

From: Torres, Louis  
Sent: 6/13/2014 3:15:52 PM  
To: Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1)  
Cc:  
Bcc:  
Subject: RE: Moss Landing Contracting

Hi Erik,

This is a follow up to the voicemail I left for you today.

To create a more complete picture of the Station Power costs as a function of selected date, would you please send me an estimated dollar figure for the back bill impact for the effective date of the PG&E AL filing (October, 2013)?

My back-of-the-envelope estimate is about \$1.4 million for Moss Landing and \$2 million for the entire group, but I wanted a confirmation, if possible.

Please contact me if you have questions.

Thanks,

Louis Torres | California Public Utilities Commission | 415-703-2656 | [LT4@cpuc.ca.gov](mailto:LT4@cpuc.ca.gov)

**From:** Jacobson, Erik B (RegRel) [mailto:EBJ1@pge.com]  
**Sent:** Wednesday, June 11, 2014 2:15 PM  
**To:** Torres, Louis  
**Subject:** RE: Moss Landing Contracting

Louis,

Good catch. The \$6 million estimate for May 1, 2011 is incorrect. The right number is \$7.5 million which makes more sense in light of the other estimates we have provided.

Sorry about the error.

Erik

**From:** Torres, Louis [<mailto:Louis.Torres@cpuc.ca.gov>]  
**Sent:** Wednesday, June 11, 2014 1:22 PM  
**To:** Jacobson, Erik B (RegRel)  
**Subject:** RE: Moss Landing Contracting

Erik

I'll call you in 10 minutes or so

...Please see attached. I'm confused with the differing cost estimates as we go back in time.

**From:** Jacobson, Erik B (RegRel) [<mailto:EBJ1@pge.com>]  
**Sent:** Wednesday, June 11, 2014 12:56 PM  
**To:** Torres, Louis  
**Cc:** Tom, Jonathan P.  
**Subject:** RE: Moss Landing Contracting

Louis,

At \$7.7 million, Dynegy's backbill is still pretty significant. Energy Division and Commissioner Florio may want to consider using the alternative date of May 1, 2011 instead of

August 30, 2010. I understand that May 1 was the first possible date for generators to exit the CAISO Station Service program after FERC's Order on Station Service. If the May 1, 2011 date is used for calculating the backbill, Dynegy's backbill is estimated to be \$6 million. While PG&E still recommends using the December 2012 date, using the date of May 1, 2011 would be preferable to August 30<sup>th</sup> and does have a sound logic to it.

Here's the timeline:

May 4, 2010 –DC Circuit remands and vacates the FERC Orders on Station Power

August 30, 2010 – FERC Order on Remand

February 28, 2011 --FERC Order Denying Rehearing (FERC Remand Order is final and no longer subject to appeal)

May 1, 2011 – First date for possible exit from the CAISO program (30 days of notice and 1<sup>st</sup> of the month start date)

Thanks,

Erik

**From:** Torres, Louis [<mailto:Louis.Torres@cpuc.ca.gov>]  
**Sent:** Tuesday, June 10, 2014 9:30 AM  
**To:** Jacobson, Erik B (RegRel)  
**Subject:** RE: Moss Landing Contracting

Thank you, Erik.

This data helps, we appreciate your support.

I'll touch base with you if we need more supporting data.

Regards,

Lou

**From:** Jacobson, Erik B (RegRel) [<mailto:EBJ1@pge.com>]

**Sent:** Tuesday, June 10, 2014 9:01 AM

**To:** Torres, Louis

**Cc:** Tom, Jonathan P.

**Subject:** RE: Moss Landing Contracting

Louis,

The estimated backbill for Dynegy's Moss Landing units is \$7.7 million using the Order on Remand date of August 30, 2010. This compares to a backbill of \$9.7 million based on DC Court of Appeal decision issued in April, 2010. The units at Moss Landing are once through cooling units.

PG&E is making a presentation to the PRG today regarding the results of our intermediate term RFO. We are recommending execution of a RA contract for Moss Landing Unit 1 for the Summer of 2017. The schedule is to continue negotiating with Dynegy on this contract and to execute the transaction in mid-August. While there are alternative RA suppliers, their bids are higher.

I hope this helps. Please let me know if you need additional information.

Regards,

Erik

**From:** Torres, Louis [<mailto:Louis.Torres@cpuc.ca.gov>]  
**Sent:** Monday, June 09, 2014 4:05 PM  
**To:** Jacobson, Erik B (RegRel)  
**Cc:** Tom, Jonathan P.  
**Subject:** RE: Moss Landing Contracting  
**Importance:** High

Eric,

Thanks for your follow up information.

My takeaways are:

- The data from the table below is for signed contracts through 2015; contracts beyond that period are in negotiations.
- Absence of this low cost RA supplier is a manageable incident in that a replacement supplier is available
- Moss Landing will likely honor these existing contracts, regardless of our date decision.

**Can you help me with these questions:**

- Please send me an estimate of the Moss Landing costs for the Order on Remand date of August 30,2010 onward?
- Are the units for which you have signed contracts “once through” units, or some other type?

Thank You,

Louis Torres | California Public Utilities Commission | 415-703-2656 | [LT4@cpuc.ca.gov](mailto:LT4@cpuc.ca.gov)

**From:** Lafrenz, Donald J.  
**Sent:** Friday, June 06, 2014 10:54 AM

**To:** Jacobson, Erik B (RegRel)  
**Cc:** Tom, Jonathan P.; Torres, Louis  
**Subject:** RE: Moss Landing Contracting

Eric, I was not involved in this matter. Can you try either Jonathan Tom or Louis Torres?

-Don

**From:** Jacobson, Erik B (RegRel) [<mailto:EBJ1@pge.com>]  
**Sent:** Friday, June 06, 2014 10:52 AM  
**To:** Lafrenz, Donald J.  
**Subject:** FW: Moss Landing Contracting

Don,

I am forwarding this email to you since Gurbux is out of the office. Gurbux requested the information below with respect to the draft resolution on station power. I'd be happy to discuss the station power issue with you further if you have questions.

Regards,

Erik

*Erik Jacobson*

*Director, Regulatory Relations  
Pacific Gas and Electric Company  
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tel: 415-973-4464  
cell: 415-310-7617  
[ebj1@pge.com](mailto:ebj1@pge.com)

**From:** Jacobson, Erik B (RegRel)  
**Sent:** Friday, June 06, 2014 9:47 AM  
**To:** Kahlon, Gurbux ([gurbux.kahlon@cpuc.ca.gov](mailto:gurbux.kahlon@cpuc.ca.gov))  
**Subject:** Moss Landing Contracting

Gurbux,

Here is a table that shows PG&E contracting for the Moss Landing units (we bought some of this quantity from SCE). The table shows active contracts only and I understand we are also in negotiations with Dynegy as part our intermediate term RFO for the 2016-2018 period.

Erik

Unit	Jun-14	Contract Quantity (MW)		
		Jul-14	Aug-14	Sep-14
Moss Landing 1		120	120	120
Moss Landing 2	150	390	390	390
Moss Landing 6			750	100

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