

From: [Redacted]
Sent: 1/4/2011 11:36:15 AM
To: 'Simon, Sean A.' (sean.simon@cpuc.ca.gov)
Cc: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)
Bcc:
Subject: [Redacted] follow-up

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Sean-

I understand you had some questions during our 12/21 monthly call about [Redacted] interconnection application. Specifically, you asked why [Redact] withdrew their CAISO application, and why their new application was for 4.8 MW, when we list their capacity as 8 MW in the monthly report. Below is a summary that our contract management team pulled together:

[Redacted] withdrew their interconnection from the CAISO queue because they originally thought that the line that they would interconnect to was a transmission line under CAISO control. Instead, the line is a PG&E distribution line, so they will go through the WDAT process.

Regarding the capacity, the project is for up to 8 MW, but that is not the minimum under the contract – the minimum initial capacity under the contract is defined in the events of default, Section 5.1(b)(viii) and is 3 MWs. [Redacted] plans to initially install 4.8 MW (3 x 1.6 MW generators), and can add more generators to match the output of the landfill: Section 3.1.f(iii) of the PPA states:

"Seller intends to install the engines to match the available [Redact] Gas at the [Redacte] Seller's initial Facility installation will occur pursuant to the Milestone Schedule. During the first ten (10) years of the Term, Seller may add additional Units to the Facility, provided that the maximum nameplate capacity of the Facility will be determined by the number of Units installed on the ten-year anniversary of the Commercial Operation Date unless Seller requests an increase in writing and Buyer in its sole judgment approves such increase in writing."

Their current interconnection application is for 4.8MW, consistent with the generators they are planning to install initially, and this is in compliance with the PPA. They will go through the interconnection process again when/if they add additional engines.

I hope this covers it all, but let me know if you need anything further.

Thanks,

[Redacted]

Regulatory Relations Manager
Pacific Gas & Electric Co.

[Redacted]