

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 3, 2015

Advice Letter: 4513-E

Pacific Gas and Electric Company
Meredith Allen
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

SUBJECT: Option to Extend Amendment to Existing Qualifying Facility Power Purchase Agreement for Procurement of Eligible Renewable Energy Resources Between Burney Forest Products and Pacific Gas and Electric Company

Dear Ms. Allen:

Advice Letter 4513-E is effective as of May 7, 2015, per Resolution E-4702 Ordering Paragraphs.

Sincerely,

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

Edward Randolph
Director, Energy Division

October 9, 2014

Advice 4513-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Option to Extend Amendment to Existing Qualifying Facility Power Purchase Agreement for Procurement of Eligible Renewable Energy Resources between Burney Forest Products and Pacific Gas and Electric Company

I. INTRODUCTION AND SUMMARY OF REQUEST

Pacific Gas and Electric Company ("PG&E") seeks California Public Utilities Commission ("CPUC" or "Commission") approval of PG&E's election to exercise the option to extend an amendment ("Amendment") to a Qualifying Facility ("QF") Interim Standard Offer No. 4 ("Interim SO 4") Power Purchase Agreement ("PPA") with Burney Forest Products, a Joint Venture ("Burney") (together, the "Parties"). The Amendment became effective on October 1, 2011 and was approved by the Commission in Resolution E-4491 on May 24, 2012 ("Resolution"). The Amendment has an initial term of three years, and includes an option to extend the Amendment term by one year and a second option to further extend the Amendment for another eleven months.

The initial Amendment term expired on September 30, 2014. PG&E and Burney have entered into an agreement for PG&E to exercise its option to extend the Amendment for one year, from October 1, 2014 to September 30, 2015, subject to Commission approval of PG&E's decision to exercise its first extension option ("Extension Agreement"). In this advice letter, PG&E seeks approval of the Extension Agreement and its decision to exercise the option to extend the Amendment for a year.

PG&E requests that the Commission issue a resolution no later than January 31, 2015, that approves the Extension Agreement without modification and thereby approves PG&E's election to exercise its initial one-year option to extend the Amendment as reasonable and prudent.

II. BACKGROUND

Burney operates a 29 megawatt ("MW") biomass generating facility located in Burney, California ("Facility"). The existing PPA is a 30-year Interim SO 4 contract that was

originally developed as part of PG&E's QF program and expires on January 2, 2020. Burney has delivered electricity generated by the Facility under the PPA since the Facility began operations in October 1989, and it started providing firm capacity in January 1990.

In 2010, Burney indicated to PG&E that the PPA's terms and conditions were uneconomic for Burney to continue to operate the Facility at historical levels. On October 14, 2011, PG&E and Burney executed the Amendment, which provided a price increase in exchange for enhanced performance obligations. On December 19, 2011, PG&E filed Advice 3974-E seeking approval of the Amendment.

The Commission approved the Amendment in Resolution E-4491, which was issued May 24, 2012. The Commission identified a number of reasons for approving the Amendment, including: (1) without the Amendment, the Facility would not operate economically; (2) the Facility provides Renewable Portfolio Standard ("RPS")-eligible energy to PG&E and continued operation of the Facility was consistent with the RPS need identified in PG&E's 2011 RPS Plan; (3) the Amendment is consistent with Executive Order S-06-06 encouraging the use and production of biomass energy; (4) the performance requirements in the Amendment "promote more reliable deliveries" from the Facility; (5) the Amendment price was reasonable compared to 2011 RPS Request for Offers ("RFO") offers; and (6) the Facility was viable.¹ The Commission also determined that the Amendment and PG&E's advice letter were consistent with Commission precedent and requirements of the QF/CHP Program Settlement, which at the time was approved by the CPUC but pending effectiveness.²

With regard to the options to extend the Amendment beyond the initial three-year term, the Commission noted:

We agree with PG&E that it may be appropriate to extend the amendment terms for as much as one year and eleven months beyond the initial 3-year period, with the prudence of that decision depending on PG&E's compliance position at that time, and the state of the renewable energy market. In light of this we believe the option to extend the [Amendment] term is reasonable and preserves the ability to retain the generation if needed.³

¹ Resolution at pp. 8-10.

² Resolution at pp. 5-6 (advice letter consistent with Commission filing requirements); p. 6 (amendment consistent with Qualifying Facility and Combined Heat and Power ("QF/CHP") Program Settlement); pp. 6-7 (Amendment includes all relevant RPS non-modifiable standard terms and conditions).

³ Resolution at p. 10.

The Commission also explained that the decision to extend the Amendment should be “based on an assessment of need and value at that time...”⁴

In January 2014, PG&E and Burney commenced discussions regarding the extension of the Amendment. These discussions resulted in the Extension Agreement, which is included as Appendix A to this advice letter.⁵ Under the Extension Agreement, PG&E agrees to exercise the first option to extend the Amendment for an additional twelve months, subject to Commission approval.⁶ PG&E will pay the Amendment Price during the CPUC Approval period. If the Commission does not approve the Extension Agreement, the Amendment and the Extension Agreement will both terminate. Burney will be entitled only to the Interim SO 4 PPA price, and any overpayments will be returned to PG&E.

III. EXTENDING THE AMENDMENT FOR AN ADDITIONAL TWELVE MONTHS IS BENEFICIAL TO PG&E CUSTOMERS

When the Commission approved the Amendment, it indicated that PG&E should evaluate the “need and value” of the Amendment at the time the initial three-year period was set to expire in determining whether to exercise the extension option. PG&E has performed this evaluation and determined that extending the Amendment for an additional twelve months is reasonable and in the interests of PG&E’s customers.

In 2014, PG&E engaged with QF biomass generators under contract to PG&E on potential contract amendments or extensions, with the objective of improving value for PG&E’s customers. These discussions generally did not result in significant value improvements but did result in PG&E’s decision to exercise the Burney option.

PG&E is not basing its recommendation to extend the Amendment primarily on the fact that the Facility provides RPS-eligible energy. Since the Amendment was originally

⁴ Resolution at p. 8.

⁵ The Extension of the Amendment to Standard Offer Power Purchase Agreement between Burney Forest Products and PG&E (PG&E Log # 13C038) is provided as Appendix A.

⁶ For background, in 2014 the Commission approved PG&E’s request to exercise an option to extend an Amendment to legacy QF biomass generators for an additional twelve months (see PG&E’s Advice 4335-E and Advice 4336-E). PG&E submitted one-year pricing amendments for two biomass facilities that the Commission authorized in Res. E-4478 (approving an Amendment to the Existing QF PPA with HL Power) and Res. E-4427 (approving an Amendment to the Existing QF PPA with DG Fairhaven). Energy Division reviewed PG&E’s Advice 4335-E and Advice 4336-E, and determined the advice letters were consistent with the Commission’s guidance for PG&E to exercise its option to extend the Amendment, which was outlined by the Commission in Res. E-4478 and Res. E-4427, respectively. Since there were no protests and no material changes to the original agreement, the Energy Division’s Director approved both advice letters via a disposition letter, and no subsequent Commission resolutions were necessary.

executed in 2011, the implementation of Senate Bill 2(1x) has advanced significantly and PG&E has contracted for additional RPS-eligible resources. Notwithstanding, the continued operation of the Facility is beneficial because it provides resource diversity to PG&E's RPS portfolio (i.e., biomass resources versus solar or wind resources). Moreover, when the Commission approved the Amendment, it discussed a number of benefits in addition to RPS-eligible deliveries. These benefits, as well as other benefits that PG&E considered in deciding whether to exercise the option to extend the Amendment, support the Extension Agreement. Below, PG&E describes some of the benefits of extending the Amendment. Additional confidential information regarding these benefits is included in Confidential Appendix B.

A. The Amendment Provides Operational Benefits

The Amendment includes several provisions that increase Burney's obligations to meet production requirements and provide delivery schedules and notification of planned or forced outages. These provisions are described in more detail in Confidential Appendix B. These provisions provide operational and scheduling benefits that do not exist in the PPA, and were cited by the Commission when it originally approved the Amendment.

B. Burney Has Operated Consistent With the Amendment

As explained in more detail in Confidential Appendix B, Burney has operated the Facility consistent with the terms of the Amendment since the Amendment went into effect.⁷

C. The Facility May Substantially Reduce Operation if the Amendment Is Not Extended

The Facility is already built and interconnected to the electric grid, and will not pose any environmental concerns associated with the construction and interconnection of a new generating facility. Confidential Appendix C attached to this advice letter is a declaration from Noshir Irani, Assistant Secretary and authorized representative of Burney Forest Products. In his declaration, Mr. Irani explains in more detail the financial impact on Burney if the Amendment is not extended and concludes that it is likely that the Facility would substantially reduce operation absent the Extension Agreement.⁸

D. Continued Operation of the Facility Is Consistent With Executive Order S-06-06

Burney is a biomass generation facility. Its continued operation is consistent with Executive Order S-06-06. Mr. Irani's declaration, included as Confidential Appendix C,

⁷ *Id.*, § 2.

⁸ See, Confidential Appendix C, ¶ 3.

notes that the fuel source for the facility is biomass product resulting primarily from waste wood products.⁹

IV. PG&E HAS SATISFIED THE COMMISSION'S PROCEDURAL REQUIREMENTS

A. Procurement Review Group Participation

On September 9, 2014, PG&E discussed extending the Extension Agreement with its Procurement Review Group ("PRG").

B. Independent Evaluator

As the Commission explained when it initially approved the Amendment, an Independent Evaluator ("IE") was not required in this circumstance.¹⁰ PG&E voluntarily elected to use an IE when it negotiated the Amendment and elected to engage an IE on additional discussions with Burney (and in discussions with the other QF biomass generators under contract to PG&E earlier this year). However, given that the Commission has already determined that the Amendment is reasonable, and given the limited duration of the extension, PG&E did not retain an IE to review the decision to exercise the extension option. Retaining an IE for this limited decision would have resulted in additional customer costs and would have provided limited benefits in this circumstance.

C. Advice Letter Filing

The filing of an advice letter seeking approval of the Extension Agreement, which is related to an amendment of a QF PPA, is consistent with Commission procedures and Decisions 06-12-009 and 07-09-040.¹¹

V. EFFECTIVE DATE AND REQUEST FOR CONFIDENTIAL TREATMENT

A. Requested Effective Date

PG&E requests that this advice filing be approved on or before January 31, 2015 with an effective date of October 1, 2014. The initial three-year term of the Amendment expired on September 30, 2014. Burney needs to know as soon as possible whether the Amendment will be extended so that it can make decisions regarding the continued operation of the facility, as well as decisions about forward fuel purchases. If the

⁹ *Id.*, § 1.

¹⁰ Resolution at p. 10.

¹¹ Resolution at p. 5 (explaining Commission process for seeking approval of amendments to QF PPAs).

Commission does not approve the Extension Agreement, Burney will refund the difference between the Interim SO 4 PPA price and the higher payments under the Amendment, and also may significantly reduce production from the facility. Because of the significant impact of the Commission's decision on Burney's continued operation of the Facility, PG&E requests that the Commission issue its decision. A decision by January 31, 2015 gives the Commission sufficient time to review this advice letter, and also gives Burney sufficient notice to make decisions regarding the continued operation of the Facility.

B. Request for Confidential Treatment

In support of this advice letter, PG&E provides the following confidential supporting documentation:

- Confidential Appendix B – Discussion of Confidential Information Regarding the Extension Agreement
- Confidential Appendix C – Declaration of Noshir Irani (Burney Forest Products)

VI. REQUEST FOR COMMISSION APPROVAL

PG&E requests that the Commission issue a resolution no later than January 31, 2015, that approves the Extension Agreement without modification and thereby approves PG&E's election to exercise its initial one-year option to extend the Amendment as reasonable and prudent.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 29, 2014, which is 20 days after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

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

Meredith Allen
Senior Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 3 advice letter be approved on or before January 31, 2015 with an effective date of October 1, 2014.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list R.13-12-010. Address changes to the General Order 96-B service list should be directed to PG&E at email address 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/>.

/S/

Meredith Allen
Senior Director, Regulatory Relations

Public Attachments:

Attachment 1: Declaration and Matrix of Harold J. Pestana Seeking Confidential Treatment Pursuant to D.08-04-023 and D.06-06-066

Appendix A: Extension of the Amendment to Standard Offer Power Purchase Agreement Between Burney Forest Products and PG&E (PG&E Log #13C038)

Confidential Attachments:

Appendix B: Discussion of Confidential Information Regarding the Extension Agreement

Appendix C: Declaration of Noshir Irani (Burney Forest Products)

cc: Service List for R.13-12-010
Damon Franz, Energy Division, CPUC
Jason Houck, Energy Division, CPUC
Noel Crisostomo, Energy Division, CPUC
Yuliya Shmidt, ORA, CPUC

Limited Access to Confidential Material:

The portions of this advice letter 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. A separate Declaration Seeking Confidential Treatment regarding the confidential information is being submitted with this advice letter in accordance with D.08-04-023. This material is protected from public disclosure pursuant to D.06-06-066 because it consists of, among other items, the contract itself, price information, and analysis of the proposed energy procurement contract, which includes the following documents:

- Confidential Appendix B – Discussion of Confidential Information Regarding the Extension Agreement
- Confidential Appendix C – Declaration of Noshir Irani (Burney Forest Products)

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: Jennifer Wirowek

Phone #: (415) 973-1419

E-mail: J6WS@pge.com and PGETariffs@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) #: **4513-E**

Tier: **3**

Subject of AL: **Option to Extend Amendment to Existing Qualifying Facility Power Purchase Agreement for Procurement of Eligible Renewable Energy Resources Between Burney Forest Products and Pacific Gas and Electric Company**

Keywords (choose from CPUC listing): Agreements, Portfolio

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Res. E-4491

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, please see Attachment 1 – Confidentiality Declaration and Matrix

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Harold Pestana (415) 973-4523

Resolution Required? Yes No

Requested effective date: **October 1, 2014**

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: Meredith Allen
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

Attachment 1

Confidential Declaration & Matrix

PACIFIC GAS AND ELECTRIC COMPANY

**DECLARATION OF HAROLD PESTANA IN SUPPORT OF
CONFIDENTIAL TREATMENT FOR CERTAIN DATA AND INFORMATION
CONTAINED IN PG&E'S ADVICE LETTER REQUESTING APPROVAL OF
THE OPTION TO EXTEND AMENDMENT TO EXISTING QUALIFYING FACILITY
POWER PURCHASE AGREEMENT FOR PROCUREMENT OF ELIGIBLE
RENEWABLE ENERGY RESOURCES BETWEEN BURNEY FOREST PRODUCTS,
A JOINT VENTURE, AND PACIFIC GAS AND ELECTRIC COMPANY
(ADVICE 4513-E)**

I, Harold Pestana, declare:

1. I am currently employed by Pacific Gas & Electric Company ("PG&E") as a Senior Manager within PG&E's Energy Procurement organization. I have been employed by PG&E since 1997, and during that time I have acquired knowledge of PG&E's contracts with numerous counterparties and have also gained knowledge of the operations of gas and electric sellers in general. Through this experience, I have become familiar with the type of information that would affect the negotiating positions of electric sellers with respect to price and other terms, as well as with the type of information that such sellers consider confidential and proprietary. I can also identify information that buyers and sellers of electricity would consider to be "market sensitive information" as defined by California Public Utilities Commission ("CPUC") Decisions ("D.") 06-06-066 and 09-12-020, that is, information that has the potential to materially impact a procuring party's market price for electricity if released to market participants.

2. Decision 08-04-023, ordering paragraph 8, requires that any advice letter containing information for which confidential treatment is requested must be accompanied by a declaration under penalty of perjury that justifies confidential treatment pursuant to D.06-06-066.

Based on my knowledge and experience, I make this declaration seeking confidential treatment of Confidential Appendices A, B and C to PG&E's advice letter ("Confidential Information").

3. The Appendices are as follows:

Attachment 1:	Declaration of Harold J. Pestana Seeking Confidential Treatment Pursuant to D.08-04-023 and D.06-06-066
Appendix A:	Extension of the Amendment to Standard Offer Power Purchase Agreement Between Burney Forest Products and PG&E (PG&E Log # 13C038)
Confidential Appendix B:	Discussion of Confidential Information Regarding the Extension Agreement
Confidential Appendix C:	Declaration of Noshir Irani (Burney Forest Products)

4. Attached to this declaration is a matrix that describes the Confidential Information for which PG&E seeks continued protection against public disclosure, states whether PG&E seeks to protect the confidentiality of the Confidential Information pursuant to D.06-06-066 and/or other authority; and if PG&E seeks protection under D.06-06-066, the category of market sensitive information in D.06-06-066 Appendix I Matrix ("IOU Matrix") to which the Confidential Information corresponds.

5. The attached matrix demonstrates that the Confidential Information (1) constitutes a particular type of confidentiality-protected data listed in the IOU Matrix; (2) corresponds to a category or categories of market sensitive information listed in the IOU Matrix; (3) may be treated as confidential consistent with the limitations on confidentiality specified in the IOU Matrix for that type of data; (4) is not already public; and (5) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. In the column labeled, "PG&E's Justification for Confidential Treatment", PG&E explains why the Confidential Information is not subject to public disclosure under either or both D.06-06-066

and General Order 66-C. The confidentiality protection period is stated in the column labeled, “Length of Time.”

6. By this reference, I am incorporating into this declaration all of the explanatory text in the attached matrix.

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 October 9, 2014, at San Francisco, California.

/s/

HAROLD J. PESTANA

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
 APPROVAL OF THE OPTION TO EXTEND AMENDMENT TO POWER PURCHASE AGREEMENT BETWEEN
 BURNEY FOREST PRODUCTS AND PACIFIC GAS AND ELECTRIC COMPANY (ADVICE 4513-E)
 SUBMITTED ON OCTOBER 9, 2014**

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
Confidential Appendix B: Discussion of Confidential Information Regarding the Extension Agreement	Y	Item VII - Bilateral Contract Terms and Conditions - Electric, Section B (Contracts and power purchase agreements between utilities and non-affiliated third parties (except RPS))	Yes	Yes	Yes	Specific contract between the IOU and counterparty. Contract terms other than counterparty, resource type, location, capacity, expected deliveries, delivery point, length of contract and online date are confidential for three years from date contract states deliveries are to begin.	3 years
Confidential Appendix C: Declaration of Noshir Irani, Assistant Secretary, an authorized representative of Burney Forest Products, A Joint Venture	N	General Order 66-C	No	Yes	N/A	This Appendix consists of a declaration from an officer of the corporation that owns the Facility that cites non-public information, including a detailed financial information of the Facility that if disclosed would cause harm to the counterparty. Disclosure of this Appendix could undermine PG&E's ability to bargain on behalf of its customers, the Appendix should remain confidential for three years.	Indefinite

Pacific Gas and Electric Company
Advice 4513-E
Appendix A
Burney Forest Products



Marino Monardi
Director
Portfolio Management

77 Beale Street, Rm. 2525H
San Francisco, CA 94105

Mailing Address:
Mail Code B25H
P.O. Box 770000
San Francisco, CA 94177

415.973.8573
Email: M3MT@pge.com

September 10, 2014

Noshir Irani
Assistant Secretary
Burney Forest Products, A Joint Venture
591 Redwood Highway, Suite 3100
Mill Valley, CA 94941

Re: Extension of the Amendment executed on 10/14/2011 by Roy Kuga from Pacific Gas and Electric Company (PG&E) and Noshir Irani of Burney Forest Products, A Joint Venture (Burney). (PG&E Log No. 13C038)

This agreement (Extension Agreement) sets forth the Parties' agreement to extend the Amendment executed on 10/14/2011 between PG&E and Burney (the Amendment) for one year (the Extension Period), subject to CPUC Approval as specified herein. Unless otherwise explicitly provided in this Extension Agreement, the terms and conditions of the Amendment shall apply.

1. From the termination date set forth in the Amendment until PG&E obtains CPUC Approval for this Extension Agreement (the Pre-Extension Period) or until this Extension Agreement otherwise terminates, Burney shall be paid in accordance with the Amendment provided that Seller has posted and maintains the Delivery Term Security in Section 3.12 of the Amendment.
2. Payments made under this Extension Agreement, including payments made during the Pre-Extension Period, are subject to CPUC Approval. CPUC Approval means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them which contains the following terms:
 - a. Approves this Extension Agreement in its entirety including payments to be made by Buyer, subject to CPUC review of the Buyer's administration of the Agreement.
 - b. Finds that any procurement pursuant this Extension Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance or 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. If CPUC Approval is not obtained on or before the date that is two hundred forty (240) days from the date on which PG&E files this Extension Agreement for CPUC Approval, then (i) either Party may terminate this Extension Agreement effective upon receipt of notice by the other Party and (ii) if a Party terminates this Extension Agreement, neither Party shall have any continuing obligation or liability to the other hereunder, including for a termination payment or otherwise, by reason of a termination made pursuant to this provision, except that PG&E shall be

entitled to recover any difference between payments made to Burney under this Extension Agreement and those payments that would otherwise have been made in accordance with the underlying Interim Standard Offer Four Agreement (the Overpayments).

4. PG&E may recover the amount of the Overpayments by means of one or more of the following:
(a) drawing upon any security posted by Burney, or (b) offsetting against future payment under the PPA, or (c) accepting a cash payment from Burney.
5. This Extension Agreement may be executed in one or more counterparts, each of which will be deemed to be all original of this Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Extension Agreement and of signature pages by facsimile transmission or by other electronic means shall constitute effective execution and delivery of this Amendment as to the Parties and may be used in lieu of the original Extension Agreement for all purposes. Signatures of the Parties transmitted by facsimile or by other electronic means shall be deemed to be their original signatures for all purposes.

Best regards,


Marino Monardi
Director, Portfolio Management
Pacific Gas and Electric Company

Concurring Statement

ACCEPTED AND AGREED:

BURNEY FOREST PRODUCTS, A JOINT VENTURE
a California general partnership

By: _____
Noshir Irani, Assistant Secretary

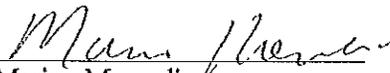
AGREED AND ACCEPTED DATE:

Noshir Irani
August 26, 2014
Page 2

entitled to recover any difference between payments made to Burney under this Extension Agreement and those payments that would otherwise have been made in accordance with the underlying Interim Standard Offer Four Agreement (the Overpayments).

4. PG&E may recover the amount of the Overpayments by means of one or more of the following: (a) drawing upon any security posted by Burney, or (b) offsetting against future payment under the PPA, or (c) accepting a cash payment from Burney.
5. This Extension Agreement may be executed in one or more counterparts, each of which will be deemed to be all original of this Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Extension Agreement and of signature pages by facsimile transmission or by other electronic means shall constitute effective execution and delivery of this Amendment as to the Parties and may be used in lieu of the original Extension Agreement for all purposes. Signatures of the Parties transmitted by facsimile or by other electronic means shall be deemed to be their original signatures for all purposes.

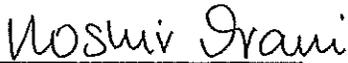
Best regards,

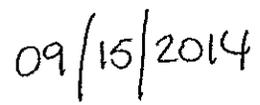

Marino Monardi
Director, Portfolio Management
Pacific Gas and Electric Company

Concurring Statement

ACCEPTED AND AGREED:

BURNEY FOREST PRODUCTS, A JOINT VENTURE
a California general partnership

By: 
Noshir Irani, Assistant Secretary

AGREED AND ACCEPTED DATE: 

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

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