

From: Schultz, Adam  
Sent: 2/23/2012 1:01:54 PM  
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAE)  
Cc: Marks, Jaclyn (jaclyn.marks@cpuc.ca.gov)  
Bcc:  
Subject: RAM questions

Hi Meredith,

I just wanted to provide you an update on what we're doing with incorporating changes to RAM ahead of the 2<sup>nd</sup> RFO, and also ask for PG&E to provide additional input in one area. I'll give you a call between meetings this afternoon to follow-up and see if you have any questions.

In order to speed this process along and keep the 2<sup>nd</sup> RFO on target, Energy Division staff is drafting a resolution on its own motion that will address the issues that PG&E raised in its Advice Letter and in the conference call last week, in addition to issues raised by SCE and SDG&E.

The timing issue that PG&E addressed in AL 4000-E, requesting an extension of the regulatory delay period, will be addressed by this Resolution. While we are not going to extend the regulatory delay period, we are going to extend the COD deadline from 18 months to 24 months, while preserving the existing 6 month regulatory delay extension option.

Additionally, we are going to adopt two provisions from SCE's modified SPVP PPA (approved earlier this month by the Commission) for RAM. The first of these will be to provide a unilateral termination right to the Buyer in the event that transmission upgrade costs increase by more than 10% after the RFO. We are also exploring a possibility of giving the Developer the option to cure this by funding costs in excess of this 10% cushion out-of-pocket. The second provision adopted from SCE's SPVP PPA will be to allow Developers to bid into the RFO either as energy-only or with FCDS.

Related to this second provision, I am asking each of the IOUs if they can help us by providing more transparency for how they calculate their RA Values. We would like to include some discussion of this in the resolution, including some type of formula or calculation for how the

utility assesses this value.

I'll be in touch this afternoon. Let me know if you have any questions on this in the meantime.

Thanks,

Adam

**Adam C. Schultz, J.D.** | Renewable Energy Policy & Procurement  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Telephone: 415.703.2692

[Adam.Schultz@cpuc.ca.gov](mailto:Adam.Schultz@cpuc.ca.gov) | [www.cpuc.ca.gov](http://www.cpuc.ca.gov)