

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

ID #9590
RESOLUTION E-4340
July 29, 2010

REDACTED

R E S O L U T I O N

Resolution E-4340. Pacific Gas and Electric Company (PG&E) requests approval of a renewable power purchase agreement with Rice Solar Energy, LLC.

PROPOSED OUTCOME: This Resolution approves cost recovery for a PG&E renewable energy power purchase agreement (PPA) with Rice Solar Energy, LLC. The PPA is approved without modifications.

ESTIMATED COST: Actual costs are confidential at this time.

By Advice Letter 3581-E filed on December 22, 2009.

SUMMARY

Pacific Gas and Electric Company's renewable power purchase agreement complies with the Renewables Portfolio Standard (RPS) procurement guidelines and is approved.

Pacific Gas and Electric Company (PG&E) filed Advice Letter (AL) 3581-E on December 22, 2009, requesting California Public Utilities Commission (Commission) review and approval of a power purchase agreement (PPA) with Rice Solar Energy, LLC, a subsidiary of Solar Reserve, LLC. Under the proposed 25 year PPA, PG&E would procure an estimated average of 448 gigawatt hours of renewable energy from the planned 150 megawatt solar thermal facility. Rice Solar Energy, LLC will utilize solar thermal power tower technology combined with molten salt storage.

This resolution approves the PPA between PG&E and Rice Solar Energy, LLC. The bilaterally negotiated PPA is consistent with PG&E's 2009 RPS Procurement Plan approved in Decision 09-06-018. Deliveries under the PPA are reasonably priced and fully recoverable in rates over the life of the contract, subject to Commission review of PG&E's administration of the contract.

The following table summarizes specific features of the facility and PPA:

Generating Facility	Rice Solar
Technology	Solar Thermal Power Tower with Molten Salt Storage
Capacity	150 megawatts
Expected Deliveries	448 gigawatt hours per year (dry cooled)
Contract Term	25 years
Commercial Operation Date	October 1, 2013
Project Location	Rice, California

BACKGROUND

Overview of RPS Program

The California RPS Program was established by Senate Bill (SB) 1078, and has been subsequently modified by SB 107 and SB 1036.¹ The RPS program is codified in Public Utilities Code Sections 399.11-399.20.² The RPS program administered by the Commission requires each utility to increase its total procurement of eligible renewable energy resources by at least one percent of retail sales per year so that 20 percent of the utility's retail sales are procured from eligible renewable energy resources no later than December 31, 2010.³

Additional background information about the Commission's RPS Program, including links to relevant laws and Commission decisions, is available at <http://www.cpuc.ca.gov/PUC/energy/Renewables/overview.htm> and <http://www.cpuc.ca.gov/PUC/energy/Renewables/decisions.htm>.

NOTICE

Notice of Advice Letter (AL) 3581-E was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

¹ SB 1078 (Sher, Chapter 516, Statutes of 2002); SB 107 (Simitian, Chapter 464, Statutes of 2006); SB 1036 (Perata, Chapter 685, Statutes of 2007)

² All further references to sections refer to Public Utilities (Pub. Util.) Code unless otherwise specified.

³ See § 399.15(b)(1).

PROTESTS

PG&E's AL 3581-E was not protested.

DISCUSSION

PG&E requests Commission approval of a new renewable energy contract

On December 22, 2009, PG&E filed AL 3581-E requesting Commission approval of a 25 year power purchase agreement (PPA) with Rice Solar Energy, LLC (Rice Solar or Project), a subsidiary of Solar Reserve, LLC. The contract is the result of bilateral negotiations between PG&E and Rice Solar.

Generation from the 150 megawatt (MW) Rice Solar project is expected to contribute an average of 448 gigawatt-hours (GWh) annually towards PG&E's renewables portfolio standard requirement beginning in October 2013.

Rice Solar proposes to develop a concentrating solar thermal power project comprised of a central receiver tower, sun-tracking heliostat field and an integrated thermal storage system using molten salt as the heat transfer and storage medium. PG&E explains that the technology was successfully deployed at the Solar Two project, which operated in Barstow, California between 1996 and 1999 as a demonstration project funded in part by the United States Department of Energy.

This technology generates power by reflecting sunlight from a field of tracking mirrors (heliostats) onto a receiver positioned on top of a central tower. A digital control system is used to focus the heliostats on the receiver as they track the sun throughout the day. The receiver collects the concentrated sunlight and uses it to heat molten salt, a mixture of sodium and potassium nitrate, to over 1,000 degrees Fahrenheit which flows into a thermal storage tank. The molten salt can be stored efficiently and dispatched to a conventional steam turbine when generation is needed. After exiting the steam generation system, the salt is directed to a thermal storage tank and the cycle is repeated. The use of molten salt facilitates energy storage allowing the plant to generate steady and uninterrupted power during hours of peak electricity demand, or at other times of energy demand, despite cloud cover and time of day. Rice Solar will employ "dry cooling" technology, which minimizes the Project's need for water.

On October 22, 2009, Rice Solar filed an application for certification (AFC) with the California Energy Commission (CEC).⁴ Specifically, Rice Solar requests

⁴ The Rice Solar AFC filed with the CEC is available at:
<http://www.energy.ca.gov/sitingcases/ricesolar/>

authority to construct its Project on 3,324 acres of private land in eastern Riverside County.⁵ PG&E explains that the site was formerly used as an airfield (Rice Army Airfield) and that the developer has site control for the Project. The CEC's AFC process, in conjunction with the Bureau of Land Management (BLM) and other agencies, will consider Best Management Practices that have been developed for solar energy projects in order to minimize or mitigate negative impacts on natural resources.⁶ CEC staff set forth a schedule to accommodate Rice Solar obtaining a CEC Decision by December 2010.⁷

PG&E requests that the Commission issue a resolution containing the following findings:

1. Approves the PPA in its entirety, including all payments to be made by PG&E pursuant to the PPA, subject to the Commission's review of PG&E's administration of the PPA.
2. Finds that all procurement pursuant to the PPA constitutes procurement from an Eligible Renewable Energy Resource for purposes of determining PG&E's compliance with any 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.) ("RPS"), Decision ("D.") 03-06-071 and D.06-10-050, or other applicable law.
3. Finds that all procurement and administrative costs, as provided by Public Utilities Code section 399.14(g), associated with the PPA shall be recovered in rates.
4. Adopts the following finding of fact and conclusion of law in support of CPUC Approval:
 - a. The PPA is consistent with PG&E's 2009 RPS procurement plan.

⁵ Rice Solar AFC at §5.6.

http://www.energy.ca.gov/sitingcases/ricesolar/documents/applicant/afc/Volume_1/RSE_P_5.6_Land_Use.pdf

⁶ The CEC's Best Management Practices are available at:

<http://www.energy.ca.gov/2009publications/CEC-700-2009-016/CEC-700-2009-016-SD-REV.PDF>

⁷ CEC staff's proposed schedule for CEC review of the Rice Solar AFC is available at:

http://www.energy.ca.gov/sitingcases/ricesolar/documents/2010-06-07_Staffs_Recommended_Schedule_TN-57010.pdf

- b. The terms of the PPA, including the price of delivered energy, are reasonable.
5. Adopts the following finding of fact and conclusion of law in support of cost recovery for the PPA:
 - a. The utility's costs under the PPA shall be recovered through PG&E's Energy Resource Recovery Account.
 - b. Any stranded costs that may arise from the PPA are subject to the provisions of D.04-12-048 that authorize recovery of stranded renewables procurement costs over the life of the contract. The implementation of the D.04-12-048 stranded cost recovery mechanism is addressed in D.08-09-012.
6. Adopts the following findings with respect to resource compliance with the Emissions Performance Standard ("EPS") adopted in R.06-04-009:
 - a. The PPA is not covered procurement subject to the EPS because the generating facility has a forecast annualized capacity factor of less than 60% and therefore is not baseload generation under paragraphs 1(a)(ii) and 3(2)(a) of the Adopted Interim EPS Rules.

Energy Division reviewed the proposed bilateral PPA on multiple grounds:

In D.09-06-050, the Commission determined that bilateral contracts should be reviewed according to the same processes and standards as contracts that are the result of a competitive solicitation.⁸ Accordingly, Energy Division reviewed the bilaterally negotiated Rice Solar PPA using the same standards used to review PPAs resulting from an annual solicitation. The PPA is consistent with the bilateral contracting guidelines established in D.09-06-050.

- Consistency with PG&E's 2009 RPS Procurement Plan
- Consistency with Least-Cost, Best-Fit requirements and Independent Evaluator review

⁸ The current process set forth for seeking Commission approval for an RPS contract is that RPS contracts, of any length greater than one month in duration, must be submitted for approval by advice letter, unless special conditions warrant filing an application (for example, if the PPA does not include the required standard terms and conditions).

- Procurement Review Group participation
- Consistency with RPS standard terms and conditions
- Cost reasonableness evaluation
- Cost containment
- Project viability
- Compliance with the minimum quantity requirement for long-term/new facility contracts
- Compliance with the Interim Emissions Performance Standard

Consistency with PG&E's 2009 RPS Procurement Plan

California's RPS statute requires that the Commission review the results of a renewable energy resource solicitation submitted for approval by a utility.⁹ PG&E's 2009 RPS procurement plan (Plan) was approved by Decision (D.) 09-06-018. Pursuant to statute, PG&E's Plan includes an assessment of supply and demand to determine the optimal mix of renewable generation resources, consideration of flexible compliance mechanisms established by the Commission, and a bid solicitation protocol setting forth the need for renewable generation of various operational characteristics.¹⁰

PG&E states that the generation from the Rice Solar PPA will meet the resource needs identified in its Plan. In its Plan, PG&E's goal was to procure approximately 800 to 1,600 GWh per year.

The PPA is consistent with PG&E's 2009 RPS Procurement Plan, including PG&E's RPS resource needs, approved by D.09-06-018.

Consistency with PG&E's Least-Cost, Best-Fit (LCBF) requirements and Independent Evaluator review

The LCBF decision directs the utilities to use certain criteria in their bid ranking.¹¹ The decision offers guidance regarding the process by which the utility ranks bids in order to select or "shortlist" the bids with which it will commence negotiations. PG&E's bid evaluation includes a quantitative and qualitative analysis, which focuses on four primary areas: 1) determination of a bid's market value; 2) calculation of transmission adders and integration costs; 3) evaluation of portfolio fit; and 4) consideration of non-price factors. The LCBF evaluation is

⁹ Pub. Util. Code, § 399.14

¹⁰ Pub. Util. Code, § 399.14(a)(3)

¹¹ D.04-07-029

generally used to establish a shortlist of proposals from PG&E's solicitation with whom PG&E will engage in contract negotiations. PG&E's 2009 RPS solicitation protocol included an explanation of its LCBF methodology.

While the Rice Solar PPA resulted from bilateral negotiations and therefore did not compete directly with other RPS projects, PG&E explained that it examined the reasonableness of the agreement using the same LCBF protocols it employed for developing its 2009 RPS solicitation shortlist. PG&E asserts that the Rice Solar PPA is competitive relative to other offers PG&E received in its 2009 RPS solicitation and with other RPS procurement opportunities recently executed and under negotiation.

PG&E employed an Independent Evaluator (IE) to oversee its negotiations with Rice Solar, as required by the Commission. AL 3581-E included an IE report that verified that the Rice Solar PPA's value and LCBF ranking is moderate compared to other competing offers from PG&E's 2009 RPS.¹² Specifically, the IE assessed the Project's portfolio fit as high, attributed to Rice Solar's on-peak generation profile and the dispatchability offered by the Project's molten salt storage capabilities, and project viability as low given the lack of commercial deployment for this technology. The IE concurs with PG&E's decision to execute the agreement and that the proposed Rice Solar PPA merits Commission approval.

The selection of the Rice Solar PPA is consistent with PG&E's 2009 RPS solicitation least-cost, best-fit cost protocols.

Consistent with D.06-05-039, an independent evaluator oversaw PG&E's negotiations with Rice Solar and concurs with PG&E's decision to execute the agreement and that the proposed Rice Solar PPA merits Commission approval.

Procurement Review Group participation

The Procurement Review Group (PRG) was initially established in D.02-08-071 as an advisory group to review and assess the details of the IOUs' overall procurement strategy, solicitations, specific proposed procurement contracts and other procurement processes prior to submitting filings to the Commission as an interim mechanism for procurement review.¹³ PG&E initially informed its PRG of Rice Solar's offer on August 14, 2009 and provided a subsequent update on December 15, 2009, prior to filing AL 3581-E.

¹² See AL 3581-E, Appendix I.

¹³ The PRG for PG&E includes representatives of the California Department of Water Resources, the Commission's Energy Division and Division of Ratepayer Advocates, Union of Concerned Scientists, The Utility Reform Network, the California Utility Employees, and Jan Reid, as a PG&E ratepayer.

Pursuant to D.02-08-071, PG&E's Procurement Review Group participated in the review of the PPA.

Consistency with RPS standard terms and conditions (STCs)

The Rice Solar PPA is based on PG&E's 2009 RPS pro forma contract and complies with D.08-04-009, as modified by D.08-08-028. As a result, the PPA contains the required non-modifiable STCs.

The PPA includes the Commission adopted RPS "non-modifiable" standard terms and conditions

Cost Reasonableness

In AL 3581-E, PG&E determined that the Rice Solar PPA compared favorably to proposals received in response to PG&E's 2009 solicitation because the PPA's market valuation was reasonable relative to other bids. The Commission's reasonableness review for RPS PPA prices also includes a comparison to other proposed RPS projects from recent RPS solicitations, as well as Commission approved projects. Using this analysis, and the confidential analysis provided by PG&E in AL 3581-E, we determine that the PPA price is reasonable.

Confidential Appendix A includes a detailed discussion of the contractual pricing terms, including PG&E estimate of the total contract costs under the PPA.

The PPA compares favorably to the results of PG&E's 2009 solicitation. The total all-in costs of the PPA are reasonable based on their relation to bids received in response to PG&E's 2009 solicitation and other comparable PPAs.

Payments made by PG&E under the PPA are fully recoverable in rates over the life of the PPA, subject to Commission review of PG&E's administration of the PPA.

Cost containment

Pursuant to statute, the Commission calculates a market price referent (MPR) to assess above-market costs of individual RPS contracts and the RPS program in general.¹⁴ Based on a 2013 commercial online date, the 25-year PPA exceeds the 2008 MPR.¹⁵

Contracts that meet certain criteria are eligible for above-MPR funds (AMFs). The Rice Solar PPA was bilaterally negotiated, and therefore does not meet the eligibility criteria for AMFs. Additionally, on May 28, 2009, the Director of the Energy Division notified PG&E that it had exhausted its AMF account, meaning

¹⁴ See § 399.15(c)

¹⁵ See Resolution E-4298.

PG&E is no longer required to sign contracts for renewable power priced above the MPR, but may voluntarily choose to do so.¹⁶

PG&E will voluntarily procure energy pursuant to the Rice Solar PPA at an above-MPR price.

Project Viability Assessment and Development Status

PG&E believes the Rice Solar project is viable and will be developed according to the terms and conditions in the PPA. PG&E evaluated the viability of the Rice Solar project using the Commission approved project viability calculator, which uses standardized criteria to quantify a project's strengths and weaknesses in key areas of renewable project development. The confidential work papers for AL 3581-E included a comparison of Rice Solar's project viability score relative to all bids PG&E received in its 2009 RPS solicitation and all shortlisted projects. Based on this analysis, the viability of the Rice Solar project is reasonable compared to other projects offered to PG&E.

The Rice Solar PPA identifies agreed upon project milestones, including the construction start date and commercial operation date. The seller's obligations to meet these milestones are supported by performance assurance securities. PG&E asserts that the Rice Solar project development plan allows for all milestones to be achieved. PG&E provided the following information about the Project's developer and development status:

Developer experience and creditworthiness

In AL 3581-E, PG&E explained that Rice Solar will be the first project developed by SolarReserve, LLC. However, PG&E states that the company's management team includes executives with experience in energy technology, finance and power plant development. SolarReserve, LLC's founding partners are United Technologies and US Renewables Group; a leading technology conglomerate and private equity firm exclusively focused on renewable power, respectively.¹⁷

Technology

There are numerous concentrating solar thermal power projects in development; however, the technology is not yet commercially deployed at this scale. The use of molten salt and storage provides greater value to the purchasing utility, and

¹⁶ See § 399.15(d)

¹⁷ Additional information about SolarReserve, LLC is available at: <http://www.solarreserve.com/aboutUs.html>

the transmission system; however, its application at this scale is new and therefore may adversely impact the Project's viability.

Site control and permitting status

Rice Solar has full site control. Permitting for the Rice Solar project is underway and PG&E expects the Project to obtain all necessary permits to achieve commercial operation in a timely matter.

Interconnection and transmission

Pursuant to the PPA, the Project will interconnect at the planned Colorado River substation located on the Devers-Palo Verde 2 transmission line. Rice Solar is pursuing an interconnection agreement with the Southern California Edison Company through the California Independent System Operator interconnection process.

Contribution to minimum quantity requirement for long-term/new facility contracts

D.07-05-028 established a "minimum quantity" condition on the ability of utilities to count an eligible contract of less than 10 years duration for compliance with the RPS program.¹⁸ In the calendar year that a short-term contract with an existing facility is executed, the utility must also enter into long-term contracts or contracts with new facilities equivalent to at least 0.25% of the utility's previous year's retail sales.

As a new facility, delivering pursuant to a long-term contract, the PPA will contribute to PG&E's minimum quantity requirement established in D.07-05-028.

Compliance with the Interim Greenhouse Gas Emissions Performance Standard (EPS)

California Pub. Util. Code § 8340 and 8341 require that the Commission consider emissions costs associated with new long-term (five years or greater) power contracts procured on behalf of California ratepayers.

D.07-01-039 adopted an interim EPS that establishes an emission rate quota for obligated facilities to levels no greater than the greenhouse gas (GHG) emissions of a combined-cycle gas turbine power plant. The EPS applies to all energy contracts for baseload generation that are at least five years in duration.¹⁹

¹⁸ For purposes of D.07-05-028, contracts of less than 10 years duration are considered "short-term" contracts and facilities that commenced commercial operations prior to January 1, 2005 are considered "existing".

¹⁹ "Baseload generation" is electricity generation at a power plant "designed and intended to provide electricity at an annualized plant capacity factor of at least 60%." Pub. Utils. Code § 8340 (a).

Generating facilities using certain renewable resources are deemed compliant with the EPS, although contracts with intermittent resources are subject to the limitation that total purchases under the contract do not exceed the expected output from the facility over the term of the contract.

The PPA complies with the EPS established in D.07-01-039 because it concerns an in-state RPS-eligible facility with a capacity factor less than 60 percent.

RPS Eligibility and CPUC Approval

Pursuant to Pub. Util. Code § 399.13, the CEC certifies eligible renewable energy resources. Generation from a resource that is not CEC-certified cannot be used to meet RPS requirements. To ensure that only CEC-certified energy is procured under a Commission-approved RPS contract, the Commission has required standard and non-modifiable “eligibility” language in all RPS contracts. That language requires a seller to warrant that the project qualifies and is certified by the CEC as an “Eligible Renewable Energy Resource,” that the project’s output delivered to the buyer qualifies under the requirements of the California RPS, and that the seller uses commercially reasonable efforts to maintain eligibility should there be a change in law affecting eligibility.²⁰

The Commission requires a standard and non-modifiable clause in all RPS contracts that requires “CPUC Approval” of a PPA to include an explicit finding that “any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any 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.”²¹

Notwithstanding this language, the Commission has no jurisdiction to determine whether a project is an eligible renewable energy resource, nor can the Commission determine prior to final CEC certification of a project, that “any procurement” pursuant to a specific contract will be “procurement from an eligible renewable energy resource.”

Therefore, while we include the required finding here, this finding has never been intended, and shall not be read now, to allow the generation from a non-RPS-eligible resource to count towards an RPS compliance obligation. Nor shall such finding absolve the seller of its obligation to obtain CEC certification, or the utility of its obligation to pursue remedies for breach of contract. Such contract

²⁰ See, e.g. D. 08-04-009 at Appendix A, STC 6, Eligibility.

²¹ See, e.g. D. 08-04-009 at Appendix A, STC 1, CPUC Approval.

enforcement activities shall be reviewed pursuant to the Commission's authority to review the utilities' administration of contracts.

Confidential information

The Commission, in implementing Pub. Util. Code § 454.5(g), has determined in D.06-06-066, as modified by D.07-05-032, that certain material submitted to the Commission as confidential should be kept confidential to ensure that market sensitive data does not influence the behavior of bidders in future RPS solicitations. D.06-06-066 adopted a time limit on the confidentiality of specific terms in RPS contracts. Such information, such as price, is confidential for three years from the date the contract states that energy deliveries begin, except contracts between IOUs and their affiliates, which are public.

The confidential appendices, marked "[REDACTED]" in the public copy of this resolution, as well as the confidential portions of the advice letter, should remain confidential at this time.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS AND CONCLUSIONS

1. The Rice Solar Energy, LLC power purchase agreement is consistent with Pacific Gas and Electric Company's 2009 Renewables Portfolio Standard Procurement Plan and resource needs, approved by Decision 09-06-018.
2. The Rice Solar Energy, LLC power purchase agreement is consistent with the bilateral contracting guidelines established in D.09-06-050.
3. The selection of the Rice Solar Energy, LLC power purchase agreement is consistent with Pacific Gas and Electric Company's 2009 Renewables Portfolio Standard Procurement solicitation least-cost, best-fit cost protocols.

4. Consistent with D.06-05-039, an independent evaluator oversaw Pacific Gas and Electric Company's negotiations with Rice Solar and concurs with Pacific Gas and Electric Company's decision to execute the agreement and that the proposed Rice Solar power purchase agreement merits Commission approval.
5. Pursuant to Decision 02-08-071, Pacific Gas and Electric Company's Procurement Review Group participated in the review of the Rice Solar Energy, LLC power purchase agreement.
6. The bilaterally negotiated Rice Solar Energy, LLC power purchase agreement compares favorably to the results of Pacific Gas and Electric Company's 2009 solicitation for renewable resources.
7. The total all-in costs of the Rice Solar Energy, LLC power purchase agreement are reasonable based on their relation to bids received in response to Pacific Gas & Electric Company's 2009 solicitation for renewable resources.
8. The Rice Solar Energy, LLC power purchase agreement exceeds the applicable 2008 market price referent.
9. Pursuant to Public Utilities Code § 399.15(d), PG&E will voluntarily procure energy under the Rice Solar Energy, LLC power purchase agreement at a price that exceeds the applicable market price referent.
10. Payments made by Pacific Gas and Electric Company under the approved power purchase agreement are fully recoverable in rates over the life of the agreement, subject to Commission review of Pacific Gas & Electric Company's administration of the agreement.
11. The viability of the Rice Solar Energy, LLC project is reasonable compared to other projects offered to Pacific Gas and Electric Company.
12. The power purchase agreement will contribute to Pacific Gas and Electric Company's minimum quantity requirement established in D.07-05-028.
13. The power purchase agreement complies with the Emissions Performance Standard because it meets the conditions established in Decision 07-01-039.
14. Procurement pursuant to the power purchase agreement is procurement from eligible renewable energy resources for purposes of determining Pacific Gas and Electric Company's compliance with any 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 and Decision 06-10-050, or other applicable law.
15. The immediately preceding finding shall not be read to allow generation from a non-RPS eligible renewable energy resource under the power

purchase agreement to count towards an RPS compliance obligation. Nor shall that finding absolve Pacific Gas and Electric Company of its obligation to enforce compliance with this agreement.

16. The confidential appendices, marked "[REDACTED]" in the public copy of this Resolution, as well as the confidential portions of the advice letter, should remain confidential at this time.
17. Advice Letter 3581-E should be approved effective today without modifications.

THEREFORE IT IS ORDERED THAT:

1. Pacific Gas and Electric Company's Advice Letter 3581-E, requesting Commission approval of a power purchase agreement with Rice Solar Energy, LLC is approved without modifications.
2. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on July 29, 2010; the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director

Confidential Appendix A

Rice Solar Contract Summary and Analysis

[REDACTED]