



**Pacific Gas and
Electric Company** TM

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October 21, 2011

VIA HAND DELIVERY

Director
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

**Re: Correction to Pacific Gas and Electric Company's Renewables Portfolio Standard
August 2011 Semi-Annual Compliance Report**

Dear Director of the Energy Division:

Enclosed are corrected versions of Pacific Gas and Electric Company's ("PG&E") Renewables Portfolio Standard ("RPS") August 2011 Semi-Annual Compliance Report (both public and confidential versions). PG&E recently discovered an error in the forecasts for two RPS contracts and in projections for two categories of Pre-2002 Contracts that, when corrected, reduces PG&E's forecast of RPS-eligible deliveries in the years 2011-2020 by a *de minimis* amount (less than 0.2% reduction in RPS-eligible deliveries relative to forecasted sales in each such year when compared to the originally-reported RPS-eligible deliveries). The corrections do not impact the accuracy of historical or CEC-certified compliance data. Although this change does not materially impact the Compliance Report or PG&E's RPS compliance status, PG&E is revising the Report to ensure that the Commission has the most updated data available.

The two RPS contracts with corrected forecasts are: 1) PG1011 Vasco Winds (Altamont Repowering); and 2) PG1010 Montezuma II. These two wind facilities are being developed on sites with operating wind plants under existing Qualifying Facility ("QF") contracts. As new turbines are erected, the total deliveries under the existing QF contracts are expected to decline. PG&E's original August 2011 Compliance Report modeled these two PPAs by netting new project output against the reduced deliveries from the existing QFs. The corrected Report now forecasts deliveries from these two contracts without netting against reduced deliveries from the QF contracts. The reduced QF deliveries are now incorporated into the Pre-2002 Wind category projections, which is also updated to reflect the latest information available on the rate of turbine decommissioning at these existing QF wind plants.

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PG&E is also revising the Pre-2002 Contracts Small Hydro forecast in the August 2011 RPS Compliance Report to correct an error in the projection of deliveries associated with planned facility upgrades at the Britton Powerhouse and Rock Creek projects.

Each of the corrections described in the prior paragraphs are reflected in the Procurement Detail Tab of the corrected Compliance Report.

The corrected version of the RPS August 2011 Semi-Annual Compliance Report is being submitted to the Energy Division and Administrative Law Judges (ALJ) Simon, Mattson, and DeAngelis in compliance with Decision (D.) 06-10-050, the November 20, 2008 Assigned Commissioner's Ruling in Rulemaking (R.) 08-08-009, and the instructions included in the August 2011 Compliance Report Template. PG&E will concurrently serve a public version of the corrected Report on all parties listed on the official service list for R.11-05-005. The corrected PG&E August 2011 RPS Compliance Report attached replaces Appendix A, PG&E's August 2011 RPS Compliance Report, served on August 1, 2011. Appendix B, PG&E's August 2011 Project Development Status Report remains unchanged.

The enclosed attachment is being submitted in the manner directed by D.08-04-023 and the August 22, 2006, ALJ'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. Specifically, this letter incorporates by reference the Declaration Seeking Confidential Treatment submitted with the original Compliance Report on August 1, 2011, which remains applicable in all respects to the revised Compliance Report.

Best Regards,

/s/ M. Grady Mathai-Jackson

M. Grady Mathai-Jackson

MGM/asy

Enclosures

cc: ALJ Anne E. Simon (w/enclosures – Public and Confidential Versions)
ALJ Burton Mattson (w/enclosures – Public and Confidential Versions)
ALJ Regina DeAngelis (w/enclosures – Public and Confidential Versions)
Paul A. Clanon, Executive Director (w/out enclosures)
Jason Simon, Energy Division (w/out enclosures)
Paul Douglas, Energy Division (w/out enclosures)
Sean A. Simon, Energy Division (w/out enclosures)
Service List for R.11-05-005 (w/Public Version Only)