

December 27, 2013

Advice 4336-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Option to Extend Amendment to Existing Qualifying Facility Power Purchase Agreement for Procurement of Eligible Renewable Energy Resources Between DG Fairhaven Power LLC and Pacific Gas and Electric Company**I. INTRODUCTION AND SUMMARY OF REQUEST**

Pacific Gas and Electric Company (“PG&E”) seeks California Public Utilities Commission’s (“Commission”) approval of PG&E’s decision to exercise the option to extend an amendment (“Amendment”) to a Qualifying Facility (“QF”) Standard Offer No. 4 Power Purchase Agreement (“PPA”) with DG Fairhaven Power LLC (“DG Fairhaven”) (together, the “Parties”). The Amendment was executed on February 28, 2011 and was approved by the Commission in Resolution E-4427 on December 1, 2011. The Amendment has an initial term of three years, and includes an option of extending the Amendment term by one year and a second option to further extend the Amendment for another eleven months.

The initial Amendment term expires on February 2, 2014. PG&E and DG Fairhaven have entered in an agreement for PG&E to exercise its option to extend the Amendment for one year, from February 3, 2014 to February 3, 2015, subject to Commission approval of PG&E’s decision to exercise its first extension option (“Extension Agreement”). In this advice letter, PG&E seeks approval of the Extension Agreement and its decision to exercise the option to extend the Amendment for a year.

PG&E requests that the Commission issue a resolution no later than April 30, 2014, that approves the Extension Agreement without modification and thereby approves PG&E’s election to exercise its initial one-year option to extend the Amendment as reasonable and prudent

II. BACKGROUND

DG Fairhaven operates a 17.25 megawatt (“MW”) facility (“Facility”) located near Eureka, California that generates and sells Renewables Portfolio Standard (“RPS”)-eligible power under an existing QF PPA.¹ Since 1987, the Facility has supplied power to PG&E primarily by

¹ The Facility’s nameplate is officially 17.25 MW; however the firm capacity level is 16 MW.

burning fuel derived from woody biomass.² The Facility has also been a steady employer in the Humboldt County area and reliably provides electricity to PG&E customers in that portion of northern California. The PPA, which was originally developed as a part of PG&E's QF program, expires on February 2, 2017.

In 2010, DG Fairhaven indicated to PG&E that the PPA's terms and conditions were uneconomic for DG Fairhaven to continue to operate the Facility. On February 28, 2011, PG&E and DG Fairhaven executed the Amendment, which provided a price increase in exchange for enhanced performance obligations. On May 10, 2011, PG&E filed Advice 3843-E seeking approval of the Amendment.

In Resolution E-4427 issued on December 1, 2011 ("Resolution"), the Commission approved the Amendment based on the following reasons: (1) the Facility provides RPS-eligible energy to PG&E and continued operation of the Facility was consistent with the RPS need identified in PG&E's 2011 RPS Plan; (2) the Amendment is consistent with Executive Order S-06-06 encouraging the use and production of biomass energy; (3) the performance requirements in the Amendment "promote more reliable deliveries" from the Facility; (4) the Amendment price was sufficient to ensure continued operation of the Facility and was reasonable compared to 2011 RPS Request for Offers ("RFO") offers; and (5) the Facility was viable.³ The Commission also determined that the Amendment and PG&E's advice letter were consistent with Commission precedent and met the requirements of the QF/CHP Program Settlement, which at the time was approved by the CPUC but pending effectiveness.⁴

With regard to the options to extend the Amendment beyond the initial three-year term, the Commission noted:

However, beyond the initial three years of the [Amendment], the need for the deliveries this project is anticipated to provide is less certain given the level of contracting PG&E has undertaken to date. For these reasons we believe the option to extend the amendment terms is reasonable as it affords the opportunity to retain this facility and its output based on an assessment of need and value at that time, as opposed to committing PG&E, and by extension ratepayers, to future procurement today that may prove unnecessary and/or costly relative to alternatives.⁵

In September 2013, PG&E and DG Fairhaven commenced discussions regarding the option to extend the Amendment. Under the Extension Agreement, PG&E agreed to exercise the first option to extend the Amendment for an additional twelve-months, subject to Commission

² The PPA was executed in 1984 but deliveries commenced in 1987.

³ Resolution at pp. 10-12.

⁴ Resolution at pp. 6-7 (advice letter consistent with Commission filing requirements); p. 7 (amendment consistent with Qualifying Facility and Combined Heat and Power ("QF/CHP") Program Settlement); p. 8 (Amendment should include all relevant RPS non-modifiable standard terms and conditions).

⁵ Resolution at p. 10; *see also* Resolution at p. 12.

approval. To the extent PG&E's request for Commission approval is still pending when the initial three-year term of the Amendment expires (*i.e.*, on February 2, 2014), DG Fairhaven will be paid the PPA price from February 3, 2014 until Commission approval of the Extension Agreement. If the Commission approves the Extension Agreement, PG&E will pay DG Fairhaven the difference between the PPA price payments and amount that PG&E would have been paid DG Fairhaven based on the Amendment price. If the Commission does not approve the Extension Agreement, the Amendment and the Extension Agreement will both terminate. A copy of the Extension Agreement is included as Appendix A to this advice letter.⁶

III. EXTENDING THE AMENDMENT FOR AN ADDITIONAL TWELVE MONTHS IS BENEFICIAL TO PG&E CUSTOMERS

When the Commission approved the Amendment, it indicated that PG&E should evaluate the "need and value" of the Amendment at the time the initial three-year period was set to expire in determining whether to exercise the extension option. PG&E has performed this evaluation and determined that extending the Amendment for a year is reasonable and in the interests of PG&E's customers.

PG&E is not basing its recommendation to extend the Amendment primarily on the fact that the Facility provides RPS-eligible energy. Since the Amendment was originally executed in 2011, the implementation of Senate Bill 2(1x) has advanced significantly and PG&E has contracted for additional RPS-eligible resources. However, the continued operation of the Facility is beneficial in that it provides resource diversity to PG&E's RPS portfolio (*i.e.*, biomass resources *v.* solar or wind resources). Moreover, when the Commission approved the Amendment, it discussed a number of benefits in addition to RPS-eligible deliveries. These benefits, as well as other benefits that PG&E considered in deciding whether to exercise the option to extend the Amendment, support the Extension Agreement. Below, PG&E describes some of the benefits of extending the Amendment. Additional confidential information regarding these benefits is included in Confidential Appendix B.

A. The Amendment Provides Operational and Reliability Benefits

DG Fairhaven provides a transmission reliability benefit during peak or abnormal system operating conditions, particularly in winter. Peak Humboldt County area load is approximately 180 MW, and full output of PG&E's Humboldt Bay Generating Station (HBGS) is approximately 164 MW. It is not uncommon in winter to have storm-related outages or transmission clearances that limit the transmission system's import capabilities, and with the occasional occurrence of gas transmission curtailments that affect HBGS, the DG Fairhaven facility mitigates the need for possible customer load curtailments affecting up to 5,000 customers. This benefit is described in more detail in Confidential Appendix B.⁷

⁶ The Extension of the Third Amendment to Standard Offer Power Purchase Agreement Between DG Fairhaven Power LLC and PG&E (PG&E Log # 19P005) is provided as Appendix A.

⁷ See Confidential Appendix B, §§ 4-5.

In addition to the transmission-related benefits provided by the Facility, the Amendment also includes a number of provisions that increase DG Fairhaven's obligations to meet production requirements and provide delivery schedules and notification of planned or forced. These provisions are described in more detail in Confidential Appendix B.⁸ These provisions provide additional operational and scheduling benefits that do not exist in the PPA, and were cited by the Commission when it originally approved the Amendment.

B. DG Fairhaven Has Operated Consistent With The Amendment

As explained in more detail in Confidential Appendix B, DG Fairhaven has operated the Facility consistent with the terms of the Amendment since the Amendment went into effect.⁹

C. The Facility May Substantially Reduce Operation If the Amendment Is Not Extended

The Facility is already built and interconnected to the electric grid, and will not pose any of the environmental concerns associated with the construction and interconnection of a new generating facility. Confidential Appendix C attached to this advice letter is a declaration from Keith Pattison, Treasurer and Chief Financial officer of EWP Renewable Corporation, which owns and operates the DG Fairhaven Facility. As Mr. Pattison explains in more detail in his declaration, absent the extension of the Amendment, it is likely that the DG Fairhaven facility would "operate at a reduced or drastically reduced output level."¹⁰ Mr. Pattison provides detailed financial information explaining the need to extend the Amendment.

D. Continued Operation of the Facility Is Consistent With Executive Order S-06-06

DG Fairhaven is a biomass generation facility and its continued operation is consistent with Executive Order S-06-06. Mr. Pattison's declaration, included as Confidential Appendix C, notes that the fuel source for the facility is biomass fuel, including green, woody biomass.¹¹

E. DG Fairhaven's Safety Record During The Amendment Period

In Confidential Appendix C, Mr. Pattison attests that DG fairhaven maintains a good safety record and he provides information regarding two lost time accidents that occurred during the Amendment period.¹² In addition, Section A-3.2 of the PPA states that the "Seller shall operate and maintain its Facility according to prudent electrical practices, applicable laws, orders, rules, and tariffs and...." Prudent electrical practices is defined in Appendix A of the PPA as "those

⁸ *Id.*, § 1.

⁹ *Id.*, § 2.

¹⁰ *See* Confidential Appendix C, ¶ 6.

¹¹ *Id.*, ¶ 6.

¹² *Id.*, ¶ 8.

practices, methods and equipment and changed from time to time, that are commonly used ...to operate electric equipment lawfully and with safety....”

IV. PG&E HAS SATISFIED THE COMMISSION’S PROCEDURAL REQUIREMENTS

A. Procurement Review Group Participation

On November 12, 2013, PG&E discussed extending the Amendment with its Procurement Review Group (“PRG”).

B. Independent Evaluator

As the Commission explained when it initially approved the Amendment, an Independent Evaluator (IE) was not required in this circumstance.¹³ PG&E voluntarily elected to use an IE when it negotiated the Amendment. However, given that the Commission has already determined that the Amendment is reasonable, and given the limited duration of the extension, PG&E did not retain an IE to review the decision to exercise the extension option. Retaining an IE would have resulted in additional customer costs and would have provided limited benefits in this circumstance.

C. Advice Letter Filing

The filing of an advice letter seeking approval of the Extension Agreement, which is related to an amendment of a QF PPA, is consistent with Commission procedures and D.06-12-009 and D.07-09-040.¹⁴

V. EFFECTIVE DATE AND REQUEST FOR CONFIDENTIAL TREATMENT

A. Requested Effective Date

PG&E requests that this advice filing be approved on or before April 30, 2014 with an effective date of February 3, 2014 (*i.e.*, the date the extension of the Amendment would take effect). The initial three-year term of the Amendment expires February 2, 2014. DG Fairhaven needs to know as soon as possible whether the Amendment will be extended or not so that it can make decisions regarding the continued operation of the facility, as well as decisions about forward fuel purchases. If the Commission does not approve the Extension Agreement and PG&E’s election to exercise its option to extend the Amendment, DG Fairhaven may decide to significantly reduce production from the facility. A decision by April 30, 2014 gives the Commission sufficient time to review this advice letter, and provides DG Fairhaven notice as soon as possible to make decisions regarding the continued operation of the Facility.

¹³ Resolution at p. 12.

¹⁴ Resolution at p. 7 (explaining Commission process for seeking approval of amendments to QF PPAs).

B. Request for Confidential Treatment

In support of this advice letter, PG&E provides the following confidential supporting documentation:

- Confidential Appendix B – Discussion of Confidential Information Regarding the Extension Agreement
- Confidential Appendix C – Declaration of Keith Pattison (DG Fairhaven)

VI. REQUEST FOR COMMISSION APPROVAL

PG&E requests that the Commission issue a resolution no later than April 30, 2014, that approves the Extension Agreement without modification and thereby approves PG&E's election to exercise its initial one-year option to extend the Amendment as reasonable and prudent.

Protests:

Anyone wishing to protest this filing may do so by sending a letter by January 16, 2014, which is twenty (20) days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and it should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Rule 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Rule 3.11).

Effective Date:

PG&E requests that this Tier 3 advice filing be approved on or before April 30, 2014 with an effective date of **February 3, 2014**.

Notice:

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.12-03-014. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

Brian Cherry /IG

Vice President – Regulatory Relations

Public Attachments:

Attachment 1: Declaration and Matrix of Harold J. Pestana Seeking Confidential Treatment Pursuant to D.08-04-023 and D.06-06-066

Appendix A: Extension of the Third Amendment to Standard Offer Power Purchase Agreement Between DG Fairhaven Power LLC and PG&E (PG&E Log # 19P005)

Confidential Attachments:

Appendix B: Discussion of Confidential Information Regarding the Extension Agreement

Appendix C: Declaration of Keith Pattison

cc: Service List for R.12-03-014
Damon Franz, Energy Division, CPUC
Jason Houck, Energy Division, CPUC
Cem Turhal, Energy Division, CPUC
Noel Crisostomo, Energy Division, CPUC
Chris Ungson, DRA, CPUC

Limited Access to Confidential Material:

The portions of this advice letter marked Confidential Protected Material are submitted under the confidentiality protections of Sections 583 and 454.5(g) of the Public Utilities Code and General Order 66-C. A separate Declaration Seeking Confidential Treatment regarding the confidential information is being submitted with this advice letter in accordance with D.08-04-023. This material is protected from public disclosure pursuant to D.06-06-066 because it consists of, among other items, the contract itself, price information, and analysis of the proposed energy procurement contract, which includes the following documents:

- Confidential Appendix B – Discussion of Confidential Information Regarding the Extension Agreement
- Confidential Appendix C – Declaration of Keith Pattison

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPU Utility: Nd Pacific Gas and Electric Company (ID U39 E)

Utility type:

Contact Person: Igor Grinberg

ELC ffi GAS

Phone#: (415) 973-8580

ffi PLC ffi HEAT ffi WATER

E-mail: ixg8@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC= Electric
PLC= Pipeline

GAS= Gas
HEAT= Heat

WATER= Water

Advice Letter (AL) ~~4336-E~~

Tier: 3

Subject of AL: Option to Extend Amendment to Existing Qualifying Facility Power Purchase Agreement Procurement of Eligible Renewable Energy Resources Between DG Fairhaven Power LLC and Pacific Gas and Electric Company

Keywords (choose from CPU Listing): Agreements, Portfolio

AL filing type: Monthly Quarterly Annual ffi One-Time Other _____

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarized differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: matrix that identifies all of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement. All members of PG&E's Procurement Review Group who have signed nondisclosure agreements will receive the confidential information.

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Harold J. Pestana, (415) 973-4523

Resolution Required? Yes No

Requested effective date: February 3, 2014

No. of tariff sheets: N/A

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, commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission

Pacific Gas and Electric Company

Energy Division

Attn: Brian Cherry

ED Tariff Unit

Vice President, Regulatory Relations

505 Van Ness Ave., 4th Flr.

77 Beale Street, Mail Code B10C

San Francisco, CA 94102

P.O. Box 770000

E-mail: EDTariffUnit@cpuc.ca.gov

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

PACIFIC GAS AND ELECTRIC COMPANY

DECLARATION OF HAROLD BEST IN AIN SUPPORT OF
CONFIDENTIAL TREATMENT OF CERTAIN DATA AND INFORMATION
PG&E'S ADVICE LETTER REQUESTING APPROVAL OF
PG&E'S EXERCISE OF ITS OPTION TO EXTEND AMENDMENT TO EXISTING
POWER PURCHASE AGREEMENT BETWEEN FAIR HAVEN POWER LLC AND
PACIFIC GAS AND ELECTRIC COMPANY (ADVISE 4336-E)

I, Harold Pestana, declare:

1. I am currently employed by Pacific Gas & Electric Company ("PG&E") as a Senior Manager within PG&E's Energy Procurement organization. I have been employed by PG&E since 1997, and during that time have acquired knowledge of PG&E's contracts with numerous counterparties and knowledge of the operations of gas and electric sellers in general. Through this experience, I have become familiar with the type of information that would affect the negotiating positions of electric sellers with respect to price and other terms, as well as with the type of information that sellers consider confidential and proprietary and can also identify information that buyers and sellers of electricity would consider to be "market sensitive information" as defined by California Public Utilities Commission ("CPUC") Decision ("D.") 06-06-066 and D.09-12-020, that is, information that has the potential to materially impact a procuring party's market price if released to market participants.

2. Decision 08-04-023, ordering paragraph 6, states that any advice letter containing information for which confidential treatment is requested must be accompanied by a declaration under penalty of perjury that justifies confidential treatment pursuant to D.06-06-066. Based on my knowledge and experience, I make this declaration in seeking confidential treatment of Confidential Appendices B and PG&E's Advice 4336-E ("Confidential Information").

3. The Appendices are as follows:

Attachment 1: Declaration of Harold J. Pestana Seeking Confidential Treatment Pursuant to D.08-04-023 and D.06-06-066

Appendix A: Extension of the Third Amendment to Standard Offer Power Purchase Agreement Between DG Fairhaven Power LLC and PG&E (PG&E Log # 19P005)

Confidential Appendix B: Confidential Information Regarding the Extension Agreement

Confidential Appendix C: Declaration of Keith Pattison (DG Fairhaven)

4. Attached to this declaration is a matrix that describes the Confidential Information for which PG&E seeks continued protection against disclosure; does PG&E seek to protect the confidentiality of the Confidential Information pursuant to D.06-06-066 and/or other authority; PG&E seeks protection under D.06-06-066, the category of market sensitive information in D.06-06-066 Appendix ("IOU Matrix") to which the Confidential Information corresponds.

5. The attached matrix demonstrates that the Confidential Information (1) constitutes a particularly confidentiality-protected listed data; (2) corresponds to a category of market sensitive information listed in the IOU Matrix; (3) maybe treated as confidential consistent with the limitations on confidentiality specified in the IOU Matrix for that data; (4) is not publicly available and (5) cannot be aggregated, redacted, summarized or otherwise protected in a way that partial disclosure . In the column labeled, "PG&E's Justification for Confidential Treatment", PG&E explains why the Confidential Information is subject to public disclosure under either both D.06-06-066 and General Order 66-C. The confidentiality protection period is stated in the column labeled, "Length of Time."

6. By this reference, I am incorporating by ~~reference~~ ~~incorporation~~ ~~of~~ the explanatory text in the attached matrix.

I declare under penalty of perjury, the laws of the State of California, that to the best of my knowledge, the foregoing is true and correct.

Executed on December 24, 2013, at San Francisco, California.

/s/

HAROLD. PESTANA

PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
 APPROVAL OF THE OPTION TO EXTEND AMENDMENT TO POWER PURCHASE AGREEMENT BETWEEN
 DG FAIRHAVEN POWER LLC AND PACIFIC GAS AND ELECTRIC COMPANY(ADVICE 4336-E)
 SUBMITTED ON DECEMBER 27, 2013

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
Confidential Appendix B: Discussion of Confidential Information Regarding the Extension Agreement	Y	Item VII - Bilateral Contract Terms and Conditions - Electric, Section B (Contracts and power purchase agreements between utilities and non-affiliated third parties (except RPS))	Yes	Yes	Yes	This attachment explains, and therefore reveals, the specific terms of the contract between PG&E and HL Power. Contract terms other than counterparty, resource type, location, capacity, expected deliveries, delivery point, length of contract and online date are confidential for three years from date contract states deliveries are to begin.	3 years
Confidential Appendix C: Declaration of Keith Pattison, EWP Renewable Corporation	N	General Order 66-C	No	Yes	N/A	This Appendix consists of a declaration from an officer of the corporation that owns the Facility that cites non-public information, including a detailed financial information of the Facility that if disclosed would cause harm to the counterparty. Disclosure of this Appendix could undermine PG&E's ability to bargain on behalf of its customers, the Appendix should remain confidential for three years.	Indefinite

Pacific Gas and Electric Company
Advice 4336-E
Appendix A
Extension of Third Amendment between PG&E and
DG Fairhaven Power LLC



**Pacific Gas and
Electric Company**

Marino Monardi
Director
Portfolio Management

77 Beale Street, Rm. 2525H
San Francisco, CA 94105

Mailing Address:
Mail Code B25H
P.O. Box 770000
San Francisco, CA 94177

415.973.8573
Fax: 415.973.9176
Email: M3MT@pge.com

Terry Williams
President
EWP Renewable Corporation
600 West Broadway, Suite 1600
San Diego, CA 92101

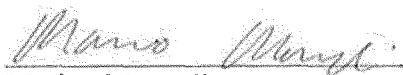
Re: Extension of Third Amendment executed on 2/28/2011 between Pacific Gas and Electric Company (PG&E) and DG Fairhaven Power LLC subject to following terms (PG&E Log No. 19P005)

This agreement (Extension Agreement) sets forth the Parties' agreement to extend the Third Amendment executed on 2/28/2011 between Pacific Gas and Electric Company and DG Fairhaven Power LLC for one year (the Extension Period) subject to CPUC Approval as specified herein.

1. From the termination date set forth in the Third Amendment until PG&E obtains CPUC Approval for this Extension Agreement (the Pre-Extension Period), DG Fairhaven Power LLC shall be paid per the "CPUC Approval True-Up" section of the Third Amendment (Section 3.2(e)(i)), which section is hereby incorporated into and made part of this Extension Agreement solely to the extent necessary to accomplish this purpose.
2. For this Extension Agreement to become effective, CPUC Approval must include a finding that payments made by PG&E under this Extension Agreement are reasonable and are recoverable in rates by PG&E.
3. If CPUC Approval is not obtained on or before two hundred forty (240) days from the date on which PG&E files this Extension Agreement for CPUC Approval, then (i) either Party may terminate this Extension Agreement effective upon receipt of notice by the other Party and (ii) if a Party terminates this Extension Agreement, neither Party shall have any obligation or liability to the other hereunder, including for a termination payment or otherwise, by reason of a termination made pursuant to this provision.
4. If CPUC Approval is obtained, PG&E shall pay to DG Fairhaven Power LLC a one-time lump-sum true-up of the difference between the price paid during the Pre-Extension Period referenced in section 1, above, and the agreed-upon price for the Extension Period (the Extension Period

Price). Thereafter, for the remainder of the one-year Extension Period, Seller shall receive the Extension Period Price.

Best regards,


Marino Monardi
Director, Portfolio Management
Pacific Gas and Electric Company

AGREED AND ACCEPTED DATE:

19 Nov 2013

Concurring Statement

ACCEPTED AND AGREED:

DG FAIRHAVEN POWER LLC,
a California Corporation

By: 
Terry Williams, President

11/19/2013

PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV

1st Light Energy	Douglass & Liddell	OnGrid Solar
AT&T	Downey & Brand	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Praxair
Anderson & Poole	G. A. Krause & Assoc.	Regulatory & Cogeneration Service, Inc.
BART	GenOn Energy Inc.	SCD Energy Solutions
Barkovich & Yap, Inc.	GenOn Energy, Inc.	SCE
Bartle Wells Associates	Goodin, MacBride, Squeri, Schlotz & Ritchie	SDG&E and SoCalGas
Braun Blasing McLaughlin, P.C.	Green Power Institute	SPURR
CENERGY POWER	Hanna & Morton	San Francisco Public Utilities Commission
California Cotton Ginners & Growers Assn	In House Energy	Seattle City Light
California Energy Commission	International Power Technology	Sempra Utilities
California Public Utilities Commission	Intestate Gas Services, Inc.	SoCalGas
California State Association of Counties	K&L Gates LLP	Southern California Edison Company
Calpine	Kelly Group	Spark Energy
Casner, Steve	Linde	Sun Light & Power
Center for Biological Diversity	Los Angeles Dept of Water & Power	Sunshine Design
City of Palo Alto	MRW & Associates	Tecogen, Inc.
City of San Jose	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Clean Power	Marin Energy Authority	TransCanada
Coast Economic Consulting	McKenna Long & Aldridge LLP	Utility Cost Management
Commercial Energy	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Davis Wright Tremaine LLP	NLine Energy, Inc.	Water and Energy Consulting
Day Carter Murphy	NRG Solar	Wellhead Electric Company
Defense Energy Support Center	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	North America Power Partners	
Division of Ratepayer Advocates	Occidental Energy Marketing, Inc.	