

From: Simon, Jason

Sent: 6/27/2012 9:32:37 AM

To: Redacted

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=BARII); Douglas, Paul (paul.douglas@cpuc.ca.gov); Dudney, Kevin (kevin.dudney@cpuc.ca.gov)

Bcc:

Subject: RE: Proposal 2 discussion

Hi Redacted

Just getting back to you with a couple of points of clarification. The ruling that we would like to mail would go out early next week and allow for a five day comment period. The two methodologies would be outlined in the ruling. That said, we don't need to have everything set in stone by this point. We just need to provide a general overview of the proposal to allow parties to comment on. While people respond to the proposal, we can work to finalize a proposal that works for everyone over the following week. In the meantime, between now and Friday, my thought is that PG&E and the CPUC would come to some preliminary agreement on parameters that may be included in the proposal – both legal parameters (as you outlined yesterday) and parameters with respect to the IE making a determination on whether a project is in or out of the portfolio. Your team submitted parameters that you use internally for method 1 which may apply to method 2 as a guideline for the IE. If you believe these parameters are a good starting point let me know and we can work with them for method 2. Finally, would it be possible to provide a summary of your proposal for method 2 by Friday? Most of the work has been done. It would just involve firming up recommendations from your legal group and your parameters for method 1, to be potentially used for method 2.

Thanks Redacted

I have to shoot off to a conference but I will be available by email and phone. My cell is Redacted
Redacted

Jason L. Simon, CFA

Renewable Energy Market Development

California Public Utilities Commission

(415) 703-5906

From: Redacted
Sent: Tuesday, June 26, 2012 6:45 PM
To: Simon, Jason
Cc: Reilly, Brooke A; Mathai-jackson, Grady (Law); Allen, Meredith; Johnson, Aaron
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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