

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 9, 2010

Advice Letters 3538-E and 3538-E-A

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

**Subject: Contract for Procurement of Renewable Energy Resulting from PG&E's
Power Purchase Agreement with Agua Caliente Solar, LLC (a Subsidiary
of Nextlight Renewable Power, LLC) and Supplemental Filing**

Dear Ms. Yura:

Advice Letters 3538-E and 3538-E-A are effective June 3, 2010 per Resolution E-4330.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Jane Yura
Vice President
Regulation and Rates

Mailing Address
Mail Code B10B
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

April 19, 2010

Advice 3538-E-A
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing for the Contract for Procurement of Renewable Energy Resulting From PG&E's Power Purchase Agreement with Agua Caliente Solar, LLC (a Subsidiary of NextLight Renewable Power, LLC)

Pacific Gas and Electric Company ("PG&E") hereby submits to the California Public Utilities Commission ("Commission" or "CPUC") a supplemental filing for Advice 3538-E ("Advice Letter"), dated October 15, 2009.¹ The Advice Letter submitted a Power Purchase Agreement ("PPA") between PG&E and Agua Caliente Solar, LLC ("Agua Caliente") for CPUC review and approval.² The PPA provides for PG&E's purchase of generation from a 290 megawatt ("MW") solar photovoltaic ("PV") facility ("the Project") to be constructed in Arizona's Yuma County. Annual deliveries for the PPA's 25-year term are expected to average 688 gigawatt hours ("GWh"). The Advice Letter is currently pending approval by the Commission.

The purpose of this supplement is to obtain CPUC approval of an Amendment to the PPA between PG&E and Agua Caliente (the "Amendment"). The Amendment includes changes that reflect the Commission's new standard terms and conditions, as set forth in Decision ("D.") 10-03-021, and also changes other confidential terms and conditions of the PPA. All of the PPA changes are described more fully in Confidential Appendix A.

¹ Supplements to Advice Letters are authorized by General Order 96-B, section 7.5.1. Due to the limited scope of PG&E's supplemental information, this filing should not delay the effective date of the advice letter.

² Agua Caliente is a subsidiary of NextLight Renewable Power, LLC ("NextLight"), itself a wholly-owned portfolio company of the private equity firm Energy Capital Partners.

The changes do not impact the PPA's term, capacity, generation, online date, deliveries, or price.

Compliance with Standard Terms and Conditions

On March 16, 2010, the Commission issued D.10-03-021, which authorized the use of Renewable Energy Credits ("RECs") to comply with California's Renewables Portfolio Standard ("RPS") policies. D.10-03-021 also set forth new standard terms and conditions to be incorporated into agreements that involve the purchase of RPS-eligible energy.

The Amended PPA conforms exactly to the "non-modifiable" terms set forth in D.10-03-021 and in previous decisions, including D.07-11-025, D.08-04-009, and D.08-08-028. These terms may be found on the following pages of the PPA and Amendment.

Non-Modifiable Term	PPA Section No.	PPA Page No.
<i>From PPA</i>		
STC 1: CPUC Approval	1.44	5
STC 2: RECs and Green Attributes		
• Definition of Green Attributes	1.92	10
• Conveyance of Green Attributes	3.2	30
STC 6: Eligibility	10.2(b)	58
STC 17: Applicable Law	10.12	65
<i>From Amendment</i>		
STC REC-1 Transfer of renewable energy credits	Amendment Item D	Amendment Page 3
STC REC-2 Tracking of RECs in WREGIS	Amendment Item B	Amendment Page 1

The Project will interconnect directly with the California Independent System Operator ("CAISO"). Therefore, the Agreement does not include the non-modifiable terms intended for REC-only contracts.

Effective Date

PG&E requests that this supplemental filing become effective concurrent with Advice Letter 3538-E.

Request for Confidential Treatment

In support of this supplemental filing, PG&E has provided the following confidential information, including PPA terms and other information that more specifically describes the rights and obligations of PG&E and Agua Caliente (collectively, the "Parties"). This information is being submitted in the manner directed by D.08-04-023 and the August 22, 2006, Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under either the terms of the IOU Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023, or General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this supplemental filing.

Confidential Attachments:

Appendix A Explanation of Changes to Confidential Contract Terms and Conditions

Appendix B Amendment of Power Purchase Agreement

Request for Commission Approval

PG&E requests that any resolution that approves AL 3538-E also approve the Amendment.

Protests

PG&E asks that the protest and comment period for the Agua Caliente PPA not be reopened since this supplement simply: (1) updates the PPA's terms and conditions to comply with recent Commission decisions; and (2) includes other modifications that do not change the PPA's term, capacity, generation, online date, deliveries, or price.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter excluding the confidential appendices is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.08-08-009, R.06-02-012, and R.08-02-007. 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 PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

Handwritten signature of Jane Yura in cursive, with a vertical line and the letters 'emt' written below it.

Vice President – Regulation and Rates

cc: Service List for R.08-08-009
Service List for R.06-02-012
Service List for R.08-02-007
Paul Douglas - Energy Division
Sean Simon – Energy Division

Attachments

Limited Access to Confidential Material:

The portions of this supplemental filing marked Confidential Protected Material are submitted under the confidentiality protections of Sections 583 and 454.5(g) of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because it consists of, among other items, the contract itself, price information, and analysis of the proposed RPS contract, which are protected pursuant to D.06-06-066 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

Confidential Attachments:

Appendix A Explanation of Changes to Confidential Contract Terms and Conditions

Appendix B Amendment of Power Purchase Agreement

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: David Poster and Linda Tom-Martinez

Phone #: (415) 973-1082 and (415) 973-4612

E-mail: dxpu@pge.com and lmt1@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3538-E-A**

Tier: 3

Subject of AL: **Supplemental Filing: Contract for Procurement of Renewable Energy Resulting From PG&E's Power Purchase Agreement with Agua Caliente Solar, LLC (a Subsidiary of NextLight Renewable Power, LLC)**

Keywords (choose from CPUC listing): Contracts, Portfolios

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes. See the attached matrix that identifies all of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No All members of PG&E's Procurement Review Group who have signed nondisclosure agreements will receive the confidential information.

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Sandra Burns (415) 973-1627

Resolution Required? Yes No

Requested effective date: **Upon Commission Approval (requesting concurrent approval with Advice 3538-E)**

No. of tariff sheets: N/A

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane Yura

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**DECLARATION OF SANDRA J. BURNS
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN
SUPPLEMENTAL FILING 3538-E-A
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Sandra J. Burns declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E") and have been an employee since 1985. I am a principal in the Structured Transactions Group in the Energy Procurement department within PG&E. I am responsible for managing PG&E's Renewables Portfolio Standard solicitation and negotiating power purchase agreements with counterparties in the business of producing electric energy. In carrying out these responsibilities, I have acquired knowledge of such sellers in general and, based on my experience in dealing with facility owners and operators, I am familiar with the types of data and information about their operations that such owners and operators 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 the "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendices A and B to Supplemental Filing 3538-E-A, submitted on April 19, 2010. By this Supplemental Filing, PG&E is updating information contained in Advice Letter 3538-E, which seeks the Commission's approval of a power purchase agreement ("PPA") that PG&E has executed with NextLight Agua Caliente, LLC. Confidential Appendix A of the Supplemental Filing describes amendments made to the PPA's terms and conditions. Confidential Appendix B contains the Amendment to the PPA.

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 (where applicable), and why confidential protection is justified. Finally, the matrix specifies that: (1) that PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information (where applicable); (2) that the information is not already public; and (3) that 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 text in the attached matrix that is pertinent to this filing.

I declare under penalty of perjury, under the laws of the State of California that, to the best of my knowledge, the foregoing is true and correct. Executed on April 19, 2010 at San Francisco, California.



Sandra J. Burns

PACIFIC GAS AND ELECTRIC COMPANY Advice Letter 3538-E-A April 19, 2010		IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 08-06-088 AND DECISION 08-04-023					Length of Time
Redaction Reference	1) The material submitted substitutes 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 3538-E-A	Y	Item VII F) Renewable Resource Contracts under RPS program - Contracts with SEPs. Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects.	Y	Y	Y	This Appendix contains terms of the PPA and of the Amendment and also includes information about the PPA's value. Disclosure of these items would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006, 2007, 2008, and 2009 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparty to the PPA has an expectation that the terms of the PPA and of the Amendment will remain confidential pursuant to confidentiality provisions in the PPA.	For information covered under Item VII F) and Item VII (un-numbered category following VII G), remain confidential for three years after the commercial operation date.
2 Appendix A	Y	Item VII F) Renewable Resource Contracts under RPS program - Contracts with SEPs.	Y	Y	Y	This Appendix contains the Amendment to the PPA. Disclosure of the terms of the Amendment would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006, 2007, 2008, and 2009 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparty to the PPA has an expectation that the terms of the Amendment will remain confidential pursuant to confidentiality provisions in the PPA.	Remain confidential for three years after the commercial operation date.
3 Appendix B	Y	Item VII F) Renewable Resource Contracts under RPS program - Contracts with SEPs.	Y	Y	Y	This Appendix contains the Amendment to the PPA. Disclosure of the terms of the Amendment would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006, 2007, 2008, and 2009 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparty to the PPA has an expectation that the terms of the Amendment will remain confidential pursuant to confidentiality provisions in the PPA.	Remain confidential for three years after the commercial operation date.

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

Alcantar & Kahl	Defense Energy Support Center	Northern California Power Association
Ameresco	Department of Water Resources	Occidental Energy Marketing, Inc.
Anderson & Poole	Department of the Army	OnGrid Solar
Arizona Public Service Company	Dept of General Services	Praxair
BART	Division of Business Advisory Services	R. W. Beck & Associates
BP Energy Company	Douglass & Liddell	RCS, Inc.
Barkovich & Yap, Inc.	Downey & Brand	Recon Research
Bartle Wells Associates	Duke Energy	SCD Energy Solutions
Bloomberg New Energy Finance	Dutcher, John	SCE
Boston Properties	Economic Sciences Corporation	SMUD
C & H Sugar Co.	Ellison Schneider & Harris LLP	SPURR
CA Bldg Industry Association	Foster Farms	Santa Fe Jets
CAISO	G. A. Krause & Assoc.	Seattle City Light
CLECA Law Office	GLJ Publications	Sempra Utilities
CSC Energy Services	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	Green Power Institute	Silicon Valley Power
California Energy Commission	Hanna & Morton	Silo Energy LLC
California League of Food Processors	Hitachi	Southern California Edison Company
California Public Utilities Commission	International Power Technology	Sunshine Design
Calpine	Intestate Gas Services, Inc.	Sutherland, Asbill & Brennan
Cameron McKenna	Los Angeles Dept of Water & Power	Tabors Caramanis & Associates
Cardinal Cogen	Luce, Forward, Hamilton & Scripps LLP	Tecogen, Inc.
Casner, Steve	MBMC, Inc.	Tiger Natural Gas, Inc.
Chris, King	MRW & Associates	Tioga Energy
City of Glendale	Manatt Phelps Phillips	TransCanada
City of Palo Alto	McKenzie & Associates	Turlock Irrigation District
Clean Energy Fuels	Merced Irrigation District	U S Borax, Inc.
Coast Economic Consulting	Mirant	United Cogen
Commerce Energy	Modesto Irrigation District	Utility Cost Management
Commercial Energy	Morgan Stanley	Utility Specialists
Consumer Federation of California	Morrison & Foerster	Verizon
Crossborder Energy	NRG West	Wellhead Electric Company
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	Norris & Wong Associates	eMeter Corporation
	North Coast SolarResources	