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February 1, 2011

Advice 3609-E-A

(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing for the Contracts for Procurement of Renewable Energy Resulting from Power Purchase Agreements Between Shell Energy North America (US), L.P., and Pacific Gas and Electric Company

Pacific Gas and Electric Company (“PG&E”) hereby submits to the California Public Utilities Commission (“Commission” or “CPUC”) a supplemental filing for Advice 3609-E, dated February 1, 2010 (“Advice Letter”).¹ The Advice Letter submitted four wind energy purchase agreements (collectively, the “Agreements”) (individually, Harvest Wind #1, Harvest Wind #2, White Creek #2, and White Creek #3) between PG&E and Shell Energy North America (US), L.P. (“Shell”) for CPUC review and approval. The Advice Letter requests approval of deliveries of approximately 350 gigawatt hours (“GWh”) in 2010 and 310 GWh in 2011, of energy eligible for the California Renewables Portfolio Standard (“RPS”). The Advice Letter is pending approval by the Commission.

The purpose of this filing is to obtain CPUC approval of the amendments to the Agreements between PG&E and Shell (the “Amendments”) required by Decision (“D.”) 10-03-021, as amended by D.11-01-025² (the “Decision”), which modified some of the standard terms and conditions that the CPUC requires be included in RPS-eligible power purchase agreements (“PPA”). This Advice Letter also complies with D.10-03-021, as amended by D.11-01-025, by providing certain information regarding the prices of

¹ Supplements to Advice Letters are authorized by General Order 96-B, section 7.5.1. As PG&E’s supplemental filing only updates standard terms and conditions and provides supplemental information in compliance with D.10-03-021 and D.11-01-025, this filing should not delay the effective date of the advice letter.

² Issued January 14, 2011.

Renewable Energy Credits (“RECs” or “TRECs”) in the Agreements and the status of PG&E’s REC-only procurement.

The Amendments are limited to changes necessary to incorporate the Commission’s new standard terms and conditions set forth in Ordering Paragraphs 35 and 36 of D.10-03-021, as modified by D.11-01-025. These Amendments are provided in full in Appendices B1, B2, B3 and B4. PG&E is also submitting, as Confidential Appendix A, the supplemental information required by Ordering Paragraph 32 of the Decision, as modified by D.11-01-025. Pursuant to Energy Director Julie Fitch’s January 24, 2011, letter to PG&E implementing the Decision’s order to file a supplemental advice letter for pending contracts (the “Fitch Letter”), the spreadsheets in Confidential Appendix A show the data and formulas used for calculations, and any underlying assumptions that PG&E has made.

Compliance With Ordering Paragraphs 35 and 36 of D.10-03-021, As Modified By D.11-01-025

On March 16, 2010, the Commission issued D.10-03-021, which authorized the use of RECs to comply with California’s RPS. The Decision set forth new standard terms and conditions to be incorporated into agreements that it deems to involve REC-only transactions. The Decision defines bundled transactions as those in which either the RPS-eligible generator’s first point of interconnection with the Western Electricity Coordinating Council (“WECC”) interconnected transmission system is with a California balancing authority; or the RPS-eligible energy from the transaction is dynamically transferred to a California balancing authority.³ All other transactions are considered REC-only transactions.

Pursuant to the Agreements, PG&E will procure energy from RPS-eligible facilities that are first interconnected to the WECC outside California. In addition, the energy from the transaction will not be dynamically transferred to a California balancing authority. Thus, as defined by the Decision, the Agreements are REC-only transactions for purposes of RPS compliance and must comply with the additional filing requirements for such transactions as set forth in the Decision.

The Amendments modify the Agreements to conform the provisions to the standard terms and conditions set forth in the Decision. Thus, with the Amendments, the Agreements contain provisions that conform exactly to the “non-modifiable” terms set

³ D.10-03-021, Ordering Paragraph 7.

forth in the Decision and in previous decisions, including D.07-11-025, D.08-04-009, and D.08-08-028. Pursuant to the Fitch Letter, the applicable non-modifiable terms may be found in the following sections and pages of the Agreements and Amendments.

Harvest Wind #1 Non-Modifiable Term	Section Title	Page No.
<i>From Confirmation Agreement</i>		
STC 1: CPUC Approval	Glossary of Definitions	7 – 8
STC 2: RECs and Green Attributes		
• Definition of Green Attributes	Glossary of Definitions	8
• Conveyance of Green Attributes	Special Provisions – 11. Conveyance of Green Attributes	6
STC 6: Eligibility	Special Provisions – 10(a) Eligibility	6
STC 17: Applicable Law	Special Provisions – 15. Governing Law	7
STC REC-1 Transfer of renewable energy credits	Special Provisions – 10(b) Eligibility	6
STC REC-2 Tracking of RECs in WREGIS	Special Provisions – 5. Tracking of RECs in WREGIS	4
<i>From First Amendment of the Confirmation Agreement</i>		
STC REC-1 Transfer of renewable energy credits	Amendment Item C: Special Provisions – 10(b) Eligibility	Amendment Pg. 2
STC REC-2 Tracking of RECs in WREGIS	Amendment Item B: Special Provisions – 5. Tracking of RECs in WREGIS	Amendment Pg. 2
STC REC-3: CPUC Approval	Amendment Item A: Glossary of Definitions	Amendment Pgs. 1 – 2

Harvest Wind #2 Non-Modifiable Term	Section Title	Page No.
<i>From Confirmation Agreement</i>		
STC 1: CPUC Approval	Glossary of Definitions	7
STC 2: RECs and Green Attributes		
• Definition of Green Attributes	Glossary of Definitions	8
• Conveyance of Green Attributes	Special Provisions – 11. Conveyance of Green Attributes	6
STC 6: Eligibility	Special Provisions – 10(a) Eligibility	6

Harvest Wind #2 Non-Modifiable Term	Section Title	Page No.
STC 17: Applicable Law	Special Provisions – 15. Governing Law	7
STC REC-1 Transfer of renewable energy credits	Special Provisions – 10(b) Eligibility	6
STC REC-2 Tracking of RECs in WREGIS	Special Provisions – 5. Tracking of RECs in WREGIS	4
<i>From First Amendment of the Confirmation Agreement</i>		
STC REC-1 Transfer of renewable energy credits	Amendment Item C: Special Provisions – 10(b) Eligibility	Amendment Pg. 2
STC REC-2 Tracking of RECs in WREGIS	Amendment Item B: Special Provisions – 5. Tracking of RECs in WREGIS	Amendment Pg. 2
STC REC-3: CPUC Approval	Amendment Item A: Glossary of Definitions	Amendment Pgs. 1 – 2

White Creek #2 Non-Modifiable Term	Section Title	Page No.
<i>From Confirmation Agreement</i>		
STC 1: CPUC Approval	Glossary of Definitions	9
STC 2: RECs and Green Attributes		
• Definition of Green Attributes	Glossary of Definitions	10
• Conveyance of Green Attributes	Special Provisions – 11. Conveyance of Green Attributes	8
STC 6: Eligibility	Special Provisions – 10(a) Eligibility	7
STC 17: Applicable Law	Special Provisions – 15. Governing Law	8
STC REC-1 Transfer of renewable energy credits	Special Provisions – 10(b) Eligibility	7
STC REC-2 Tracking of RECs in WREGIS	Special Provisions – 5. Tracking of RECs in WREGIS	6
<i>From First Amendment of the Confirmation Agreement</i>		
STC REC-1 Transfer of renewable energy credits	Amendment Item C: Special Provisions – 10(b) Eligibility	Amendment Pg. 2
STC REC-2 Tracking of RECs in WREGIS	Amendment Item B: Special Provisions – 5. Tracking of RECs in WREGIS	Amendment Pg. 2
STC REC-3: CPUC Approval	Amendment Item A: Glossary of Definitions	Amendment Pgs. 1 – 2

White Creek #3 Non-Modifiable Term	Section Title	Page No.
<i>From Confirmation Agreement</i>		
STC 1: CPUC Approval	Glossary of Definitions	7
STC 2: RECs and Green Attributes		
• Definition of Green Attributes	Glossary of Definitions	8
• Conveyance of Green Attributes	Special Provisions – 11. Conveyance of Green Attributes	6
STC 6: Eligibility	Special Provisions – 10(a) Eligibility	6
STC 17: Applicable Law	Special Provisions – 15. Governing Law	7
STC REC-1 Transfer of renewable energy credits	Special Provisions – 10(b) Eligibility	6
STC REC-2 Tracking of RECs in WREGIS	Special Provisions – 5. Tracking of RECs in WREGIS	4
<i>From First Amendment of the Confirmation Agreement</i>		
STC REC-1 Transfer of renewable energy credits	Amendment Item C: Special Provisions – 10(b) Eligibility	Amendment Pg. 2
STC REC-2 Tracking of RECs in WREGIS	Amendment Item B: Special Provisions – 5. Tracking of RECs in WREGIS	Amendment Pg. 2
STC REC-3: CPUC Approval	Amendment Item A: Glossary of Definitions	Amendment Pgs. 1 – 2

Compliance With Ordering Paragraph 32 of D.10-03-021, As Modified By D.11-01-025

The Decision established a temporary price cap of \$50/TREC.⁴ For REC-only contracts that provide a combined price for both RECs and energy, a REC price must be calculated to compare to the TREC price cap to determine if the REC may be used for RPS compliance. As further described in Advice Letter 3609-E, the Agreements provide PG&E with bundled renewable energy (energy and Green Attributes) delivered as a firmed and shaped product at the California-Oregon Border. Under the Agreements, the prices of the Green Attributes constitute the REC prices. Though the prices contained in the Agreements are confidential, market-sensitive information, detailed in Confidential

⁴ The TREC price cap will sunset December 31, 2013. See D.10-03-021, Ordering Paragraph 21, as modified by D.11-01-025, Ordering Paragraph 4M.

Appendix A, the REC prices in the Agreements are below the temporary price cap. PG&E has determined that the REC prices of each of the Agreements are competitive when compared with the value that the contracts offer within the context of PG&E's portfolio and procurement requirements. Furthermore, the prices of the Agreements are competitive with other renewable procurement options that PG&E has negotiated, as demonstrated in Confidential Appendix A.

The Decision also established a temporary cap on the amount of TRECs that PG&E may use for RPS compliance.⁵ Specifically, PG&E may meet no more than 25% of its annual procurement target ("APT") in the years 2010-2013 with TRECs. D.10-03-021 does not, however, prohibit PG&E from procuring TRECs in a quantity above 25% of its annual RPS procurement obligations. To the contrary, D.10-03-021 explicitly allows PG&E to procure TRECs in excess of the 25% limit and to carry forward the deliveries to a year in which the limit is not exceeded. In addition, there is no limitation on the number of years for which excess TRECs may be carried forward.

In order to allow the Commission to develop a report on the TREC market and the role of TRECs in RPS compliance, the Decision requires PG&E to include specific information in advice letters seeking approval of REC-only transactions.⁶ In compliance with both the Decision and the Fitch Letter, PG&E submits Confidential Appendix A, which presents the information required in REC-only advice letter filings set forth in Ordering Paragraph 32 of the Decision. Because PG&E used confidential internal energy forecasts to be consistent with the methodology PG&E has used in other CPUC RPS compliance reports, the columns in Confidential Appendix A showing TREC procurement in relation to the cap for years 2011-2013 are redacted from the public version of the Advice Letter. Nevertheless, in light of the Fitch Letter's encouragement to make information about TREC usage public, PG&E notes that its ability to procure additional TRECs for use in 2011-2013 is very limited, assuming that executed contracts deliver pursuant to contract terms. In fact, PG&E calculates that it would more than fill its 25% cap in 2011 under those assumptions, and would therefore carry forward a small balance for use in later program years.

⁵ The TREC usage limit cap will sunset December 31, 2013, unless the Commission acts to extend it. See D.10-03-021, Ordering Paragraph 19, as modified by D.11-01-025, Ordering Paragraph 4L.

⁶ D.10-03-021, at 75, Ordering Paragraph 32.

Effective Date

PG&E requests that this supplemental filing become effective concurrently with the Commission's disposition of Advice Letter 3609-E.

Request for Confidential Treatment

In support of this supplemental filing, PG&E has provided the following confidential information. This information is being submitted in the manner directed by D.08-04-023 and the August 22, 2006, Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under either the terms of the IOU Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023, or General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this supplemental filing.

Confidential Attachment:

Appendix A – (Confidential) Supplemental TREC Information

Public Attachments:

Appendix A (Public) – Supplemental TREC Information (Redacted)

Appendix B1 – First Amendment of Harvest Wind #1 Confirmation Agreement

Appendix B2 – First Amendment of Harvest Wind #2, Confirmation Agreement

Appendix B3 – First Amendment of White Creek #2, Confirmation Agreement

Appendix B4 – First Amendment of White Creek #3, Confirmation Agreement

Request for Commission Approval

PG&E requests that any resolution that approves Advice Letter 3609-E also approves each of the Amendments.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter, excluding the confidential appendices, is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.08-08-009, R.06-02-012, and R.08-02-007. Non-market participants who are members of PG&E's Procurement Review Group and have signed appropriate Non-Disclosure Certificates will also receive the advice letter and accompanying confidential attachments by overnight mail. Address changes should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

Handwritten signature of Jane Yura in black ink, with a vertical line and the initials 'lmt' to the right of the signature.

Vice President – Regulation and Rates

cc: Service List for R.08-08-009
Service List for R.06-02-012
Service List for R.08-02-007
Paul Douglas - Energy Division
Sean Simon – Energy Division
Niki Bawa – Energy Division

Attachments

Limited Access to Confidential Material:

The portions of this supplemental filing marked Confidential Protected Material are submitted under the confidentiality protections of Sections 583 and 454.5(g) of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because it consists of price information and analysis of the proposed RPS contracts, which are protected pursuant to D.06-06-066 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

Confidential Attachment:

Appendix A – (Confidential) Supplemental TREC Information

Public Attachments:

Appendix A (Public) – Supplemental TREC Information (Redacted)

Appendix B1 – First Amendment of Harvest Wind #1 Confirmation Agreement

Appendix B2 – First Amendment of Harvest Wind #2, Confirmation Agreement

Appendix B3 – First Amendment of White Creek #2, Confirmation Agreement

Appendix B4 – First Amendment of White Creek #3, Confirmation Agreement

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: David Poster and Linda Tom-Martinez

Phone #: (415) 973-1082 and (415) 973-4612

E-mail: dxpu@pge.com and lmt1@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3609-E-A**

Tier: **3**

Subject of AL: **Supplemental Filing for the Contracts for Procurement of Renewable Energy Resulting From Power Purchase Agreements Between Shell Energy North America (U.S.), L.P., and Pacific Gas and Electric Company**

Keywords (choose from CPUC listing): Contracts, Portfolio

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes. See the attached matrix that identifies all of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No All members of PG&E's Procurement Review Group who have signed nondisclosure agreements will receive the confidential information.

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Charles Post (415) 973-9286

Resolution Required? Yes No

Requested effective date: **Upon Commission Approval (concurrent with approval of 3609-E)** No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Ave.,
San Francisco, CA 94102
jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Jane Yura
Vice President, Regulation and Rates
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

**DECLARATION OF CHARLES H. POST
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN
SUPPLEMENTAL FILING 3609-E-A
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

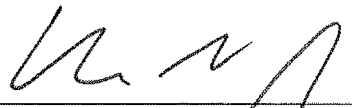
I, Charles H. Post, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2000. My current title is Principal within PG&E's Energy Procurement organization. In this position, my responsibilities include negotiating PG&E's Renewables Portfolio Standard Program ("RPS") Power Purchase Agreements. In carrying out these responsibilities, I have acquired knowledge of PG&E's contracts with numerous counterparties and have also gained knowledge of the operations of electricity sellers in general. Through this experience, I have become familiar with the type of information that would affect the negotiating positions of electricity sellers with respect to price and other terms, as well as with the type of information that such sellers consider confidential and proprietary.

2. Based on my knowledge and experience, and in accordance with Decision ("D") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendix A to Supplemental Filing 3609-E-A, submitted on February 1, 2011. Confidential Appendix A contains the supplemental information required by Decision ("D.")10-03-021, as modified by D.11-01-025. Through this Supplemental Filing, PG&E updates information contained in Advice Letter 3609-E, which seeks the Commission's approval of four wind energy purchase agreements (Harvest Wind #1, Harvest Wind #2, White Creek #2, and White Creek #3) that PG&E has executed with Shell Energy North America (US), L.P. ("Shell").

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023 (the "IOU Matrix"), or constitutes information that should be protected under General Order 66-C. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds, if applicable, and why confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information, if applicable; (2) the information is not already public; and (3) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that to the best of my knowledge, the foregoing is true and correct. Executed on February 1, 2011, at San Francisco, California.



CHARLES H. POST

PACIFIC GAS AND ELECTRIC COMPANY
 Advice Letter 3609-E-A
 February 1, 2011

IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066 AND DECISION 08-04-023

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 and Appendix C to D.08-04-023 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time	
1	Document: Advice Letter 3609-E-A							
2	Appendix A (including three spreadsheets)	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs. Item VII (un-numbered category following VII G) Score sheets, analyses, evaluations of proposed RPS projects. Item V C) LSE Total Energy Forecast - Bundled Customer (MWh). Item VI B) Utility bundled Net Open Position for Energy	Y	Y	Y (PG&E is providing a redacted, public version of Confidential Appendix A to show information that is not market sensitive)	The entire Project Price Comparison spreadsheet included in this Appendix describes, analyzes, and evaluates price information regarding PG&E's RPS REC-only transactions. The redacted (highlighted in purple in confidential version) portions of the Data spreadsheet included in this Appendix includes PG&E's internal evaluation of the best project online date for each REC-only contract and price information for each REC-only contract. The redacted (highlighted in purple in confidential version) portions of the Project Contribution Tables tab included in this Appendix includes information that would allow a recipient to derive PG&E's internal forecast of bundled load for 2011, 2012, and 2013 and information that shows PG&E's net open position for REC-only contracts in those years. Disclosure of any this information would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006, 2007, 2008, and 2009 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counter expectation that the pricing terms of the PPAs will remain confidential pursuant to confidentiality provisions in the PPAs.	For information covered under Item VII G) and Item VII (un-numbered category following VII G), remain confidential for three years after the commercial operation date. For Item V C) and Item VI B), remain confidential for the front three years of forecast data.

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

Alcantar & Kahl LLP	Division of Business Advisory Services	Occidental Energy Marketing, Inc.
Ameresco	Douglass & Liddell	OnGrid Solar
Anderson & Poole	Downey & Brand	Praxair
Arizona Public Service Company	Duke Energy	R. W. Beck & Associates
BART	Dutcher, John	RCS, Inc.
Barkovich & Yap, Inc.	Economic Sciences Corporation	Recurrent Energy
Bartle Wells Associates	Ellison Schneider & Harris LLP	SCD Energy Solutions
Bloomberg	Foster Farms	SCE
Bloomberg New Energy Finance	G. A. Krause & Assoc.	SMUD
Boston Properties	GLJ Publications	SPURR
	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Public Utilities Commission
Braun Blaising McLaughlin, P.C.	Green Power Institute	Santa Fe Jets
Brookfield Renewable Power	Hanna & Morton	Seattle City Light
CA Bldg Industry Association	Hitachi	Sempra Utilities
CLECA Law Office	In House Energy	Sierra Pacific Power Company
CSC Energy Services	International Power Technology	Silicon Valley Power
California Cotton Ginners & Growers Assn	Intestate Gas Services, Inc.	Silo Energy LLC
California Energy Commission	Lawrence Berkeley National Lab	Southern California Edison Company
California League of Food Processors	Los Angeles Dept of Water & Power	Spark Energy, L.P.
California Public Utilities Commission	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Calpine	MAC Lighting Consulting	Sunshine Design
Cardinal Cogen	MBMC, Inc.	Sutherland, Asbill & Brennan
Casner, Steve	MRW & Associates	Tabors Caramanis & Associates
Chris, King	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto	McKenzie & Associates	Tiger Natural Gas, Inc.
City of Palo Alto Utilities	Merced Irrigation District	TransCanada
Clean Energy Fuels	Modesto Irrigation District	Turlock Irrigation District
Coast Economic Consulting	Morgan Stanley	United Cogen
Commercial Energy	Morrison & Foerster	Utility Cost Management
Consumer Federation of California	NLine Energy, Inc.	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	Navigant Consulting	Wellhead Electric Company
Day Carter Murphy	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Defense Energy Support Center	North America Power Partners	
Department of Water Resources	North Coast SolarResources	
Dept of General Services	Northern California Power Association	

Confidential Appendix A

Supplemental TREC Analysis

Confidentiality Protected Under D.06-0-06-066 App 1, Item VII
"Renewable Resource Contracts Under RPS Program"

Cells in Purple Highlighting are Confidential and Protected Information Submitted Pursuant to Public Utilities
 Code Section 583

Project(s) Contribution to TREC Usage Cap¹

Project Name/Facility Name	Shell Energy North America (US), L.P./Harvest Wind I Shell Energy North America (US), L.P./Harvest Wind II Shell Energy North America (US), L.P./White Creek II Shell Energy North America (US), L.P./White Creek III
Project's facility status	Facility/facilities entered commercial operation on or after January 1, 2005

All facilities under contract with PG&E as REC only transactions	2010	2011	2012	2013
RPS Goal/APT (GWh)	15,361	Redacted		
TREC usage cap (GWh)	3,840			
TREC deliveries from Project (GWh)	356			
TREC deliveries from Project (as a percentage of TREC cap)	9.3%			
TREC deliveries from other facilities under contract (GWh) ²	2,363			
TREC deliveries from other facilities under contract (as a percentage of TREC cap) ²	61.5%			
Total TREC deliveries including Project (GWh) ²	2,719			
Total TREC deliveries including Project (as a percentage of TREC cap) ²	70.8%			
TREC headroom (exceeds cap) (GWh) ³	1,122			

TREC online facilities ⁴	2010	2011	2012	2013
TREC deliveries from online facilities (GWh) ²	2,060	Redacted		
Total TREC deliveries from online facilities (as a percentage of TREC cap) ²	53.7%			

TREC not online facilities ⁵	2010	2011	2012	2013
TREC deliveries from not online facilities (GWh)	658	Redacted		
Total TREC deliveries from not online facilities (as a percentage of TREC cap)	17.1%			

¹ Redacted

²
³
⁴
⁵

Project(s) Green Attribute Price Comparison

Project Name/Facility Name	Shell Energy North America (US), L.P./Harvest Wind I Shell Energy North America (US), L.P./Harvest Wind II Shell Energy North America (US), L.P./White Creek II Shell Energy North America (US), L.P./White Creek III
Project's facility status	Facility/facilities entered commercial operation on or after January 1, 2005

Comparison of Project vs facilities online as of contract execution¹	
Project Name/Facility Name	Green Attribute Price (\$/MWh)³
Klondike Wind Power IIIA, LLC and Bonneville Power Administration	Redacted
Powerex Corp.	
Shell Energy North America (US), L.P./White Creek (2010 portion)	
Shell Energy North America (US), L.P./Big Horn	
Shell Energy North America (US), L.P./Big Horn II	
Shell Energy North America (US), L.P./Harvest Wind II	
Shell Energy North America (US), L.P./ White Creek (2011 portion)	
Shell Energy North America (US), L.P./Wheat Field	
Shell Energy North America (US), L.P./Harvest Wind I	
Shell Energy North America (US), L.P./White Creek III	
Pacificorp (2010 portion)	
Shell Energy North America (US), L.P./Combine Hills I	
Barclays Bank PLC/Hay Canyon Wind	
Barclays Bank PLC/Nine Canyon Wind	
Puget Sound Energy, Inc.	
Pacificorp (2011 portion)	
Shell Energy North America (US), L.P./White Creek II	
Pacificorp (2012 portion)	
Sierra Pacific Industries	

Comparison of Project vs facilities not online as of contract execution²	
Project Name/Facility Name	Green Attribute Price (\$/MWh)³
Klondike III Wind Power, LLC	Redacted
TransAlta Corporation	
Solar Partners XII, LLC/ BrightSource III	
Solar Partners XIV, LLC/BrightSource IV	
Shell Energy North America (US), L.P./Harvest Wind II	
Blackspring Ridge IA Wind Project LP	
Blackspring Ridge IB Wind Project LP	
Halkirk I Wind Project LP	
Shell Energy North America (US), L.P./Harvest Wind I	
Shell Energy North America (US), L.P./White Creek III	
Vantage Wind Energy LLC	
Arlington Wind Power Project LLC	
Shell Energy North America (US), L.P./White Creek II	
El Dorado Solar (Sempra)	

¹ Redacted
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Project Name/Facility Name	Facility(s) Online/Not Online (at time of execution of contract)	Status	Execution Date	Facility COD	Deliveries (MWh)				Green Attribute Price (\$/MWh)
					2010	2011	2012	2013	
Arlington Wind Power Project LLC	Not Online	CPUC Approved	5/28/2008	12/26/2008	Redacted	239,999	240,657	239,999	Redacted
El Dorado Solar (Sempra)	Not Online	CPUC Approved	12/19/2008	1/1/2009		22,854	22,671	22,490	
Barclays Bank PLC/Hay Canyon Wind	Online	Filed pending Approval	1/15/2010	2/13/2009	250,000	250,000	0	0	
Barclays Bank PLC/Nine Canyon Wind	Online	Filed pending Approval	2/16/2010	5/1/2008	36,625	30,750	0	0	
Blackspring Ridge IA Wind Project LP	Not Online	CPUC Approved	2/19/2010	Redacted	0	0	0	445,000	
Blackspring Ridge IB Wind Project LP	Not Online	CPUC Approved	2/19/2010		0	0	0	445,000	
Halkirk I Wind Project LP	Not Online	CPUC Approved	2/19/2010		0	0	362,462	484,000	
Klondike III Wind Power, LLC	Not Online	CPUC Approved	6/26/2007	11/1/2007	Redacted	264,864	265,368	264,864	
Klondike Wind Power IIIA, LLC and Bonneville Power Administration	Online	CPUC Approved	8/11/2008	Existing facility and expansion project were operational at time of contract execution.		265,000	265,726	265,000	
Pacificorp (2010 portion)	Online	CPUC Approved	9/15/2009	8 facilities, all online as of contract execution				0	
Pacificorp (2011 portion)	Online	CPUC Approved	9/15/2009	8 facilities, all online as of contract execution		655,000		0	
Pacificorp (2012 portion)	Online	CPUC Approved	9/15/2009	8 facilities, all online as of contract execution			657,000	0	
Powerex Corp.	Online	Filed pending Approval	12/18/2009	Multiple facilities with online/not-online status unknown for each facility as of contract execution.	0	330,000	330,000	330,000	
Puget Sound Energy, Inc.	Online	CPUC Approved	4/10/2009	2 facilities, both online as of execution.	0	1,000,000	0	0	
Redacted									

Redacted

				multiple facilities, all online					Redacted
Sierra Pacific Industries	Online	Filed pending Approval	9/23/2009	Redacted	100,000	100,000	100,000	100,000	
Solar Partners XII, LLC/ BrightSource III	Not Online	CPUC Approved	3/25/2008		0	0	0	0	
Solar Partners XIV, LLC/BrightSource IV	Not Online	CPUC Approved	3/25/2008		0	0	0	0	
TransAlta Corporation	Not Online	Filed pending Approval	9/15/2009	3/31/2010	195,000	195,000	195,000	195,000	
Vantage Wind Energy LLC	Not Online	CPUC Approved	8/17/2009	10/4/2010	28,716	277,000	277,000	277,000	

¹ For contracts that have been redefined as REC-only contracts by Decision 10-03-021 (REC decision), deliveries from January 1 to March 10, 2010 are excluded from the totals because prior to the effectiveness of the REC decision, they are counted as a bundled product.

Facility Status (for menu items only)

- Facility/facilities entered commercial operation before January 1, 2005
- Facility/facilities entered commercial operation on or after January 1, 2005
- Facility/facilities not in commercial operation at the time the contract was signed

Appendices B1, B2, B3, B4
Amendments of Power Purchase Agreements

FIRST AMENDMENT OF THE CONFIRMATION AGREEMENT
Harvest Wind #1 Power Project

This FIRST AMENDMENT OF THE CONFIRMATION AGREEMENT for Bundled Green Energy – Energy and Green Attributes Harvest Wind #1 (this “First Confirmation Amendment”) to the Amended and Restated Master Power Purchase and Sale Agreement is made as of the Effective Date (defined below), by and between Pacific Gas and Electric Company (“Buyer”) and Shell Energy North America (US), L.P. (“Seller”). Seller and Buyer are each considered a “Party”, and collectively, the “Parties.”

RECITALS

WHEREAS, the Parties entered into a Master Power Purchase and Sale Agreement on February 28, 2003, as first amended on September 14, 2004 (hereinafter the “First Amendment”), and again amended on March 14, 2005 (hereinafter the “Second Amendment”) (inclusively, the “EEI Master Agreement”); and

WHEREAS, the Parties entered into a Confirmation Agreement for Bundled Green Energy – Energy and Green Attributes from the Harvest Wind #1 Power Project under the EEI Master Agreement on January 29, 2010 (as amended by those certain side letters dated October 4, 2010 and December 23, 2010 (the “Confirmation Agreement”)); and

WHEREAS, pursuant to the Preamble to the Confirmation Agreement the Parties agree that the September 14, 2004 First Amendment does not apply to the Confirmation Agreement; and

WHEREAS, the Parties wish to enter into a first amendment to the Confirmation Agreement as set forth below, in order to comply with California Public Utilities Commission Decision 11-01-025 regarding the use of renewable energy credits, as issued January 14, 2011; and

WHEREAS, capitalized terms used in this First Confirmation Amendment but not defined herein are as defined in the EEI Master Agreement and Confirmation Agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this First Confirmation Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

The Confirmation Agreement is hereby amended as set forth herein, and shall be effective as of the last dated signature on the signature page hereto (“Effective Date”).

A. Amendment to Glossary of Definitions. The definition of “CPUC Approval” found in the Glossary of Definitions shall be deleted and replaced in its entirety with the following:

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement of Renewable Energy Credits that conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation, for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable."

B. Amendment to Special Provision 5. Tracking of RECs in WREGIS: Special Provision 5 shall be deleted and replaced in its entirety with the following:

"5. Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract."

C. Amendment to Special Provision 10. Eligibility: Special Provision 10(b) shall be deleted and replaced in its entirety with the following:

"(b) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law."

D. Addition of Special Provision 21. The following new special provision shall be added as set forth below:

"21. As used in Special Provision 5 above, the word "contract" means the Confirmation Agreement."

E. Miscellaneous.

1. Effect of Amendment. The Confirmation Agreement, as modified by this First Confirmation Amendment, remains in effect in accordance with its terms. If there is any conflict between the EEI Master Agreement, the Confirmation Agreement and this First Confirmation Amendment, this First Confirmation Amendment shall control.

2. Entire Agreement. This First Confirmation Amendment along with the Confirmation Agreement and the EEI Master Agreement constitutes the entire agreement between the Parties relating to the subject matter thereof and shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

3. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of Confirmation Agreement or the EEI Master Agreement. Any term and provision of this First Confirmation Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this First Confirmation Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Confirmation Amendment or any part hereof.

4. Counterparts. This First Confirmation Amendment may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same amendment. Delivery of an executed counterpart of this First Confirmation Amendment by facsimile will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this First Confirmation Amendment by facsimile will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this First Confirmation Amendment will not affect the validity or effectiveness of this First Confirmation Amendment.

5. Any Amendments or Modifications. This First Confirmation Amendment may only be amended or modified in writing signed by each of the Parties.

IN WITNESS WHEREOF, the Parties have caused this First Confirmation Amendment to the Confirmation Agreement to be duly executed by its authorized representatives, as of the day and year written below. This First Confirmation Amendment shall not become effective as to either Party unless and until executed by both Parties.

**SHELL ENERGY NORTH AMERICA (US),
L.P.**

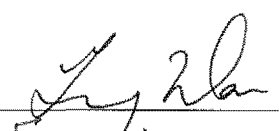
**PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation**

Signature: _____

Name: _____

Title: _____

Date: _____

Signature:  _____

Name: Fong Wan _____

Title: Senior VP, Energy Procurement _____

Date: 1/27/11 _____

3. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of Confirmation Agreement or the EEI Master Agreement. Any term and provision of this First Confirmation Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this First Confirmation Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Confirmation Amendment or any part hereof.


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5. Any Amendments or Modifications. This First Confirmation Amendment may only be amended or modified in writing signed by each of the Parties.

IN WITNESS WHEREOF, the Parties have caused this First Confirmation Amendment to the Confirmation Agreement to be duly executed by its authorized representatives, as of the day and year written below. This First Confirmation Amendment shall not become effective as to either Party unless and until executed by both Parties.

SHELL ENERGY NORTH AMERICA (US),
L.P.

PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation

Signature: 
Name: Edward Brown
Title: Vice President
Date: 01/28/2011

Signature: _____
Name: _____
Title: _____
Date: _____

FIRST AMENDMENT OF THE CONFIRMATION AGREEMENT
Harvest Wind #2 Power Project

This FIRST AMENDMENT OF THE CONFIRMATION AGREEMENT for Bundled Green Energy – Energy and Green Attributes Harvest Wind #2 (this “First Confirmation Amendment”) to the Amended and Restated Master Power Purchase and Sale Agreement is made as of the Effective Date (defined below), by and between Pacific Gas and Electric Company (“Buyer”) and Shell Energy North America (US), L.P. (“Seller”). Seller and Buyer are each considered a “Party”, and collectively, the “Parties.”

RECITALS

WHEREAS, the Parties entered into a Master Power Purchase and Sale Agreement on February 28, 2003, as first amended on September 14, 2004 (hereinafter the “First Amendment”), and again amended on March 14, 2005 (hereinafter the “Second Amendment”) (inclusively, the “EEI Master Agreement”); and

WHEREAS, the Parties entered into a Confirmation Agreement for Bundled Green Energy – Energy and Green Attributes from the Harvest Wind #2 Power Project under the EEI Master Agreement on January 29, 2010, as amended by those certain side letters dated October 4, 2010 and December 23, 2010 (the “Confirmation Agreement”); and

WHEREAS, pursuant to the Preamble to the Confirmation Agreement the Parties agree that the September 14, 2004 First Amendment does not apply to the Confirmation Agreement; and

WHEREAS, the Parties wish to enter into a first amendment to the Confirmation Agreement as set forth below, in order to comply with California Public Utilities Commission Decision 11-01-025 regarding the use of renewable energy credits, as issued January 14, 2011; and

WHEREAS, capitalized terms used in this First Confirmation Amendment but not defined herein are as defined in the EEI Master Agreement and Confirmation Agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this First Confirmation Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

The Confirmation Agreement is hereby amended as set forth herein, and shall be effective as of the last dated signature on the signature page hereto (“Effective Date”).

A. Amendment to Glossary of Definitions. The definition of “CPUC Approval” found in the Glossary of Definitions shall be deleted and replaced in its entirety with the following:

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement of Renewable Energy Credits that conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation, for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable."

B. Amendment to Special Provision 5. Tracking of RECs in WREGIS: Special Provision 5 shall be deleted and replaced in its entirety with the following:

"5. Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract."

C. Amendment to Special Provision 10. Eligibility: Special Provision 10(b) shall be deleted and replaced in its entirety with the following:

"(b) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law."

D. Addition of Special Provision 21. The following new special provision shall be added as set forth below:

"21. As used in Special Provision 5 above, the word "contract" means the Confirmation Agreement."

E. Miscellaneous.

1. Effect of Amendment. The Confirmation Agreement, as modified by this First Confirmation Amendment, remains in effect in accordance with its terms. If there is any conflict between the EEI Master Agreement, the Confirmation Agreement and this First Confirmation Amendment, this First Confirmation Amendment shall control.

2. Entire Agreement. This First Confirmation Amendment along with the Confirmation Agreement and the EEI Master Agreement constitutes the entire agreement between the Parties relating to the subject matter thereof and shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

3. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of Confirmation Agreement or the EEI Master Agreement. Any term and provision of this First Confirmation Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this First Confirmation Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Confirmation Amendment or any part hereof.

4. Counterparts. This First Confirmation Amendment may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same amendment. Delivery of an executed counterpart of this First Confirmation Amendment by facsimile will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this First Confirmation Amendment by facsimile will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this First Confirmation Amendment will not affect the validity or effectiveness of this First Confirmation Amendment.

5. Any Amendments or Modifications. This First Confirmation Amendment may only be amended or modified in writing signed by each of the Parties.

IN WITNESS WHEREOF, the Parties have caused this First Confirmation Amendment to the Confirmation Agreement to be duly executed by its authorized representatives, as of the day and year written below. This First Confirmation Amendment shall not become effective as to either Party unless and until executed by both Parties.

**SHELL ENERGY NORTH AMERICA (US),
L.P.**

**PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation**

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: *Fong Wan*
Name: Fong Wan
Title: Senior VP, Energy Procurement
Date: 1/27/11

3. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of Confirmation Agreement or the EEI Master Agreement. Any term and provision of this First Confirmation Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this First Confirmation Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Confirmation Amendment or any part hereof.


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**SHELL ENERGY NORTH AMERICA (US),
L.P.**

**PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation**

Signature: 
Name: Edward Brown
Title: Vice President
Date: 01/28/2011

Signature: _____
Name: _____
Title: _____
Date: _____

FIRST AMENDMENT OF THE CONFIRMATION AGREEMENT
White Creek #2 Wind Power Project

This FIRST AMENDMENT OF THE CONFIRMATION AGREEMENT for Bundled Green Energy – Energy and Green Attributes White Creek #2 (this “First Confirmation Amendment”) to the Amended and Restated Master Power Purchase and Sale Agreement is made as of the Effective Date (defined below), by and between Pacific Gas and Electric Company (“Buyer”) and Shell Energy North America (US), L.P. (“Seller”). Seller and Buyer are each considered a “Party”, and collectively, the “Parties.”

RECITALS

WHEREAS, the Parties entered into a Master Power Purchase and Sale Agreement on February 28, 2003, as first amended on September 14, 2004 (hereinafter the “First Amendment”), and again amended on March 14, 2005 (hereinafter the “Second Amendment”) (inclusively, the “EEI Master Agreement”); and

WHEREAS, the Parties entered into a Confirmation Agreement for Bundled Green Energy – Energy and Green Attributes from the White Creek #2 Wind Power Project under the EEI Master Agreement on January 29, 2010, as amended by those certain side letters dated August 18, 2010 and December 23, 2010 (the “Confirmation Agreement”); and

WHEREAS, pursuant to the Preamble to the Confirmation Agreement the Parties agree that the September 14, 2004 First Amendment does not apply to the Confirmation Agreement; and

WHEREAS, the Parties wish to enter into a first amendment to the Confirmation Agreement as set forth below, in order to comply with California Public Utilities Commission Decision I1-01-025 regarding the use of renewable energy credits, as issued January 14, 2011; and

WHEREAS, capitalized terms used in this First Confirmation Amendment but not defined herein are as defined in the EEI Master Agreement and Confirmation Agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this First Confirmation Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

The Confirmation Agreement is hereby amended as set forth herein, and shall be effective as of the last dated signature on the signature page hereto (“Effective Date”).

A. Amendment to Glossary of Definitions. The definition of “CPUC Approval” found in the Glossary of Definitions shall be deleted and replaced in its entirety with the following:

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement of Renewable Energy Credits that conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation, for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable."

B. Amendment to Special Provision 5. Tracking of RECs in WREGIS: Special Provision 5 shall be deleted and replaced in its entirety with the following:

"5. Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract."

C. Amendment to Special Provision 10. Eligibility: Special Provision 10(b) shall be deleted and replaced in its entirety with the following:

"(b) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law."

D. Addition of Special Provision 21. The following new special provision shall be added as set forth below:

"21. As used in Special Provision 5 above, the word "contract" means the Confirmation Agreement."

E. Miscellaneous.

1. Effect of Amendment. The Confirmation Agreement, as modified by this First Confirmation Amendment, remains in effect in accordance with its terms. If there is any conflict between the EEI Master Agreement, the Confirmation Agreement and this First Confirmation Amendment, this First Confirmation Amendment shall control.

2. Entire Agreement. This First Confirmation Amendment along with the Confirmation Agreement and the EEI Master Agreement constitutes the entire agreement between the Parties relating to the subject matter thereof and shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

3. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of Confirmation Agreement or the EEL Master Agreement. Any term and provision of this First Confirmation Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this First Confirmation Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Confirmation Amendment or any part hereof.

4. Counterparts. This First Confirmation Amendment may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same amendment. Delivery of an executed counterpart of this First Confirmation Amendment by facsimile will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this First Confirmation Amendment by facsimile will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this First Confirmation Amendment will not affect the validity or effectiveness of this First Confirmation Amendment.

5. Any Amendments or Modifications. This First Confirmation Amendment may only be amended or modified in writing signed by each of the Parties.

IN WITNESS WHEREOF, the Parties have caused this First Confirmation Amendment to the Confirmation Agreement to be duly executed by its authorized representatives, as of the day and year written below. This First Confirmation Amendment shall not become effective as to either Party unless and until executed by both Parties.

**SHELL ENERGY NORTH AMERICA (US),
L.P.**

**PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation**

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: Fong Wan
Name: Fong Wan
Title: Senior VP, Energy Procurement
Date: 1/27/11

3. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of Confirmation Agreement or the EEl Master Agreement. Any term and provision of this First Confirmation Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this First Confirmation Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Confirmation Amendment or any part hereof.


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IN WITNESS WHEREOF, the Parties have caused this First Confirmation Amendment to the Confirmation Agreement to be duly executed by its authorized representatives, as of the day and year written below. This First Confirmation Amendment shall not become effective as to either Party unless and until executed by both Parties.

SHELL ENERGY NORTH AMERICA (US),
L.P.

PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation

Signature: 
Name: Edward Brown
Title: Vice President
Date: 01/28/2011

Signature: _____
Name: _____
Title: _____
Date: _____

FIRST AMENDMENT OF THE CONFIRMATION AGREEMENT
White Creek #3 Wind Power Project

This FIRST AMENDMENT OF THE CONFIRMATION AGREEMENT for Bundled Green Energy – Energy and Green Attributes White Creek #3 (this “First Confirmation Amendment”) to the Amended and Restated Master Power Purchase and Sale Agreement is made as of the Effective Date (defined below), by and between Pacific Gas and Electric Company (“Buyer”) and Shell Energy North America (US), L.P. (“Seller”). Seller and Buyer are each considered a “Party”, and collectively, the “Parties.”

RECITALS

WHEREAS, the Parties entered into a Master Power Purchase and Sale Agreement on February 28, 2003, as first amended on September 14, 2004 (hereinafter the “First Amendment”), and again amended on March 14, 2005 (hereinafter the “Second Amendment”) (inclusively, the “EEl Master Agreement”); and

WHEREAS, the Parties entered into a Confirmation Agreement for Bundled Green Energy – Energy and Green Attributes from the White Creek #3 Wind Power Project under the EEl Master Agreement on January 29, 2010, as amended by those certain side letters dated October 4, 2010 and December 23, 2010 (the “Confirmation Agreement”); and

WHEREAS, pursuant to the Preamble to the Confirmation Agreement the Parties agree that the September 14, 2004 First Amendment does not apply to the Confirmation Agreement; and

WHEREAS, the Parties wish to enter into a first amendment to the Confirmation Agreement as set forth below, in order to comply with California Public Utilities Commission Decision 11-01-025 regarding the use of renewable energy credits, as issued January 14, 2011; and

WHEREAS, capitalized terms used in this First Confirmation Amendment but not defined herein are as defined in the EEl Master Agreement and Confirmation Agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this First Confirmation Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

The Confirmation Agreement is hereby amended as set forth herein, and shall be effective as of the last dated signature on the signature page hereto (“Effective Date”).

A. Amendment to Glossary of Definitions. The definition of “CPUC Approval” found in the Glossary of Definitions shall be deleted and replaced in its entirety with the following:

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement of Renewable Energy Credits that conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation, for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable."

B. Amendment to Special Provision 5. Tracking of RECs in WREGIS: Special Provision 5 shall be deleted and replaced in its entirety with the following:

"5. Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract."

C. Amendment to Special Provision 10. Eligibility: Special Provision 10(b) shall be deleted and replaced in its entirety with the following:

"(b) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law."

D. Addition of Special Provision 21. The following new special provision shall be added as set forth below:

"21. As used in Special Provision 5 above, the word "contract" means the Confirmation Agreement."

E. Miscellaneous.

1. Effect of Amendment. The Confirmation Agreement, as modified by this First Confirmation Amendment, remains in effect in accordance with its terms. If there is any conflict between the EEI Master Agreement, the Confirmation Agreement and this First Confirmation Amendment, this First Confirmation Amendment shall control.

2. Entire Agreement. This First Confirmation Amendment along with the Confirmation Agreement and the EEI Master Agreement constitutes the entire agreement between the Parties relating to the subject matter thereof and shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

3. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of Confirmation Agreement or the EEI Master Agreement. Any term and provision of this First Confirmation Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this First Confirmation Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Confirmation Amendment or any part hereof.

4. Counterparts. This First Confirmation Amendment may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same amendment. Delivery of an executed counterpart of this First Confirmation Amendment by facsimile will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this First Confirmation Amendment by facsimile will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this First Confirmation Amendment will not affect the validity or effectiveness of this First Confirmation Amendment.

5. Any Amendments or Modifications. This First Confirmation Amendment may only be amended or modified in writing signed by each of the Parties.

IN WITNESS WHEREOF, the Parties have caused this First Confirmation Amendment to the Confirmation Agreement to be duly executed by its authorized representatives, as of the day and year written below. This First Confirmation Amendment shall not become effective as to either Party unless and until executed by both Parties.

**SHELL ENERGY NORTH AMERICA (US),
L.P.**

**PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation**

Signature: _____

Signature: Fong Wan

Name: _____

Name: Fong Wan

Title: _____

Title: Senior VP, Energy Procurement

Date: _____

Date: 1/27/11

3. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of Confirmation Agreement or the EEI Master Agreement. Any term and provision of this First Confirmation Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this First Confirmation Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Confirmation Amendment or any part hereof.

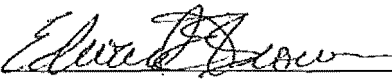
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SHELL ENERGY NORTH AMERICA (US),
L.P.

PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation

Signature: 
Name: Edward Brown
Title: Vice President
Date: 01/28/2011

Signature: _____
Name: _____
Title: _____
Date: _____