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November 29, 2012

ADVICE LETTER 2418-E-A

(San Diego Gas & Electric Company ID U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: SUPPLEMENTAL INFORMATION REGARDING THE REQUEST FOR APPROVAL OF STANDARD RENEWABLE AUCTION MECHANISM RENEWABLE POWER PURCHASE AGREEMENT WITH MM SAN DIEGO LLC.

I. PURPOSE OF THE ADVICE LETTER

In Compliance with Decision (“D.”)10-12-048¹, Resolution E-4144,² and Resolution E-4489, San Diego Gas and Electric Company (“SDG&E”) filed advice letter 2418-E seeking California Public Utilities Commission (“CPUC” or “Commission”) approval of four Power Purchase Agreements (“PPAs”) with the following entities: Cascade Solar LLC, Clearvista Energy LLC, MM San Diego LLC, and Rugraw LLC. SDG&E selected these projects through the second of its Renewable Auction Mechanism (“RAM”) procurement program solicitations. SDG&E submits this supplemental advice letter to provide additional information about the PPA with MM San Diego LLC (the “Proposed Agreement”).

II. BACKGROUND

SDG&E found during the solicitation that the RAM PPA used for the second RAM solicitation (the “RAM 2 PPA”) did not provide sufficient options to accommodate existing facilities³. Because MM San Diego offered an existing project and was awarded a PPA during the second RAM, SDG&E adjusted its RAM 2 PPA to accommodate MM San Diego’s existing facility. The changes to the RAM 2 PPA included the removal of provisions and milestones regarding development and construction progress, removal of the development period security, revision to the references to Guaranteed Commercial Operation date and removal of the Commercial Operation Certificate attached as an exhibit to the PPA. SDG&E subsequently filed an updated form PPA to be used for the third RAM solicitation (the “RAM 3 PPA”) that includes similar changes⁴.

¹ D.10-12-048, *mimeo*, Ordering Paragraph 3, (“[e]ach corporation named herein shall file and serve one Tier 2 advice letter with the Commission including all executed contracts resulting from each auction up to the approved capacity limits.”).

² Resolution E-4114 at Ordering Paragraph 4 (“[t]he investor-owned utilities shall submit the executed RAM contracts through a Tier 2 advice letter within 45 days of contract execution.”).

³ This issues is addressed in Section D of Advice Letter 2418-E, which discusses lessons learned from the second RAM solicitation.

⁴ Advice Letter 2421-E filed on November 15, 2012.

III. EFFECTIVE DATE

This filing is classified as Tier 2 pursuant to Resolution E-4546. SDG&E respectfully requests that this filing become effective on December 10, 2012, which is 31 days after the filing date of advice letter 2418-E.

IV. PROTEST

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received by December 5, 2012 which is 20 days of the date this advice letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies should also be sent via e-mail to the Energy Division at EDTariffUnit@cpuc.ca.gov. It is also requested that a copy of the protest be sent via electronic mail and facsimile to SDG&E on the same date it is mailed or delivered to the Commission (at the addresses shown below).

Attn: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. 858-654-1879
E-Mail: MCaulson@semprautilities.com

V. NOTICE

In accordance with General Order No. 96-B, a copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in A.08-07-017 and R.11-05-005, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by e-mail to SDG&ETariffs@semprautilities.com.

CLAY FABER
Director – Regulatory Affairs

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. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@semprautilities.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2418-E-A

Subject of AL: Supplemental Information Regarding the Request for Approval of Standard Renewable Auction Mechanism Renewable Power Purchase Agreement with MM San Diego LLC.

Keywords (choose from CPUC listing): Procurement, Power Purchase Agreement

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: None

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: None

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 12/10/2012

No. of tariff sheets: 0

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: None

Service affected and changes proposed¹: None

Pending advice letters that revise the same tariff sheets: None

Protests 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
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
EDTariffUnit@cpuc.ca.gov

San Diego Gas & Electric
Attention: Megan Caulson
8330 Century Park Ct, Room 32C
San Diego, CA 92123
mcaulson@semprautilities.com

¹ Discuss in AL if more space is needed.

General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

Y. Schmidt
W. Scott

Energy Division

P. Clanon
S. Gallagher
H. Gatchalian
D. Lafrenz
M. Salinas

CA. Energy Commission

F. DeLeon
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

CCSE

S. Freedman
J. Porter

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill
J. Pau

Dept. of General Services

H. Nanjo
M. Clark

Douglass & Liddell

D. Douglass
D. Liddell
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg
J. Heather Patrick
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark
M. Huffman
S. Lawrie
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate
Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander

K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing
Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

A.08-07-017

R.11-05-005