From: Churchill, Susannah
Sent: 5/28/2010 2:53:46 PM
To: Redacted
Cc: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); Lawlor, Joe T (/O=PG&E/OU=Corporate/cn=Recipients/cn=JTL5)
Bcc:
Subject: RE: DTE Stockton and cogen

Thanks, Redact That answers our questions. Happy weekend!

Susannah Churchill

Renewable Procurement & Resource Planning

Energy Division, California Public Utilities Commission

(415) 703-3072

susannah.churchill@cpuc.ca.gov

From: Redacted
Sent: Friday, May 28, 2010 1:08 PM
To: Churchill, Susannah
Cc: Lawlor, Joe T; Allen, Meredith
Subject: RE: DTE Stockton and cogen

Hi Susannah:

The current QF contract is for coal fired cogen facility. See additional answers to your follow-up questions below.

From: Churchill, Susannah
[mailto:susannah.churchill@cpuc.ca.gov]
Sent: Friday, May 28, 2010
9:45 AM
To: Redacted
Cc: Lawlor, Joe T; Allen,
Meredith
Subject: DTE Stockton and cogen

Hi Redac and Joe,

Quick question that I'm hoping you can answer today: the NextEra coal QF that would be replace by DTE Stockton is electricity-only, correct? Not a cogen plant? If it is cogen, can you answer the following:

who is the steam/heat consumer today? Nobody. Unit has been non-operational and remains shut down and therefore has no current steam/heat consumer at this point in time.

Will the new biomass DTE Stockton plan be a cogenerator? DTE has no plans at the current time to provide steam to a thermal host going forward, but is not precluded from doing so.

If not, how will the needs of the steam/heat host be met? Moot point per answer to question #1 above.

If so, how are the steam/heat needs being met during the interim period when the coal QF is shut-down and the biomass plant starts-up? N/A.

Thanks,

SC

Susannah
Churchill

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susannah.churchill@cpuc.ca.gov

From: Redacted
Sent: Thursday, April 22, 2010 10:47 AM
To: Churchill, Susannah
Cc: Lawlor, Joe T; Allen, Meredith
Subject: RE: questions re AL 3577-E

Confidential

Susannah:

Please find our answers to your latest set of questions on the DTE Stockton contract in the attached document.

Thanks,

Redacted

From: Churchill, Susannah [mailto:susannah.churchill@cpuc.ca.gov]
Sent: Tuesday, April 20, 2010 5:09 PM
To: Redacted
Cc: Lawlor, Joe T; Allen, Meredith
Subject: RE: questions re AL 3577-E

Hello Joe, Meredith and Redacted

Thanks for your quick responses. I left a message with Meredith about the first of my outstanding questions on this contract:

1) Joe noted that PG&E was not necessarily planning to submit an amended PPA to CPUC if there was a price change due to increased costs from GHG law change. This seems problematic to me; Sean Simon says he has not heard of the same for other PG&E contracts. I can't find anything in the PPA that says PG&E will or won't come back to CPUC if price goes above max allowable price. I may recommend that we note in the resolution that any price increase above the max allowable price come back here for re-approval. Please let me know your thoughts.

2) Has PG&E done any analysis assessing the possible range of GHG costs for biomass projects? If so, please send any work papers to support your conclusions.

3) What assumptions are made to arrive at the rule that 1 Mwh is produced from burning 1 bone dry ton?

Please let me know if you can respond to the above by COB tomorrow, Weds 4/21. Thanks again.

Susannah
Churchill

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(415) 703-3072

susannah.churchill@cpuc.ca.gov

From: Redacted
Sent: Wednesday, April 14, 2010 4:17 PM
To: Churchill,

Susannah
Cc: Lawlor, Joe T; Allen, Meredith
Subject: RE:
questions re AL 3577-E

Confidential

Susannah:

Please see our answers to your two additional questions in the attached document. Let us know if you have any more questions.

Thanks,

Redacted

From: Churchill, Susannah
[mailto:susannah.churchill@cpuc.ca.gov]
Sent: Wednesday, April 14,
2010 2:33 PM
To: Redacted
Cc: Lawlor, Joe T; Allen,
Meredith
Subject: RE: questions re AL 3577-E

Thanks, all, for answers to my questions. I have a couple follow-ups and thought email was easiest. Please let me know if you can reply by Thursday 4/15 close of business.

Follow-up questions:

Re. Question 1 on max /min price: What I am looking for is the max and min *levelized* price (both TOD adjusted and not) for the full length of the contract. I see from your reply that the max levelized price is $137.09/$141.09/MWh, but I do not see any min levelized price (both TOD adjusted and not). I assume it's lower than the base price b/c low fuel prices would result in the price decreasing below base.

Please state the min levelized
price (both TOD adjusted and not).

Re. Question 2) on GHG change of law provision: You state that seller "refused to accept the potential risk of future GHG **legislation** under the prices offered since if GHG costs later came into effect it could make the plant unviable under the offered pricing." AB 32 regulations and resulting prices will not be as a result of new legislation, but rather will flow from new administrative rules promulgated under existing law; this is why I am unclear if AB 32-related cost increases are meant to be in this category. However, it looks from the PPA language like cost increases resulting from AB 32 rules would qualify. Please clarify.

Thanks
again,

Susannah

Susannah
Churchill

Renewable Procurement & Resource Planning

Energy Division, California Public Utilities Commission

(415) 703-3072

susannah.churchill@cpuc.ca.gov

From: Redacted

Sent: Tuesday, April 13, 2010 1:29 PM
To: Churchill,
Susannah
Cc: Lawlor, Joe T; Allen, Meredith
Subject: RE:
questions re AL 3577-E

Confidential

Susannah:

Please see the answers to your questions in the attached document. Feel free to give us a call with additional questions.

Thanks,

Redacted

From: Churchill, Susannah
[mailto:susannah.churchill@cpuc.ca.gov]
Sent: Friday, April 09, 2010
3:14 PM
To: Lawlor, Joe T; Allen, Meredith
Cc: Redacte
Redacte
Subject: RE: questions re AL 3577-E

Thanks, Joe. After more AL review, I have another question to add to the list, since I can't find the answer in the AL materials:

How much fuel is the project estimated to use per year?

Thanks,

SC

Susannah
Churchill

Renewable Procurement & Resource
Planning

Energy Division, California Public Utilities Commission

(415) 703-3072

susannah.churchill@cpuc.ca.gov

From: Lawlor, Joe T [mailto:JTL5@PGE.COM]
Sent: Friday, April 09, 2010 11:43 AM
To: Churchill,
Susannah; Allen, Meredith
Cc: Redacted
Subject: Re:
questions re AL 3577-E

Thx - got it and we'll get you the info
by Tuesday COB latest. Joe

From: Churchill, Susannah
<susannah.churchill@cpuc.ca.gov>
To: Allen, Meredith
Cc: Lawlor, Joe T; Redacted
Sent: Fri Apr 09 11:21:45
2010
Subject: questions re AL 3577-E

Hi Meredith, Joe and
Redact

Here are my
questions regarding the DTE Stockton contract (to confirm my conversation with
Joe this morning, this is not the Big Creek contract). Please email me
replies by close of business on Tuesday, April 13. Questions and
replies will be kept confidential pursuant to Commission

rules.

1) What is the
maximum and minimum allowable prices under the contract, both TOD-adjusted and non-TOD adjusted, assuming fuel prices increase but don't exceed the maximum allowable of $75/ton? Please confirm that prices listed on Page
D-26 of the AL ($137.09/MWh or $141.39 TOD-adjusted) are the maximum prices, and state the minimum prices, both TOD-adjusted and non-TOD adjusted-- I can't find the minimum price listed anywhere.

The IE report (page
A10) makes reference to the price being allowed to rise by
$12.50/MWh, but I think they got it wrong, given what I think
is the max price listed on page D-26.

2) Re. GHG change of
law provision:

a) would any costs resulting from AB 32 implementation qualify as a change of law under this provision, even though AB 32 was enacted years ago, because implementation is not yet complete? Please explain why the developer should not be responsible for the risk of GHG emissions costs associated with their project's generation as anticipated under AB 32, if that is the case.

b) 10.1(c) in the PPA seems to say that if federal GHG legislation hasn't passed by Jan 2011 (very likely), the Seller can terminate the agreement. Please explain.

c) Would PG&E submit an amended AL at CPUC (or otherwise request CPUC approval) if prices change pursuant to this section of the contract? Please point to where in the AL you note this.

d) Have other PG&E RPS contracts included a similar provision? Please discuss.

3) What are the

water needs and planned supply for the project? Could find no discussion in the AL.

4) Page D-7 of the AL states that DTE has to convert the existing grandfathered QF connection to a new CAISO LGIA and install CAISO revenue quality meters. Please describe the milestones that will be required for each, and the list the projected dates for reaching each milestone.

Thanks very much,

Susannah

Susannah Churchill

Renewable Procurement & Resource Planning

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