Energy Division Data Request **December 14, 2010**
Advice Letter 3620-E

Subject: Energy Division data request for additional information for Advice Letter (AL) 3620-E, which concerns PG&E's request for approval of three renewable contracts with Greengate Power Corporation.

Please provide a detailed response to the questions below by **Wednesday, December 30, 2010**. Any questions related to the data request should be directed to Sean Simon at 415-703-3791; svn@cpuc.ca.gov.

1. Provide any information about how Greengate will manage (e.g., sell and hedge against price volatility) the null power and capacity associated with the three contracts throughout the term of the agreements with PG&E.

2. Provide in Microsoft Excel format, a list of all existing power purchase agreements that could be used to import the Green Attributes associated with the Greengate contracts. Please include the following information for each contract:
   - The annual quantity of energy provided in each year;
   - The delivery profile;
   - The delivery point(s); and
   - Pricing terms and conditions.

3. In advice letter 3620-E, PG&E assigns a $0 capacity value to the Greengate contracts. Under this analysis is PG&E assuming that the Green Attributes associated with the Greengate contracts are imported with existing contracts?

   3a. What would be PG&E's estimate of the capacity value if incremental energy contracts were used to import 100% of the Green Attributes associated with the Greengate contracts?

   3b. What would be the capacity value if incremental energy contracts were used to import 50% of the Green Attributes associated with the Greengate contracts?

4. Since filing AL 3620-E, has PG&E determined whether existing or incremental energy contracts will be used to import the Green Attributes associated with the Greengate contracts?

5. How does PG&E view the viability risk to the Greengate projects in light of information provided by NaturEner in its Rebuttal Testimony in SDG&E's Application 10-07-017? (See page 33)

   Significant increases in wind penetration in Alberta are not likely in the short term. NaturEner, through its Canadian affiliate, has significant experience in the Alberta market. NaturEner knows development and construction costs in Alberta to be materially higher than they are in Montana. The Canadian projects do not have access to Production Tax Credits. There are no equivalent financial incentive programs available from the Canadian government. The Canadian ecoEnergy program which provides an incentive of $10 MW/hr for ten years to projects achieving commercial operation before

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March 2011, has not been extended and no replacement program has been introduced. There is only a small provincial carbon offset program available in Alberta. While other provinces in Canada have recently introduced significant financial incentives for renewable energy generation, Alberta continues to take an approach of letting the markets decide whether the economics exist for new generation build, renewable or otherwise. It is definitely a challenging place to bring a wind energy project to market. Based on these factors, NaturEner considers the prospect of a significant increase in wind penetration in Alberta to be low in the near term.

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