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August 8, 2011

Honesto Gatchalian
Maria Salinas
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: _____ Draft Resolution E-4335

Dear Mr. Gatchalian and Ms. Salinas:

Pursuant to Rule 14.5 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), The Utility Reform Network (TURN) offers the following comments regarding Draft Resolution E-4335 approving two Green Attribute Purchase and Sale Agreement (“GAPSAs”) between SDG&E and Cabazon Wind Partners, LLC (“Cabazon”) and Whitewater Hill Wind Partners, LLC (“Whitewater”).

The Draft Resolution would classify this transaction as REC-only under the definitions adopted in D.10-03-021 and D.11-01-025. TURN disagrees with this characterization. The proposed purchase represents a “rebundling” of RECs with the associated electricity already being purchased by SDG&E. The net result of the transaction is that SDG&E will be procuring a fully bundled renewable energy product (RECs plus energy) from the facilities in question. This post-transaction outcome should be recognized as the key determinant of whether the procurement is considered bundled or REC-only.

TURN recognizes that this situation is fairly unique because the California Department of Water Resources (CDWR) failed to include the RECs in the underlying contracts executed in 2001. Had SDG&E directly executed the contract with these facilities, the associated RECs would have been conveyed along with the energy. Instead, SDG&E sought to correct CDWR’s mistake by essentially amending the contract in order to receive RPS credit for California-based wind energy being generated and sold directly to SDG&E customers.

The Commission should modify the Draft Resolution and deem this transaction to be bundled under the classification system adopted in D.10-03-021 and D.11-01-025. This outcome is fair, in the public interest and consistent with the goals of the RPS

program.

Sincerely,

MATTHEW FREEDMAN

_____/S/_____
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cc: President Michael R. Peevey
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Service List to Draft Resolution E-4335