

From: Allen, Meredith
Sent: 6/22/2010 9:11:01 AM
To: 'Simon, Sean A.' (SVN@cpuc.ca.gov)
Cc:
Bcc:
Subject: FW: PG&E PRG: Review and Comment on Transaction

From: Marc D. Joseph [mailto:MDJoseph@adamsbroadwell.com]
Sent: Thursday, June 10, 2010 5:33 PM
To: Matthew Freedman; [Redacted]
Cc: [Redacted]; JANREID@COASTECON.COM; marcel@turn.org; mflorio@turn.org; hayley@turn.org; lwisland@ucsusa.org; kdw@woodruff-expert-services.com; toney@water.ca.gov; [Redacted]; mobasheri@electricpowergroup.com; jspence@water.ca.gov; jpacheco@water.ca.gov; schan@water.ca.gov
Subject: RE: PG&E PRG: Review and Comment on Transaction

Sharon –

CUE agrees with TURN. Frankly, I am baffled as to why PG&E would have any interest in wasting more money buying pieces of paper from an existing project in the face of the Commission's explicit moratorium on these deals.

I also don't think it inappropriate to note that PG&E proposes to waste ratepayer money like this while simultaneously claiming that it has so little money available that its pole replacement cycle is now measured in centuries; and plans to hire precisely zero apprentice linemen this year while sporting the worst reliability of the 3 IOUs.

I look forward to an explanation of what PG&E is thinking here.

Marc

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From: Matthew Freedman [mailto:matthew@turn.org]
Sent: Thursday, June 10, 2010 10:47 AM
To: Redacted
Cc: Redacted; Marc D. Joseph; JANREID@COASTECON.COM; marcel@turn.org; mflorio@turn.org; hayley@turn.org; lwisland@ucsusa.org; kdw@woodruff-expert-services.com; toney@water.ca.gov; Redacted; mobasheri@electricpowergroup.com; jspence@water.ca.gov; jpacheco@water.ca.gov; schan@water.ca.gov
Subject: Re: PG&E PRG: Review and Comment on Transaction

Sharon,

TURN opposes this transaction on several grounds:

(1) The deal does nothing to bring new renewable energy facilities since the facility was commissioned last year.

(2) A 1-year PPA priced at the COB index provides no benefits to CA customers.

(3) The CPUC has placed a moratorium on the execution of new PPAs that would be classified as TRECs under the recent decision. This deal is a TREC product because it represent the purchase of unbundled RECs from outside the ISO combined with index-priced system energy. If this deal is submitted for CPUC approval, PG&E would violate the moratorium contained within the stay of the TREC decision. If PG&E insists on proposing this transaction for Commission approval despite the explicit moratorium, TURN will oppose the contract and may seek sanctions on PG&E for acting in contempt of an adopted Commission decision.

Matt Freedman

TURN

On Jun 9, 2010, at 5:29 PM, [Redacted] wrote:

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Procurement Review Group:

As you may recall, as presented in the February 12, 2010, PRG Meeting, RPS Update, PG&E stated that it had executed two RPS contracts with Barclays Capital PLC ("Barclays") for the Hay Canyon and Nine Canyon facilities. These contracts were presented on August 14, 2009, December 15, 2010, and February 12, 2010 meetings and were originally referred to as "Evolution Markets" in the 2009 RPS Solicitation. During the April 9, 2010 PRG meeting, Barclays was verbally mentioned as a possible counterparty for a short term 2010 transaction, as part of PG&E's RPS short term procurement strategy. However, at that time it was not clear if they had a specific facility to offer to PG&E as a short-term transaction.

After the April 9, 2010 PRG Meeting, Barclays was able to identify and offer a specific facility for a short-term 2010 transaction, which is Vansycle II. As shown in the attachment, the offer is for approximately 288 GWh of firmed and shaped energy and Green Attributes. The pricing is the COB index for energy and \$30/MWh for the Green Attributes. PG&E and Barclays have finalized a confirmation under the exiting EEI Master Agreement and PG&E is prepared to execute and file the confirmation for CPUC approval as early as June 15, 2010.

As a result, PG&E is seeking comments from PRG members, no later than Monday, June 14, 2010, 12:00 noon. The timing on this confirmation does not coincide with the next PRG meeting scheduled for June 24, 2010.

Attached is a confidential presentation which includes background information and description of this project. It also includes the current list of potential 2010 short-term transactions under consideration as an update to what was presented to the PRG on April 9, 2010.

If you have any comments, please send them to

Redacted

<<PGE PRG E-MAIL - Update Barclays Vansycle.ppt>>

Redacted

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<PGE PRG E-MAIL - Update Barclays Vansycle.ppt>

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