

From: Simon, Sean A.
Sent: 6/15/2011 1:26:46 PM
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)
Cc: Douglas, Paul (paul.douglas@cpuc.ca.gov); Redacted
Redacted
Bcc:
Subject: enXco discussion at PRG

Meredith,

I have been thinking about yesterday's PRG conversation about the enXco Shiloh IV bilateral offer. At the meeting, I expressed concern that it was imprudent to move forward with any RPS contract in advance of seeing the results of the 2011 solicitation. I also suggested that PG&E may request that enXco bid the project into the solicitation. After thinking about this further, I do not think that it is so important that the project formally bid into the solicitation given the timing constraint for enXco to prepare a bid in a weeks time. That said, in no case do I think that PG&E should execute any bilateral agreements prior to seeing the 2011 solicitation offers. Once PG&E has decent grasp of the cost and value of the offers received, it would then make sense to evaluate any bilateral offers against the solicitation offers. PG&E should strive to make sure that the bilateral offers can be compared to the solicitation offers on an apples to apples basis (for example, include transmission adders and use the same energy/capacity forwards to determine net market value).

Feel free to contact me directly if you have any questions.

Regards,

Sean

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