

From: Wan, Fong  
Sent: 6/24/2010 9:48:34 AM  
To: 'Michael R. Peevey (MP1@cpuc.ca.gov)' (MP1@cpuc.ca.gov)  
Cc: Botorff, Thomas E (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3);  
Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAE)  
Bcc:  
Subject: Follow Up on BrightSource

Mike:

Good to see you yesterday. Thanks again for coming out!

Following up on your question on where we are with amendments to the BrightSource power purchase agreements (PPAs) 1 and 2, we have been working with them to address two requests. Their first request is for a price increase on both PPAs, and the second is to accommodate conditions that the DOE placed on their loan guarantee. As you know, all IOUs need to follow CPUC resolution E-4199 to justify price increases in our advice filing. We received the last piece of cost information from BrightSource yesterday that will allow us to justify the price change under E-4199.

We have also been working with the Independent Evaluator who oversees our negotiations to ensure that he can issue a report assessing the reasonableness of BrightSource's costs. While we have reached agreement with BrightSource on the contract changes, we still need the Independent Evaluator's report, which we expect in time to make a July 9 advice filing. We understand that BrightSource will need CPUC approval by October and we have provided this information to Julie Fitch in our work plan regarding approval of all pending RPS contracts.

Please call or email as needed. Thanks again!

Fong