

From: [Redacted]
Sent: 9/7/2010 12:31:58 PM
To: 'Bawa, Niki' (niki.bawa@cpuc.ca.gov)
Cc: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)
Bcc:
Subject: Desert Sunlight Resolution

CONFIDENTIAL

H Niki:

We do not plan on filing a formal response on this, but we do want to try and clarify one thing in the confidential appendix. The wording in Conf. Appendix A, page 18 is slightly misleading:

It is common practice for PG&E to procure test energy during the development process. PG&E agreed to increase the amount it paid for test energy from the sum of California Independent System Operator (CAISO) revenues plus \$25/MWh to CAISO revenues plus \$50/MWh

Our Form has us simply paying the CAISO revenues, while the "green premium" is a negotiated amount. The way it is currently written makes it seem like the \$25/MWh is a set amount, and that we increased it to \$50/MWh for this specific contract. It was common at that time to add \$25/MWh for the REC, but we ended up at \$50/MWh for this contract during negotiations.

Below is a suggestion on how to possibly modify this. As I mentioned above, we would like to avoid filing formal comments to clarify this and are hoping we can take care of this informally:

It is common practice for PG&E to procure test energy during the development process. PG&E agreed to pay increase the amount it payid for test energy from the sum of California Independent System Operator (CAISO) revenues plus \$50/MWh to CAISO revenues plus \$50/MWh

Please let me know your thoughts.

Thanks,

[Redacted]

Regulatory Relations Manager
Pacific Gas & Electric Co.

[Redacted]