELECTRIC COMPANY Advice Letter 4106-E Confidentiality Declaration September 7, 2012							
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 and Appendix C to D.08-04-023 (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
1	Document: Advice Letter 4106-E						
2	Appendix A: 2012 PV PPA Solicitation Overview	Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects.  Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.  General Order 66-C.	Y	Y	Y	This Appendix contains bid information and evaluations from the 2012 Photovoltaic (PV) Program Solicitation, and confidential information of the counterparties. Disclosure of this information would provide valuable market sensitive information to competitors.  Finally, this 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 counterparties.	For information covered under Item VII (un-numbered category following VII G), remain confidential for three years.  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 General Order 66-C, remain confidential.
3	Appendix A: Summary Table	Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects.  Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.  General Order 66-C.	Y	Y	Y	This Appendix contains bid information and evaluations from the 2012 Photovoltaic (PV) Program Solicitation; confidential price information; and confidential information of the counterparties. Disclosure of this information would provide valuable market sensitive information to competitors.  Finally, this 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 counterparties.	For information covered under Item VII (un-numbered category following VII G), remain confidential for three years.  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 General Order 66-C, remain confidential.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Advice Letter 4106-E**  
**Confidentiality Declaration**  
**September 7, 2012**

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 and Appendix C to D.08-04-023 (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
4 Appendices B: Confidential PPAs B-1: SilRay Incorporated, 2 MW East Side Calpella B-2: SilRay Incorporated, 2 MW Foothill Farmington B-3: SilRay Incorporated, 2 MW Parducci B-4: SilRay Incorporated, 2 MW Ruddick B-5: Recurrent Energy, 20 MW RE Kent South B-6: SKIC Solar, LLC, 20 MW SKIC Solar 1	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without Supplemental Energy Payments (SEPs)	Y	Y	Y	This Appendix contains confidential price and performance information for the 2012 PV Program counterparties. This information would provide market sensitive information to competitors and is therefore considered confidential.	For information covered under Item VII G), remain confidential for three years, or until one year following expiration, whichever comes first.
5 Appendix C 1- Confidential Independent Evaluator Report Pages 14, 15, 16, 17, 18, 19, 23, 27, 28, 31, 32, and 36-38.	Y	Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects.  Item VIII A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids.  General Order 66-C.	Y	Y	Y	This Appendix contains bid information and evaluation from the 2012 PV Program Solicitation; and contains confidential information of the counterparties. Disclosure of this information would provide valuable market sensitive information to competitors. Release of this information would be damaging to negotiations, could harm the counterparties and could adversely affect project viability.  Finally, this 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 counterparties.	For information covered under Item VII (un-numbered category following VII G), remain confidential for three years.  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 General Order 66-C, remain confidential.

**PG&E Gas and Electric  
Advice Filing List  
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