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September 21, 2011

**ADVICE 2374-E-A**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Supplement to Submission of Contracts for Procurement of  
Renewable Energy from SCE's 2008 Renewables Portfolio  
Standard Solicitation

**PURPOSE AND BACKGROUND**

On August 21, 2009, Southern California Edison Company ("SCE") filed Advice 2374-E, which requested California Public Utilities Commission ("Commission" or "CPUC") approval of two renewables portfolio standard ("RPS") power purchase agreements between SCE and CA Solar 10, LLC (the "CA Solar Contract") and SCE and Ridgecrest Solar I, LLC (the "Ridgecrest Contract"). The CA Solar 10 Contract was approved by the Commission in Resolution E-4294. In that resolution, the Commission deferred judgment on the Ridgecrest Contract.

The Ridgecrest Contract has been terminated. Accordingly, SCE is submitting this supplement to Advice 2374-E in order to withdraw its request for approval of the Ridgecrest Contract. At the request of the Commission's Energy Division, SCE has attached a redline of Advice 2374-E reflecting the withdrawal of SCE's request for approval of the Ridgecrest Contract.<sup>1</sup>

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<sup>1</sup> A redline of Advice 2374-E is included as Attachment 1 to this advice filing. A redline of Appendix C to Advice 2374-E is included as Confidential Attachment 2 to this advice filing. Appendix H to Advice 2374-E should be withdrawn in its entirety. The portions of Appendices D and F to Advice 2374-E that relate to the Ridgecrest Contract should also be withdrawn in their entirety; however, SCE has not provided a redline of such Appendices since they are excel spreadsheets. Appendices A-B, E, G, and I-J to Advice 2374-E have not been modified since they either relate solely to the CA Solar 10 Contract or relate to both the CA Solar 10 and Ridgecrest Contracts.

In accordance with General Order (“GO”) 96-B, the confidentiality of information included in this advice filing is described below. This advice filing contains both confidential and public attachments as listed below.

Attachment 1: Redline of Advice 2374-E  
Confidential Attachment 2: Redline of Appendix C to Advice 2374-E  
Attachment 3: Confidentiality Declaration

### **CONFIDENTIALITY**

SCE is requesting confidential treatment of Confidential Attachment 2 to this advice filing. The information for which SCE is seeking confidential treatment is identified in the Confidentiality Declaration attached as Attachment 3. The confidential version of this advice filing will be made available to appropriate parties (in accordance with SCE’s Proposed Protective Order, as discussed below) upon execution of the required non-disclosure agreement. Parties wishing to obtain access to the confidential version of this advice filing may contact Cathy Karlstad in SCE’s Law Department at Cathy.Karlstad@SCE.com or (626) 302-1096 to obtain a non-disclosure agreement. In accordance with GO 96-B, a copy of SCE’s Proposed Protective Order was attached as Appendix I to Advice 2374-E. It is appropriate to accord confidential treatment to the information for which SCE requests confidential treatment in the first instance in the advice letter process because such information is entitled to confidentiality protection pursuant to Decision (“D.”) 06-06-066 and is required to be filed by advice letter as part of the process for obtaining Commission approval of RPS power purchase agreements. SCE would object if the information were disclosed in an aggregated format.

The information in this advice filing for which SCE requests confidential treatment, the pages on which the information appears, and the length of time for which the information should remain confidential, are provided in Attachment 3. This information is entitled to confidentiality protection pursuant to D.06-06-066 (as provided in the Investor-Owned Utility (“IOU”) Matrix). The specific provisions of the IOU Matrix that apply to the confidential information in this advice filing are identified in Attachment 3.

### **TIER DESIGNATION**

Pursuant to GO 96-B, Energy Industry Rule 5.3, SCE submitted Advice 2374-E with a Tier 3 designation (effective after Commission approval). SCE is now withdrawing its request for approval of the Ridgecrest Contract.

### **EFFECTIVE DATE**

SCE requests that its request for approval of the Ridgecrest Contract be withdrawn effective immediately.

## **PROTESTS**

SCE asks that the Commission maintain the original protest and comment period as designated in Advice 2374-E because this supplemental advice filing is simply withdrawing SCE's request for approval of the Ridgecrest Contract.

## **NOTICE**

In accordance with Section 4 of GO 96-B, SCE is furnishing copies of this advice filing to the interested parties shown on the attached R.06-02-012, R.08-08-009, R.11-05-005, and GO 96-B service lists. Address change requests to the GO 96-B service list should be directed to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-4039. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at [ProcessOffice@cpuc.ca.gov](mailto:ProcessOffice@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the Advice Letter at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters/>.

All questions concerning this advice filing should be directed to Laura Genao at (626) 302-6842 (E-mail: [Laura.Genao@sce.com](mailto:Laura.Genao@sce.com)).

**Southern California Edison Company**

Akbar Jazayeri

AJ:lg:jm  
Enclosures

# 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.: Southern California Edison Company (U 338-E)

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: James Yee

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E-mail Disposition Notice to: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2374-E-A

Tier Designation: 3

Subject of AL: Supplement to Submission of Contracts for Procurement of Renewable Energy from SCE's 2008 Renewables Portfolio Standard Solicitation

Keywords (choose from CPUC listing): Contracts

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: \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Confidential treatment requested?  Yes  No

If yes, specification of confidential information: See Attachment 3

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Cathy Karlstad, Law Department, at (626) 302-1096 or [Cathy.Karlstad@sce.com](mailto:Cathy.Karlstad@sce.com).

Resolution Required?  Yes  No

Requested effective date: Upon Commission Approval      No. of tariff sheets: -0-

Estimated system annual revenue effect: (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

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: \_\_\_\_\_

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: \_\_\_\_\_

<sup>1</sup> Discuss in AL if more space is needed.

**All correspondence regarding this AL , 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  
[inj@cpuc.ca.gov](mailto:inj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

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**Attachment 1**

**Redline of Advice 2374-E**

August 21, 2009

**ADVICE 2374-E  
(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Submission of a Contracts for Procurement of Renewable Energy from SCE's 2008 Renewables Portfolio Standard Solicitation

Southern California Edison Company ("SCE") submits this Advice Letter in compliance with California Public Utilities Code § 399.11 *et seq.* ("RPS Legislation") seeking approval of two-one renewables portfolio standard ("RPS") power purchase agreements between SCE and CA Solar 10, LLC ("CA Solar Contract" or "Solar Contract") ~~and SCE and Ridgecrest Solar I, LLC ("Ridgecrest Contract")~~ collectively, "Solar Contracts".

A table summarizing the Solar Contracts is as follows:

Seller	Generation Type	Initial Size	Potential Expansion Size	Estimated Annual Energy Based on Initial Size	Estimated Annual Energy Based On Potential Expansion Size	Forecasted Initial Operation Date	Term of Agreement (Years)
CA Solar 10, LLC	Solar Thermal	242 MW	484 MW	551 GWh	1,102 GWh	June 30, 2014	20
<u>Ridgecrest Solar I, LLC</u>	<u>Solar Thermal</u>	<u>242 MW</u>	<u>N/A</u>	<u>551 GWh</u>	<u>N/A</u>	<u>June 30, 2014</u>	<u>20</u>

SCE requests that the California Public Utilities Commission ("Commission" or "CPUC") issue a resolution containing findings in the form requested in this Advice Letter no later than February 22, 2010.

In accordance with General Order ("GO") 96-B, the confidentiality of information included in this Advice Letter is described below. This Advice Letter contains both confidential and public appendices as listed below:

Appendix A:	Designation of Confidential Information
Confidential Appendix B:	2008 Solicitation Overview and Workpapers
Confidential Appendix C:	Confidential Contract Summary
Confidential Appendix D:	Solar Contracts' Contribution to RPS Goals
Appendix E:	SCE's RPS Proposal Evaluation and Selection Process and Criteria
Confidential Appendix F:	AMF Calculators for the Solar Contracts
Confidential Appendix G:	Power Purchase Agreement between SCE and CA Solar 10, LLC
<del>Confidential Appendix H:</del>	<del>Power Purchase Agreement between SCE and Ridgecrest Solar I LLC</del>
Appendix I:	Proposed Protective Order
Confidential and Public Versions of Appendix J:	Independent Evaluation Report

## **I. INTRODUCTION**

The RPS Legislation requires certain load-serving entities ("LSEs"), including SCE, to increase their procurement from renewable resources ("ERR") by at least one percent of their annual retail electricity sales per year so that 20 percent of their annual electricity sales are procured from eligible renewable energy resources by no later than December 31, 2010. In Decision ("D.") 03-06-071, the Commission provided its initial guidance for implementation of the RPS Legislation. The Commission subsequently issued several decisions on various aspects of the RPS program. In accordance with the RPS Legislation and the Commission's decisions regarding the RPS, SCE submitted its 2008 RPS procurement plan and bid solicitation materials for Commission approval. In D.08-02-008, the Commission approved SCE's procurement plan and bid solicitation materials for 2008.

On March 7, 2008, SCE released its Request for Proposals ("RFP") for its 2008 RPS solicitation. Applying the evaluation criteria required by the RPS Legislation, as implemented by the Commission in D.04-07-029, SCE established a short list for the 2008 solicitation and subsequently entered into discussions with parties on the short list. SCE communicated with its procurement review group ("PRG") throughout the evaluation, selection, and contracting process, which has led to the execution of 14

contracts from its 2008 solicitation to date.<sup>1</sup> One of those contracts (with Ridgecrest Solar I, LLC) has been terminated. SCE ~~now~~ seeks approval of the Solar Contracts.

**A. Purpose of Advice Letter**

The CA Solar 10, LLC (“CA Solar”) project is a proposed 242 MW solar facility, with an option to expand to 484 MW, that is expected to begin commercial operation June 30, 2014. The seller is CA Solar, a Delaware limited liability company wholly owned by Solar Millennium, AG (“Solar Millennium”).

The CA Solar project is located on approximately 6,250 acres of land leased from the Bureau of Land Management (“BLM”) near Desert Center, California. Solar Millennium also leased land from the BLM near Blythe, California, approximately 35 miles east of the Desert Center site. Under the contract, CA Solar has the option to construct the project at the Blythe site rather than the Desert Center site. The facility needs approximately 1,700 acres for each 242 MW of installed capacity, with 90 percent of that acreage devoted to housing approximately 1,300 solar collectors (mirrors). If the Desert Center location is used, the project will interconnect at the proposed Red Bluff substation. If the Blythe location is used, the proposed Chuckwalla substation would be the interconnection point. The project will have an expected output of 551 GWh per year without the 242 MW expansion and approximately 1,102 GWh per year with the expansion. The contract term is 20 years.

~~The Ridgecrest Solar I, LLC (“Ridgecrest”) project is a proposed 242 MW solar facility that is expected to begin commercial operation June 30, 2014. The seller is Ridgecrest, a Delaware limited liability company wholly owned by Solar Millennium.~~

~~The Ridgecrest project is located on approximately 4,000 acres of land leased from the BLM near Ridgecrest, California. The facility needs approximately 1,700 acres for the 242 MW of installed capacity, with 90 percent of that acreage devoted to housing approximately 1,300 solar collectors (mirrors). The project will interconnect at SCE’s Inyo Kern substation. The project will have an expected output of 551 GWh per year. The contract term is 20 years.~~

**B. General Project Description**

Owner/ Developer	CA Solar 10, LLC
Technology	Solar thermal (trough)
Capacity (MW)	242 MW (expandable to 484 MW)

<sup>1</sup> The 14 contracts executed from the 2008 solicitation are one with Mountain View Power Partners, LLC, seven with BrightSource Energy, Inc., one with Goshen Phase II, LLC, one with Echanis, LLC, one with CA Solar 10, LLC, one with Ridgecrest Solar I, LLC, one with Desert Stateline LLC, and one with Desert Sunlight LLC.

Capacity Factor	26%
Expected Generation (MWh/Year)	551,179 MWh/Year
Online Date	June 30, 2014
Contract Term (Years)	20 years
New or Existing Facility	New
Location (include in/out-of-state) and Control Area (e.g., CAISO, BPA)	Desert Center or Blythe, California California Independent System Operator ("CAISO")
Price relative to MPR (i.e., above/below)	As discussed in Appendix C, the contract price may be below or above the 2008 market price referent ("MPR"). The maximum contract price is above the MPR.

<del>Owner/ Developer</del>	<del>Ridgecrest Solar I, LLC</del>
<del>Technology</del>	<del>Solar thermal (trough)</del>
<del>Capacity (MW)</del>	<del>242 MW</del>
<del>Capacity Factor</del>	<del>26%</del>
<del>Expected Generation (MWh/Year)</del>	<del>551,179 MWh/Year</del>
<del>Online Date</del>	<del>June 30, 2014</del>
<del>Contract Term (Years)</del>	<del>20 years</del>
<del>New or Existing Facility</del>	<del>New</del>
<del>Location (include in/out-of-state) and Control Area (e.g., CAISO, BPA)</del>	<del>Ridgecrest, California</del> <del>CAISO</del>
<del>Price relative to MPR (i.e., above/below)</del>	<del>As discussed in Appendix C, the contract price may be below or above the 2008 MPR. The maximum contract price is</del>

~~above the MPR.~~

## II. CONSISTENCY WITH COMMISSION DECISIONS

### A. SCE's 2008 RPS Procurement Plan

#### 1. SCE's 2008 RPS Procurement Plan Was Approved by the Commission and SCE Adhered to Commission Guidelines for Filing and Revisions

In D.08-02-008, the Commission conditionally approved SCE's 2008 RPS procurement plan, including the bid solicitation materials for SCE's 2008 RPS solicitation. The Commission also ordered SCE to make certain changes to its 2008 procurement plan and bid solicitation materials and to file those amended documents with the Director of the Energy Division, and serve such documents on the service list, by February 29, 2008. On February 29, 2008, SCE filed and served its amended 2008 RPS procurement plan, including its amended 2008 bid solicitation materials.

#### 2. Summary of SCE's 2008 RPS Procurement Plan's Assessment of Portfolio Needs and Requested Proposal Characteristics

SCE's 2008 RPS procurement plan indicated that SCE intended to seek resources to augment those under contract as a result of prior solicitations and bilateral negotiations to the extent necessary to ensure that SCE meets the overall goal of 20 percent renewable energy as soon as possible with a reasonable margin of safety. SCE also indicated in its solicitation protocol that it has both a near-term and long-term need for renewable energy, and that SCE's evaluation criteria would favor proposals for renewable energy sales from generating facilities with near-term deliveries.

SCE's 2008 RFP solicited proposals to supply electric energy, green attributes, capacity attributes, and resource adequacy benefits from ERRs sufficient to permit SCE to execute power purchase agreements ("PPAs") in substantially the form of its *pro forma* agreement. SCE considered all timely proposals to sell product to SCE from either a new or existing generating facility that employed an ERR, or multiple ERRs, as the sole means of supplying electric energy. SCE also considered any new or repowered facilities that operate on co-fired fuels or a mix of fuels that include fossil fuel hybrid.

SCE's locational preferences included: (1) California, or (2) outside California if the seller complies with all requirements pertaining to "Out-of-State Facilities" as set forth in the California Energy Commission ("CEC") RPS Eligibility Guidebook. SCE requested proposals based upon standard term lengths of 10, 15, or 20 years, or a non-standard delivery term to be proposed by sellers that is not less than one month. SCE also requested proposals with a minimum capacity of 1.5 MW.

SCE indicated a preference to take delivery of the electric energy within the CAISO Control Area. However, SCE also considered proposals for facilities interconnected to the Western Electricity Coordinating Council (“WECC”) transmission system.

**3. The Solar Contracts Conforms to SCE’s Portfolio Needs**

The Solar Contracts falls within the criteria identified in SCE’s 2008 RFP and are is expected to contribute significantly toward the achievement of SCE’s RPS procurement goals. Specifically, the CA Solar project satisfies SCE’s long-term need for eligible renewable energy with a capacity of up to 484 MW over a 20-year term. ~~Similarly, the Ridgecrest project satisfies SCE’s long-term need for renewable energy with a capacity of up to 242 MW over a 20-year term.~~ Moreover, both the Solar Contracts satisfy SCE’s locational preferences and delivery requirements.

**B. SCE’s 2008 RPS Solicitation**

**1. SCE’s 2008 RPS Solicitation Was Consistent with SCE’s Commission-Approved 2008 RPS Procurement Plan and RFP Protocol**

The Solar Contracts were was solicited, negotiated, and executed in a manner consistent with SCE’s 2008 RFP protocol, which was approved by the Commission in D.08-02-008 as part of SCE’s 2008 RPS procurement plan. SCE’s RFP package included a procurement protocol, which set forth the terms and conditions of the RFP, including the requirement that the proposed facility be an eligible renewable energy resource and other eligibility requirements for participants, requirements for proposals, selection procedures, approval procedures, the RFP schedule, and other terms and conditions of the RFP.

The RFP did not establish a limit on the amount of renewable energy sought by SCE. SCE was looking for resources that would provide maximum benefit to customers and count toward the RPS program. As provided by Commission decisions and statute, SCE solicited proposals for PPAs with standard delivery terms of 10, 15, and 20 years, or non-standard delivery terms to be proposed by sellers of not less than one month. The protocol requested that proposals provide complete, accurate, and timely information concerning the participating supplier, the generating facility from which the participant proposed to provide electric energy to SCE, and information pertaining to the commercial terms and the pricing details of the proposal.

The protocol encouraged existing, new, expanded, and repowered renewable resources to participate. SCE stated in the protocol that it would evaluate proposals based on criteria intended to achieve the lowest customer cost for those renewable resources that best fit SCE’s customers’ current portfolio and projected needs.

## **2. SCE's 2008 RPS Solicitation Was Robust**

On the release date of the 2008 RPS solicitation, SCE placed its RFP package on its website and issued an email announcement to approximately 700 industry participants, independent power companies, trade associations, law firms, energy consultants, and regulatory agencies. In addition, SCE held a bidder's conference on March 20, 2008, at the San Gabriel Hilton Hotel in San Gabriel, California. Approximately 90 individuals attended the conference. SCE responded to written questions from individual parties by providing the question and response to all interested parties via email.

Specific information regarding SCE's 2008 RPS solicitation can be found in Appendices B and C.

## **3. Both The Offers Conformed to SCE's RFP Protocol**

The proposals for the Solar Contracts conformed to SCE's protocol; that is, they offered power from an ERR, submitted the standard forms, agreed to be bound by the protocol, and signed a non-disclosure agreement. The proposals were evaluated and scored in the manner prescribed in the protocol and were placed on SCE's short list. Eventually, negotiations with Solar Millennium led to the execution of the Solar Contracts.

## **C. Least-Cost/Best-Fit ("LCBF") Methodology and Evaluation**

### **1. SCE's LCBF Methodology for the 2008 RPS Solicitation**

SCE evaluates and ranks proposals based on LCBF criteria that comply with criteria set forth by the Commission in D.03-06-071 and D.04-07-029 ("LCBF Decisions"). The LCBF analysis evaluates both quantitative and qualitative aspects of each proposal, as well as each proposal's absolute value to SCE's customers and relative value in comparison to other proposals. The LCBF analysis was used to evaluate the bids SCE received in its 2008 RPS solicitation. SCE applied these criteria to the proposals received in its 2008 solicitation, including CA Solar and Ridgecrest, in order to establish a short list of proposals from bidders with whom SCE would engage in contract discussions.

While assumptions and methodologies have evolved slightly over time, the basic components of SCE's evaluation and selection criteria and process for RPS contracts were established in the Commission's LCBF Decisions. Consistent with those decisions, the three main steps undertaken by SCE are: (1) initial data gathering and verification; (2) a quantitative assessment of proposals; and (3) adjustments to selection based on proposals' qualitative attributes.

Prior to receiving proposals, SCE finalizes major assumptions and methodologies that drive valuation, including power and gas prices forecasts, existing and forecast resource portfolio, and firm capacity value forecast. Other assumptions, such as the

Transmission Ranking Cost Report (“TRCR”), are filed with the Commission for approval prior to the release of the solicitation materials.

Once proposals are received, SCE begins an initial review for completeness and conformity with the solicitation protocol. The review includes a screen for reasonableness of proposal parameters, such as generation profiles and capacity factors. SCE works directly with sellers to resolve any issues and ensure data is ready for evaluation.

After this initial review, SCE performs a quantitative assessment of each proposal. The result of the quantitative analysis is a relative ranking of proposals that helps define the preliminary short list.

In parallel with the quantitative analysis, SCE conducts an assessment of each proposal’s qualitative attributes. This analysis assesses a project’s technical viability, its overall viability, and its developer’s experience. These qualitative attributes are then considered to either eliminate non-viable proposals or add projects with high viability to the final short list of proposals.

Following its analysis, SCE consults with its PRG regarding the final short list and specific evaluation criteria. Whether a proposal selected through this process results in an executed contract depends on the outcome of negotiations between SCE and counterparties. Periodically, SCE updates the PRG regarding the progress of negotiations. SCE and the PRG also review contracts prior to their execution. Subsequently, SCE executes contracts and submits them to the Commission for approval.

A complete discussion of SCE’s RPS Proposal Evaluation and Selection Process and Criteria is provided in Appendix E.

## **2. Comparison of the Solar Contracts with Other Proposals Received in SCE’s RPS Solicitation with Regard to Each LCBF Factor**

SCE evaluates the quantifiable attributes of each proposal individually and subsequently ranks them based on their benefit-to-cost (“B/C”) ratios. Benefits are comprised of separate capacity and energy components, while costs include the contract payments, integration costs, transmission cost, and debt equivalence. SCE discounts the annual benefit and cost streams to a common base year prior to calculating the B/C ratio for each proposal. It is the B/C ratio that is used to rank and compare each project. Comparing the individual components of the B/C ratio of one bid to another is not a useful means of evaluating projects.

The B/C ratio of both the projects here, in combination with SCE’s portfolio needs, justified their-its inclusion in SCE’s 2008 solicitation short list. Modifications to the pricing and other terms used for evaluation during negotiations also resulted in final

LCBF results that were acceptable to SCE and favorable as compared to the other bids SCE received in the 2008 solicitation. Therefore, the Solar Contracts provides significant value for SCE's customers relative to other proposals received and provides for the delivery of relatively attractive renewable power pursuant to terms and conditions that meet all requirements of the RPS Legislation as well as the Commission's decisions implementing the RPS Legislation.

More detailed information regarding the B/C ratios for the Solar Contracts and the other bids received in SCE's 2008 RPS solicitation can be found in Appendices B and C.

**3. Portfolio Fit – Demonstrate Best Fit – Evaluation of the Contract's Costs and Benefits in the Context of SCE's Portfolio Needs**

SCE's primary portfolio needs in the long-term are for resource adequacy-eligible capacity, low-cost energy, and RPS-eligible energy. Due to the peaky nature of SCE's demand profile, energy delivered during on-peak periods is more highly valued than energy delivered during off-peak periods.

CA Solar will provide nameplate capacity of at least 242 MW, and up to 484 MW, and Ridgecrest will provide 242 MW. At build-out, CA Solar will deliver a minimum of 551 GWh, and up to 1,102 GWh, and Ridgecrest will deliver 551 GWh of RPS-eligible energy annually. It is expected that 100 percent of the nameplate capacities capacity of both the projects will count toward resource adequacy requirements, depending on the project's actual generation profiles.

Remarketing costs are captured in the production cost simulations required to analyze a project's energy benefits. While the production cost simulations cannot remove and evaluate marketing costs on an individual basis, the simulations do allow for some assumptions to be drawn about the project's possible impact on potential remarketing costs.

There would not likely be any cost to remarket the energy from the CA Solar and Ridgecrest projects in peak periods. As opposed to other renewable technologies that supply a significant amount of off-peak energy, solar projects are not usually burdened with remarketing costs. Their predominantly on-peak generation profiles provide power when it is most needed to serve customer demand, and not during off-peak periods when it is more likely to be sold at a discount.

**4. Transmission Adder – Consistency with Commission Decisions Addressing RPS Transmission Ranking Cost Methodology and Investor-Owned Utility TRCR**

Transmission costs were estimated for those generating facilities that do not have an existing interconnection to the electric system or a completed transmission study,

consistent with the TRCR requirements specified in D.04-06-013 and D.05-07-040. The ranking was applied accordingly and in compliance with Commission decisions.

**5. Consistent Application of TODs – Demonstrate That Time of Delivery Allocation Factors Were Consistently Used Throughout the Procurement Process**

Prior to releasing the 2008 RPS solicitation, SCE ensured the time-of-delivery (“TOD”) allocation factors contained within its *pro forma* agreement were used in the LCBF analysis.

**6. Qualitative factors**

In addition to the identified benefits and costs quantified during SCE’s evaluation, SCE assesses non-quantifiable characteristics of each proposal by conducting a comprehensive viability analysis to assess a seller’s capacity to perform, technical viability, and project viability as discussed in further detail in Appendix E. These qualitative attributes are used to consider the inclusion of additional sellers on the short list due to the strength of a particular seller’s proposal. Pursuant to D.04-07-029, the presence of demonstrated qualitative attributes may justify moving a proposal onto SCE’s short list of proposals if: (1) the initial proposal rank is within reasonable valuation proximity to those selected for the short list, and (2) SCE receives support from its PRG to elevate the proposal based on qualitative factors. This assessment may also result in the exclusion of proposals from the short list due to the relative weakness of highly ranked proposals. In other instances, where there are weaknesses in some of these factors (although these may not be significant enough to exclude a proposal from the short list), SCE utilizes additional contract requirements to manage these issues during the development of the project.

Based on some non-quantifiable attributes as well as the quantifiable attributes discussed above, SCE included the CA Solar ~~and Ridgecrest~~ projects on its 2008 RPS short list. Solar Millennium is a viable company that has developed three solar power plants in Spain. The Solar Contracts will provide long-term eligible renewable energy. In addition, based on Solar Millennium’s past development experience, it is likely that its wholly-owned subsidiaries will be able to perform all of their financial and other obligations under the agreements.

Within the qualitative assessment, SCE also considers additional qualitative characteristics to determine tie-breakers, if any. The attributes considered include, but are not limited to:

- (1) whether (i) the generating facility’s first point of interconnection is within the Tehachapi area (namely, in the vicinity of the existing Antelope or Vincent substations, or in the vicinity of the future substations of Highwind, Windhub, Cottonwood, or Whirlwind), and (ii) such generating facility is dispatchable during on-peak periods;

- (2) the environmental impact of a seller's proposed project on California's water quality and use;
- (3) resource diversity;
- (4) benefits to minority and low income communities;
- (5) local reliability; and
- (6) environmental stewardship.

## **7. Impact of Debt Equivalence**

Specific information regarding the impact of debt equivalence on the Solar Contracts can be found in Appendix C.

## **D. PRG Participation and Feedback**

### **1. PRG Members**

SCE's PRG was formed on or around September 10, 2002. Participants include representatives from the Commission's Energy and Legal Divisions, the Division of Ratepayer Advocates, The Utility Reform Network, the Natural Resources Defense Council, California Utility Employees, the Union of Concerned Scientists, and the California Department of Water Resources.

### **2. Date Information Provided to PRG**

SCE consulted with its PRG during each step of the renewable procurement process. Among other things, SCE informed the PRG of the initial results of its RFP, explained the evaluation process, and updated the PRG periodically concerning the status of contract formation.

On June 11, 2008, SCE advised the PRG of its proposed short list of bids for its 2008 RPS solicitation. On May 13, 2009, SCE briefed the PRG concerning the successful discussions with CA Solar ~~and Ridgecrest~~.

### **3. PRG Feedback**

SCE does not keep recorded minutes, notes, or comments from PRG meetings. The PRG has requested that SCE not broadly characterize PRG responses and comments.

## **E. RPS Goals**

As stated above, the RPS Legislation and Commission decisions implementing the RPS Legislation require SCE to increase its procurement from renewable resources by at least one percent of its annual retail electricity sales per year so that 20 percent of its

annual electricity sales are procured from renewable resources by 2010. The one percent increase per year has been defined as the incremental procurement target (“IPT”), and the yearly required total has been defined as the annual procurement target (“APT”).<sup>2</sup> By definition, the obligation to increase renewable procurement by one percent per year (*i.e.*, the IPT) is eliminated in 2010. For 2010 and beyond, SCE is required to procure 20 percent of its energy from renewable resources. In other words, beyond 2009, SCE does not have an IPT obligation and its APT obligation remains at 20 percent.

The Solar Contracts ~~are~~ is expected to begin deliveries by June 30, 2014. The renewable output from ~~each~~ the agreement is expected to contribute approximately 551 GWh annually towards SCE’s APT obligations. Should CA Solar exercise its option to expand to 484 MW, the CA Solar Contract would be expected to contribute an additional 551 GWh annually.

A table summarizing the Solar Contract~~s~~’ contribution to SCE’s RPS goals can be found in Appendix D.

#### **F. Standard Terms and Conditions**

In D.04-06-014, the Commission established a number of “modifiable” and “non-modifiable” standard terms and conditions to be used by LSEs when contracting for RPS-eligible resources. In D.07-11-025, the Commission reduced the number of “non-modifiable” terms to the following four terms: (1) “CPUC Approval;” (2) “RECs and Green Attributes;” (3) “Eligibility;” and (4) “Applicable Law.” The remaining “non-modifiable” terms were converted to “modifiable.” In D.08-04-009, the Commission compiled the standard terms and conditions in one document and deleted the “modifiable” standard term and condition on supplemental energy payments from the standard terms and conditions. In D.08-08-028, the Commission revised the “non-modifiable” “RECs and Green Attributes” standard term and condition.

The Solar Contracts ~~s~~ includes the four “non-modifiable” terms identified above without change.

In addition, as permitted by D.04-06-014, D.07-11-025, and D.08-04-009, SCE modified most if not all of the “modifiable” terms. These modifications, however, include the same principles and serve the same purpose as the standard terms, and are consistent with the law and government regulations. Thus, the modifications contained in the Solar Contracts ~~s~~ are permissible.

#### **G. Minimum Quantity**

In D.07-05-028, the Commission held that, beginning in 2007, each LSE obligated under the RPS program must enter into long-term contracts<sup>3</sup> or short-term contracts

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<sup>2</sup> See D.06-10-050.

<sup>3</sup> Long-term contracts are contracts of at least 10 years duration.

with new facilities<sup>4</sup> for energy deliveries equivalent to 0.25 percent of that LSE's prior year's retail sales in order to be able to count for RPS compliance energy deliveries from short-term contracts with existing facilities. The Commission also ruled that RPS-obligated LSEs may carry forward contracted energy in long-term contracts and short-term contracts with new facilities that is in excess of the 0.25 percent requirement in the year that such contracts are signed, to be used for compliance for the minimum quantity requirement in future years.

The Solar Contracts ~~are~~ is a long-term contracts associated with a new generation ~~facilities~~facility. Therefore, the minimum quantity requirement does not apply.

#### **H. Interim Emissions Performance Standard**

The California Legislature passed Senate Bill ("SB") 1368 on August 31, 2006, and Governor Schwarzenegger signed the bill into law on September 29, 2006. Section 2 of SB 1368 adds California Public Utilities Code § 8341(a), which provides: "No load-serving entity or local publicly owned electric utility may enter into a long-term financial commitment unless any baseload generation supplied under the long-term financial commitment complies with the greenhouse gases emission performance standard established by the commission, pursuant to subdivision (d)."<sup>5</sup>

In order to institute the provisions of SB 1368, the Commission instituted Rulemaking 06-04-009. That proceeding resulted in the establishment of a greenhouse gas ("GHG") emissions performance standard ("EPS") for carbon dioxide ("CO<sub>2</sub>"). The Commission noted, "SB 1368 establishes a minimum performance requirement for any long-term financial commitment for baseload generation that will be supplying power to California ratepayers. The new law establishes that the GHG emissions rates for these facilities must be no higher than the GHG emissions rate of a combined-cycle gas turbine (CCGT) powerplant."<sup>6</sup>

The decision further explains:

SB 1368 describes what types of generation and financial commitments will be subject to the EPS ("covered procurements"). Under SB 1368, the EPS applies to "baseload generation," but the requirement to comply with it is triggered only if there is a "long-term financial commitment" by an LSE. The statute defines baseload generation as "electricity generation from a powerplant that is designed and intended to provide electricity at an annualized plant capacity factor of at least 60%." . . . For baseload generation procured under contract, there is a

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<sup>4</sup> New facilities are facilities that commenced commercial operations on or after January 1, 2005.

<sup>5</sup> Cal. Pub. Util. Code § 8341(a).

<sup>6</sup> D.07-01-039 at pp. 2-3.

long-term commitment when the LSE enters into “a new or renewed contract with a term of five or more years.”<sup>7</sup>

In D.07-01-039, the Commission found that it would be redundant and costly to require LSEs to demonstrate EPS compliance for each new ownership investment, new contract, or renewed contract with baseload renewable resources if the record clearly demonstrated that these resources comply with the EPS on a net emissions basis.<sup>8</sup> The Commission found that the net GHG emissions from the following renewable resources/technologies meet the interim EPS:

- Solar Thermal Electric (with up to 25 percent gas heat input);
- Wind;
- Geothermal, with or without reinjection; and
- Generating facilities (e.g., agricultural and wood waste, landfill gas) using biomass that would otherwise be disposed of utilizing open burning, forest accumulation, landfill (uncontrolled, gas collection with flare, gas collection with engine), spreading, or composting.<sup>9</sup>

By this Advice Letter filing, SCE requests that the Commission approve the long-term Solar Contracts. Although, in general, these “new contract[s] with a term of five or more years” would be subject to the EPS, the Solar Contracts are-is exempt from such regulations. The Solar Contracts utilizes solar thermal technology, which has been deemed compliant with the EPS standard under D.07-01-039.

#### **I. MPR and Above-Market Funds (“AMFs”)**

As discussed in more detail in Appendix C, the minimum contract prices for the Solar Contracts are-is below the 2008 MPR. However, the maximum contract prices are-is above the MPR. Therefore, AMFs will be required for the Solar Contracts.

Pursuant to Resolution E-4199, the Solar Contracts comply-complies with the eligibility criteria for AMFs set forth in California Public Utilities Code § 399.15(d)(2) as follows: (1) they-it covers a duration of no less than 10 years; (2) they-are-it is with a new or repowered facilities-facility commencing operations on or after January 1, 2005; (3) they-are-it is not a purchase of renewable energy credits; and (4) they-it does not include any indirect expenses as set forth in the statute.

As SCE’s AMFs are depleted, SCE proposes to voluntarily procure the Solar Contracts pursuant to California Public Utilities Code § 399.15(d)(4) and requests Commission approval of recovery of the total costs of the contracts for pursuant to Section 399.15(d)(4).

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<sup>7</sup> *Id.* at p. 4.

<sup>8</sup> *Id.* at pp. 245-246, Finding of Fact No. 117.

<sup>9</sup> *Id.* at p. 246, Finding of Fact No. 118; pp. 269-70, Conclusion of Law No. 35.

The AMF Calculators for the Solar Contracts can be found in Appendix F.

### III. PROJECT DEVELOPMENT STATUS

The viability of the CA Solar ~~and Ridgecrest~~ projects ~~are is~~ high for several reasons. First, Solar Millennium has substantial experience with solar thermal power plant development and is involved in the development and construction of three 50 MW solar thermal generating facilities in Spain (Andasol 1, 2, and 3). Andasol 1 is currently in operation, Andasol 2 is in commissioning and expected to be on-line later this year, and Andasol 3 is under construction and expected to be in operation in 2011. As of July 2009, Solar Millennium no longer holds an ownership interest in Andasol 1 or 2; however, it maintains an ownership interest in Andasol 3 and serves as the operations and maintenance contractor.

Second, Solar Millennium has partnered with MAN Ferrostaal, one of Europe's largest project development and construction companies with over 4,000 employees. To date, it has developed projects in over 60 countries, including several solar power plants. Solar Millennium will utilize these resources in the development of the CA Solar ~~and Ridgecrest~~ projects.

Third, the two potential locations for the CA Solar project, near Desert Center and Blythe, California, ~~and the location of the Ridgecrest project near Ridgecrest, California,~~ are ~~all both~~ excellent solar resource areas.

Fourth, ~~both the~~ projects will utilize proven and mature solar thermal technology that is well established and proven in the industry. This technology is used in the Andasol 1 project described above.

A project viability matrix for the CA Solar ~~and Ridgecrest~~ projects is included in Appendix B.

#### A. Site control

CA Solar ~~and Ridgecrest are is~~ in the process of securing site control at the project location(s). More information regarding site control can be found in Appendix C.

#### B. Resource and/or Availability of Fuel

CA Solar ~~and Ridgecrest have has~~ completed solar resource studies and energy projections that confirmed both potential project locations are high solar resource areas. As the sun shines reliably 330 to 350 days a year in the high desert areas, ~~both the~~ projects should meet the energy delivery obligations under the contracts.

More information regarding resource and/or availability of fuel can be found in Appendix C.

### **C. Transmission**

The CA Solar ~~and Ridgecrest~~ projects ~~are is~~ in the CAISO interconnection queue. Transmission upgrades are necessary for the interconnection of ~~both the~~ projects to SCE's system. Given the CAISO interconnection reform process, SCE does not currently expect this to be an impediment to the viability of the facilities meeting the on-line dates of the Solar Contracts.

More information regarding transmission can be found in Appendix C.

### **D. Technology Type and Level of Technology Maturity**

The CA Solar ~~and Ridgecrest~~ projects will utilize proven and mature solar trough technology that has been in operation for several years. In fact, Solar Millennium is currently using this technology in its 50 MW Andasol plant in Spain.

### **E. Permitting**

The Solar Contracts requires CA Solar ~~and Ridgecrest~~ to have all permits in place prior to the initial synchronization of the facilities to the CAISO grid. Neither SCE nor CA Solar/~~Ridgecrest~~ anticipates any significant specific difficulties in obtaining the necessary permits.

More information regarding permitting can be found in Appendix C.

### **F. Developer Experience**

Co-developers Solar Millennium and MAN Ferrostaal are highly experienced developers. Solar Millennium developed a 50 MW solar thermal generating facility in Spain that is currently in operation. Another 50 MW plant developed by Solar Millennium is expected to come on-line later this year, with an additional 50 MW plant also in development. MAN Ferrostaal is one of Europe's largest project development companies with over 4,000 employees. It has developed projects in over 60 countries, including several solar power plants.

### **G. Financing plan**

Specific information regarding financing for the Solar Contracts can be found in Appendix C.

### **H. Production Tax Credit/Investment Tax Credit**

Specific information regarding production tax credits ("PTCs") and investment tax credits ("ITCs") for the Solar Contracts can be found in Appendix C.

## **I. Equipment Procurement**

Solar Millennium has extensive experience in designing, building, financing, and operating large-scale solar energy plants on time and on budget. Its operational track record demonstrates that it is well qualified to ensure the successful procurement of equipment needed to build the CA Solar ~~and Ridgecrest~~ projects.

More information regarding equipment procurement for the Solar Contracts can be found in Appendix C.

## **IV. CONTINGENCIES AND MILESTONES**

### **A. Major Performance Criteria and Guaranteed Milestones**

The Solar Contracts ~~are~~ is expected to commence deliveries on June 30, 2014.

Specific information regarding the terms of the Solar Contracts can be found in Appendices C, G, and H.

### **B. Other Contingencies and Milestones**

Specific information regarding the terms of the Solar Contracts can be found in Appendices C, G, and H.

## **V. REGULATORY PROCESS**

### **A. RPS-eligibility Certification from the CEC**

To date, CA Solar ~~and Ridgecrest have~~ has not received RPS-eligibility certification from the CEC. However, neither SCE nor CA Solar ~~Ridgecrest~~ foresees any issues with obtaining CEC certification.

### **B. Justification for Effective Date**

In order to facilitate the timely processing of approvals for renewable power purchase agreements, SCE requests that this Advice Letter become effective February 22, 2010.

### **C. Contractual Obligations Impacting Commission Approval Schedule**

Specific information regarding the terms of the Solar Contracts can be found in Appendices C, G, and H.

### **D. Earmarking**

SCE reserves the right to earmark any generation from the Solar Contracts into RPS compliance filings as applicable.

## **E. Confidentiality**

SCE is requesting confidential treatment of Appendices B through D and F through H, as well as the confidential version of Appendix J to this Advice Letter. The information for which SCE is seeking confidential treatment is identified in Appendix A hereto. The confidential version of this Advice Letter will be made available to appropriate parties (in accordance with SCE's Proposed Protective Order, as discussed below) upon execution of the required non-disclosure agreement. Parties wishing to obtain access to the confidential version of this Advice Letter may contact [Tyler Johnson](#)[Cathy Karlstad](#) in SCE's Law Department at [Tyler.Johnson@sce.com](mailto:Tyler.Johnson@sce.com)[Cathy.Karlstad@sce.com](mailto:Cathy.Karlstad@sce.com) or (626) 302-~~3979~~-1096 to obtain a non-disclosure agreement. In accordance with GO 96-B, a copy of SCE's Proposed Protective Order is attached hereto as Appendix I. It is appropriate to accord confidential treatment to the information for which SCE requests confidential treatment in the first instance in the advice letter process because such information is entitled to confidentiality protection pursuant to D.06-06-066 and is required to be filed by advice letter as part of the process for obtaining Commission approval of RPS PPAs.

The information in this Advice Letter for which SCE requests confidential treatment, the pages on which the information appears, and the length of time for which the information should remain confidential, are provided in Appendix A. This information is entitled to confidentiality protection pursuant to D.06-06-066 (as provided in the IOU Matrix). The specific provisions of the IOU Matrix that apply to the confidential information in this Advice Letter are identified in Appendix A.

The confidential information provided in this Advice Letter cannot be aggregated, redacted, summarized, masked, or otherwise protected in a manner that would allow partial disclosure of the data, while still protecting confidential information, because the RPS contract advice letter filing template calls for the data to be provided in its present form. SCE would object to any disclosure of the confidential information in aggregated form. Based on the format of the RPS contract advice letter filing template, SCE is not aware of any manner that the confidential information could be aggregated that would qualify the information for public status under the IOU Matrix of D.06-06-066.

To the best of my knowledge, SCE maintains as confidential the information contained in this Advice Letter for which confidentiality is sought. SCE is informed and believes that this information is maintained by SCE's Renewable and Alternative Power department and the Independent Evaluator and provided internally only to those employees who need to know the information to carry out their job duties. SCE is also informed and believes that this information has not been disclosed to any person(s) other than employees of SCE, the Independent Evaluator, or non-market participants (such as the PRG).

## **TIER DESIGNATION**

Pursuant to D.07-01-024, Energy Industry Rule 5.3, SCE submits this Advice Letter with a Tier 3 designation (effective after Commission approval).

### **REQUEST FOR COMMISSION APPROVAL**

The terms of the Solar Contracts are conditioned on the occurrence of "CPUC Approval," as it is defined in the Solar Contracts. In order to satisfy that condition with respect to the Solar Contracts, SCE requests that the Commission issue a resolution no later than February 22, 2010, containing:

1. Approval of the Solar Contracts in ~~their~~its entirety;
2. A finding that any electric energy sold or dedicated to SCE pursuant to the Solar Contracts constitutes procurement by SCE from an ERR for the purpose of determining SCE's compliance with the RPS Legislation or other applicable law concerning the procurement of electric energy from renewable energy resources;
3. A finding that all procurement under the Solar Contracts counts, in full and without condition, toward any annual procurement target established by the RPS Legislation or the Commission which is applicable to SCE;
4. A finding that all procurement under the Solar Contracts counts, in full and without condition, toward any incremental procurement target established by the RPS Legislation or the Commission which is applicable to SCE;
5. A finding that all procurement under the Solar Contracts counts, in full and without condition, toward the requirement in the RPS Legislation that SCE procure 20 percent (or such other percentage as may be established by law) of its retail sales from ERRs by 2010 (or such other date as may be established by law);
6. A finding that the Solar Contracts, and SCE's entry into the Solar Contracts, is reasonable and prudent for all purposes, including, but not limited to, recovery in rates of payments made pursuant to the Solar Contracts, subject only to further review with respect to the reasonableness of SCE's administration of the Solar Contracts; and
7. Any other and further relief as the Commission finds just and reasonable.

### **EFFECTIVE DATE**

This Advice Letter will become effective February 22, 2010.

**NOTICE**

Anyone wishing to protest this Advice Letter may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and SCE no later than 20 days after the date of this Advice Letter. Protests should be mailed to:

Akbar Jazayeri  
Vice President of Regulatory Operations  
Southern California Edison Company  
2244 Walnut Grove Avenue, Quad 3D  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
Email: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

~~Bruce Foster  
Senior Vice President, Regulatory Affairs  
c/o Karyn Gansecki  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
Email: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)~~

Stuart Hemphill  
Senior Vice President, Power [ProcurementSupply](#)  
c/o Mike Marelli  
Southern California Edison Company  
2244 Walnut Grove Avenue, Quad 4D  
Rosemead, CA 91770  
Facsimile: (626) 302-1103  
Email: [Mike.Marelli@sce.com](mailto:Mike.Marelli@sce.com)

With a copy to:

~~Tyler R. Johnson~~ [Cathy Karlstad](#)  
~~Senior~~ Attorney  
Southern California Edison Company  
2244 Walnut Grove Avenue, 3<sup>rd</sup> Floor  
Rosemead, CA 91770  
Facsimile: (626) 302-1935  
Email: [Tyler.Johnson@sce.com](mailto:Tyler.Johnson@sce.com) [Cathy.Karlstad@sce.com](mailto:Cathy.Karlstad@sce.com)

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section 4 of GO 96-B, SCE is furnishing copies of this Advice Letter to the interested parties shown on the attached R.08-08-009, R.06-02-012, and

GO 96-B service lists. Address change requests to the GO 96-B service list should be directed to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or to (626) 302-2930. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or to [ProcessOffice@cpuc.ca.gov](mailto:ProcessOffice@cpuc.ca.gov).

Further, in accordance with Public Utilities Code § 491, notice to the public is hereby given by filing and keeping this Advice Letter at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters/>.

All questions concerning this Advice Letter should be directed to Laura Genao at (626) 302-6842 (email: [Laura.Genao@sce.com](mailto:Laura.Genao@sce.com)).

**Southern California Edison Company**

Akbar Jazayeri

AJ:tj:jm  
Enclosures

**Confidential Attachment 2**

**Redline of Appendix C to Advice 2374-E**

**Confidential Protected Materials – Public Disclosure Prohibited**

**Attachment 3**

**Confidentiality Declaration**

**DECLARATION OF PATRICK HODGINS REGARDING THE CONFIDENTIALITY  
OF CERTAIN DATA**

I, Patrick Hodgins, declare and state:

1. I am a Contract Manager in the Renewable and Alternative Power Department of Southern California Edison Company (“SCE”). As such, I have reviewed this Advice 2374-E-A. I make this declaration in accordance with California Public Utilities Commission Decisions (“D.”) 06-06-066 and D.08-04-023, issued in Rulemaking 05-06-040. I have personal knowledge of the facts and representations herein and, if called upon to testify, could and would do so, except for those facts expressly stated to be based upon information and belief, and as to those matters, I believe them to be true.

2. Listed below are the data in Advice 2374-E-A for which SCE is seeking confidential protection and the categories of the Matrix of Allowed Confidential Treatment Investor Owned Utility (“IOU”) Data (“Matrix”) appended to D.06-06-066 to which these data correspond.

<b>Data</b>	<b>Pages</b>	<b>Matrix Category</b>	<b>Limitations on Confidentiality Specified in Matrix</b>
Confidential Contract Summary	Confidential Attachment 2 – Redline of Appendix C to Advice 2374-E	VII.F/VII.G RPS Contracts  VII.H Score sheets, analyses, evaluations of proposed RPS projects  VIII.A Bid Information  VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids	RPS contracts confidential for three years, or until one year following expiration, whichever comes first.  Score sheets, analyses, evaluations of proposed RPS projects confidential for three years.  For bid information, total number of projects and megawatts bid by resource type public after final contracts submitted to CPUC for approval.  Specific quantitative analysis involved in the scoring and

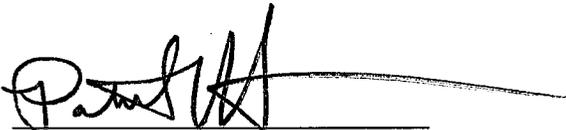
			evaluation of participating bids confidential for three years after winning bidders selected.
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3. I am informed and believe and thereon allege that the data in the table in paragraph 2 above cannot be aggregated, redacted, summarized, masked or otherwise protected in a manner that would allow partial disclosure of the data while still protecting confidential information, because Advice 2374-E-A requires that the data be provided in this form.

4. I am informed and believe and thereon allege that the data in the table in paragraph 2 above has never been made publicly available.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 16, 2011 at Rosemead, California.

  
Patrick Hodgins