From: Redacted

Sent: 7/26/2010 10:39:26 AM

To: Redacted; 'Simon, Sean A.' (sean.simon@cpuc.ca.gov)

Cc: Redacted; Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)

Bcc:

Subject: RE: confidential-do not forward_AL 3671-E

Confidential Protected Material

Sean,

Per your request, please see the responses to your questions regarding Alpine Suntower. Please let us know should you have further questions.

1/ Accurate permitting information for the project.

Response: You are correct that since Alpine Suntower is no longer a CSP project, the CEC is not the lead permitting agency. Los Angeles County is the lead agency, the Conditional Use Permit was submitted in December 2009 and a revised application reflecting the switch to 100% photovoltaic was submitted in June 2010. NRG is presently preparing the draft Initial Study and Mitigated Negative Declaration to be submitted this month (July) to Los Angeles County Department of Regional Planning for review and approval. NRG expects to receive approval of the CUP from Los Angeles County prior to the construction start milestone in the PPA.

2/ Revised AMF worksheet with consistent use of TOD factors

Response: Please see attachment which TOD adjusts the 2009 MPR using 2007 TOD factors.

3/ PG&E will pay less than the contract price prior to the project being fully developed and if certain conditions are met. Specifically,

•□□□□□□□ PG&E will pay 80% of the contract price for all generation produced during the project's Initial Energy Delivery Date, defined as period between when initial capacity is installed and generating until greater than 12 MW are installed and operational;

•□□□□□□□ PG&E will pay the contract price minus $15/MWh for generation [define terms]; and

•□□□□□□□ PG&E will pay 75% of the contract price for any deliveries that exceed 120% of the monthly expected generation.

Response:

The first two pricing questions are Pre-COD prices and they occur sequentially:

- 80% of Contract Price - PG&E will pay the Seller 80% of CP during the Test Product Delivery Period, which is defined in Section 3.1(n) as "the period commencing on the first date which the Project is capable of delivering Product to Buyer and ending on the Initial Energy Delivery Date".
- Contract Price minus $15/MWh - PG&E will pay the Seller CP minus $15/MWh beginning at the Initial Energy Delivery Date and ending at the Final Commercial Operation Date or 12 months following the Initial Energy Delivery Date, whichever occurs sooner. See Sections 3.1(c) and 3.1(p). Amongst other conditions required for Initial Energy Delivery Date is a capacity of 12 MW.

The last pricing question is relevant during the Delivery Term, Post-TOD:

- Contract Price for deliveries up to 120% of Contract Quantity and *85%* of Contract Price for deliveries in excess of 120% of Contract Quantity - This is from PG&E's Standard Form with the exception that in our Standard Form the Seller receives 75% of Contract Price for deliveries in excess of 120% of Contract Quantity, in the original negotiations of Alpine Suntower this term was negotiated to 85%.

Thank you,
Maggie

From: Simon, Sean A. [mailto:sean.simon@cpuc.ca.gov]
Sent: Monday, July 26, 2010 9:51 AM
To: Redacted
Cc: Allen, Meredith; Redacted
Subject: confidential-do not forward_AL 3671-E

Pat,

following up on the voice mail message I left for you. Please let me know when I can expect the info I requested last week concerning AL 3671-E.

Specifically, I requested:

1/ Accurate permitting information for the project, and

2/ Revised AMF worksheet with consistent use of TOD factors

Also, can you please explain the various PPA terms and conditions where PG&E would pay a proportion of the contract price. Feel free to edit the language below of provide a separate response that clearly defines the terms and condition.

> PG&E will pay less than the contract price prior to the project being fully developed and if certain conditions are met. Specifically,

•□□□□□□□ PG&E will pay 80% of the contract price for all generation produced during the project's Initial Energy Delivery Date, defined as period between when initial capacity is installed and generating until greater than 12 MW are installed and operational;

•□□□□□□□ PG&E will pay the contract price minus $15/MWh for generation [define terms]; and

•□□□□□□□ PG&E will pay 75% of the contract price for any deliveries that exceed 120% of the monthly expected generation.

Regards,
Sean

Sean A. Simon | Energy Division - Analyst | CA Public Utilities Commission | Tel (415) 703-3791

http://www.cpuc.ca.gov/renewables