

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 10, 2011

Advice Letter 3735-E

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: Power Purchase Agreement for Procurement of Renewable
Energy Resources between Shiloh III Wind Project, LLC,
and PG&E**

Dear Mr. Cherry:

Advice Letter 3735-E is effective May 26, 2011 per Resolution E-4402.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



March 4, 2011

Advice 3735-E-A
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing and First Amendment to the Contract for Procurement of Renewable Energy Resources Resulting From PG&E's Wind Energy Power Purchase Agreement for Procurement With Shiloh III Wind Project, LLC

I. INTRODUCTION

A. Purpose

Pacific Gas and Electric Company ("PG&E") hereby submits to the California Public Utilities Commission ("Commission" or "CPUC") a supplemental filing for Advice Letter 3735-E ("Advice Letter"), dated September 30, 2010¹ containing a first amendment ("First Amendment") to a Power Purchase Agreement ("PPA") between Shiloh III Wind Project, LLC ("Shiloh III") and PG&E, and to provide notice that PG&E has exercised its option to increase contract capacity under the PPA. The PPA submitted in Advice Letter 3735-E was for a 60 MW wind project and included an option for PG&E to increase the capacity from the original 60 MW to 100 MW. The Advice Letter is still pending at the Commission.

B. Background

On February 25, 2011, PG&E executed a First Amendment to the Shiloh III PPA to amend certain conditions related to the price of the PPA that do not cause an increase in the PPA price. A summary of the First Amendment is included in Confidential Appendix A, and the First Amendment is included in Confidential Appendix C.

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 re-open the protest period or delay the effective date of the Advice Letter.

Additionally, on January 5, 2011, PG&E provided notice to Shiloh III that it has elected to exercise its option to increase the contract capacity under the agreement from a 60 MW Wind Project to 100 MW. The letter is attached to this advice letter as Attachment D. PG&E described this option, along with the deliveries and payments associated with the higher capacity option in the Advice Letter, but did not include a separate above-market funds (“AMFs”) calculation for the 100 MW option. The AMFs calculation for the 100 MW project is included in Confidential Appendix B.

II. REGULATORY PROCESS

A. Requested Effective Date

PG&E requests that this supplemental filing becomes effective concurrent with Advice Letter 3735-E.

B. Request for Confidential Treatment

In support of this supplemental filing, PG&E has provided confidential information listed below. 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 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.

Protests:

Due to the limited scope of PG&E’s supplemental information, this filing should not re-open the protest period or delay the effective date of the Advice Letter.

Effective Date:

PG&E requests that this supplemental filing becomes effective concurrent with Advice Letter 3735-E.

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. 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 to the GO 96-B service list and electronic approvals 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. 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

Confidential Attachments:

Confidential Appendix A – Summary of the First Amendment to the PPA

Confidential Appendix B -- Above-Market Funds Calculation

Confidential Appendix C – First Amendment to the Shiloh III PPA

Public Attachment:

Appendix D – Letter Providing Notice that PG&E Elects to Exercise its Option to Increase Capacity Under the Agreement to 100 MW.

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. 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.

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) #: **3735-E-A**

Tier: **3**

Subject of AL: **Supplemental Filing and First Amendment to the Contract for Procurement of Renewable Energy Resources Resulting From PG&E's Wind Energy Power Purchase Agreement for Procurement With Shiloh III Wind Project, LLC**

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: Carlos Abreu (415) 973-6484

Resolution Required? Yes No

Requested effective date: **Upon Commission Approval (concurrent with 3735-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 CARLOS ABREU
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER 3735-E-A
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Carlos Abreu, declare

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2006. My current title is Principal within PG&E's Energy Procurement organization. In this position, my responsibilities include negotiating PG&E's Renewables Portfolio Standard Program ("RPS") Power Purchase Agreements. In carrying out these responsibilities, I have acquired knowledge of PG&E's contracts with numerous counterparties and have also gained knowledge of the operations of electricity sellers in general. Through this experience, I have become familiar with the type of information that would affect the negotiating positions of electricity sellers with respect to price and other terms, as well as with the type of information that such sellers 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 Appendices A-C to PG&E's Advice Letter 3735-E-A submitted on March 4, 2011.

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"), and/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, if applicable, 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 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 March 4, 2011 in San Francisco, California.

A handwritten signature in black ink, consisting of a large, stylized initial 'C' followed by a horizontal line extending to the right.

Carlos Abreu

PACIFIC GAS AND ELECTRIC COMPANY Advice Letter 3735-E-A March 4, 2011								
IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066 AND DECISION 08-04-023								
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 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 3735-E-A							
5	Appendix A	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.	Y	Y	Y	This Appendix contains the terms of the confidential First Amendment. Disclosure of the confidential terms of the First 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 First Amendment has an expectation that the terms of the First Amendment including price will remain confidential pursuant to confidentiality provisions in the original PPA.	Information covered under Item VII G) remain confidential for three years
6	Appendix B	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs. Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects. General Order 66-C.	Y	Y	Y	This Appendix contains confidential pricing terms and price analysis. Disclosure of this information 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 First Amendment has an expectation that the terms of the First Amendment including price will remain confidential pursuant to confidentiality provisions in the original PPA. It is in the public interest to treat such information as confidential because if such information were made public, it would put the counterparty at a business disadvantage, could create a disincentive to do business with PG&E and other regulated utilities, and could have a damaging effect on current and future negotiations with other counterparties.	Information covered under Item VII G) and Item VII (un-numbered category following VII G), remain confidential for three years. For Information covered under General Order 66-C, remain confidential.
7	Appendix C	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.	Y	Y	Y	This Appendix contains the First Amendment. Disclosure of the First 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 First Amendment has an expectation that the terms of the First Amendment including price will remain confidential pursuant to confidentiality provisions in the original PPA.	Information covered under Item VII G) remain confidential for three years

Public Appendix D

**Letter Providing Notice that PG&E Elects to Exercise its Option to
Increase Capacity Under the Agreement to 100 MW**



Fong Wan
Senior Vice President
Energy Procurement

245 Market Street
San Francisco, CA 94105
Mailing Address
Mail Code N12G
Pacific Gas and Electric Company
P. O. Box 770000
San Francisco, CA 94177
415.973.3924
Fax: 415.973.0585
Internet: FXW1@pge.com

January 5, 2011

Shiloh III Wind Project, LLC
Attention: General Counsel
15445 Innovation Drive
San Diego, California 92128

Re: Power Purchase Agreement between Pacific Gas and Electric Company and Shiloh III
Wind Project, LLC, dated July 27, 2010 ("Agreement")

Dear Sir/Madam:

Pacific Gas and Electric Company ("Buyer") is in receipt of Ms. McMurray's letter dated December 13, 2010 in reference to the Agreement ("Incremental Capacity Notice"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Agreement. The Incremental Capacity Notice states that Shiloh III Wind Project, LLC has received all necessary rights and approvals required to build the Incremental Capacity. In accordance with Section 3.1(f)(iii) of the Agreement, Buyer hereby provides Notice that it elects to exercise its option to increase the Contract Capacity under the Agreement to 100 MW.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fong Wan".

Fong Wan

cc: Anne McMurray, Shiloh III Contracts Manager
anne.mcmurray@enxco.com

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

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