

From: Redacted
Sent: 7/7/2011 11:51:07 AM
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); 'Simon, Sean A.' (sean.simon@cpuc.ca.gov)
Cc: Douglas, Paul (paul.douglas@cpuc.ca.gov); 'Simon, Jason' (jason.simon@cpuc.ca.gov)
Bcc:
Subject: RE: Confidential -- follow up_RE: Quarterly RPS Meeting with PG&E

CONFIDENTIAL

Sean -- here are the updates on the PG&E action items. Please let us know if you have additional questions.

-David

A. Abengoa: Next steps and timing:

PG&E and Abengoa continue to make progress on final documentation of the transaction. Abengoa will then request final PPA review from the DOE. PG&E expects to file the advice letter by July 19, but this date is contingent on timely completion of the DOE review and final transaction documentation. We have notified Abengoa that the filing is time-sensitive and we are targeting submission of the advice letter in mid-July. A mid-July filing with a request for an October CPUC meeting date would allow 120 days for final and non-appealable CPUC action. The amended PPA allows 240 days from filing for CPUC approval and is not the constraint. The issue is the need for final CPUC action by 12/1 for the cash grant.

B. Solar Reserve: Next steps and timing:

PG&E and Rice/Solar Reserve continue to work towards commercial agreement on the amendment to the PPA. Counterparties continue to exchange draft language associated with obligations for assuring PG&E's customers are protected for resource adequacy risk beyond the amounts that are covered by Solar Reserve in the amendment. The protections will require specific findings from the CPUC and ISO as condition precedents to the PPA. We have provided information to the CPUC and ISO on these findings. Any PPA language revisions once finalized will need DOE review. We will provide an update as soon as we have more information on timing.

C. Pending Shell and PowerEx PPAs: What is PG&E's strategy given the contracts' value, PG&E's need, as well as Legal Division's concerns, in light contract terms and conditions:

We will provide an update on these transactions next week given we are still evaluating the issues that we discussed at the meeting.

D. Quick and dirty analysis of 2011 bids to assess bilateral offers. I can't recall from our meeting whether this analysis is already done or whether it will be done this week. Note, that staff would also like to see a comparison of this data to the pending contracts:

The RFO numbers in the attached chart are preliminary and subject to change. We are still evaluating the viability of the RFO offers.

From: Simon, Sean A. [mailto:sean.simon@cpuc.ca.gov]
Sent: Tuesday, July 05, 2011 4:28 PM
To: Allen, Meredith; [Redacted]
Cc: Douglas, Paul; Simon, Jason
Subject: RE: Confidential -- follow up_RE: Quarterly RPS Meeting with PG&E

Meredith and David,

It doesn't seem like a meeting this week is going to work for PG&E, based on a conversation that I had with Meredith. In lieu of a meeting, please provide detailed responses on the PG&E action items below, as known and available. It would be most helpful to have the information by noon on Thursday, July 7. Please let me know if that is doable.

With regards to the Energy Division action items, we are meeting internally to discuss PG&E's pending contracts on Thursday afternoon. Staff would be glad to provide feedback anytime after Thursday in person or on a conference call. At any time, feel free to send ideas and proposals for future advice letters concerning contract amendments or bilateral contracts.

Regards,

Sean

Sean A. Simon | Energy Division - Analyst | CA Public Utilities Commission | Tel (415) 703-3791

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From: Simon, Sean A.
Sent: Tuesday, July 05, 2011 12:20 PM
To: 'Allen, Meredith'; [Redacted]
Cc: Douglas, Paul; Simon, Jason
Subject: Confidential -- follow up_RE: Quarterly RPS Meeting with PG&E

Meredith and David,

I am following up on last week's RPS meeting where we focused on PG&E's past procurement activities, including pending advice letters, and opportunities going forward. First, I want to thank everyone for the open dialogue and constructive discussion. It is clear from the meeting that effectively managing the contracts that are pending approval is important for staff and for PG&E. To that end, I would like to have a follow up meeting to discuss the PG&E and Energy Division action items from last week's meeting. Are Gary, Sandy, Aaron, David and yourself available on Thursday afternoon (July 7)? Paul, Jason and I would be glad to meet at PG&E.

Proposed Agenda (please let me know if I missed anything)

1. PG&E action items
 - a. Abengoa: Next steps and timing
 - b. SolarReserve: Next steps and timing
 - c. Pending Shell and PowerEx PPAs: What is PG&E's strategy given the contracts' value, PG&E's need, as well as Legal Division's concerns, in light contract terms and

conditions

d. Quick and dirty analysis of 2011 bids to assess bilateral offers. I can't recall from our meeting whether this analysis is already done or whether it will be done this week. Note, that staff would also like to see a comparison of this data to the pending contracts.

2. Energy Division action items

a. Provide feedback on specific pending advice letters

b. Provide feedback on any analysis proposed for future advice letters concerning contract amendments or bilateral contracts, as needed and/or requested

Regards,

Sean

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