

From: Allen, Meredith
Sent: 1/18/2012 8:11:57 PM
To: 'rahmon.momoh@cpuc.ca.gov' (rahmon.momoh@cpuc.ca.gov)
Cc:
Bcc:
Subject: Confidential: RPS Shortlist Advice Letter 3938-E

Rahmon,

PG&E's original shortlist was filed in advice letter 3938-E on November 7, 2011 and included over 10,000 GWh. We plan to file a supplement to this advice letter by the end of this month, which will include a revised shortlist. Based on feedback from Energy Division the revised shortlist will be much smaller. It will include approximately 2800 GWh, which is less than 3 times our need. This amount is within the target shortlist size that was suggested by Energy Division.

The revised shortlist will also incorporate PG&E's portfolio adjusted valuation methodology, which we recently finalized and have reviewed with Energy Division and the PRG.

Subsequent to the original shortlist we also notified bidders that we would be expecting higher project development security given that the proposed projects have online dates in the post-2016 timeframe and we would like developers to have a greater stake in the projects. We gave bidders the opportunity to give us their best price assuming the higher security and have also incorporated these results in the revised shortlist.

I will let you know when we file the supplement to the advice letter with the revised shortlist.

Please let me know if you need additional information or have questions.

Thanks,
Meredith