From: Redacted

Sent: 6/26/2012 6:44:51 PM

To: 'Simon, Jason' (jason.simon@cpuc.ca.gov)

Cc: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); Mathai-

jackson, Grady (Law) (/O=PG&E/OU=Corporate/cn=Recipients/cn=MGML); Johnson, Aaron (/O=PG&E/OU=Corporate/cn=Recipients/cn=AJJ9); Reilly, Brooke

A (/O=PG&E/OU=Corporate/cn=Recipients/cn=BARI1)

Bcc:

Subject: Proposal 2 discussion

Jason,

I'm writing to follow-up on last Friday's conversation. Brooke and I have shared the proposal discussed at Peet's with internal stakeholders, and the initial response has been positive. While we would like to run the proposal by a few more internal folks, PG&E is preliminarily on board with the following:

- 1. Have an independent evaluator utilize a subset of PDSR data, along with independent research, to determine an ON/OFF list of projects for Proposal 2 purposes (LTPP, TPP, etc.). The independent party would be hired by the CPUC, and the CPUC would be the entity responsible for providing the PDSR data to this party.
- 2. The PDSR data will be provided to the CPUC on some agreed-upon frequency. It will be important to give careful consideration to what subset of the PDSR data fields will be needed by the independent party to make its assessment.
- 3. While the IOUs may provide general insight on key drivers of project success, any final assessment of an IOU's net short position will be entirely the result of analysis conducted by the independent party.

We will be in touch with you once we have secured full internal sign-off. Let us know what you see as next steps for moving the Proposal 2 discussion forward.

Thanks,

Redacted

Manager, Renewable and Clean Energy Strategy | Pacific Gas and Electric Company
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