

August 26, 2010

Mr. Honesto Gatchalian
California Public Utilities Commission
Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, CA 94102

Re: Substitute Sheets for Advice 3674-E

Dear Mr. Gatchalian:

Enclosed are an original and 4 copies of substitute sheets for Advice 3674-E, "Request for Approval of Implementation and Administration Details for the Power Purchase Agreement Portion of PG&E's Photovoltaic Program."

PG&E inadvertently used 140% in the Guaranteed Energy Production formula instead of the correct value of 160% on Page 23 of Appendix B2 to Attachment A, the "Form PV PPA for Projects 3 MW or Greater and 20 MW or Less," as well as on Page 22 of Attachment B2, the redlined version of the PPA. The cover sheets for Attachment A – Appendix B2 and Attachment B2 are provided as a convenience.

Please telephone me at (415) 973-4612 should you have any questions regarding the replacement of these pages.

/S/ LINDA TOM-MARTINEZ

Linda Tom-Martinez
Operations Proceedings

cc: Service Lists – R.06-06-02-012, R.08-02-007, R.08-08-009

Attachments

Advice 3674-E

Attachment A

Appendix B2 Form of PV PPA for Projects 3 MW or Greater and 20 MW or Less

Guaranteed Energy Production = (160% * Contract Quantity in MWh) * [(Hrs in Performance Measurement Period - Seller Excuse Hrs) / Hrs in Performance Measurement Period]

(B) If Seller has a GEP Failure, then within forty-five (45) days after the last day of the last month of such Performance Measurement Period, Buyer shall promptly notify Seller of such failure. Seller may cure the GEP Failure by delivering to Buyer no less than ninety percent (90%) of the Contract Quantity over the next following Contract Year (“GEP Cure”). If Seller fails to generate sufficient Delivered Energy to make the GEP Cure for a given Performance Measurement Period, Seller shall pay GEP Damages, calculated pursuant to Appendix VII (GEP Damages Calculation), provided however that in lieu of paying GEP Damages, Seller shall have the one-time option to reduce the Contract Capacity to no less than seventy percent (70%) of the original Contract Capacity.

(I) In the event that the Contract Capacity is reduced pursuant to Sections 3.1(e)(ii)(B) above, (i) the Contract Quantity during each Contract Year set forth in the Delivery Term Contract Schedule set forth in Appendix V shall be adjusted proportionately with such reduction, and (ii) the Guaranteed Energy Production shall be adjusted to one hundred sixty percent (160%) of the then-applicable Contract Quantities for the Performance Measurement Period, as described by the following formula:

Guaranteed Energy Production = (160% * adjusted Contract Quantity in MWh) * [(Hrs in Performance Measurement Period - Seller Excuse Hrs) / Hrs in Performance Measurement Period]

(II) Seller shall not incur or be subject to any liability, including but not limited to GEP Damages hereunder as a result of such one-time reduction in the Contract Capacity or adjusted Contract Quantities pursuant to Section 3.1(e)(ii)(B).

(III) The Parties agree that the damages sustained by Buyer associated with Seller’s failure to achieve the Guaranteed Energy Production requirement would be difficult or impossible to determine, or that obtaining an adequate remedy would be unreasonably time consuming or expensive and therefore agree that Seller shall pay the GEP Damages to Buyer as liquidated damages. In no event shall Buyer be obligated to pay GEP Damages.

(IV) After the GEP Cure period has run, if Seller has not achieved the GEP Cure, Buyer shall have forty-five (45) days to notify Seller of such failure. Within forty-five (45) days of the end of the GEP Cure period, Buyer shall provide Notice to Seller in writing of the amount of the GEP Damages, if any, which Seller shall pay within sixty (60) days of receipt of the Notice. If Seller does not pay the GEP Damages within the sixty (60) day time period, Buyer may, at its option, declare an Event of Default pursuant to Section 5.1(b)(vi)(A). If Buyer does not (1) notify Seller of the GEP Failure or (2) declare an Event of Default pursuant to Section 5.1(b)(vi), if Seller has failed to pay the GEP Damages, then Buyer shall be deemed to have waived its right to declare an Event of Default based on Seller’s failure with respect to the Performance Measurement Period which served as the basis for the notice of GEP Failure, GEP Damages, or default, subject to the limitations set forth in Section 5.1(b)(vi)(B).

Advice 3674-E

Attachment B2

Standard Contract for Facilities 3-20 MW in Size

Commercial Operation Date. As evidence of the Initial Energy Delivery Date, the Parties shall execute and exchange the “Initial Energy Delivery Date Confirmation Letter” attached hereto as Appendix II on the Initial Energy Delivery Date. Eighteen (18) months prior to the anticipated conclusion of the Delivery Term, the Parties shall provide notice of their intentions with respect to the Project, including if desired, any proposed extension of this Agreement.

(d) Delivery Point. The Delivery Point shall be the Interconnection Point.

(e) Contract Quantity and Guaranteed Energy Production.

(i) Contract Quantity. The Contract Quantity during each Contract Year is the amount set forth in the applicable Contract Year in the “Delivery Term Contract Quantity Schedule,” attached hereto as Appendix V, which amount is inclusive of outages. ***[Seller shall provide the Contract Quantity amount listed in its Offer on the worksheet in the Bid Offer Forms applicable to the Product. Such amounts should account for annual degradation of PV.]***

(ii) Guaranteed Energy Production.

(A) Throughout the Delivery Term, Seller shall be required to deliver to Buyer no less than the Guaranteed Energy Production over two (2) consecutive Contract Years during the Delivery Term (“Performance Measurement Period”). “Guaranteed Energy Production” means an amount of Delivered Energy, as measured in MWh, equal to the product of (x),(y), where (x) is one hundred ~~forty-sixty~~ percent (~~44~~160%) of the then-applicable Contract Quantities for the Performance Measurement Period, (y) is the difference between (I) and (II), with the resulting difference divided by (I), where (I) is the number of hours in the applicable Performance Measurement Period and (II) is the aggregate number of Seller Excuse Hours in the applicable Performance Measurement Period. Guaranteed Energy Production is described by the following formula:

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$$\text{Guaranteed Energy Production} = (\text{160}\% * \text{Contract Quantity in MWh}) * [(\text{Hrs in Performance Measurement Period} - \text{Seller Excuse Hrs}) / \text{Hrs in Performance Measurement Period}]$$

(B) If Seller has a GEP Failure, then within forty-five (45) days after the last day of the last month of such Performance Measurement Period, Buyer shall promptly notify Seller of such failure. Seller may cure the GEP Failure by delivering to Buyer no less than ~~eighty-ninety~~ percent (~~89~~90%) of the Contract Quantity over the next following Contract Year (“GEP Cure”). If Seller fails to generate sufficient Delivered Energy to make the GEP Cure for a given Performance Measurement Period, Seller shall pay GEP Damages, calculated pursuant to Appendix VII (GEP Damages Calculation), provided however that in lieu of paying GEP Damages, Seller shall have the one-time option to reduce the Contract Capacity to no less than seventy percent (70%) of the original Contract Capacity.

(I) In the event that the Contract Capacity is reduced pursuant to Sections 3.1(e)(ii)(B) above, (i) the Contract Quantity during each Contract Year set forth in the Delivery Term Contract Schedule set forth in Appendix V shall be adjusted proportionately with such reduction, and (ii) the Guaranteed Energy Production shall be adjusted