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October 3, 2011

**ADVICE LETTER 2257-E-A  
(U 902-E)**

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**SUBJECT: SUPPLEMENT TO ADVICE LETTER REQUESTING APPROVAL OF POWER  
PURCHASE AGREEMENT WITH CSOLAR IV WEST LLC**

**I. PURPOSE**

San Diego Gas & Electric Company ("SDG&E") hereby submits to the California Public Utilities Commission (the "Commission" or the "CPUC") this supplemental filing to Advice Letter ("AL") 2257-E, which requested approval of a 25 year Power Purchase Agreement ("PPA") between SDG&E and CSolar IV West, LLC for the purchase of renewable power and involves delivery of solar energy from a photovoltaic plant to be constructed in the Imperial Valley of California. The amended Agreement establishes a commercial online date of December 31, 2015 or December 31, 2016, depending on the technology. The project will advance SDG&E's Renewables Portfolio Standard ("RPS") procurement goals and help fulfill its commitment to ensure that certain quantities of renewable energy flow on the Sunrise Powerlink transmission line.

Besides the benefits of the renewable energy generated by the project, the project will bring wider economic benefit to the San Diego region by enabling the construction and operation of a solar panel manufacturing plant that will supply the panels for the project along with other projects throughout San Diego and the southwestern United States. The manufacturing plant is expected to employ 500 people on a permanent basis and generate an additional 1,000 indirect jobs in the San Diego region. Though not quantified as part of SDG&E's evaluation of the project and its least-cost best-fit analysis, this additional economic benefit provides added justification for the Commission's approval of the PPA and the project.

Since that AL was filed on May 27, 2011, SDG&E and CSolar IV West have agreed to amend the PPA ("First Amendment"). This supplemental filing describes the First Amendment and requests that the Commission approve the amended PPA.

**II. BACKGROUND**

The First Amendment reflects the following changes to the original PPA:

1. Reduces the pricing for the energy delivered under the PPA;
2. Reduces the pricing if the project is constructed using standard PV with hourly tracking instead of with concentrating solar PV with dual-axis tracking;
3. Modifies the conditions upon which the project will be constructed using standard PV with hourly tracking, instead of with concentrating solar PV with dual-axis tracking;

4. Extends the project's Commercial Operation Date ("COD") in the event that the project is constructed using standard PV with hourly tracking, instead of with concentrating solar PV with dual-axis tracking;
5. Modifies the contract language regarding Dispatch Down;
6. Adds a new definition and terms for Economic Dispatch Down; and
7. Modifies the dates for certain of the conditions precedent to be satisfied.

### III. EFFECTIVE DATE

SDG&E respectfully requests approval of AL 2257-E-A no later than November 10, 2011.

### IV. REQUEST FOR CONFIDENTIAL TREATMENT

Confidential information in support of the First Amendment is provided in Confidential Appendices A through C, as listed below:

- Appendix A: Summary of First Amendment and Revised Pricing Evaluation
- Appendix B: Revised RPS Project-Specific Independent Evaluator Report
- Appendix D: First Amendment

The appendices contain market sensitive information protected, pursuant to Commission Decision D.06-06-066, as detailed in the concurrently-filed declaration. The following table presents the type of information within the confidential appendices and the matrix category under which D.06-06-066 permits the data to be protected.

Type of Information	D.06-06-066 Confidential Matrix Category
Analysis and Evaluation of amended RPS Projects	VII.G
Contract Terms and Conditions	VII.G
Raw Bid Information	VIII.A
Quantitative Analysis	VIII.B
Net Short Position	V.C
IPT/APT Percentages	V.C

### V. REQUEST FOR COMMISSION APPROVAL

SDG&E's entry into the amended Agreement and the terms of such amended Agreement are reasonable; therefore, all costs associated with the amended Agreement, including energy, green attributes, and resource adequacy should be fully recoverable in rates.

The amended Agreement is conditioned upon "CPUC Approval." SDG&E, therefore, requests that the Commission include the following findings in its Resolution approving the amended Agreement:

1. The amended Agreement is consistent with SDG&E's CPUC-approved RPS Plan and procurement from the amended Agreement will contribute towards SDG&E's RPS procurement obligation.

2. SDG&E's entry into the amended Agreement and the terms of such agreement are reasonable; therefore, the amended Agreement is approved in its entirety and all costs of the purchase associated with the amended Agreement, including for energy, green attributes, and resource adequacy are fully recoverable in rates over the life of the amended Agreement, subject to Commission review of SDG&E's administration of the amended Agreement.
3. Generation procured pursuant to the amended Agreement constitutes generation from an eligible renewable energy resource for purposes of determining SDG&E's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewable Portfolio Standard program (Public Utilities Code §§ 399.11, *et seq.* and/or other applicable law) and relevant Commission decisions.
4. The amended Agreement will contribute to SDG&E's minimum quantity requirement established in D.07-05-028.

## VI. PROTEST

The filing of a supplement does not automatically continue or reopen the protest period or delay the effective date of the advice letter.<sup>1</sup> The Energy Division may, on its own motion or at the request of any person, issue a notice continuing or reopening the protest period. Any new protest shall be limited to the substance of the supplemental filing.

SDG&E respectfully requests that the protest period not be reopened. The amended Agreement lowers the pricing in the PPA and makes no changes to SDG&E's Option to acquire the project under certain conditions, which was the basis of the only protest filed to AL 2257-E. Therefore, there is no reasonable basis to protest this Supplement to AL 2257-E. However, if the protest period is reopened, the protest must state the grounds upon which it is based and should be submitted in accordance with the direction provided by the Energy Division. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies should also be sent via e-mail to the attention of Honesto Gatchallian (jnj@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest be sent via electronic mail and facsimile to SDG&E on the same date it is mailed or delivered to the Commission (at the addresses shown below).

Attn: Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. 858-654-1879  
E-Mail: mcaulson@semprautilities.com

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<sup>1</sup> General Order 96-B. § 7.5.1.

**VII. NOTICE**

In accordance with General Order No. 96-B, a copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in R.11-05-005, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by e-mail to [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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Clay Faber  
Director – Regulatory Affairs

# 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. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@semprautilities.com

### EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2257-E-A

Subject of AL: Supplemental to Advice Letter Requesting Approval of Renewable Power Purchase with CSolar IV West, LLC

Keywords (choose from CPUC listing): Procurement, Power Purchase Agreement

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: None

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: None

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 11/10/2011

No. of tariff sheets: 0

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: \_\_\_\_\_

Service affected and changes proposed<sup>1</sup>: No re

Pending advice letters that revise the same tariff sheets: None

**Protests 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  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**San Diego Gas & Electric  
Attention: Megan Caulson  
8330 Century Park Ct, Room 32C  
San Diego, CA 92123  
mcaulson@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling  
S. Cauchois  
J. Greig  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
H. Gatchalian  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham

E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

H. Nanjo  
M. Clark

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell  
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard  
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

San Diego Regional Energy Office

S. Freedman  
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander  
K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter  
D. White

TURN

M. Florio  
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi  
N. Furuta  
L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

R.11-05-005

San Diego Gas & Electric Advice Letter 2257-E-A  
October 3, 2011

## ATTACHMENT A

### DECLARATION OF MARIA BOLDYREVA REGARDING CONFIDENTIALITY OF CERTAIN DATA

**BEFORE THE PUBLIC UTILITIES  
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF MARIA I. BOLDYREVA  
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

I, Maria I. Boldyreva, do declare as follows:

1. I am an Energy Procurement Advisor for San Diego Gas & Electric Company (“SDG&E”). I have reviewed Supplemental Advice Letter 2257-E-A, requesting approval of the First Amendments to the Power Purchase Agreement (PPA) with CSolar IV West, LLC (with attached confidential and public appendices), dated October 3, 2011 (“Supplemental Advice Letter”). I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with D.06-06-066, as modified by D.07-05-032, and D.08-04-023, to demonstrate that the confidential information (“Protected Information”) provided in the Advice Letter submitted concurrently herewith, falls within the scope of data protected pursuant to the IOU Matrix attached to D.06-06-066 (the “IOU Matrix”).<sup>1/</sup> In addition, the Commission has made

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<sup>1/</sup> The Matrix is derived from the statutory protections extended to non-public market sensitive and trade secret information. (See D.06-06-066, *mimeo*, note 1, Ordering Paragraph 1). The Commission is obligated to act in a manner consistent with applicable law. The analysis of protection afforded under the Matrix must always produce a result that is consistent with the relevant underlying statutes; if information is eligible for statutory protection, it must be protected under the Matrix. (See *Southern California Edison Co. v. Public Utilities Comm.* 2000 Cal. App. LEXIS 995, \*38-39) Thus, by claiming applicability of the Matrix, SDG&E relies upon and simultaneously claims the protection of Public Utilities Code §§ 454.5(g) and 583, Govt. Code § 6254(k) and General Order 66-C.



clear that information must be protected where “it matches a Matrix category exactly . . . or consists of information from which that information may be easily derived.”<sup>2/</sup>

3. I address below each of the following five features of Ordering Paragraph 2 in D.06-06-066:

- That the material constitutes a particular type of data listed in the Matrix,
- The category or categories in the Matrix to which the data corresponds,
- That it is complying with the limitations on confidentiality specified in the Matrix for that type of data,
- That the information is not already public, and
- That the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.<sup>3/</sup>

4. SDG&E’s Protected Information: As directed by the Commission,

SDG&E demonstrates in table form below that the instant confidentiality request satisfies the requirements of D.06-06-066.<sup>4/</sup>

Data at issue	D.06-06-066 Matrix Requirements	How moving party meets requirements
<p><i><b>Bid Information</b></i><sup>5</sup></p> <p><i><b>Locations:</b></i></p> <p><i><b>1. Confidential Appendix A</b></i></p> <ul style="list-style-type: none"> <li>▪ <i>Embedded 2011 RPS RFO Solicitation excel spreadsheet</i></li> </ul>	<p>Demonstrate that the material submitted constitutes a particular type of data listed in the IOU Matrix</p> <p>Identify the Matrix</p>	<p>The data provided is non-public bid data from SDG&amp;E’s Renewable RFOs.</p> <p>This information is</p>

<sup>2/</sup> See, *Administrative Law Judge’s Ruling on San Diego Gas & Electric Company’s April 3, 2007 Motion to File Data Under Seal*, issued May 4, 2007 in R.06-05-027, p. 2 (emphasis added).

<sup>3/</sup> D.06-06-066, as amended by D.07-05-032, *mimeo*, p. 81, Ordering Paragraph 2.

<sup>4/</sup> See, *Administrative Law Judge’s Ruling on San Diego Gas & Electric Company’s Motions to File Data Under Seal*, issued April 30 in R.06-05-027, p. 7, Ordering Paragraph 3 (“In all future filings, SDG&E shall include with any request for confidentiality a table that lists the five D.06-06-066 Matrix requirements, and explains how each item of data meets the matrix”).

<sup>5</sup> The confidential information referenced has a GREEN font color / has a green box around it in the confidential appendices.

<i>on p. 6.</i>	category or categories to which the data corresponds	protected under IOU Matrix category VIII.A.
	Affirm that the IOU is complying with the limitations on confidentiality specified in the Matrix for that type of data	In accordance with the limitations on confidentiality set forth in the IOU Matrix, SDG&E requests that this information be kept confidential until the final contracts from each of the RFOs have been submitted to the CPUC for approval.
	Affirm that the information is not already public	SDG&E has not publicly disclosed this information and is not aware that it has been disclosed by any other party.
	Affirm that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.	SDG&E cannot summarize or aggregate the bid data while still providing project-specific details. SDG&E cannot provide redacted or masked versions of these data points while maintaining the format requested by the CPUC.
<b><i>Specific Quantitative Analysis<sup>6</sup></i></b>  <b><i>Location:</i></b> <b><i>1. Confidential Appendix A</i></b> <ul style="list-style-type: none"> <li>▪ <i>Tables with computed Project Bid Scores under SDG&amp;E's approved 2011 LCBF Evaluation Criteria on p.5-6;</i></li> <li>▪ <i>Portfolio Fit Narrative analysis on p.8-9;</i></li> <li>▪ <i>Table with computed Levelized Contract Price on p.9;</i></li> </ul>	Demonstrate that the material submitted constitutes a particular type of data listed in the IOU Matrix	This data is SDG&E's specific quantitative analysis involved in scoring and evaluating renewable bids. Some of the data also involves analysis/evaluation of proposed RPS projects.
	Identify the Matrix category or categories to which the data corresponds	This information is protected under IOU Matrix categories VII.G and/or VIII.B.
	Affirm that the IOU is complying with the	In accordance with the limitations on

<sup>6</sup> The confidential information referenced has a BLUE font color / has a blue box around it in the confidential appendices

<ul style="list-style-type: none"> <li>▪ <i>Results from the Energy Division's AMF Calculator and embedded excel files with AMF Computation on p.10;</i></li> <li>▪ <i>Screen shots of AMF calculator Input on p.11-12;</i></li> <li>▪ <i>Rate Impact calculation and embedded excel spreadsheet with Rate Impact calculation on p. 13.</i></li> </ul>	<p>limitations on confidentiality specified in the Matrix for that type of data</p>	<p>confidentiality set forth in the IOU Matrix, SDG&amp;E requests that this information be kept confidential for three years.</p>
	<p>Affirm that the information is not already public</p>	<p>SDG&amp;E has not publicly disclosed this information and is not aware that it has been disclosed by any other party.</p>
	<p>Affirm that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.</p>	<p>SDG&amp;E cannot summarize or aggregate the evaluation data while still providing project-specific details. SDG&amp;E cannot provide redacted or masked versions of these data points while maintaining the format requested by the CPUC.</p>
<p><b>Contract Terms<sup>7</sup></b></p> <p><b>Locations:</b></p> <p><b>1. Confidential Appendix A</b></p> <ul style="list-style-type: none"> <li>▪ <i>Contract Summary of First Amendment on p.3-4;</i></li> <li>▪ <i>Project Levelized Contract Cost (\$/MWh) in The Project Bid Scores tables on p. 5 and 6;</i></li> <li>▪ <i>Project Levelized TOD-Adjusted Contract Price (\$/MWh) from the AMFs Calculator table on p.9.</i></li> </ul> <p><b>2. Confidential Appendix D</b></p> <ul style="list-style-type: none"> <li>▪ <i>Embedded file of the Executed Version of First Amendment to the Proposed Power Purchase Agreements on p.15.</i></li> </ul>	<p><i>Demonstrate that the material submitted constitutes a particular type of data listed in the IOU Matrix</i></p>	<p>This data includes specific contract terms.</p>
	<p>Identify the Matrix category or categories to which the data corresponds</p>	<p>This information is protected under IOU Matrix category VII.G.</p>
	<p>Affirm that the IOU is complying with the limitations on confidentiality specified in the Matrix for that type of data</p>	<p>In accordance with the limitations on confidentiality set forth in the IOU Matrix, SDG&amp;E requests that this information be kept confidential for three years.</p>
	<p>Affirm that the information is not already public</p>	<p>SDG&amp;E has not publicly disclosed this information and is not aware that it has been disclosed by any other</p>

<sup>7</sup> The confidential information referenced has a RED font color / has a red box around it in the confidential appendices

	Affirm that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.	party. In order to include as much detail as possible, SDG&E has provided specific contract terms instead of summaries.
<p><b><i>Analysis and Evaluation of Proposed RPS Projects</i></b><sup>8</sup></p> <p><b><i>Locations:</i></b> <b><i>Confidential Appendix A</i></b></p> <ul style="list-style-type: none"> <li>▪ <i>Summary of First Amendment, Price Adjustment on p.4-5;</i></li> <li>▪ <i>Portfolio Fit Narrative, Transmission Adders, Application of TODs and Qualitative Factors on p.7-8.</i></li> </ul>	Demonstrate that the material submitted constitutes a particular type of data listed in the IOU Matrix	The Commission has concluded that Actual Procurement Percentage data must be protected in order to avoid disclosing SDG&E's Bundled Retail Sales data. <sup>9/</sup>
	Identify the Matrix category or categories to which the data corresponds	This information is protected under IOU Matrix category V.C.
	Affirm that the IOU is complying with the limitations on confidentiality specified in the Matrix for that type of data	In accordance with the limitations on confidentiality set forth in the IOU Matrix, SDG&E requests that the "front three years" of this information be kept confidential.
	Affirm that the information is not already public	SDG&E has not publicly disclosed this information and is not aware that it has been disclosed by any other party.
	Affirm that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.	It is not possible to provide this data point in an aggregated, redacted, summarized or masked fashion.

<sup>8</sup> The confidential information referenced has a VIOLET font color / has a violet box around it in the confidential appendices

<sup>9/</sup> *Id.*

5. As an alternative basis for requesting confidential treatment, SDG&E submits that the First Amendment to the Power Purchase Agreement enclosed in the Advice Letter is material, market sensitive, electric procurement-related information protected under §§ 454.5(g) and 583, as well as trade secret information protected under Govt. Code § 6254(k). Disclosure of this information would place SDG&E at an unfair business disadvantage, thus triggering the protection of G.O. 66-C.<sup>117</sup>

6. Public Utilities Code § 454.5(g) provides:

The commission shall adopt appropriate procedures to ensure the confidentiality of any market sensitive information submitted in an electrical corporation's proposed procurement plan or resulting from or related to its approved procurement plan, including, but not limited to, proposed or executed power purchase agreements, data request responses, or consultant reports, or any combination, provided that the Office of Ratepayer Advocates and other consumer groups that are nonmarket participants shall be provided access to this information under confidentiality procedures authorized by the commission.

7. General Order 66-C protects “[r]eports, records and information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage.”

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<sup>117</sup> This argument is offered in the alternative, not as a supplement to the claim that the data is protected under the IOU Matrix. California law supports the offering of arguments in the alternative. *See, Brandolino v. Lindsay*, 269 Cal. App. 2d 319, 324 (1969) (concluding that a plaintiff may plead inconsistent, mutually exclusive remedies, such as breach of contract and specific performance, in the same complaint); *Tanforan v. Tanforan*, 173 Cal. 270, 274 (1916) (“Since . . . inconsistent causes of action may be pleaded, it is not proper for the judge to force upon the plaintiff an election between those causes which he has a right to plead.”)

8. Under the Public Records Act, Govt. Code § 6254(k), records subject to the privileges established in the Evidence Code are not required to be disclosed.<sup>10/</sup> Evidence Code § 1060 provides a privilege for trade secrets, which Civil Code § 3426.1 defines, in pertinent part, as information that derives independent economic value from not being generally known to the public or to other persons who could obtain value from its disclosure.

9. Public Utilities Code § 583 establishes a right to confidential treatment of information otherwise protected by law.<sup>11/</sup>

10. If disclosed, the Protected Information could provide parties, with whom SDG&E is currently negotiating, insight into SDG&E's procurement needs, which would unfairly undermine SDG&E's negotiation position and could ultimately result in increased cost to ratepayers. In addition, if developers mistakenly perceive that SDG&E is not committed to assisting their projects, disclosure of the Protected Information could act as a disincentive to developers. Accordingly, pursuant to P.U. Code § 583, SDG&E seeks confidential treatment of this data, which falls within the scope of P.U. Code § 454.5(g), Evidence Code § 1060 and General Order 66-C.

11. Developers' Protected Information: The Protected Information also constitutes confidential trade secret information of the developer listed therein. SDG&E is required pursuant to the terms of its original Power Purchase Agreement as amended to protect non-public information. Some of the Protected Information in the original Power Purchase and Sale Agreement as amended and my supporting declaration (including

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<sup>10/</sup> See also Govt. Code § 6254.7(d).

<sup>11/</sup> See, D.06-06-066, *mimeo*, pp. 26-28.

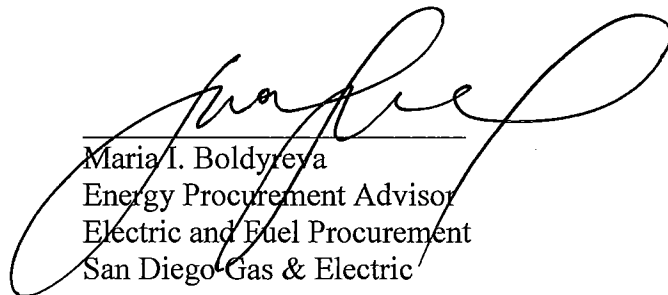
confidential appendices), relates directly to viability of the respective projects.

Disclosure of this extremely sensitive information could harm the developers' ability to negotiate necessary contracts and/or could invite interference with project development by competitors.

12. In accordance with its obligations under its Power Purchase and sale Agreement and pursuant to the relevant statutory provisions described herein, SDG&E hereby requests that the Protected Information be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 3<sup>rd</sup> day of October, 2011 at San Diego, California.



Maria I. Boldyreva  
Energy Procurement Advisor  
Electric and Fuel Procurement  
San Diego Gas & Electric

San Diego Gas & Electric Advice Letter 2257-E-A

October 3, 2011

ATTACHMENT B

**PUBLIC VERSION**

(Distributed to Service List R.11-05-005)



## **PART 2 – CONFIDENTIAL APPENDICES OF ADVICE LETTER**

**PROTECTED INFORMATION WITHIN PART 2 OF THIS ADVICE LETTER IS IDENTIFIED WITH COLOR FONTS AND CATEGORIZED IN ACCORDANCE WITH THE CONFIDENTIALITY CODE SHOWN BELOW:**

### **CONFIDENTIALITY KEY**

**VIOLET FONT = ANALYSIS AND EVALUATION OF PROPOSED RPSP ROJECTS (VII.G)**

**RED FONT = CONTRACT TERMS & CONDITIONS (VII.G)**

**GREEN FONT = BID INFORMATION (VIII.A)**

**BLUE FONT = SPECIFIC QUANTITATIVE ANALYSIS (VIII.B)**

 **= BID INFORMATION (VIII.A) AND SPECIFIC QUANTITATIVE**

## **Confidential Appendix A**

### **Summary of First Amendment and Revised Pricing Evaluation**

I. Summary of First Amendment

a. Extension of Dates for Certain Conditions Precedent

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

c. Price Adjustment

[REDACTED]

[REDACTED]

[REDACTED]

The final shortlist of SDG&E's 2011 RPS RFO has been filed with the Commission, but the LCBF Report will not be filed until October 7<sup>th</sup> or November 7<sup>th</sup>. The analysis below reflects information from the preliminary LCBF Report, but the information may need to be updated with the appropriate details subsequent to this filing.

d. The Project's Bid Scores Under SDG&E's Approved LCBF Evaluation Criteria

1. [REDACTED]

LCBF Criteria / Component		Project Score/Details		
		Original Price	[REDACTED]	[REDACTED]
A	Levelized Contract Cost (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
B	Project specific Price Referent (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
C = A - B	Above Market Price (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
D	Short-Term/Long-Term Adder (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
E	Deliverability Adder (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
F	Congestion Cost (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
G	TRCR Adder (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
H = C + D + E + F + G	Bid Ranking Price (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]

2. [REDACTED]

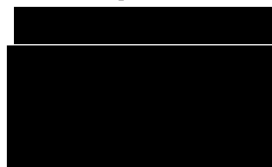
LCBF Criteria / Component		Project Score/Details		
		Original Price	[REDACTED]	[REDACTED]
A	Levelized Contract Cost (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
B	Project specific Price Referent (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
C = A - B	Above Market Price (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
D	Short-Term/Long-Term Adder (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
E	Deliverability Adder (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
F	Congestion Cost (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
G	TRCR Adder (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]
H = C + D + E + F + G	Bid Ranking Price (\$/MWh)	[REDACTED]	[REDACTED]	[REDACTED]

e. How the Project Compares with Other Bids Received in the Solicitation with regard to each LCBF Factor.

Portfolio Fit

As discussed below, various factors which describe “portfolio fit” have been quantitatively and qualitatively evaluated. Each is presented in this section.

Attached below is SDG&E’s LCBF Ranking for the 2011 RPS RFO.



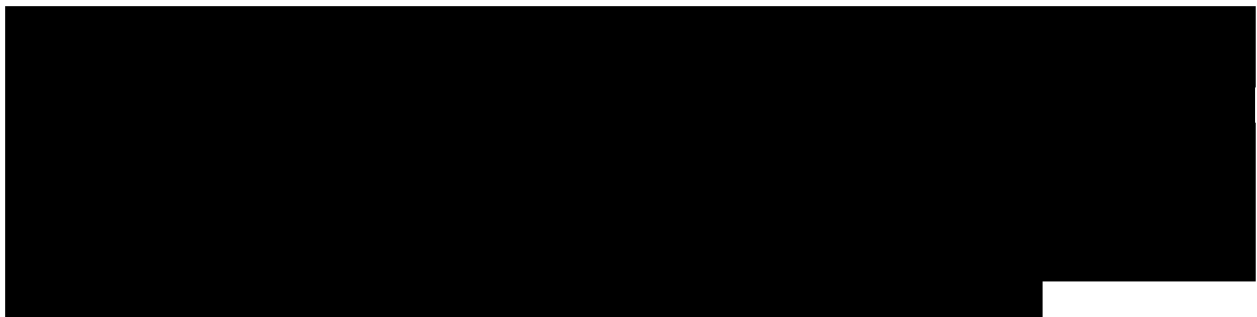
Transmission Adder



Application of Time-of-Day Factors ("TODs")



Qualitative Factors



[REDACTED]

i. Other bids in the solicitation

[REDACTED]

ii. Other bids in the relevant solicitation using the same technology

[REDACTED]

iii. Recently executed contracts

[REDACTED]

iv. Other procurement options (e.g. bilaterals, utility-specific programs, etc.)

[REDACTED]

II. MPR

[REDACTED]

III. AMFs

[REDACTED]





IV. The Levelized Contract Price Using SDG&E's Before Tax Weighted Average Cost of Capital Discount Rate is Indicated Below.

Levelized Bid Price – Initial (\$/MWh)	[REDACTED]	[REDACTED]
Levelized Bid Price – Final (\$/MWh)**	[REDACTED]	[REDACTED]
Levelized Contract Price – Final (\$/MWh)	[REDACTED]	[REDACTED]

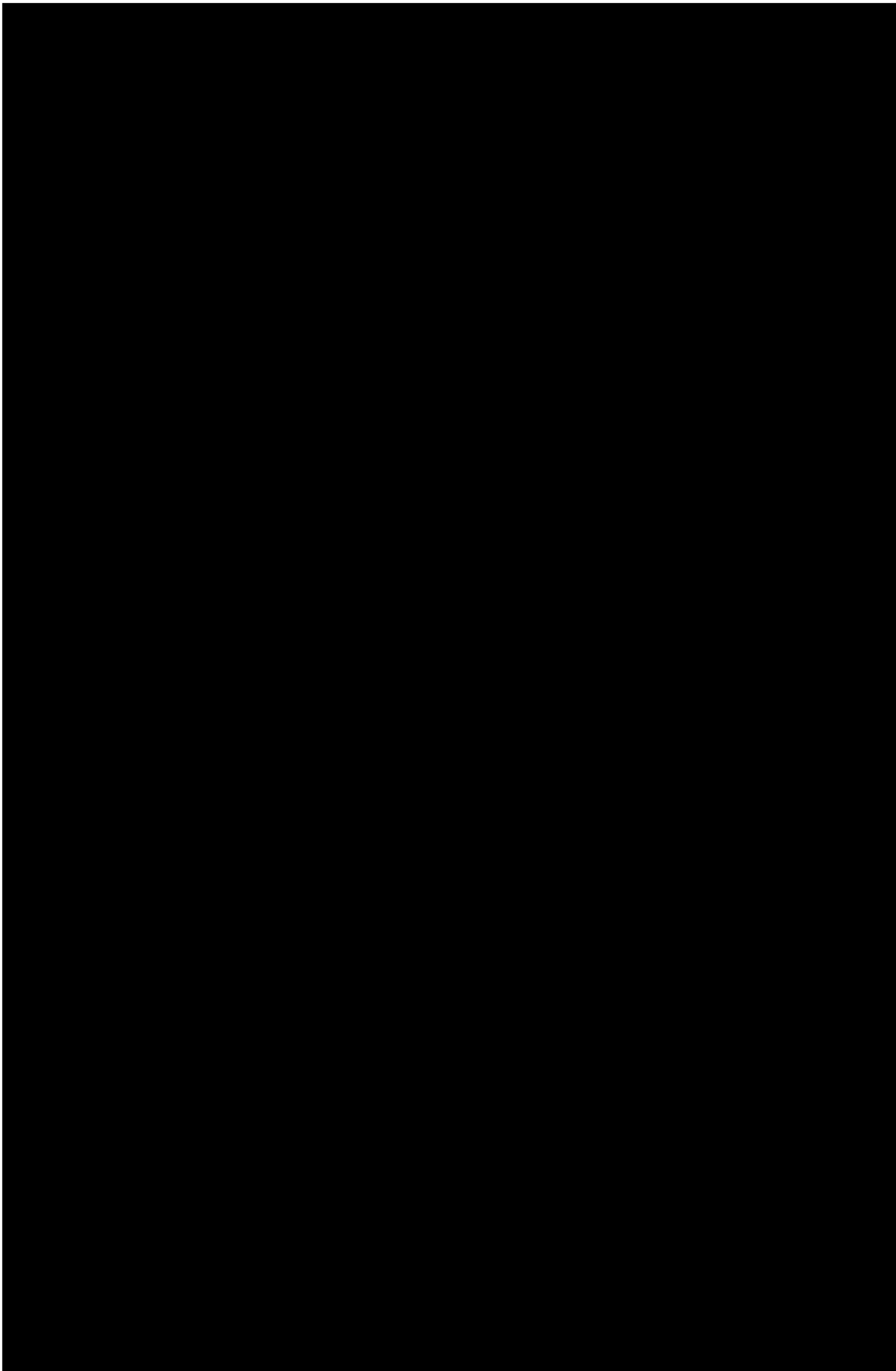
V. Results from the Energy Division's AMFs Calculator

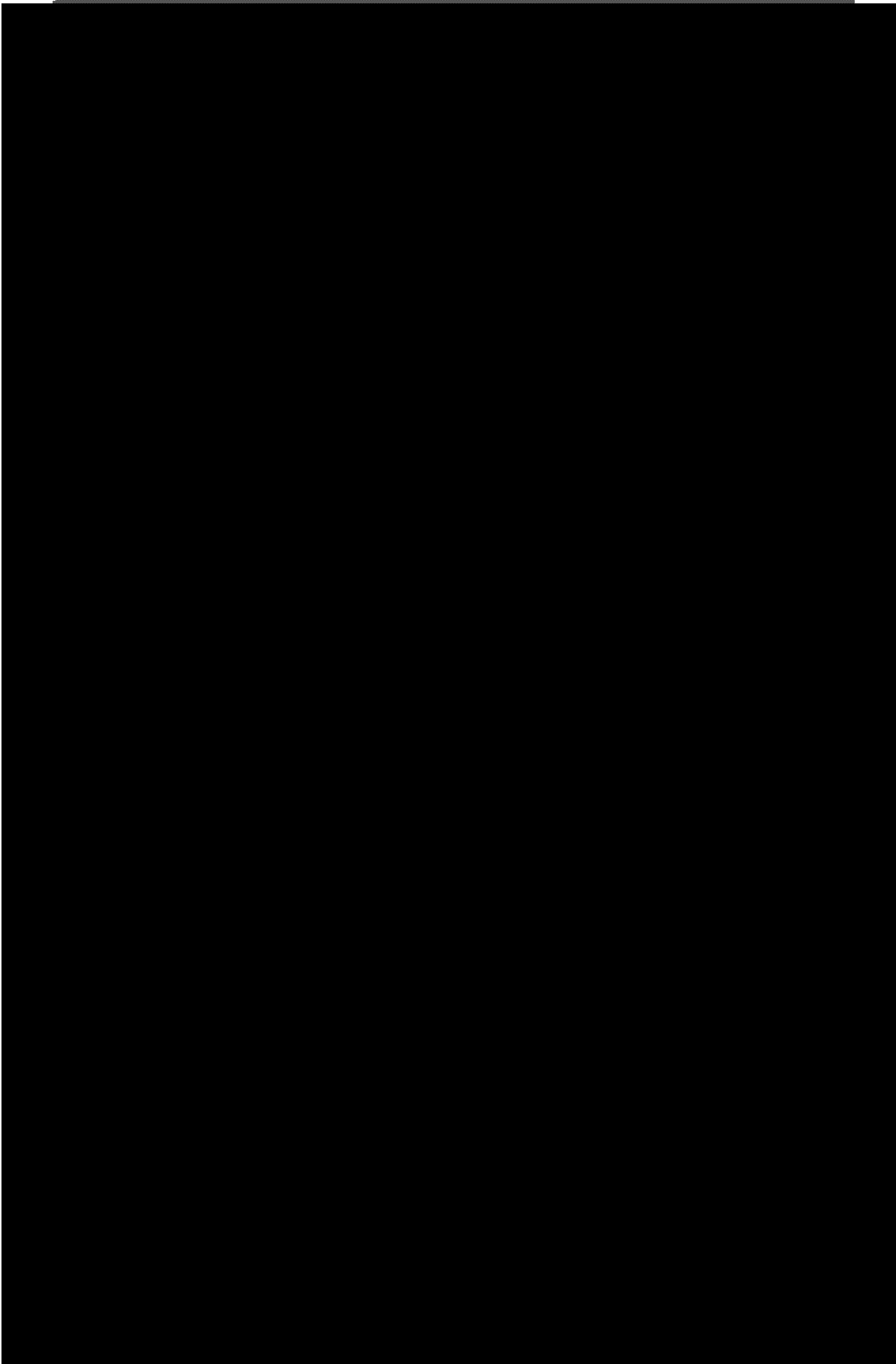
	(\$/MWH)		NOTES
LEVELIZED TOD-ADJUSTED CONTRACT PRICE	[REDACTED]	[REDACTED]	As per AMF Calculator
LEVELIZED TOD-ADJUSTED CONTRACT TOTAL COST (CONTRACT PRICE + FIRMING AND SHAPING)	[REDACTED]	[REDACTED]	As per AMF Calculator
LEVELIZED MPR	[REDACTED]	[REDACTED]	2009 MPR for 25-yr contracts w/2015 start
LEVELIZED TOD-ADJUSTED MPR	[REDACTED]	[REDACTED]	As per AMF Calculator
ABOVE-MPR COST (\$/MWH)	[REDACTED]	[REDACTED]	Below MPR cost for PV 2016
TOTAL SUM OF ABOVE-MPR PAYMENTS (\$)	[REDACTED]	[REDACTED]	Below MPR cost for PV 2016

VI. AMF Calculator



Pages below present the Result Tab generated by the AMF Calculator for CPV and PV option for CSolar West, LLC.





VII.

[REDACTED]

[REDACTED]

**Confidential Appendix B**

**Revised RPS Project-Specific  
Independent Evaluator Report**

To be filed separately on October 4, 2011

## **Confidential Appendix D**

### **First Amendment**