February 3, 2014

Advice Letters 4238-E/E-A/E-B

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: PG&E’s 2012 Renewables Portfolio Standard Shortlist Report and Supplemental Filings

Dear Mr. Cherry:

Advice Letters 4238-E/E-A/E-B are effective December 19, 2013 per Resolution E-4631.

Sincerely,

Edward F. Randolph, Director
Energy Division
July 10, 2013

Advice 4238-E-A
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplement to Pacific Gas and Electric Company’s 2012 Renewables Portfolio Standard Shortlist Report

I. Purpose


II. Confidentiality

PG&E submits a confidential Appendix to this Supplement 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 Supplement.

III. Attachments

In support of this Supplement, PG&E is attaching the following documents:

Appendix A: Confidential Independent Evaluator Statement
Appendix B: Public Independent Evaluator Statement (Confidential Data Redacted)

1 Letter from Paul Clanon to Maria Vanko (granting extension to deadlines associated with the 2012 RPS Solicitation, including the filing of the Tier 2 Shortlist Report to June 7, 2013).
IV. Effective Date

PG&E requests that this Tier 2 supplemental filing be approved effective concurrent with Advice 4238-E on **July 7, 2013**.

V. 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.11-05-005 and R.12-03-014. 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 and electronic approvals should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs.

Sincerely,

Vice President - Regulatory Relations

cc: Paul Douglas – Energy Division
    Jason Simon – Energy Division
    Cheryl Lee – Energy Division
    Service Lists: R.11-05-005 and R.12-03-014
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 E)

Contact Person: Anupama Vege and Kimberly Chang

Phone #: (415) 973-7600 and (415) 972-5472

E-mail: PGETariffs@pge.com, alvb@pge.com and kwcc@pge.com

EXPLANATION OF UTILITY TYPE

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

Advice Letter (AL) #: 4238-E-A

Tier: 2

Subject of AL: Supplement to Pacific Gas and Electric Company’s 2012 Renewables Portfolio Standard Shortlist Report

Keywords (choose from CPUC listing): Contracts, Portfolio

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: July 7, 2013 (Concurrent with Advice 4238-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 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:

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000
San Francisco, CA 94177

E-mail: PGETariffs@pge.com
I, Sandra J. Burns, declare:

1. I am presently employed by Pacific Gas and Electric Company (“PG&E”), and have been an employee at PG&E since 1985. I am a principal in the Renewable Energy 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 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.


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, and why
confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information, if applicable; (2) the information is not already public, and (3) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text in the attached matrix that is pertinent to this submittal.

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 July 10, 2013, at San Francisco, California.

SANDRA J. BURNS
PACIFIC GAS AND ELECTRIC COMPANY  
Advice Letter 4238-E-A  
July 10, 2013

IDENTIFICATION OF CONFIDENTIAL INFORMATION

<table>
<thead>
<tr>
<th>Redaction Reference</th>
<th>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)</th>
<th>2) Which category or categories in the Matrix the data correspond to:</th>
<th>3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)</th>
<th>4) That the information is not already public (Y/N)</th>
<th>5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)</th>
<th>PG&amp;E’s Justification for Confidential Treatment</th>
<th>Length of Time</th>
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<tr>
<td>Documents: Appendix A</td>
<td>Y</td>
<td>Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects. General Order 66-C.</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>This confidential version of the Independent Evaluator’s statement evaluates confidential information concerning the Shortlisted Projects from the 2012 RPS Solicitation. Disclosure of this statement would provide business and financial information to participating bidders’ competitors and prospective sellers to PG&amp;E and would most likely influence their business conduct to the detriment of PG&amp;E’s customers. This information is therefore considered to be market sensitive information. In addition, to the extent not covered by the Matrix, the IE Statement contains certain information that PG&amp;E understands the developers consider proprietary and confidential and should be redacted pursuant to General Order 66-C.</td>
<td>For information covered under Item VII (un-numbered category following VII G), remain confidential for three years. For information covered under General Order 66-C, remain confidential indefinitely.</td>
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Public Appendix B
Independent Evaluator Report
(Confidential Data Redacted)
STATEMENT OF INDEPENDENT EVALUATOR CORRECTING ITS SHORTLIST REPORT ON THE 2012 RENEWABLES PORTFOLIO STANDARD SOLICITATION OF PACIFIC GAS & ELECTRIC COMPANY

Arroyo Seco Consulting (Arroyo), serving as Independent Evaluator (IE) for the 2012 Renewables Portfolio Standard (RPS) Request for Offers of Pacific Gas & Electric Company (PG&E), previously submitted a report on the Offer evaluation and selection process for that solicitation on June 7, 2013. This statement provides corrections to errors made in that prior report.

Among the observations made in the prior IE report was an expression of concern about PG&E’s methodology when valuing Offers for projects to be located outside the grid of the California Independent System Operator (CAISO). PG&E does not apply transmission adders when valuing such Offers, but does take network upgrade costs into account when valuing Offers from projects that interconnect to the CAISO grid. The prior IE report expressed an opinion that this practice advantages projects interconnecting outside the CAISO grid, so that the methodology exhibits selection bias.\(^1\)

Specifically, the prior IE report stated an opinion that should have been rejected when PG&E selected a short list, \(^2\) The prior report stated an opinion that this treatment was less than fully fair.

Upon commencement of direct negotiations between PG&E and Participants whose Offers were shortlisted, it was revealed that, in specific cases, other balancing area authorities have in fact required new projects to pay out of pocket for required network upgrades, in situations where the primary purpose of the project is to export renewable energy to end-users in the CAISO. In particular, \(^3\) Specifically, the prior IE report stated an opinion that these projects, having been shortlisted, should have been rejected when PG&E selected a short list.\(^4\)

While it is not evident that every new project that interconnects to the grid in a non-CAISO balancing area authority will fund network upgrades required for reliable operation, the new information fully mitigates Arroyo’s concerns about the specific treatment of IID-interconnecting projects in PG&E’s selection of a short list for the 2012 solicitation. Arroyo

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still considers PG&E’s methodology to bear some risks of undercounting the full costs of RPS contracts with projects outside the CAISO (including network upgrade costs within the grids of CAISO Participating Transmission Operators caused by increasing imports from external balancing areas, as is expected in San Diego Gas & Electric Company’s grid from increasing imports from IID).

However, Arroyo retracts its objections stated in the prior IE report to the specific selections. With new information available, Arroyo concludes that despite the disparate treatment by PG&E’s methodology of CAISO vs. non-CAISO-interconnecting projects, the selection of projects outside the CAISO has been a fair selection rather than one that is less than fully fair.
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