From: Brown, Carol A. Sent: 4/24/2013 12:06:43 PM To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7) Cc: Bcc: Subject: Re: RE: RE:

I am waiting to hear back from the big guy - we have run your idea by other offices - and it gets back to the same problem: we are approving contracts the commission does not like! There is a good appetite for reducing MWs across the board - and then commensurately reducing the \$\$. Calpine seems to want the same \$\$ - no matter what value the product has!!! That is just not going to fly!

-----Original Message-----From: Cherry, Brian K [<u>mailto:BKC7@pge.com</u>] Sent: Wednesday, April 24, 2013 12:04 PM To: Brown, Carol A. Subject: Re: RE: RE:

Back to square one again? You could approve 2 and reject one by arguing that these have been approved because they fit within the legal definition of the settlement. However, because of public policy concerns, we approve 2 and reject one to limit the number of MWs that count (50 percent reduction). This rejection puts all CHP parties on notice that RA only contracts for CHP are the exception and not the rule. It also notifies CHP parties that they need to be more competitive in utility RFOs and that inefficient plants will not receive contracts. How's that?

Brian K. Cherry PG&E Company VP, Regulatory Relations 77 Beale Street San Francisco, CA. 94105 (415) 973-4977

On Apr 24, 2013, at 11:56 AM, "Brown, Carol A." <carol.brown@cpuc.ca.gov> wrote:

> Truth: we do not like those contracts and do not want to approve them as is - so just getting rid of 1 does not solve the problem. We want different contracts - less MW for less if they want RA only - OK - but not in the CHP solicitation. If they want to be in the CHP - then they get paid only for the MWs we will credit -

> This appears to be the direction - have not heard from the big guy. He wants an accommodation - but we need some votes - and that is where the rub is!

- > From: Cherry, Brian K [mailto:BKC7@pge.com]
- > Sent: Wednesday, April 24, 2013 11:10 AM

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>

> ----- Original Message-----

> To: Brown, Carol A.

> Subject: Re: RE:

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> Thx. Ronan is getting worried.
>
> Brian K. Cherry
> PG&E Company
> VP, Regulatory Relations
> 77 Beale Street
> San Francisco, CA. 94105
> (415) 973-4977
>
>
> On Apr 24, 2013, at 10:36 AM, "Brown, Carol A." <carol.brown@cpuc.ca.gov> wrote:
>
>> Nothing is decided yet
>>
>> ----- Original Message-----
>> From: Cherry, Brian K [mailto:BKC7@pge.com]
>> Sent: Wednesday, April 24, 2013 8:19 AM
>> To: Brown, Carol A.
>> Subject:
>>
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>> Also re: Los Mendanos, are we still in agreement to keep Los Mendanos for PG&E and Gilroy for Edison ? Just got a note from Calpine who believes that the agreement has gone south.

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