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July 14, 2006

**Advice 2860-E**

(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Contract for Procurement of Renewable Energy Resources  
Resulting from PG&E's 2004 Renewables Portfolio Standard  
(RPS) Solicitation**

**I. PURPOSE AND OVERVIEW**

By this advice letter, Pacific Gas and Electric Company (PG&E) seeks the California Public Utilities Commission's (Commission or CPUC) approval of one additional power purchase agreement and corresponding confirmation letter (PPA) that PG&E has executed with Military Pass Road-Newberry LLC (Vulcan) , an eligible renewable energy resource, as a result of PG&E's 2004 RPS solicitation. This PPA is being presented for CPUC review and approval as required by Decision (D.) 05-07-039.<sup>1</sup> The Commission's approval of the PPA will authorize PG&E to accept future deliveries of incremental supplies of firm, baseload energy from Vulcan's 120 megawatt (MW) (nameplate capacity) geothermal resource and contribute towards the 20 percent renewables procurement goal required by California's RPS statute.<sup>2</sup>

The PPA results from PG&E's July 15, 2004 RPS solicitation, which was authorized by D.04-06-014 and subsequent letter by the Commission's Executive Director dated June 30, 2004. PG&E has previously submitted two advice letters

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<sup>1</sup> The updated RPS Solicitation Timeline provided in D.05-07-039, Appendix B indicates the following consecutive steps: Utilities and bidders negotiate and execute contracts, Utilities submit contract advice letters for CPUC approval, CPUC reviews advice letters submitting contracts, Contracts are approved by adoption of Commission resolution, Sellers confirm PGC funding with utilities within 10 days after receiving notice of SEP determination from Energy Commission.

<sup>2</sup> California Public Utilities Code section 399.11 et seq., as interpreted by D.03-07-061, the "Order Initiating Implementation of the Senate Bill 1078 Renewables Portfolio Standard Program", and subsequent CPUC decisions in Rulemaking (R.) 04-04-026.

for approval of agreements reached as a result of its 2004 RPS Solicitation.<sup>3</sup> The contract which is the subject of this advice letter constitutes the third and final tranche of PG&E's 2004 RPS contracts. CPUC approval of this advice letter would conclude PG&E's 2004 RPS solicitation, as PG&E has now concluded negotiations with all of the projects on its shortlist and executed contracts with all viable projects. The PPA is provided in Confidential Appendix A.

The PPA contains the standard terms and conditions for RPS contracts adopted by D.04-06-014 and will provide power from a renewable resource at the least cost and best fit, as defined by D.04-07-029. The PPA includes the standard covenant that during the delivery period, the project will constitute an eligible energy resource certified by the California Energy Commission (CEC). The Vulcan project has been pre-certified by the CEC as an eligible renewable resource.

The actual contract price of electricity under the PPA exceeds the 2004 market price referent (MPR). PG&E will pay Vulcan an amount equal to the 2004 MPR for each MW-hour of electricity scheduled to PG&E electricity and per D.04-06-014, Appendix A item (3) Vulcan will seek the difference between the contract price and the MPR from the CEC in the form of supplemental energy payments (SEPs). Concurrent with the submission of this advice letter, Vulcan will submit an SEP application for SEPs to the CEC to obtain the balance of the contract price. PG&E will file supporting documentation as required by the CEC. The calculation of needed SEP is attached as Confidential Appendix B.

The actual price and other terms of the PPA should be considered reasonable by the Commission because Vulcan's project was shortlisted based upon its merit in accordance with the "Evaluation of Offers" in the approved 2004 RPS Solicitation Protocol. Consistent with the "least cost best fit" methodology, PG&E has selected the best-ranked projects with which to fulfill its 20 percent RPS goal. PG&E found that the economic benefit offered by this PPA in comparison to other contracts bid into the 2004 RPS solicitation resulted in this project being ranked favorably in terms of market valuation. Consistent with the "least cost best fit" methodology, PG&E has selected the best-ranked projects with which to fulfill its 20 percent RPS goal. For this reason the actual price should be found to be reasonable.

Under the Commission's earmarking rules, this PPA contributes significantly towards PG&E's renewables procurement goals. In 2004, PG&E's incremental procurement target (IPT) was 711 gigawatt-hours (GWh). When combined with

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<sup>3</sup> PG&E submitted its agreements with FPL Energy Montezuma Wind, LLC, Buena Vista Energy, LLC, and Pacific Renewable Energy Generation, LLC in its first tranche of 2004 RPS contracts via Advice Letter 2655-E, filed April 26, 2005. PG&E's second tranche, an agreement with Shiloh I Wind Project, LLC (Shiloh), was submitted on June 21, 2005.

the three previously approved PPAs that were submitted for approval in AL 2655-E<sup>4</sup> and the one PPA submitted for approval in AL 2678-E<sup>5</sup>, this PPA will bring the total deliveries under contract as a result of PG&E's 2004 solicitation to two times the IPT for 2004.

On March 1, 2005, PG&E reported its adjusted 2005 IPT as 2,266 GWh.<sup>6</sup> With the approval of this PPA, PG&E will have procured or contracted for deliveries of 2,678 GWh towards that target, or 118 percent of its adjusted 2005 IPT.<sup>7</sup> This contract reflects the steady progress PG&E has made toward the procurement of deliveries from renewable resources by contracting for future deliveries.

The Commission should approve the PPA in its entirety, including payments to be made by PG&E, subject to the Commission's review of PG&E's administration of the PPA and should find that deliveries of electricity under the PPA constitute incremental procurement of energy from an eligible renewable resource pursuant to California's RPS statute. PG&E requests that the Commission issue a resolution no later than November 9, 2006, containing the findings required by the definition of "CPUC Approval" within the RPS Standard Contract Terms and Conditions adopted by D.04-06-014 and incorporated in the PPA so that the PPA can remain in effect.<sup>8</sup> The requested form of approval is described in more detail under the heading, "Request for Commission Approval", below.

In support of this request, the following confidential information is being submitted under seal. This material is also protected from public disclosure by the May 20, 2003 Protective Order issued in Rulemaking (R.) 01-10-024.<sup>9</sup>

#### Appendix A – Power Purchase Agreement and Confirmation Letter

#### Appendix B -- SEP/MPR worksheet

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<sup>4</sup> Approved by Resolution E-3946, July 21, 2005.

<sup>5</sup> Approved by Resolution E-3949, August 25, 2005.

<sup>6</sup> The "adjusted 2005 IPT" consists of the sum of the 2004 IPT and 2005 IPT. This aggregation of the IPT into a current year requirement, rather than a prior year's deficit plus current year requirement, was authorized for a utility that did not become creditworthy until 2004 in D.03-06-071, p. 54.

<sup>7</sup> See March 1, 2005 Compliance Filing of Pacific Gas and Electric, page 3, Advice 2655-E, page 2 and Advice 2678-E page X.

<sup>8</sup> As provided by D.04-06-014, the Commission must approve the PPA and payments to be made thereunder, and find that the procurement will count toward PG&E's RPS procurement obligations, as either incremental procurement or procurement for baseline replenishment in order for an executed RPS PPA to be binding on the parties.

<sup>9</sup> Treatment of confidential information in the RPS rulemaking is to be consistent with the policies developed in the general procurement proceeding, R.01-10-024, and its successor, R.04-04-003. See, R.04-04-026, mimeo at 12.

Appendix C – Contract Summary**II. DESCRIPTION OF THE PROJECT**

The following table summarizes the substantive features of the PPA:

<b>Generating Facility</b>	<b>Type</b>	<b>Term Years</b>	<b>MW Capacity</b>	<b>Annual Deliveries</b>	<b>Commercial Operating Date</b>	<b>Project Location</b>
Military Pass Road-Newberry Volcano, LLC	Geotherma I	20	120 MW	840 GWh (starting year three)	October 1, 2008	Newberry Volcano, Oregon

A copy of the PPA is provided as Confidential Appendix A and a contract summary is provided as Confidential Appendix C.

**III. CONTRACT ANALYSIS****A. Consistency with PG&E's Adopted RPS Plan.**

California's RPS statute requires the Commission to review the results of a renewable energy resource solicitation submitted for approval by a utility. The Commission will then accept or reject proposed PPAs based on their consistency with the utility's approved renewable procurement plan.<sup>10</sup> PG&E's 2004 RPS plan was approved on June 30, 2004. As required by statute, it includes an assessment of supply and demand to determine the optimal mix of renewable generation resources, consideration of compliance flexibility mechanisms established by the Commission, and a bid solicitation setting forth the need for renewable generation of various operational characteristics.<sup>11</sup>

The stated goal of the 2004 RPS solicitation was to procure approximately one percent of PG&E's retail sales volume or 711 GWh per year with delivery terms of 10, 15, or 20 years. Participants could submit offers for four specific products – as defined in the 2004 RPS Solicitation Protocol (Protocol) – As-available, Baseload, Peaking, and Dispatchable resources.

1. Fit with Identified Renewable Resource Needs

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<sup>10</sup> Public Utilities Code (Pub. Util. Code) section 399.14 subsec. (c).

<sup>11</sup> Pub. Util. Code sec. 399.14 subsec.(a)(3).

In its approved 2004 RPS Plan, PG&E's portfolio assessment showed a "medium" need for as-available and baseload resources beginning in 2007 and a "high" need for baseload resources starting in 2008. In order to meet the 20 percent renewable energy target by 2010, PG&E would require incremental energy deliveries from newly contracted resources at an average rate of approximately 700 to 800 GWh per year. With a nameplate capacity of 120 MW, the PPA for geothermal-based baseload electricity generation is expected to contribute significantly toward PG&E's RPS target.

## 2. Consistency with RPS Solicitation Protocol

The proposed PPA is consistent with PG&E's 2004 RPS Plan because it was achieved through PG&E's implementation of its Protocol, which is the primary vehicle for implementing the 2004 RPS Plan.

PG&E generally followed the RPS Solicitation schedule set forth in its Solicitation Protocol, but ultimately, the schedule for concluding negotiations was necessarily extended. The resulting 2004 Solicitation schedule is shown below:

DATE	EVENT
July 15, 2004	PG&E issued Solicitation
July 26	Participants filed Notice of Intent to bid
August 23	Participants submitted bids
September 29	PG&E selected shortlist of bids; consulted with PRG
October 22	PG&E notified CPUC Executive Director that the shortlist was finalized
December 14 & March 4, 2005	PG&E updated PRG on negotiations with bidders
April 26, 2005	PG&E submits first tranche of PPAs for regulatory approval
June 21, 2005	PG&E submits second tranche of PPAs for regulatory approval
July 14, 2006	PG&E submits the PPA for regulatory approval

Using the approved Protocol and forms of power purchase agreements, PG&E commenced its solicitation on July 15, 2004. Bids were received until August 23, 2004, consistent with the published schedule. All of the accepted bids conformed to the Protocol; that is, they offered power from eligible renewable energy resources, they were submitted using the standard forms, and they posted the required bid deposit.

These bids were evaluated and scored in the manner prescribed in the Protocol. In particular, evaluation of the offer price took into account PG&E's published Time

of Delivery factors, as defined in the Protocol, the potential cost of transmission adders was imputed to the offer, and offers were scored pursuant to a methodology that attributed the proper weight to market valuation, portfolio fit, credit and other non-price factors of the Protocol.

A number of the highest-ranked bids, sufficient in number to facilitate the achievement of the one percent annual procurement target, were placed on PG&E's shortlist on September 29, 2004 and were presented to PG&E's PRG. On October 22, 2004, PG&E notified the Commission's Executive Director that it had finalized its shortlist. Vulcan's geothermal project was on the shortlist. Negotiations between PG&E and the shortlisted developers commenced shortly thereafter. Some common themes emerged over the course of negotiations, such as the term of the agreement, delivery point, development milestones, and security for performance. The resolution of each issue generally entailed an assumption of risk by one or the other party, and hence, impacted the consideration each party was willing to pay or forego for the power under contract. The interim results of negotiations were presented to the PRG on March 4, 2005. At that meeting, the PRG had no objection to PG&E proceeding to execute certain PPAs, including Vulcan's geothermal project. The PRG was updated on the status of the PPA on September 30, 2005, and again on January 12, 2006.

### 3. Consistency with PG&E's Long Term Procurement Plan

PG&E's long term procurement plan was filed within two weeks of approval of its 2004 RPS Plan and assumed the same medium to high need for baseload resources as shown in PG&E's 2004 RPS plan. The Vulcan geothermal project thus contributes to meeting PG&E's long term needs.

#### B. Consistency of bid evaluation process with Least-Cost Best Fit (LCBF) decision.

The LCBF decision directs the utilities to use certain criteria in their bid ranking. It offers guidance regarding the process by which the utility ranks bids in order to determine with which bids it will commence serious negotiations. Much of the bid ranking criteria described in the LCBF decision is incorporated in the Protocol and is discussed above.

#### 1. Market Valuation

In its "mark-to-market analysis," which PG&E's analyst described at the Least Cost Best Fit workshop on May 25, 2004, the present value of the bidder's payment stream is compared with the present value of the product's market value to determine the benefit (positive or negative) from the procurement of the resource, irrespective of PG&E's portfolio. PG&E evaluates the bid price and indirect costs,

such as the costs to the utility transmission system caused by interconnection of the resource to the grid or integration of the generation into the system-wide electrical supply.<sup>12</sup> This PPA ranked high in PG&E's Market Valuation, as defined further in the Protocol.

## 2. Portfolio Fit

Portfolio fit considers how well an offer variation's features match PG&E's portfolio needs. This analysis includes the anticipated transaction costs involved in any energy remarketing (i.e., the bid-ask spread) if the contract adds to PG&E's net long position. Because the deliveries under the PPA are anticipated to occur at a time when PG&E is experiencing medium to high need for baseload energy, the acceptance of these baseload deliveries should not result in significant remarketing costs. This Project scored well in this category. It should also be noted, however, that Portfolio Fit only comprises ten percent (10%) of an Offer's valuation. In the 2004 RPS Solicitation, Portfolio Fit was not a determinative factor for inclusion on the shortlist.

### C. Consistency with Adopted Standard Terms and Conditions.

The Commission set forth standard terms and conditions to be incorporated into RPS agreements in D. 04-06-014. Standard Terms and Conditions identified in Confidential Appendix A of that decision as "may not be modified" have not been modified.

During the course of negotiations, the parties identified a need to modify some of the modifiable standard terms in order to reach agreement. These terms had all been designated as subject to modification upon request of the bidder in Appendix A of D.04-06-014.

The PPA represents a meeting of the minds by Vulcan and PG&E, and each term was bargained for in consideration of every other term. Each provision should be understood by the Commission as essential to the negotiated agreement between the parties and should not be disturbed by regulatory review. The reasonableness of an agreement should be examined as a whole, in terms of its ultimate impact on utility customers. The only reason to disturb a particular term would be if the Commission found that it violated public policy. PG&E submits that the PPA protects the interests of customers while achieving the Commission's goal of increasing procurement from eligible renewable resources.

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<sup>12</sup> PG&E's RPS Renewable Energy Procurement Plan, June 24, 2004, page (p.)6, lines (ll.) 4-18.

**D. Consistency with the Transmission Ranking Cost decision**

The RPS statute requires the “least cost, best fit” eligible renewable resources to be procured. Under the RPS program, the potential customer cost to accept energy deliveries from a particular project must be considered when determining a project’s value for bid ranking purposes. PG&E’s 2004 transmission ranking cost report (TRCR) identified the remaining available transmission capacity and upgrade costs for PG&E substations at which renewable resources are expected to interconnect.

PG&E determined the TRCR cluster at which Vulcan’s project would interconnect to the transmission grid. With the exception of one project, Pacific Renewable Energy Generation LLC, none of the shortlisted bids required a significant transmission upgrade to deliver power as proposed under their PPAs. In accordance with the TRCR, Vulcan was assigned a small transmission adder. This adder serves as a proxy for the voltage support devices required as a result of the interconnection of Vulcan’s project. To the extent that any transmission constraint may exist at the time of delivery under the PPA, Vulcan has assumed the risk of congestion or lack of capacity.

**E. Terms and conditions of delivery**

Vulcan will be its own scheduling coordinator and is responsible for all related charges assigned to scheduling coordinators by the California Independent System Operation Corporation (CAISO). The point of delivery will be NP-15. Provision is made for alternate points of delivery if the CAISO’s current zonal delivery system is changed from zonal to nodal. No other transmission-related issue required accommodation in the PPA.

**F. Actual Price**

The actual price is the bargained-for price for delivery under the PPA. The price that PG&E will pay to Vulcan, or the “Contract Price” is equal to the 2004 MPR, adjusted for the year of initial deliveries. The actual price is confidential, market sensitive information that will not be publicly revealed. As discussed above, the levelized actual price exceeds the 2004 MPR; that is, the net present value of the sum of payments Vulcan is to receive under the PPA is above the net present value of payments that would be made at the 2004 market price referent for the year of anticipated delivery. Confidential Appendix B presents a detailed analysis of the net present value of the 2004 MPR based contract payments and the net present value of the same deliveries based on the actual price per MWh.

Even though the actual price exceeds the 2004 MPR, the PPA should be found reasonable and the payments made by PG&E fully recoverable through retail rates

over the life of the contract because the project was short-listed and ranked in relation to all other 2004 RPS participants based upon the value of the PPA in consideration of the approved Protocol, and PG&E has followed least cost best fit principles in selecting this project to meet PG&E's RPS goals.

#### G. Qualitative factors

PG&E considered qualitative factors as required by D.04-07-029. While it was possible to include a diverse mix of renewable technologies in the short list, eventually certain technologies were found to confer significantly greater customer benefits. This developer submitted a descriptive plan to provide environmental stewardship at one of its contingent generation locations. This factor was considered along with the other relevant factors in the decision that led to shortlisting this project. None of the bids asserted that the proposed project would contribute to local reliability.

#### H. Project Milestones

The PPA identifies the construction start date and the commercial operation date as guaranteed project milestones. For commercial reasons, PG&E cannot publicly disclose this information.

#### I. Project Viability

##### 1. Financeability of resource.

It is PG&E's belief that the project selected has a reasonable likelihood of being financed and completed as required by the PPA and will be available to deliver energy by the guaranteed commercial operation date. PG&E has analyzed the financial materials submitted by Vulcan and is satisfied that its project is financeable.

##### 2. Sponsor's creditworthiness and experience

As part of the 2004 RPS Solicitation, Vulcan and all bidders were required to provide credit-related information and an explanation of their relevant project experience as part of the bid. PG&E has reviewed this information and is satisfied that Vulcan possesses the necessary credit and experience to perform as required by the PPA. Vulcan's directors, management and consultants have many years of electric utility, geothermal and other power plant development and operations experience. Vulcan team members have led and/or worked on many successful geothermal projects.

##### 3. Project Status

Vulcan is moving forward with both site control and permits for both sites and has accepted the PPA includes a guaranteed construction start date and a guaranteed commercial operation date. Vulcan's obligation to meet these milestones is supported by security.

#### **IV. PRG Feedback**

PG&E provided its PRG with reports on the progress of its 2004 RPS solicitation on several occasions. The first briefing occurred on September 29, 2004, and focused on the results of PG&E's July 15, 2004 solicitation. At that briefing, PG&E described the process by which it evaluated the bids submitted into that solicitation and provided its preliminary shortlist. At the second PRG briefing on December 14, 2004, PG&E provided a status report on the 2004 RPS solicitation. At the March 4, 2005 meeting, PG&E provided the PRG with an overview of the projects it considered most likely to proceed to final agreement. This presentation included the negotiated terms and conditions of this and other contracts. The PRG was updated on the status of the PPA on September 30, 2005, and again on January 12, 2006.

The PRG members have expressed general satisfaction with the manner in which PG&E arrived at its 2004 RPS shortlist and the resulting contracts. None of the PRG members objected to this PPA in any respect. The PRG supported PG&E moving forward with this PPA.

#### **V. Supplemental Energy Payments**

As discussed in Section III.F and shown in Confidential Appendix B, the contract payments are above the MPR and SEPs will be requested of the CEC.

#### **VI. Request for Commission Approval**

The continued effectiveness of the PPA is conditioned on the occurrence of "CPUC Approval," as that term is defined in the PPA. Time is of the essence in the Commission's consideration and approval of this advice letter.

Therefore, PG&E requests that the Commission issue a resolution no later than November 9, 2006, that:

1. Approves the PPA in its entirety, finds that the cost of the contract between PG&E and Vulcan are reasonable, in the public interest, and payments to be made by PG&E are fully recoverable in rates over the life of the project, subject to CPUC review of PG&E's administration of the PPA.

2. Finds that any procurement pursuant to this PPA is procurement from an eligible renewable energy resource for purposes of determining PG&E's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), Decision 03-06-071, or other applicable law;
3. Finds that any procurement pursuant to this PPA constitutes incremental procurement or procurement for baseline replenishment by PG&E from an eligible renewable energy resource for purposes of determining PG&E's compliance with any obligation to increase its total procurement of eligible renewable energy resources that it may have pursuant to the California Renewables Portfolio Standard, Decision 03-06-071, or other applicable law;
4. Finds that any indirect costs of renewables procurement identified in Section 399.15 (a)(2) shall be recovered in rates.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by August 3, 2006, which is **20** days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

Pacific Gas and Electric Company

Attention: Brian Cherry  
Vice President, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

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

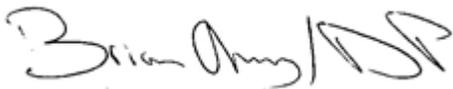
**Effective Date:**

PG&E requests that this advice filing become effective on **November 9, 2006**.

**Notice:**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter excluding the confidential appendices is being sent electronically and via U.S. mail to parties shown on the attached list and the service lists for R.01-10-024 and R.06-05-027. Non-market participants who are members of PG&E's Procurement Review Group and have signed appropriate Non-Disclosure Certificates will also receive the advice letter and accompanying confidential attachments by overnight mail. Address changes should be directed to Rose De La Torre (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>



Brian K. Cherry  
Vice President - Regulatory Relations

cc: Service List for R.06-05-027  
Service List for R.01-10-024  
Paul Douglass - Energy Division

Attachments

**Limited Access to Confidential Material:**

The portions of this advice letter so marked Confidential Protected Material are in accordance with the May 20, 2003 Protective Order in R. 01-10-024 Regarding Confidentiality of Pacific Gas and Electric Company (PG&E) Power Procurement Information. As required by that Order, reviewing representatives of Market Participating Parties will not be granted access to Protected Material, but will instead be limited to reviewing redacted versions of documents that contain Protected Material.

Confidential Attachments:

- |                   |                                 |
|-------------------|---------------------------------|
| <b>Appendix A</b> | <b>Power Purchase Agreement</b> |
| <b>Appendix B</b> | <b>SEP/MPR worksheet</b>        |
| <b>Appendix C</b> | <b>Contract Summary</b>         |

# 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 U39M

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: David Poster

Phone #: (415) 973-1082

E-mail: dxpu@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) #: **2860-E**

Subject of AL: Contract for Procurement of Renewable Energy Resources (Vulcan)

Keywords (choose from CPUC listing): RPS Procurement

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: 2797-E

Summarize differences between the AL and the prior withdrawn or rejected AL: PG&E has updated the supplemental energy payments (SEP) spreadsheet, located in Appendix B, with the California Energy Commission's new form.

Resolution Required?  Yes  No

Requested effective date: **11-9-06**

No. of tariff sheets: 0

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets:

**Protests 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  
Attention: Tariff Unit

505 Van Ness Ave.,  
San Francisco, CA 94102

[jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

Utility Info (including e-mail)

**PG&E Gas and Electric Advice  
Filing List  
General Order 96-A, Section III(G)**

ABAG Power Pool  
Accent Energy  
Aglet Consumer Alliance  
Agnews Developmental Center  
Ahmed, Ali  
Alcantar & Elsesser  
Ancillary Services Coalition  
Anderson Donovan & Poole P.C.  
Applied Power Technologies  
APS Energy Services Co Inc  
Arter & Hadden LLP  
Avista Corp  
Barkovich & Yap, Inc.  
BART  
Bartle Wells Associates  
Blue Ridge Gas  
Bohannon Development Co  
BP Energy Company  
Braun & Associates  
C & H Sugar Co.  
CA Bldg Industry Association  
CA Cotton Ginners & Growers Assoc.  
CA League of Food Processors  
CA Water Service Group  
California Energy Commission  
California Farm Bureau Federation  
California Gas Acquisition Svcs  
California ISO  
Calpine  
Calpine Corp  
Calpine Gilroy Cogen  
Cambridge Energy Research Assoc  
Cameron McKenna  
Cardinal Cogen  
Cellnet Data Systems  
Chevron Texaco  
Chevron USA Production Co.  
Childress, David A.  
City of Glendale  
City of Healdsburg  
City of Palo Alto  
City of Redding  
CLECA Law Office  
Commerce Energy  
Constellation New Energy  
CPUC  
Cross Border Inc  
Crossborder Inc  
CSC Energy Services  
Davis, Wright, Tremaine LLP  
Defense Fuel Support Center  
Department of the Army  
Department of Water & Power City  
DGS Natural Gas Services  
Douglass & Liddell  
Downey, Brand, Seymour & Rohwer  
Duke Energy  
Duke Energy North America  
Duncan, Virgil E.  
Dutcher, John  
Dynergy Inc.  
Ellison Schneider  
Energy Law Group LLP  
Energy Management Services, LLC  
Exelon Energy Ohio, Inc  
Exeter Associates  
Foster Farms  
Foster, Wheeler, Martinez  
Franciscan Mobilehome  
Future Resources Associates, Inc  
G. A. Krause & Assoc  
Gas Transmission Northwest Corporation  
GLJ Energy Publications  
Goodin, MacBride, Squeri, Schlotz &  
Hanna & Morton  
Heeg, Peggy A.  
Hitachi Global Storage Technologies  
Hogan Manufacturing, Inc  
House, Lon  
Imperial Irrigation District  
Integrated Utility Consulting Group  
International Power Technology  
Interstate Gas Services, Inc.  
IUCG/Sunshine Design LLC  
J. R. Wood, Inc  
JTM, Inc  
Luce, Forward, Hamilton & Scripps  
Manatt, Phelps & Phillips  
Marcus, David  
Matthew V. Brady & Associates  
Maynor, Donald H.  
McKenzie & Assoc  
McKenzie & Associates  
Meek, Daniel W.  
Mirant California, LLC  
Modesto Irrigation Dist  
Morrison & Foerster  
Morse Richard Weisenmiller & Assoc.  
Navigant Consulting  
New United Motor Mfg, Inc  
Norris & Wong Associates  
North Coast Solar Resources  
Northern California Power Agency  
Office of Energy Assessments  
OnGrid Solar  
Palo Alto Muni Utilities  
PG&E National Energy Group  
Pinnacle CNG Company  
PITCO  
Plurimi, Inc.  
PPL EnergyPlus, LLC  
Praxair, Inc.  
Price, Roy  
Product Development Dept  
R. M. Hairston & Company  
R. W. Beck & Associates  
Recon Research  
Regional Cogeneration Service  
RMC Lonestar  
Sacramento Municipal Utility District  
SCD Energy Solutions  
Seattle City Light  
Sempra  
Sempra Energy  
Sequoia Union HS Dist  
SESCO  
Sierra Pacific Power Company  
Silicon Valley Power  
Smurfit Stone Container Corp  
Southern California Edison  
SPURR  
St. Paul Assoc  
Stanford University  
Sutherland, Asbill & Brennan  
Tabors Caramanis & Associates  
Tecogen, Inc  
TFS Energy  
Transcanada  
Turlock Irrigation District  
U S Borax, Inc  
United Cogen Inc.  
URM Groups  
Utility Cost Management LLC  
Utility Resource Network  
Wellhead Electric Company  
Western Hub Properties, LLC  
White & Case  
WMA