February 3, 2011

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: Documentation of CEC Pre-Certification in Compliance with Resolution E-4386 Approving Contract for Procurement of Renewable Energy Resources Resulting from PG&E’s Power Purchase Agreement with Solaren Corporation

Dear Ms. Yura:

Advice Letter 3690-E is effective December 16, 2010 per Resolution E-4380.

Sincerely,

Julie A. Fitch, Director
Energy Division
June 18, 2010

Advice 3690-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Documentation of CEC Pre-Certification in Compliance With Resolution E-4286 Approving Contract for Procurement of Renewable Energy Resources Resulting From PG&E’s Power Purchase Agreement With Solaren Corporation

I. INTRODUCTION

A. Purpose

In compliance with Resolution E-4286, Pacific Gas and Electric Company (“PG&E”) submits this Advice Letter to demonstrate that the power purchase agreement (“PPA”) PG&E executed with Solaren Corporation (“Solaren”) complies with the Emissions Performance Standard (“EPS”) established by the Commission in Decision (“D.”) 07-01-039.

B. Subject

On April 10, 2009, Pacific Gas and Electric Company (“PG&E”) submitted Advice Letter 3449-E (the “Solaren Advice Letter”) to the California Public Utilities Commission (“Commission” or “CPUC”) requesting approval of a Renewables Portfolio Standard (“RPS”) PPA between Solaren and PG&E. The Commission conditionally approved the Solaren Advice letter in Resolution E-4286 on December 3, 2009. The Commission noted that it would normally find that a long-term contract with a generating facility using solar technology complies with the EPS.¹ However, the Commission deferred its EPS determination in the case of Solaren because the California Energy Commission (“CEC”) had not yet established space-based solar, a relatively unknown technology, as eligible for

¹ Res. E-4286 at 14.
compliance with the Renewables Portfolio Standard program. Rather, the Commission ordered PG&E to demonstrate through a Tier 3 advice letter that Solaren will be compliant with the EPS within 90 days after the CEC makes a determination on whether the technology is RPS-eligible.

On April 26, 2010, the CEC pre-certified the Solaren facility as eligible for the RPS program. Accordingly, in compliance with Resolution E-4286, PG&E provides this advice letter documenting the CEC’s pre-certification in Appendix A and demonstrating that the Solaren project will be EPS-compliant.

The Solaren facility would not generate power through the combustion of fossil fuels and would not produce any net greenhouse gas emissions as a direct byproduct of its conversion of solar energy into grid-ready renewable electricity. Because the Solaren project has now been pre-certified as RPS-eligible by the CEC, the Commission should find that the facility will comply with the EPS and should remove the contingencies related to CEC certification in its prior findings.

II. REGULATORY PROCESS

The Commission has categorized this advice letter as a Tier 3 filing. Accordingly, it will become effective upon approval by the Commission.

III. REQUEST FOR COMMISSION APPROVAL

As the CEC has determined that the technology contemplated in AL 3449-E is an RPS-eligible technology, PG&E requests that the Commission issue a resolution no later than October 14, 2010, that:

1. Finds the Solaren project will comply with the EPS;

2. Supersedes Finding 25 of Resolution E-4286 by finding that the CEC has determined that the technology contemplated in AL 3449-E is an RPS-eligible technology and therefore that any procurement pursuant to the PPA is procurement from an eligible renewable energy resource for purposes of

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2 Ibid.
3 Ibid.; id. at 20 (Ordering Paragraph 5).
4 Although the date on the Pre-Certification Certificate at Appendix A includes a date of January 5, 2010, the CEC did not take final action on the Pre-Certification until April 26, 2010.
5 See CEC Pre-Certification Certificate at Appendix A (noting no annual fossil fuel usage).
6 See id. at 19 (Finding 25) (making finding of ability to apply Solaren output toward RPS targets contingent on CEC certification); id. (Finding 26) (making recovery of payments for Solaren output in rates contingent on CEC certification).
7 See R. E-4286 at 20 (Ordering Paragraph 5).
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.) (“RPS”), D.03-06-071 and D.06-10-050, or other applicable law.

3. Supersedes Finding 26 of Resolution E-4286 by finding that the CEC has determined that the technology contemplated in AL 3449-E is an RPS-eligible technology and therefore that all procurement and administrative costs, as provided by Public Utilities Code section 399.14(g), associated with the PPA shall be recovered in rates.

4. Adopts the following finding of fact and conclusion of law in support of CPUC Approval:

   a. The PPA is consistent with PG&E’s 2008 RPS procurement plan.

   b. The terms of the PPA, including the price of delivered energy, are reasonable.

5. Adopts the following finding of fact and conclusion of law in support of cost recovery for the PPA:

   a. The utility’s costs under the PPA shall be recovered through PG&E’s Energy Resource Recovery Account.

6. Supersedes Findings 19-21 of Resolution E-4286 by adopting the following findings with respect to resource compliance with the EPS:

   a. The PPA is a covered procurement subject to the EPS because it is a new contract commitment with a baseload generating facility. However, because this facility would not generate power through the combustion of fossil fuels and would not produce any greenhouse gas as a direct byproduct of its conversion of solar energy into grid-ready renewable electricity, the facility meets the EPS.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **July 8, 2010**, 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, 4th Floor  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005, and Honesto Gatchalian, 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: Jane K. Yura  
Vice President, Regulation and Rates  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-Mail: PGETariffs@pge.com

**Effective Date**

PG&E requests that the Commission issue a final resolution approving this advice filing no later than **October 14, 2010**.

**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 lists for R.08-08-009, R.06-02-012 and R.08-02-007. Address changes to the General Order 96-B service list should be directed to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission’s Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to
PGETariffs@pge.com. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs.

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

Public Attachments:

Appendix A – CEC Pre-Certification
Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

<table>
<thead>
<tr>
<th>Utility type</th>
<th>Contact Person</th>
<th>Phone #</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC</td>
<td>David Poster and Linda</td>
<td>(415) 973-1082 and</td>
<td><a href="mailto:dxpu@pge.com">dxpu@pge.com</a> and <a href="mailto:lmt1@pge.com">lmt1@pge.com</a></td>
</tr>
<tr>
<td>GAS</td>
<td>Tom-Martinez</td>
<td>(415) 973-4612</td>
<td></td>
</tr>
<tr>
<td>☐ PLC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ HEAT</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>☐ WATER</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

<table>
<thead>
<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
<th>PLC = Pipeline</th>
<th>HEAT = Heat</th>
<th>WATER = Water</th>
</tr>
</thead>
</table>

Advice Letter (AL) #: **3690-E**  
Tier: **3**

Subject of AL: **Documentation of CEC Pre-Certification in Compliance With Resolution E-4286 Approving Contract for Procurement of Renewable Energy Resources Resulting From PG&E’s Power Purchase Agreement with Solaren Corporation**

Keywords (choose from CPUC listing): Contracts, Compliance

AL filing type: ☑ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other _____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-4286

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: __________________

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: __________________

Confidential information will be made available to those who have executed a nondisclosure agreement: ☑ Yes ☐ No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:  __________________________________

Resolution Required? ☑ Yes ☐ No

Requested effective date: **October 14, 2010**  
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 proposed: **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:

<table>
<thead>
<tr>
<th>CPUC, Energy Division</th>
<th>Pacific Gas and Electric Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff Files, Room 4005</td>
<td>Attn: Jane Yura</td>
</tr>
<tr>
<td>DMS Branch</td>
<td>Vice President, Regulation and Rates</td>
</tr>
<tr>
<td>505 Van Ness Ave.,</td>
<td>77 Beale Street, Mail Code B10B</td>
</tr>
<tr>
<td>San Francisco, CA 94102</td>
<td>P.O. Box 770000</td>
</tr>
<tr>
<td><a href="mailto:jnj@cpuc.ca.gov">jnj@cpuc.ca.gov</a> and <a href="mailto:mas@cpuc.ca.gov">mas@cpuc.ca.gov</a></td>
<td>San Francisco, CA 94177</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
</tr>
</tbody>
</table>

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1/5/2010

Calvin R. Boerman
1600 Rosecrans Avenue Media Center, Suite 200
Manhattan Beach, CA 90266

RE: APPROVAL OF APPLICATION FOR CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD

Dear Applicant:

Your application on behalf of Solaren SSP California Receive Station #1 has been approved for:

   X  Pre-certification: Eligible for Renewables Portfolio Standard

   ___  Certification: Eligible for Renewables Portfolio Standard

Please note that for pre-certified facilities, the information submitted on the application will be subject to further verification once the pre-certified facility has been completed.

A certificate confirming your eligibility is enclosed. The certificate also contains your identification number for purposes of the RPS, which is: 60941C. Please use this number in all future correspondence with the Energy Commission regarding this facility’s certification status under the RPS.

To maintain the certification status of this project, you must comply with all applicable requirements for certified or pre-certified facilities contained in the Renewables Portfolio Standard Eligibility Guidebook, 3rd Edition (publication number CEC-300-2007-006-ED3-CMF). You must also notify the Energy Commission immediately if there are any material changes in the information submitted in your application for certification (CEC-RPS-1A or CEC-RPS-2) or pre-certification (CEC-RPS-1B), or face disqualification. Any changes to the information provided in a certification or pre-certification application should be reported on an amended application form which supersedes the original application.

The Energy Commission may conduct periodic or random reviews to verify records submitted for certification or pre-certification. The Energy Commission may also conduct on-site audits and facility inspections to verify compliance with the requirements for certification or pre-certification, and may request additional information as necessary to monitor compliance with the certification and or pre-certification requirements specified in the Renewables Portfolio Standard Eligibility Guidebook. If you do not respond to the Energy Commission’s request for an information update in a timely manner, you risk losing your certification status.
The Energy Commission will list certified facilities on its website. Any changes in a facility’s certification status will also be posted on the Energy Commission’s website.

By applying for certification or pre-certification, you have also agreed to participate in the Energy Commission’s generation tracking system. For more information about the tracking system, please refer to the section in the *Renewables Portfolio Standard Eligibility Guidebook* entitled, “Generation Tracking System.”

If you have any questions about your certification, please do not hesitate to contact Mark Kootstra by phone at (916) 653-4487 or by e-mail at <mkootstr@energy.state.ca.us>.

Sincerely,

[Signature]

Tony Gonçalves
Renewable Energy Program

Enclosure
Pre-Certified Eligible for California's Renewables Portfolio Standard

This is to certify that

Solaren SSP California Receive Station #1

Beginning on: 12/2/2009
Located in: Cantus Creek, CA
Owned/Operated by: Solaren Corporation
Fuel Type: Photovoltaic  Size: 200.00 MW
Annual Fossil Fuel Usage: 0.00 %

Has been pre-certified by the California Energy Commission as eligible for California's Renewables Portfolio Standard under the criteria established in the Renewables Portfolio Standard Eligibility Guidebook, 3rd Edition, publication number CEC-300-2007-006-ED3-CMF, January 2008, and assigned CEC-RPS-ID number:

60941C

THE APPLICATION FOR THIS FACILITY WAS SUBMITTED BY THE OWNER/OPERATOR OF THE FACILITY. THIS FACILITY IS PRE-CERTIFIED BY THE CALIFORNIA ENERGY COMMISSION. INFORMATION SUBMITTED FOR PRE-CERTIFICATION IS SUBJECT TO FURTHER VERIFICATION WHEN PROJECT IS COMPLETED AND BEGINS COMMERCIAL OPERATIONS.

Tony Gonçalves  1/5/2010
Date Issued
Defense Energy Support Center
Department of Water Resources
Department of the Army
Dept of General Services
Division of Business Advisory Services
Douglass & Liddell
Downey & Brand
Duke Energy
Dutcher, John
Economic Sciences Corporation
Ellison Schneider & Harris LLP
Foster Farms
G. A. Krause & Assoc.
GLJ Publications
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
Hitachi
International Power Technology
Intestate Gas Services, Inc.
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP
MAC Lighting Consulting
MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
McKenzie & Associates
Merced Irrigation District
Mirant
Modesto Irrigation District
Morgan Stanley
Morrison & Foerster
NRG West
New United Motor Mfg., Inc.
Norris & Wong Associates
North America Power Partners
North Coast SolarResources
Northern California Power Association
Occidental Energy Marketing, Inc.
OnGrid Solar
Praxair
R. W. Beck & Associates
RCS, Inc.
Recon Research
Recurrent Energy
SCD Energy Solutions
SCE
SMUD
SPURR
Santa Fe Jets
Seattle City Light
Sempra Utilities
Sierra Pacific Power Company
Silicon Valley Power
Silo Energy LLC
Southern California Edison Company
Sunshine Design
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tecogen, Inc.
Tiger Natural Gas, Inc.
Tioga Energy
TransCanada
Turlock Irrigation District
U S Borax, Inc.
United Cogen
Utility Cost Management
Utility Specialists
Verizon
Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)
eMeter Corporation