

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company for Approval of the Manzana Wind
Project and Issuance of a Certificate of Public
Convenience and Necessity.

(U 39 E)

Application 09-12-002
(Filed December 3, 2009)

**NOTICE OF *EX PARTE* COMMUNICATION
OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
(CONFIDENTIAL VERSION)**

BRIAN K. CHERRY

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December 10, 2010

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company for Approval of the Manzanita Wind
Project and Issuance of a Certificate of Public
Convenience and Necessity.

(U 39 E)

Application 09-12-002
(Filed December 3, 2009)

**NOTICE OF *EX PARTE* COMMUNICATION
OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
(CONFIDENTIAL VERSION)**

Pursuant to Rule 8.3(a) of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company ("PG&E") hereby gives notice of the following *ex parte* communication. The communication occurred on Tuesday, December 7, 2010, at approximately 4:00 p.m. at the offices of the California Public Utilities Commission in San Francisco. The communication was oral and included the attached written handouts. [Rule 8.3(a),(c)].

Meredith Allen, Director, Regulatory Relations, PG&E, initiated the communication with Andrew Schwartz, Advisor to Commission President Michael R. Peevey. Also in attendance from PG&E: Fong Wan, Senior Vice President-Energy Procurement, and Brian Cherry, Vice President-Regulatory Relations. [Rule 8.3(b)].

Mr. Wan stated that the project is cost competitive with other renewables projects included in the handouts. Ms. Allen stated that the risk to protected species is remote given PG&E's take avoidance strategy and that in particular the risk to condors is remote given the project's site characteristics. Ms. Allen also discussed the November 23 California Department of Fish and Game letter. [Rule 8.3(c)].

To obtain a copy of this notice, please notify Redacted or via
email at Redacted

Respectfully submitted,

BRIAN K. CHERRY

By: 
BRIAN K. CHERRY

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Dated: December 10, 2010

ATTACHMENT 1
(CONFIDENTIAL VERSION)

2009 RPS RFO Shortlist

Counterparty		Project Name	Technology	COD	GWs	Levelized Cost (Post-TOD) \$/MWh	Net Market Value (\$/MWh) Using August 2009 Forward Curves*
Redacted							

Redacted

ATTACHMENT 2
(CONFIDENTIAL VERSION)

CONFIDENTIAL

Recently Approved (last 6 months)

Project	Technology	Location	MW	Annual (GWh)	Target On-Line Date	Pre-TOD Levelized Price (\$/MWh or \$/MMBtu)	Net Market Value (\$/MWh)*
Redacted							

*: Net Market Values derived using November 2010 forward curve.

ATTACHMENT 3
(CONFIDENTIAL VERSION)

CONFIDENTIAL

Recently executed (last 6 months)

Project	Technology	Location	MW	Annual (GWh)	Target On-Line Date	Pre-TOD Levelized Price (\$/MWh or \$/MMBtu)	Net Market Value (\$/MWh)*
Redacted							

*: Net Market Values derived using November 2010 forward curve.

ATTACHMENT 4
(CONFIDENTIAL VERSION)

CONFIDENTIAL

Current Offers

Project	Technology	Location	MW	Annual (GWh)	Target On-Line Date	Pre-TOD Levelized Price (\$/MWh or \$/MMBtu)	Net Market Value (\$/MWh)*
Redacted							

*: Net Market Values derived using November 2010 forward curve.

ATTACHMENT 5



State of California -The Natural Resources Agency

ARNOLD SCHWARZENEGGER, Governor

DEPARTMENT OF FISH AND GAME

John McCamman, Director

1416 9th Street, 12th Floor

Sacramento, CA 95814

916-653-7667

<http://www.dfg.ca.gov>



November 23, 2010

Julie Fitch, Director
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

Dear Ms. Fitch:

As you know, the Department of Fish and Game (DFG) is an active participant in the current Administration's efforts to more efficiently and effectively permit compatible renewable energy generation facilities to achieve the Governor's Renewable Energy Executive Order to reach 33 percent renewables by 2020. Given our public trust fish and wildlife resource mandate, we are also obligated to conserve the biological and natural resources of the state. Through the Desert Renewable Energy Conservation Plan effort, and policies and practices put in place in the interim, we believe both of these goals can be accomplished.

This letter is a follow up to the DFG's October 26 letter to John Boccio regarding the Manzana Wind Project. In that letter we reiterated concerns that we have previously voiced to Kern County regarding potential impacts of the PdV (now called Manzana) wind project and provided feedback based on a September 2010 site visit to address potential listed species impacts. As we stated during Kern County's permitting process, DFG is concerned about the possibility that California condors, golden eagles, Swainson's hawks, and peregrine falcons could be injured or killed during the operation of wind turbines at the project site and that desert tortoise may also be injured or killed during project construction activities. Injury or death of a listed species constitutes "take" under the California Endangered Species Act (CESA) and is prohibited by law without an Incidental Take Permit (ITP). We also expressed concern about possible impacts to pronghorn antelope which use the area for foraging and local migrations.

We have been in discussion with representatives of the Pacific Gas and Electric Company (PG&E) regarding this project for several months and most recently discussed with them actions to avoid or minimize impacts to these five species. We will continue to work with PG&E to address the concerns identified in our letter and to develop measures and strategies to avoid "take" of the identified species. Based on

Conserving California's Wildlife Since 1870

Ms. Fitch

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these discussions, as well as our long term positive working relationship with PG&E, I believe that we can make significant progress towards resolving the resource concerns identified in our October 26 letter.

Our principal concern was that operation of wind turbines at the project site could cause the "take" of California condors. As previously mentioned, condors are both an endangered species and a "fully protected" species under California law. DFG cannot authorize the project-related take of fully protected species by ITP or any other mechanism, so our focus when advising applicants is on measures to avoid take. PG&E has agreed to work with us to develop a take avoidance strategy and to implement additional take avoidance measures to address our concerns. While the potential for take of this species can never be completely avoided, we believe implementation of these measures will reduce the potential for take of condor.

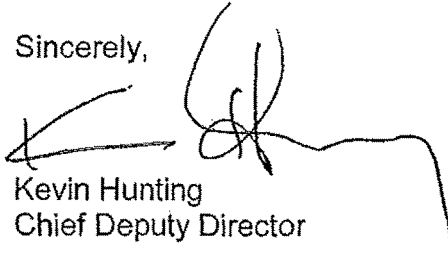
Based on our review of the Manzanita Wind Project and our knowledge of the local conditions, DFG believes the following clarification of requirements will greatly improve the overall project, and urges the CPUC to adopt them as conditions of PG&E's Certificate of Public Convenience and Necessity:

- PG&E shall work with DFG and the United States Fish & Wildlife Service (USFWS) to develop and implement an Avian and Bat Protection Plan prior to turbine operation, which will include a Condor Conservation and Management Plan. This plan will seek to minimize overall impacts to bat and bird species from operation of the wind turbines. In addition, through the Condor Conservation and Management Plan, PG&E shall implement measures to help conserve and manage condors with the goal of contributing to their recovery. These measures will include but are not limited to:
 - a daily on site carcass identification and removal program. This program should focus on removal of carcasses of all species;
 - removal of grazing activities within the entire project footprint;
 - installation of perimeter fencing around portions of the entire project perimeter, as needed based on terrain, using fencing designs that will not inhibit movement by pronghorn antelope;
 - forming a Technical Advisory Committee (TAC) consisting of key external stakeholders (species and subject matter experts) to provide input to PG&E on avian and bat issues as well as the California Condor, and seeking regular input from the USFWS' Condor Recovery Team.
 - conducting an annual review and modification to the Avian and Bat Protection Plan and Condor Conservation and Management Plan based on input from the TAC and Recovery Team, in cooperation with DFG and USFWS.
- PG&E shall develop and implement a raven management program to protect desert tortoises.

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We believe adoption of these additional measures as conditions of PG&E's Certificate of Public Convenience and Necessity will reduce the potential for take of condor during project construction and operation. If you have any questions about our October 26 letter, this letter, or our discussions with PG&E, please feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'KH', with a long horizontal line extending to the right.

Kevin Hunting
Chief Deputy Director

e-cc: Jeff Single, Regional Manager
Julie Vance, Environmental Program Manager