

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 11, 2014

Advice Letter 4457-E

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

Subject: Revision to Demand Response Aggregator Managed Portfolio Agreements in Compliance with Decision 14-05-025.

Dear Mr. Cherry:

Energy Division has determined that the revision of PG&E's Aggregator Managed Portfolio (AMP) demand response program proposed in the instant Advice Letter (AL) is in compliance with Ordering Paragraph (OP) 8 of D.14-05-025 and is therefore approved effective July 3, 2014. ORA's protest to PG&E AL 4457-E is hereby rejected.

On May 19, 2014, the Commission issued Decision (D.) 14-05-025 (Decision) approving budgets and program improvements for utility demand response programs for 2015-2016. In OP 8 of this Decision, the Commission approved the continuation of PG&E's AMP program agreements, as approved in D.13-01-024, D.13-04-026, and D.14-02-033, and required PG&E to submit a Tier 1 Advice Letter within 45 days following the issuance of the Decision for approval by the Commission.

PG&E's AMP program agreements are bi-lateral contracts between PG&E and third-party demand response providers (DRPs) in which the DRPs commit to the delivery of demand response MWs to PG&E in return for incentive payments. The contracts contain certain performance and test event requirements.

In compliance with OP 8, on July 3, 2014 PG&E submitted copies of the updated 2015-2016 AMP program agreement amendments for three of their AMP contracts, which were consistent with what was approved in D.13-01-024, and revised in D.13-04-026 and D.14-02-033. PG&E states that two of the demand response providers elected not to continue their AMP program agreements to 2015-16.

On July 23, 2014, ORA filed a protest to AL 4457-E recommending that Energy Division suspend the advice letter because it should be considered in conjunction with the issues in the Demand Response rulemaking (R.13-09-011), and because the advice letter lacked important information such as the performance of recent AMP contracts.

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September 11, 2014
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On July 30, 2014, PG&E replied to ORA's protest stating that ORA's protest should be dismissed because it was procedurally and substantially flawed.

As noted above, ORA's protest is rejected. Attachment A provides more details on ORA's protest, PG&E's reply and Energy Division's conclusion.

Please contact Russell Edwards of Energy Division at russell.edwards@cpuc.ca.gov if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Edward Randolph". The signature is written in a cursive, slightly slanted style.

Edward Randolph
Director, Energy Division
California Public Utilities Commission

cc: Shirley Wong, Pacific Gas and Electric
Michael Campbell, Office of Ratepayer Advocates

Attachment A

Summary of ORA Protest, PG&E's Response and Energy Division's Conclusion

ORA's protest recommended that the AL be suspended for the following three reasons:

1. AL 4457-E should be considered in conjunction with the Settlement or Resolution of Litigation in Phase 3 of R.13-09-011.
2. AL 4457-E is deficient as it lacks 2013-14 AMP contract performance data, necessary to determine if it would be reasonable to extend the current AMP contracts.
3. AL 4457-E is deficient as it lacks current customer enrollments (in MWs) and 2013-2014 DR Contract performance data, necessary to determine if the proposed commitment levels are reasonable.

ORA further states that it is necessary that ORA review the 2013-2014 AMP performance data to determine if it is in the public's interest to extend the proposed DR contracts. ORA recommends that the Commission only extend the contracts that have demonstrated good performance over the 2013-2014 time period. ORA also contends that the Commission should determine if the MW commitment levels in the proposed contracts are appropriate based on customer enrollment data that PG&E should supply.

In its Reply to ORA's Protest, PG&E makes the following points:

- The settlement and litigation of issues in Phase 3 of R.13-09-011 are not related to or affected by the extension of the AMP agreements through 2016.
- The advice letter is essentially a ministerial act in that it merely extends the term of current AMP agreements through December 31, 2016. PG&E proposes no changes to contract terms, except to handle the extension of the approved contracts for the two year bridge period. PG&E states that ORA's protest provides no evidence that AL 4457-E would lead to a result that is unjust, unreasonable, or discriminatory, as the Commission has explicitly authorized the extension of these contracts via D.14-05-025.
- PG&E states it is unnecessary for ORA to request review of AMP contact commitment levels for the purpose of evaluating revisions to expiration dates of PG&E's AMP agreements, and that ORA had ample opportunity to review commitment levels in A.12-09-004 and R.13-09-011 through data requests in these proceedings. PG&E further points out that ORA supported proposed revisions to AMP contracts that were approved via D.13-01-024, D.13-04-026, and D.14-02-033.

Energy Division agrees with PG&E that the extension of the contracts as proposed in the AL is a ministerial act. This is because the Commission has already authorized

the contracts to be extended in D.14-05-025. Specifically, in the Commission's rulemaking to approve demand response program improvements for the bridge years (Phase 1 of R.13-09-011), PG&E proposed that its current AMP agreements¹ be allowed to continue in 2015 and 2016. The Commission approved PG&E's request and ordered PG&E to file a Tier 1 advice letter that reflects the time extension in the contracts.

Energy Division's review of this AL is limited to whether or not PG&E complied with what the Commission ordered. Energy Division has reviewed PG&E's AL and found that the contracts have been amended to include the time extension as authorized. No other terms and conditions in the contracts have been modified. The only material change that has occurred is that PG&E proposes to extend three AMP contracts, instead of five. The reason is that two of the demand response providers have elected not to continue their AMP agreements with PG&E. The discontinuation of two AMP contracts however does not make PG&E's AL non-compliant. In this instance, two demand response providers have elected not to proceed with the terms and conditions that the Commission has authorized for the next two years. Hence PG&E's AL complies with the decision and it is therefore approved.

Energy Division appreciates ORA's concerns about the performance of the contracts and the customer enrollment data as such information is relevant with respect to the continuation of the AMP agreements and their MW commitment levels. However, these concerns should have been raised in the proceeding when the Commission was considering PG&E's request to extend the current contracts through 2016. A Tier 1 advice letter compliance filing is not the appropriate venue to raise these issues; there are other procedural options available to ORA should it choose to bring its concerns about these contracts to the Commission.

Energy Division also agrees with PG&E that the settlement² and other matters in Phase 3 of R.13-09-011 are not directly related to the extension of PG&E's AMP agreements through the bridge years. The proposed settlement focuses on the formation of working groups to address numerous demand response policy and technical issues that will impact demand response programs after the bridge years.

¹ PG&E's current AMP agreement were recently amended by D.14-02-033.

² Parties to R.13-09-011 submitted a proposed settlement to the Commission on August 4, 2014.

July 3, 2014

Advice 4457-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Revision to Demand Response Aggregator Managed Portfolio Agreements in Compliance With Decision 14-05-025

Purpose

The purpose of this advice letter is to comply with Ordering Paragraph (“OP”) 8 of California Public Utility Commission (“CPUC” or “Commission”) Decision (“D.”) 14-05-025 authorizing Pacific Gas and Electric Company (“PG&E”) to continue the Aggregator Managed Portfolio (“AMP”) program agreements for the Demand Response Bridge funding years 2015-2016, as approved in D.13-01-024, D.13-04-026 and D.14-02-033.

Background

On May 19, 2014, the CPUC issued D.14-05-025 approving bridge funding for PG&E’s Demand Response programs for 2015-2016, and also approving continuation of the AMP program agreements, as approved in D.13-01-024, D.13-04-026 and D.14-02-033. Three AMP program agreements between PG&E and the demand response aggregators have been amended to apply to PG&E’s AMP program during 2015 and 2016. Two of the demand response aggregators have elected not to extend their AMP program agreements for the 2015-2016 period.

Compliance with D.14-05-025

Ordering Paragraph 8 of D.14-05-025 requires PG&E to submit a Tier 1 Advice Letter, along with copies of the 2015-2016 AMP program agreement amendments within 45 days following the issuance of the decision for approval by the CPUC. Pursuant to OP 8, attached are copies of the 2015-2016 AMP program agreement amendments for three of the AMP contracts, which are consistent to those approved by the CPUC in D.13-01-024 and revised in D.13-04-026 and D.14-02-033. Each of the executed amendments contains confidential, market sensitive information for the individual aggregator involved. Therefore, PG&E is submitting the three amendments under confidential seal to the Energy Division pursuant to PUC Section 583 and D.06-06-066

(Attachment A1). A copy of the executed amendments with the confidential information redacted (Attachment A) is being provided to the parties listed below. A declaration and matrix supporting confidential treatment is found in Attachment B.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than July 23, 2014, which is 20 days after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. 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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 1 advice filing become effective on July 3, 2014, the date of filing.

Notice

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 service lists for Rulemaking (R.) 13-09-011, Application (A.) 12-09-004 and A.11-03-001. Address changes to the General Order 96-B service list should be directed to PG&E at email address 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 "Brian Cherry /s/w".

Vice President, Regulatory Relations

Confidential Attachment:

Attachment A1: Aggregator Managed Portfolio Agreement Amendments – Confidential

Public Attachments:

Attachment A: Aggregator Managed Portfolio Agreement Amendments – Redacted

Attachment B: Confidentiality Declaration and Matrix

cc: Service Lists R.13-09-011, A.12-09-004 and A.11-03-001

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: **Shirley Wong**

Phone #: **(415) 972-5505**

E-mail: **slwb@pge.com and PGETariffs@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) #: **4457-E**

Tier: **1**

Subject of AL: **Revision to Demand Response Aggregator Managed Portfolio Agreements in Compliance With Decision 14-05-025**

Keywords (choose from CPUC listing): **Compliance, Agreements, Portfolio**

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **Decision 14-05-025**

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 Attachment B, Confidentiality Declaration and Matrix.**

Confidential information will be made available to those who have executed a nondisclosure agreement: **Yes.**

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: **Andrew Hoffman, (415) 973-6399**

Resolution Required? Yes No

Requested effective date: **July 3, 2014**

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
ED Tariff Unit
505 Van Ness Ave., 4th Floor
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

Advice 4457-E

July 3, 2014

ATTACHMENT A

Aggregator Managed Portfolio Agreement Amendments

Redacted

SECOND AMENDMENT OF DEMAND RESPONSE AGREEMENT

This SECOND AMENDMENT OF DEMAND RESPONSE PURCHASE AGREEMENT (this "Second Amendment") is made as of the Second Amendment Effective Date (defined below), by and between Pacific Gas and Electric Company ("Buyer") and Converge, Inc., ("Seller" and collectively with Buyer, the "Parties"). Buyer and Seller are Parties to that certain Demand Response Purchase Agreement between the Parties dated August 6, 2012 (as may have been amended, modified or supplemented from time to time, the "Agreement").

RECITALS

WHEREAS, capitalized terms not defined in this Second Amendment are used in this Second Amendment as defined in the Agreement; and

WHEREAS, the Parties wish to amend the Agreement to extend the Agreement for the two year period 2015-2016 as permitted by CPUC D.14-05-025.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Second Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

The Agreement is hereby amended, and this Second Amendment shall be effective as of Second Amendment Effective Date, as follows:

The Parties desire to extend the existing term of the Agreement for two (2) additional calendar years. Therefore, the Parties agree as follows:

Section 1.27 of the Agreement shall be deleted in its entirety and be replaced with the following:

1.27 "Delivery Term" means the period of time from the Effective Date, and ending December 31, 2016, unless terminated sooner. The Parties agree that the Delivery Term through December 31, 2014 ("Existing Delivery Term") is a separate and distinct Delivery Term from the Delivery Term for the period January 1, 2015 through December 31, 2016 ("New Delivery Term").

Section 2.2 of the Agreement shall be deleted in its entirety and be replaced with the following:

2.2 Term and Binding Nature. The term of this Agreement is extended until December 31, 2016, provided and conditioned upon there being no default as set forth in Articles 5 and 7 in the Agreement that occurs during the Existing Delivery Term defined above as ending December 31, 2014. If the Delivery Term is terminated sooner than December 31, 2014, the Delivery Term for 2015 and 2016 will not be in effect.

Section 5.4 of the Agreement shall be deleted in its entirety and be replaced with the following to reflect the separate Delivery Terms and separate and distinct service obligations:

The System-Wide Commitment Level in MW's table in Section 3.2.1 of the Agreement shall be deleted in its entirety and replaced with the following table:

TABLE 3.2.1

Redacted

5.4 Calculation of Termination Payment. For the Existing Delivery Term from the Effective Date through December 31, 2014, the Non-Defaulting Party shall calculate the Settlement Amount as of the Early Termination Date, where the Settlement Amount shall be the dollar amount equal to twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's most recent Commitment Level provided pursuant to Section 3.2 from the Early Termination Date through December 31, 2014.

For the New Delivery Term from January 1, 2015 through December 31, 2016, the Non-Defaulting Party shall calculate the Settlement Amount as of the Early Termination Date, where the Settlement Amount shall be the dollar amount equal to twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's most recent Commitment Level provided pursuant to Section 3.2 from the Early Termination Date through December 31, 2016.

The Parties agree that the damages sustained by a Party due to an Event of Default would be difficult or impossible to determine, or that obtaining an adequate remedy would be reasonably time consuming or expensive and therefore agree that the payment of a Settlement Amount by a Defaulting Party to a Non-Defaulting Party shall be liquidated damages and not a penalty. The Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount.

Section 7.1 Performance Assurance shall be deleted in its entirety and replaced with the following provision:

7.1 Performance Assurance. To secure its obligations under this Agreement beginning on the Effective Date and continuing until all amounts due and owing between the Parties at the

end of the Term have been paid to the satisfaction of Buyer, Seller agrees to maintain Performance Assurance in an amount equal to the higher of (A) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level for 2013 pursuant to Section 3.2, or (B) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level provided pursuant to amounts defined in or subsequent changes following the revisions schedule designated in Section 3.2 for 2014. For 2015 and 2016, Seller agrees to maintain Performance Assurance in an amount equal to the higher of (A) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level for 2015 pursuant to Section 3.2, or (B) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level provided pursuant to amounts defined in or subsequent changes following the revisions schedule designated in Section 3.2 for the 2016 Contract Year for which the Performance Assurance is provided. Seller shall provide such Performance Assurance by the Effective Date and if needed, adjust the Performance Assurance amount pursuant to this Article 7 on or before February 1 of each Delivery Season. Seller shall provide the Performance Assurance in the form of cash, Letter of Credit, or guaranty.

Except as specifically modified and amended herein, all terms and conditions and provisions of the Agreement are and shall remain in full force and effect.

This Second Amendment will not be effective until the CPUC has approved it in a final, non-appealable order or resolution as required by Ordering Paragraph 8 of D.14-05-025. Failure to obtain CPUC approval of the Second Amendment will not relieve the Parties of the obligations under the Agreement.

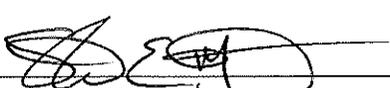
Once the Second Amendment is approved by the CPUC, the Second Amendment along with the Agreement, as amended by the First Amendment, constitutes the entire agreement between the Parties relating to the subject matter thereof and shall superseded all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to the Agreement to be duly executed by its authorized representatives, as of the day and year written below.

COMVERGE, INC.

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

Signature: 
Name: Carlos Lamas-Babbini
Title: Program Manager, CA-C&I
Date: June 27th, 2014.

Signature: 
Name: Steven E. Matright
Title: Vice President, Customer Energy Solutions
Date: 6/30/14

SECOND AMENDMENT OF DEMAND RESPONSE AGREEMENT

This SECOND AMENDMENT OF DEMAND RESPONSE PURCHASE AGREEMENT (this "Second Amendment") is made as of the Second Amendment Effective Date (defined below), by and between Pacific Gas and Electric Company ("Buyer") and EnergyConnect, Inc., a Delaware corporation ("Seller" and collectively with Buyer, the "Parties"). Buyer and Seller are Parties to that certain Demand Response Purchase Agreement between the Parties dated August 6, 2012 (as may have been amended, modified or supplemented from time to time, the "Agreement").

RECITALS

WHEREAS, capitalized terms not defined in this Second Amendment are used in this Second Amendment as defined in the Agreement; and

WHEREAS, the Parties wish to amend the Agreement to extend the Agreement for the two year period 2015-2016 as permitted by CPUC D.14-05-025.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Second Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

The Agreement is hereby amended, and this Second Amendment shall be effective as of Second Amendment Effective Date, as follows:

The Parties desire to extend the existing term of the Agreement for two (2) additional calendar years. Therefore, the Parties agree as follows:

Section 1.27 of the Agreement shall be deleted in its entirety and be replaced with the following:

1.27 "Delivery Term" means the period of time from the Effective Date, and ending December 31, 2016 unless terminated sooner. The Parties agree that the Delivery Term through December 31, 2014 ("Existing Delivery Term") is a separate and distinct Delivery Term from the Delivery Term for the period January 1, 2015 through December 31, 2016 ("New Delivery Term").

Section 2.2 of the Agreement shall be deleted in its entirety and be replaced with the following:

2.2 Term and Binding Nature. The term of this Agreement is extended until December 31, 2016, provided and conditioned upon there being no default as set forth in Articles 5 and 7 in the Agreement that occur during the Existing Delivery Term defined above as ending December 31, 2014. If the Delivery Term is terminated sooner than December 31, 2014, the Delivery Term for 2015 and 2016, will not be in effect.

Section 5.4 of the Agreement shall be deleted in its entirety and be replaced with the following to reflect the separate Delivery Terms and separate and distinct service obligations:

5.4 Calculation of Termination Payment. For the Existing Delivery Term from the Effective Date through December 31, 2014, the Non-Defaulting Party shall calculate the Settlement Amount as of the Early Termination Date, where the Settlement Amount shall be the dollar amount equal to twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's most recent Commitment Level provided pursuant to Section 3.2 from Early Termination Date through December 31, 2014.

For the New Delivery Term from January 1, 2015 through December 31, 2016, the Non-Defaulting Party shall calculate the Settlement Amount as of the Early Termination Date, where the Settlement Amount shall be the dollar amount equal to twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's most recent Commitment Level provided pursuant to Section 3.2 from Early Termination Date through December 31, 2016.

The Parties agree that the damages sustained by a Party due to an Event of Default would be difficult or impossible to determine, or that obtaining an adequate remedy would be reasonably time consuming or expensive and therefore agree that the payment of a Settlement Amount by a Defaulting Party to a Non-Defaulting Party shall be liquidated damages and not a penalty. The Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount."

The System-Wide Commitment Level in MW's table in Section 3.2.1 of the Agreement shall be deleted in its entirety and replaced with the following table:

TABLE 3.2.1

Redacted

Section 7.1 Performance Assurance shall be deleted in its entirety and replaced with the following provision:

7.1 Performance Assurance. To secure its obligations under this Agreement beginning on the Effective Date and continuing until all amounts due and owing between the Parties at the end of the Term have been paid to the satisfaction of Buyer, Seller agrees to maintain Performance Assurance in an amount equal to the higher of (A) twenty percent (20%) of

EXECUTION COPY

the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level for 2013 pursuant to Section 3.2, or (B) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level provided pursuant to amounts defined in or subsequent changes following the revisions schedule designated in Section 3.2 for 2014. For 2015 and 2016, Seller agrees to maintain Performance Assurance in an amount equal to the higher of (A) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level for 2015 pursuant to Section 3.2, or (B) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level provided pursuant to amounts defined in or subsequent changes following the revisions schedule designated in Section 3.2 for the 2016 Contract Year for which the Performance Assurance is provided. Seller shall provide such Performance Assurance by the Effective Date and if needed, adjust the Performance Assurance amount pursuant to this Article 7 on or before February 1 of each Delivery Season. Seller shall provide the Performance Assurance in the form of cash, Letter of Credit, or guaranty.

Except as specifically modified and amended herein, all terms and conditions and provisions of the Agreement are and shall remain in full force and effect.

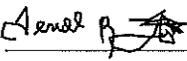
This Second Amendment will not be effective until the CPUC has approved it in a final, non-appealable order or resolution as required by Ordering Paragraph 8 of D.14-05-025. Failure to obtain CPUC approval of the Second Amendment will not relieve the Parties of the obligations under the Agreement.

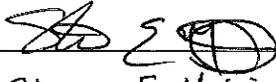
Once the Second Amendment is approved by the CPUC, the Second Amendment along with the Agreement, as amended by the First Amendment, constitutes the entire agreement between the Parties relating to the subject matter thereof and shall superseded all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to the Agreement to be duly executed by its authorized representatives, as of the day and year written below.

ENERGYCONNECT, INC., a Delaware corporation

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

Signature: 
Name: Terrill Laughton
Title: Vice President
Date: Jun 26, 2014

Signature: 
Name: Steven E Malnight
Title: Vice President, Customer Energy Solutions
Date: 6/30/14

EXECUTION COPY

SECOND AMENDMENT OF DEMAND RESPONSE AGREEMENT

This SECOND AMENDMENT OF DEMAND RESPONSE PURCHASE AGREEMENT (this "Second Amendment") is made as of the Second Amendment Effective Date (defined below), by and between Pacific Gas and Electric Company ("Buyer") and EnerNOC, Inc., a Delaware corporation ("Seller" and collectively with Buyer, the "Parties"). Buyer and Seller are Parties to that certain Demand Response Purchase Agreement between the Parties dated August 8, 2012 (as may have been amended, modified or supplemented from time to time, the "Agreement").

RECITALS

WHEREAS, capitalized terms not defined in this Second Amendment are used in this Second Amendment as defined in the Agreement; and

WHEREAS, the Parties wish to amend the Agreement to extend the Agreement for the two year period 2015-2016 as permitted by CPUC D.14-05-025.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Second Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

The Agreement is hereby amended, and this Second Amendment shall be effective as of Second Amendment Effective Date, as follows:

The Parties desire to extend the existing term of the Agreement for two (2) additional calendar years. Therefore, the Parties agree as follows:

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1.27 "Delivery Term" means the period of time from the Effective Date, and ending December 31, 2016 unless terminated sooner. The Parties agree that the Delivery Term through December 31, 2014 ("Existing Delivery Term") is a separate and distinct Delivery Term from the Delivery Term for the period January 1, 2015 through December 31, 2016 ("New Delivery Term").

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5.4 Calculation of Termination Payment. For the Existing Delivery Term from the Effective Date through December 31, 2014, the Non-Defaulting Party shall calculate the Settlement Amount as of the Early Termination Date, where the Settlement Amount shall be the dollar amount equal to twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's most recent Commitment Level provided pursuant to Section 3.2 from Early Termination Date through December 31, 2014.

For the New Delivery Term from January 1, 2015 through December 31, 2016, the Non-Defaulting Party shall calculate the Settlement Amount as of the Early Termination Date, where the Settlement Amount shall be the dollar amount equal to twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's most recent Commitment Level provided pursuant to Section 3.2 from Early Termination Date through December 31, 2016.

The Parties agree that the damages sustained by a Party due to an Event of Default would be difficult or impossible to determine, or that obtaining an adequate remedy would be reasonably time consuming or expensive and therefore agree that the payment of a Settlement Amount by a Defaulting Party to a Non-Defaulting Party shall be liquidated damages and not a penalty. The Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount."

The System-Wide Commitment Level in MW's table in Section 3.2.1 of the Agreement shall be deleted in its entirety and replaced with the following table:

TABLE 3.2.1

Redacted

**TABLE 3.2.1
(cont'd)**

Redacted

Redacted

Section 7.1 Performance Assurance shall be deleted in its entirety and replaced with the following provision:

- 7.1 Performance Assurance. To secure its obligations under this Agreement beginning on the Effective Date and continuing until all amounts due and owing between the Parties at the end of the Term have been paid to the satisfaction of Buyer, Seller agrees to maintain Performance Assurance in an amount equal to the higher of (A) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level for 2013 pursuant to Section 3.2, or (B) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level provided pursuant to amounts defined in or subsequent changes following the revisions schedule designated in Section 3.2 for 2014. For 2015 and 2016, Seller agrees to maintain Performance Assurance in an amount equal to the higher of (A) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level for 2015 pursuant to Section 3.2, or (B) twenty percent (20%) of the total aggregate amount of Monthly Capacity Payments based on Seller's Commitment Level provided pursuant to amounts defined in or subsequent changes following the revisions schedule designated in Section 3.2 for the 2016 Contract Year for which the Performance Assurance is provided. Seller shall provide such Performance Assurance by the Effective Date and if needed, adjust the Performance Assurance amount pursuant to this Article 7 on or before February 1 of each Delivery Season. Seller shall provide the Performance Assurance in the form of cash, Letter of Credit, or guaranty.

Except as specifically modified and amended herein, all terms and conditions and provisions of the Agreement are and shall remain in full force and effect.

This Second Amendment will not be effective until the CPUC has approved it in a final, non-appealable order or resolution as required by Ordering Paragraph 8 of D.14-05-025. Failure to obtain CPUC approval of the Second Amendment will not relieve the Parties of the obligations under the Agreement.

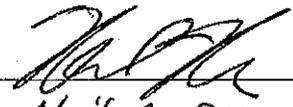
Once the Second Amendment is approved by the CPUC, the Second Amendment along with the Agreement, as amended by the First Amendment, constitutes the entire agreement between the Parties relating to the subject matter thereof and shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to the Agreement to be duly executed by its authorized representatives, as of the day and year written below.

EXECUTION COPY

ENERNOC., a Delaware corporation

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation

Signature: 
Name: Neil Moses
Title: COO, CFO
Date: 6/23/14

Signature: 
Name: Helen A. Burt
Title: SVP ; Chief Customer Officer
Date: 6/30/2014

Advice 4457-E

July 3, 2014

ATTACHMENT B

Confidentiality Declaration and Matrix

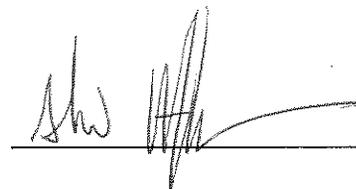
**DECLARATION OF ANDREW HOFFMAN IN SUPPORT OF ADVICE LETTER 4457-E TO EXTEND
AGGREGATOR MANGED PORTFOLIO (AMP) CONTRACTS PURSUANT TO D.14-05-025**

I, ANDREW HOFFMAN, declare as follows:

1. I am the Manager for PG&E's Core Demand Response (DR) Programs. I have held that position since I joined PG&E in 2012. My responsibilities in that position include the overall administration of PG&E's demand response programs, which include the Aggregator Managed Portfolio (AMP), Capacity Bidding Program (CBP), Demand Bidding Program (DBP), Base Interruptible Program (BIP), SmartAC™, Optional Binding Mandatory Curtailment Program (OBMC), and Scheduled Load Reduction Program (SLRP). For those programs, which account for over 600 MW of demand response capacity, I have overall responsibility for contract and tariff administration, internal and customer communications. I also support PG&E's DR regulatory and product development efforts. As noted above, I am responsible for the AMP program and contracts and their extension into the 2015-16 bridge period.
2. Based on my knowledge and experience, I make this declaration seeking confidential treatment of the Second Amendments (Second Amendment) to PG&E's Aggregator Managed Demand Response Agreements (AMP Agreements). With the Second Amendment, PG&E is seeking Commission approval to extend the AMP agreements as authorized by the California Public Utilities Commission in D.14-05-025.
3. PG&E is seeking confidential treatment of the number of MW in each of the Second Amendments. Based on my knowledge and experience from working with PG&E's demand response aggregators, I make this declaration to state that both PG&E and the aggregators consider the MW Commitment Levels in the Second Amendment, Table 3.2.1, to be confidential, potentially sensitive information, which should be protected and not subject to public disclosure. The material PG&E is seeking to protect constitutes information that should be protected under Public Utilities Code § 583 and General Order 66-C. Finally, PG&E states that: (1) the information is not already public; and (2) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. The information is further entitled to confidential treatment as within Category VII.E, New non-utility affiliated bilateral contracts, of the Appendix 1 (IOU Matrix) attached to D. 06-06-066.
4. I have personal knowledge of the matters set forth herein, and could and would competently testify truthfully thereto.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 3rd day of July 2014 at San Francisco, California.

A handwritten signature in black ink, consisting of stylized initials 'shw' followed by a more complex, scribbled signature, positioned above a horizontal line.

Andrew Hoffman

PACIFIC GAS AND ELECTRIC COMPANY

Advice Letter 4457-E

July 3, 2014

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: Attachment A1							
Table 3.2.1 System Wide Commitment Level	Y	Section VII.E	Y	Y	Y	This section contains the number of MW in each of the Second Amendments. PG&E and the aggregators consider the MW Commitment Levels in their Second Amendment, Table 3.2.1 to be confidential, potentially sensitive information, which should be protected and not subject to public disclosure.	For information covered under Second Amendment, Table 3.2.1 remain confidential for three years from date contract states deliveries to begin; or until one year following expiration, whichever comes first.

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

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