

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



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,

A handwritten signature in cursive script that reads "Edward F. Randolph".

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**

Pacific Gas and Electric Company ("PG&E") submits this supplemental filing to the 2012 Renewables Portfolio Standard ("RPS") Shortlist Report ("Supplement"). On June 7, 2013, in compliance with Decision ("D.") 12-11-016, as amended on April 9, 2013,¹ PG&E submitted a Tier 2 Advice Letter, which included PG&E's 2012 RPS Shortlist Report. This Supplement includes a statement of the Independent Evaluator ("IE") correcting its Shortlist Report on the 2012 RPS Solicitation of PG&E.

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

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: 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

(Date Filed/ Received Stamp by CPUC)

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

**DECLARATION OF SANDRA J. BURNS
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN
ADVICE LETTER 4238-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 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.

2. Based on my knowledge and experience, and in accordance with Decision (“D”) 08-04-023 and the August 22, 2006 “Administrative Law Judge’s Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066,” I make this declaration seeking confidential treatment of Appendix A to PG&E’s Advice Letter 4238-E-A, submitted on July 10, 2013.

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

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
Documents: Appendix A							
Appendix A Confidential Independent Evaluator Statement	Y	Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects. General Order 66-C.	Y	Y	Y	<p>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&E and would most likely influence their business conduct to the detriment of PG&E's customers. This information is therefore considered to be market sensitive information.</p> <p>In addition, to the extent not covered by the Matrix, the IE Statement contains certain information that PG&E understands the developers consider proprietary and confidential and should be redacted pursuant to General Order 66-C.</p>	<p>For information covered under Item VII (un-numbered category following VII G), remain confidential for three years.</p> <p>For information covered under General Order 66-C, remain confidential indefinitely.</p>

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 [REDACTED] should have been rejected when PG&E selected a short list, [REDACTED]

[REDACTED]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, [REDACTED]

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

¹ Arroyo Seco Consulting, "Pacific Gas and Electric Company 2012 Renewables Portfolio Standard Solicitation: Report of the Independent Evaluator on the Offer Evaluation and Selection Process", page 25.

² Op. cit, page 50.

Privileged and Confidential
Subject to Non-Disclosure and/or Protective Agreements
Contains Proprietary and/or Market Sensitive Information and Trade Secrets

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 [REDACTED]

[REDACTED] 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.

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

1st Light Energy	Douglass & Liddell	OnGrid Solar
AT&T	Downey & Brand	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Praxair
Anderson & Poole	G. A. Krause & Assoc.	Regulatory & Cogeneration Service, Inc.
BART	GenOn Energy Inc.	SCD Energy Solutions
Barkovich & Yap, Inc.	GenOn Energy, Inc.	SCE
Bartle Wells Associates	Goodin, MacBride, Squeri, Schlotz & Ritchie	SDG&E and SoCalGas
Bear Valley Electric Service	Green Power Institute	SPURR
Braun Blaising McLaughlin, P.C.	Hanna & Morton	San Francisco Public Utilities Commission
CENERGY POWER	In House Energy	Seattle City Light
California Cotton Ginners & Growers Assn	International Power Technology	Sempra Utilities
California Energy Commission	Intestate Gas Services, Inc.	SoCalGas
California Public Utilities Commission	Kelly Group	Southern California Edison Company
California State Association of Counties	Linde	Spark Energy
Calpine	Los Angeles Dept of Water & Power	Sun Light & Power
Casner, Steve	MAC Lighting Consulting	Sunshine Design
Center for Biological Diversity	MRW & Associates	Tecogen, Inc.
City of Palo Alto	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
City of San Jose	Marin Energy Authority	TransCanada
Clean Power	McKenna Long & Aldridge LLP	Utility Cost Management
Coast Economic Consulting	McKenzie & Associates	Utility Power Solutions
Commercial Energy	Modesto Irrigation District	Utility Specialists
County of Tehama - Department of Public Works	Morgan Stanley	Verizon
Crossborder Energy	NLine Energy, Inc.	Water and Energy Consulting
Davis Wright Tremaine LLP	NRG Solar	Wellhead Electric Company
Day Carter Murphy	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Defense Energy Support Center	North America Power Partners	
Dept of General Services	Occidental Energy Marketing, Inc.	