

February 6, 2011

Director, Energy Division, Room 4004,  
Honesto Gatchalian, Energy Division  
CPUC, Energy Division  
Attention: Tariff Files, Room 4005  
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**Subject:** Protest of CALifornians for Renewable Energy, Inc. (CARE) of Pacific Gas & Electric Company's (PG&E) Advice Letter 3989-E (Amended and Restated Power Purchase Agreement for Procurement of an Eligible Renewable Energy Resource between Rice Solar Energy, LLC and PG&E)

CALifornians for Renewable Energy, Inc. (CARE) protests and recommends the Commission reject AL 3989-E. Specifically, the price of the Amended and Restated Power Purchase Agreement (Amended PPA) is unreasonably high compared to the current market alternatives<sup>1</sup>, and the deliveries under the Amended PPA are not reasonably expected to either meet PG&E's Renewable Portfolio Standard (RPS) goals or to provide technology diversity to PG&E's portfolio. In summary, the Amended PPA would expose ratepayers to unreasonable costs and unwarranted risks in exchange for few, if any, benefits.

On page 13 of Advice 3989-E it lists the "Company/Development Team...Rice Solar is a subsidiary of *Solar Reserve*, the management team of which includes executives with a wide range of energy technology, finance, and power plant development expertise. On page 15 of Advice 3989-E it lists the "Production Tax Credit / Investment Tax Credit Rice Solar expects to qualify for the ITC. Rice Solar may qualify for the cash grant in lieu of tax credit, assuming certain conditions are met."

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<sup>1</sup> CARE incorporates by reference the 2/6/2012 Protest of DRA as if fully set forth by CARE.

Solar Reserve is listed on page 9 line 1 of CARE’s lawsuit; Case 1:11-cv-02128 in the US District Court of Washington DC; filed November 28, 2011 challenge the US DOE and US Department of Treasury awards of ARRA stimulus loan guarantee without Congressional regulatory authority to do so. [See attachment] Solar Reserve LLC is listed as the beneficiary of a \$737 million dollar loan guarantee that CARE is challenging.

On page 14 of Advice 3989-E it lists the “Permitting/Certification Status...The below table summarizes permits necessary for the construction and operation of the Project. Further details are included in Confidential Appendix A.”

Permit and Lease Table <u>Rice Solar</u>			
Name of Permit or lease required	Public or Private?	Agency	Description of Permit
Application for Certification	Public	California Energy Commission	Lead agency permit
NEPA Record of Decision	Public	Bureau of Land Management	Environmental permit for transmission right-of-way
Interconnection Agreement	Public	Western Area Power Administration (WAPA)	Agreement to fund construction of interconnection facilities
Construction Permit & Operating Permit	Public	Mojave Desert Air Quality Management District	Air permit

Besides unjust and unreasonable pricing alluded to in DRA’s Protest deliveries under the Amended PPA are not reasonably expected to either meet PG&E’s Renewable Portfolio Standard (RPS) goals because of the simple fact that due to pending litigation including CARE’s permitting challenge filed against the BLM’s approvals of the project on January 3, 2012 in the US District Court Central District of California; Case 12-cv-00005, because of this it is reasonably foreseeable that the project will never be built at

all due to lack of financing and permitting required to bring the project to fruition. The suit names Solar Reserve as a Defendant as well.

Wherefore CARE recommends the Commission reject AL 3989-E.

Respectfully submitted,



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February 6, 2012

**Verification**

I am an officer of the Intervening Corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except matters, which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 6<sup>th</sup> day of February 2012 at Soquel, California.



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