
PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



Subject: Energy Division data request for additional information for Advice Letter (AL) 3741-E, which concerns PG&E's request for approval of three renewable contracts with SGS-1, LLC.

Please provide a detailed response to the questions below by **Tuesday, February 1, 2011**. Any questions related to the data request should be directed to Sean Simon at 415-703-3791; svn@cpuc.ca.gov or Jason Simon at 415-703-5906; jason.simon@cpuc.ca.gov.

- 1) Clarify the purpose, status and results of Sempra's interconnection requests with Arizona and California balancing authorities. For example, identify all interconnection facilities and/or transmission upgrades necessary to interconnect and deliver generation from the facility at full capacity.
- 2) Provide all information regarding the interconnection and transmission requirements for the project to be deemed an ISO fully deliverable resource.
- 3) If SGS-1 is deemed a pseudo-tie resource by CAISO, please explain how SGS-1 can pursue a dynamic scheduling arrangement to import power to CAISO, potentially mitigating delay of energy delivery as upgrades are being undertaken.
- 4) What is the relationship between a dynamic scheduling arrangement and the project being fully deliverable?
- 5) In the event that SGS-1 fails to provide a fully deliverable resource, how long does the contract allow for PG&E to pay SGS-1 \$20/MWh less than the contract price established in the Purchase Power Agreement?
- 6) What is the formula used for calculating the levelized value of the RA capacity over the PPA's delivery term? What are PG&E's assumptions associated with the inputs for this formula? Explain why the formula and input assumptions are reasonable for calculating the levelized value of the RA capacity.
- 7) Explain why PG&E and SGS-1 did not include a transmission adder given the potential for incremental upgrade costs associated with capacity issues in the CAISO BAA and interconnection issues?
- 8) Congestion risk from the project location to SP-15 is the responsibility of SGS-1 as defined in the PPA. What is the implied levelized financial burden of this congestion risk over the life of the contract in \$/MWh? How is this value calculated?