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February 1, 2012

Advice 4000-E

(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Request for Modification of PG&E's Renewable Auction Mechanism Program

Purpose

Pacific Gas and Electric Company ("PG&E") respectfully submits this advice letter to modify specific components of its Renewable Auction Mechanism ("RAM") Program. The RAM Program was adopted in Commission Decision ("D.") 10-12-048 (the "Decision") and the implementation details were adopted for each investor-owned utility in Resolution E-4414 (the "Resolution"), including bidding protocols and standard power purchase agreements. The Commission has authorized the utilities to propose modifications to their respective RAM Programs through the advice letter process.¹ Accordingly, PG&E submit this advice letter requesting Commission approval of PG&E's proposed modifications to the RAM Program as follows:

- **Modifications to the product allocations based on results from the first RAM Program solicitation.** PG&E proposes changing the product allocations from 35 MW from each of the three product categories to 85 MW for the peaking as-available category; 10 MW for the non-peaking as-available category; and 10 MW for the baseload category. PG&E's modified product allocations are more consistent with the initial allocations proposed by Southern California Edison Company ("SCE") and San Diego Gas & Electric Company ("SDG&E") and reflect the market information PG&E received in its first RAM Program auction.
- **An extension to the regulatory delay period in commercial online date from six months to twelve months.** The Decision and the Resolution require RAM Program developers to achieve commercial operation within eighteen (18) months of Commission approval of a Power Purchase Agreement ("PPA") with a six-month extension for

¹ Decision at Ordering Paragraph 5.

regulatory delays.² Based on its experience with the first RAM Program auction and PG&E's Photovoltaic ("PV") and Feed-In Tariff ("FIT") Programs, PG&E believes that a twelve (12) month extension is more appropriate than a six (6) month extension for the RAM Program. Small renewable developers face a number of regulatory, permitting and interconnection hurdles developing their projects and achieving commercial operation. Rather than having a developer make substantial progress toward commercial operation, only to have its PPA terminated at the end of twenty-four (24) months, PG&E recommends that the delay period be extended by an additional six (6) months. This will give developers additional time, if necessary, to achieve commercial operation but will not result in unreasonably long periods between PPA approval and the latest possible commercial online date. If this Advice Letter is approved, PG&E will make corresponding changes in its form RAM PPA that will be used in the second RAM Program auction.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically any of which must be received no later than **February 21, 2012**, which is twenty days from the date of this filing. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, CA, 94102

Facsimile: (415) 703-2200
E-mail: jng@cpuc.ca.gov and mas@cpuc.ca.gov

Copies of the protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest should also be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

² Decision at pp. 51-52; Resolution at p. 26.

Pacific Gas and Electric Company
Attention: Brian Cherry
Vice President, Regulation and Rates
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice letter filing become effective on February 1, 2012, the date of filing. PG&E submits this advice letter with a Tier 2 designation. It is essential that this Advice Letter become effective expeditiously so that PG&E can make appropriate adjustments to its RAM Program auction protocol and PPA before the second RAM Program auction commences.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.11-05-005. Address changes to the General Order 96-B list and electronic approvals should be directed to PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.



Vice President – Regulation and Rates

cc: Paul Douglas - Energy Division
Sean Simon – Energy Division
Jaclyn Marks – Energy Division
Joseph Abhulimen – DRA
Cynthia Walker -- DRA
Service List for R.11-05-005

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. **Pacific Gas and Electric Company (ID U39 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Greg Backens

Phone #: 415-973-4390

E-mail: gab4@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **4000-E**

Tier: 2

Subject of AL: **Request for Modification of PG&E's Renewable Auction Mechanism Program**

Keywords (choose from CPUC listing):

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.10-12-048

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? No. If so, what information is the utility seeking confidential treatment for: N/A

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? Yes No

Requested effective date: **February 1, 2012**

No. of tariff sheets: N/A

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: N/A

Service affected and changes proposed: N/A

Protests, dispositions, 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

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

AT&T	Department of Water Resources	North America Power Partners
Alcantar & Kahl LLP	Dept of General Services	North Coast SolarResources
Ameresco	Douglass & Liddell	Northern California Power Association
Anderson & Poole	Downey & Brand	Occidental Energy Marketing, Inc.
BART	Duke Energy	OnGrid Solar
Barkovich & Yap, Inc.	Economic Sciences Corporation	Praxair
Bartle Wells Associates	Ellison Schneider & Harris LLP	R. W. Beck & Associates
Bloomberg	Foster Farms	RCS, Inc.
Bloomberg New Energy Finance	G. A. Krause & Assoc.	Recurrent Energy
Boston Properties	GLJ Publications	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	GenOn Energy, Inc.	SCE
Brookfield Renewable Power	Goodin, MacBride, Squeri, Schlotz & Ritchie	SMUD
CA Bldg Industry Association	Green Power Institute	SPURR
CLECA Law Office	Hanna & Morton	San Francisco Public Utilities Commission
CSC Energy Services	Hitachi	Seattle City Light
California Cotton Ginners & Growers Assn	In House Energy	Sempra Utilities
California Energy Commission	International Power Technology	Sierra Pacific Power Company
California League of Food Processors	Intestate Gas Services, Inc.	Silicon Valley Power
California Public Utilities Commission	Lawrence Berkeley National Lab	Silo Energy LLC
Calpine	Los Angeles Dept of Water & Power	Southern California Edison Company
Cardinal Cogen	Luce, Forward, Hamilton & Scripps LLP	Spark Energy, L.P.
Casner, Steve	MAC Lighting Consulting	Sun Light & Power
Center for Biological Diversity	MBMC, Inc.	Sunshine Design
Chris, King	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto	Manatt Phelps Phillips	Tabors Caramanis & Associates
City of Palo Alto Utilities	McKenzie & Associates	Tecogen, Inc.
City of San Jose	Merced Irrigation District	Tiger Natural Gas, Inc.
City of Santa Rosa	Modesto Irrigation District	TransCanada
Clean Energy Fuels	Morgan Stanley	Turlock Irrigation District
Coast Economic Consulting	Morrison & Foerster	United Cogen
Commercial Energy	Morrison & Foerster LLP	Utility Cost Management
Consumer Federation of California	NLine Energy, Inc.	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	NaturEner	Wellhead Electric Company
Day Carter Murphy	Navigant Consulting	Western Manufactured Housing Communities Association (WMA)
Defense Energy Support Center	Norris & Wong Associates	eMeter Corporation