

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



October 12, 2011

Advice Letters 2443-E/E-A/E-B/E-C/E-D

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

Subject: Withdrawal of the above Advice Letters – Submission of Bilateral Agreement for Procurement of Renewable Energy

Dear Mr. Jazayeri:

Advice Letters 2443-E/E-A/E-B/E-C/E-D are withdrawn as requested in your letter dated July 18, 2011.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

November 23, 2010

ADVICE 2443-E-B
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Submission of Bilateral Agreement for
Procurement of Renewable Energy

I. INTRODUCTION

A. Background and Purpose of the Advice Letter

On February 19, 2010, Southern California Edison Company ("SCE") filed Advice 2443-E, which sought California Public Utilities Commission ("Commission" or "CPUC") approval of a renewables portfolio standard ("RPS") power purchase agreement between SCE and TransAlta Energy Marketing (US) Inc. ("TransAlta") under the Tier 2 fast-track review process for very short-term RPS contracts approved by the Commission in Decision ("D.")09-06-050.

On March 11, 2010, the Commission adopted D.10-03-021, which authorized the procurement and use of tradable renewable energy credits ("TRECs" or "RECs") for compliance with the California RPS program. Among other things, D.10-03-021 reclassified most out-of-state bundled renewable contracts (including executed contracts) as REC-only and held that these REC-only contracts are ineligible for Tier 2 fast-track review. As a result of that decision, the power purchase agreement between SCE and TransAlta was no longer eligible for Tier 2 fast-track review. On March 17, 2010, the Energy Division suspended Advice 2443-E. Subsequently, on March 31, 2010, the power purchase agreement between SCE and TransAlta was terminated because the agreement could not be approved under the Tier 2 fast-track review process.

Effective as of March 18, 2010, SCE and TransAlta became parties to that certain WSPP, Inc. ("WSPP") Agreement (the "WSPP Agreement"), which is a standardized contract for electric power sales and physical options that provides general terms that govern specific energy transactions entered into between the parties through a confirmation letter. On April 30, 2010, SCE and TransAlta executed a revised RPS power purchase agreement

(the "TransAlta Contract") to replace the terminated power purchase agreement. The TransAlta Contract is a WSPP Agreement Confirmation Letter to the existing WSPP Agreement, which confirms SCE's purchase of approximately 195 GWh per year of RPS-eligible energy and related attributes from the Blue Trail wind generation facility in Fort MacLeod, Alberta, Canada. The TransAlta Contract is very similar to the original power purchase agreement between SCE and TransAlta and is described in more detail in Advice 2443-E-A (the first supplement advice filing) filed on May 28, 2010. The Blue Trail facility is currently operational and CEC certification was obtained on September 9, 2010.

On October 15, 2010, SCE and TransAlta entered into Amendment No. 1 to the TransAlta Contract ("Amendment No. 1") to (i) remove any reference to the 2010 interim period and establish a firm obligation of Seller to deliver power and associated attributes exclusively to Buyer in years 2011, 2012 and 2013, but not in year 2010 and to (ii) extend the deadlines for achieving certain contractual conditions precedent and for providing notice of termination in the event such conditions precedent are not met.

The purpose of this advice filing is to further supplement Advice 2443-E and Advice 2443-E-A to include the Amendment No. 1. Because the TransAlta Contract is largely unchanged by Amendment No. 1, most of the information in Advice 2443-E and Advice 2443-E-A has not changed as a result of the execution of the Amendment No. 1.

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.

Confidential Appendix D:	TransAlta Contract Summary
Confidential Appendix F:	Amendment No. 1 to TransAlta Contract
Confidential Appendix H:	TransAlta's Contribution to RPS Goals
Confidential Appendix I:	AMF Calculator
Appendix Q:	Confidentiality Declaration for Advice 2443-E-B

B. Subject of the Advice Letter

This section has not changed from Advice 2443-E.

C. General Project Description

This section has not changed from Advice 2443-E except with respect to the information noted below.

Date Contract Delivery Term Begins	Same as in Advice 2443-E-A
Delivery Term (Years)	Approximately 3 years ¹
Price relative to Market Price Referent ("MPR")	Same as in Advice 2443-E-A
Condition Precedent /Termination Deadline	As found in Appendix D and F attached to this Advice 2443-E-B.

D. General Deal Structure

This section has not changed from Advice 2443-E.

E. RPS Statutory Goals

This section has not changed from Advice 2443-E.

F. Confidentiality

SCE is requesting confidential treatment of Confidential Appendix D, F, H and I to this advice filing. The information for which SCE is seeking confidential treatment is identified in the Confidentiality Declaration attached as Appendix Q. 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 Claire Torchia in SCE's Law Department at Claire.Torchia@SCE.com or (626) 302-6945 to obtain a non-disclosure agreement. In accordance with GO 96-B, a copy of SCE's Proposed Protective Order was attached as Appendix N to Advice 2443-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 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 Appendix Q. This information is entitled to

¹ Pursuant to Amendment No. 1, the delivery term of the TransAlta Contract has changed to remove any reference to the interim period in 2010. The product purchased by SCE under the contract includes the RPS-eligible energy, green attributes, and capacity attributes generated by the Blue Trail facility for January 2011 through December 2013, but not 2010. The TransAlta Contract delivery term still begins on the first day of the month following the date by which all the contractual conditions precedent have been satisfied and continues until delivery of all of the product has been completed, but the TransAlta Contract, as amended, no longer accommodates 2010 deliveries.

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 Appendix Q.

II. CONSISTENCY WITH COMMISSION DECISIONS

A. SCE’s 2009 RPS Procurement Plan

1. SCE’s 2009 RPS Procurement Plan Was Approved by the Commission and SCE Adhered to Commission Guidelines for Filing and Revisions

This section has not changed from Advice 2443-E.

2. Summary of SCE’s 2009 RPS Procurement Plan’s Assessment of Portfolio Needs

This section has not changed from Advice 2443-E.

3. The TransAlta Contract is Consistent With SCE’s 2009 RPS Procurement Plan and SCE’s Portfolio Needs

This section has not changed from Advice 2443-E.

4. The TransAlta Contract Meets the Project Characteristics for SCE’s 2009 RPS Solicitation

This section has not changed from Advice 2443-E.

B. Commission Decisions Regarding Bilateral Contracting

In Advice 2443-E, the last paragraph of this section should be modified as follows:

“The TransAlta Contract was pursued bilaterally for several reasons. The opportunity to pursue this transaction occurred after proposals were received for the 2009 RFP. As noted above, SCE has a near-term need for RPS-eligible energy that will contribute to the State’s renewable energy goals. The TransAlta Contract has a near-term start date beginning in 2011 and the pricing of the transaction is competitive with proposals received in SCE’s 2008 and 2009 RPS solicitations. SCE’s customers would have lost out on this opportunity for competitive near-term RPS-eligible energy if SCE had not pursued the TransAlta Contract bilaterally. The benefits of the TransAlta Contract could not have been procured by waiting for the 2010 solicitation. Given that SCE’s 2010 RPS solicitation has not been ruled on, SCE has dropped the 2010 deliveries from the TransAlta Contract.

C. Least-Cost/Best-Fit (“LCBF”) Methodology and Evaluation

This section has not changed from Advice 2443-E.

D. Compliance With Standard Terms and Conditions

This section has not changed from Advice 2443-E-A.

E. Unbundled REC Transactions

This section has not changed from Advice 2443-E-A.

F. Minimum Quantity

This section has not been changed from Advice 2443-E.

G. Tier 2 Short-Term Contract Fast-Track Process

This section has not changed from Advice 2443-E-A.

H. MPR

This section has not changed from Advice 2443-E-A.

I. Above Market Funds (“AMFs”)

This section has not changed from Advice 2443-E-A.

J. Interim Emissions Performance Standard

This section has not changed from Advice 2443-E.

K. Procurement Review Group (“PRG”) Participation

This section has not changed from Advice 2443-E-A.

L. Independent Evaluator (“IE”)

This section has not changed from Advice 2443-E-A.

III. CONTINGENCIES AND MILESTONES

As found in Appendix D and F attached to this Advice Letter.

As discussed above, the delivery term of the TransAlta Contract commences on the first day of the month following the date by which certain contractual conditions precedent have been satisfied.

The deadline for providing notice of exercise of certain termination rights has also been amended.

IV. REQUEST FOR COMMISSION APPROVAL

The delivery term of the TransAlta Contract is conditioned on the occurrence of "CPUC Approval," as it is defined in the TransAlta Confirmation. In order to satisfy that condition with respect to the TransAlta Contract, SCE requests that the Commission issue a resolution no later than December 31, 2010, containing:

1. Approval of the TransAlta Contract, as amended by Amendment No. 1, in its entirety;
2. A finding that any electric energy sold or dedicated to SCE pursuant to the TransAlta Contract constitutes procurement by SCE from an ERR for the purpose of determining SCE's compliance with any obligation that it may have to procure from ERRs pursuant to the RPS Legislation or other applicable law concerning the procurement of electric energy from renewable energy resources;
3. A finding that any procurement pursuant to the TransAlta Contract includes procurement of renewable energy credits that conform to the definition and attributes required for compliance with the California RPS, as set forth in D.08-08-028, and as may be modified by subsequent decision of the Commission or by subsequent legislation, for purposes of determining SCE's compliance with any obligation it may have to procure eligible renewable energy resources pursuant to the California RPS;
4. A finding that all procurement under the TransAlta Contract counts, in full and without condition, towards any annual procurement target established by the RPS Legislation or the Commission which is applicable to SCE;
5. A finding that all procurement under the TransAlta Contract counts, in full and without condition, towards any incremental procurement target established by the RPS Legislation or the Commission which is applicable to SCE;
6. A finding that all procurement under the TransAlta Contract counts, in full and without condition, towards 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);
7. A finding that the TransAlta Contract, and SCE's entry into the TransAlta Contract, is reasonable and prudent for all purposes, including, but not limited to, recovery in rates of payments made pursuant to the TransAlta Contract, subject only to further review with respect to the reasonableness of SCE's administration of the TransAlta Contract; and

8. Any other and further relief as the Commission finds just and reasonable.

TIER DESIGNATION

Pursuant to GO 96-B, Energy Industry Rule 5.3, SCE submits this second supplemental advice filing with a Tier 3 designation (effective after Commission approval).

EFFECTIVE DATE

This Advice Letter will become effective on December 31, 2010.

PROTESTS

SCE asks that the Commission maintain the original protest and comment period as designated in Advice 2443-E and not reopen the protest period or allow additional comments. There were no protests to Advice 2443-E, and the TransAlta Contract does not significantly alter the original power purchase agreement between SCE and TransAlta. If protests are allowed, pursuant to GO 96-B, Rule 7.5.1, they should be limited to the substance of this supplemental advice filing or additional information.

NOTICE

In accordance with Section 4 of GO 96-B, SCE is furnishing copies of this supplemental advice filing 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 or at (626) 302-2930. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at 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 Letter should be directed to Laura Genao at (626) 302-6842 (E-mail: Laura.Genao@sce.com).

Southern California Edison Company

Akbar Jazayeri

AJ:lg:sq
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

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

E-mail Disposition Notice to: 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) #: 2443-E-B

Tier Designation: 3

Subject of AL: Submission of Bilateral Agreement for Procurement of Renewable Energy

Keywords (choose from CPUC listing): Compliance, Contracts, Procurement

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 AL¹: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information: See Appendix Q.

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:

Claire Torchia, Law Department, at (626) 302-6945 or Claire.Torchia@sce.com.

Resolution Required? Yes No

Requested effective date: 12/31/10 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: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

¹ Discuss in AL if more space is needed.

All correspondence regarding this AL shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
inj@cpuc.ca.gov and mas@cpuc.ca.gov

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

Marc Ulrich
Vice President, Renewable and Alternative Power
c/o Mike Marelli
Southern California Edison Company
2244 Walnut Grove Avenue, Quad 4D
Rosemead, California 91770
Facsimile: (626) 302-1103
E-mail: Mike.Marelli@sce.com

With a copy to:

Claire Torchia
Attorney
Southern California Edison Company
2244 Walnut Grove Avenue, 3rd Floor
Rosemead, California 91770
Facsimile: (626) 302-3990
E-mail: Claire.Torchia@sce.com

Confidential Appendix D to Advice 2443-E-B

TransAlta Contract Summary

Confidential Appendix F to Advice 2443-E-B

Amendment No. 1 to TransAlta Contract

Confidential Appendix H to Advice 2443-E-B

TransAlta's Contribution to RPS Goals

Confidential Appendix I to Advice 2443-E-B

AMF Calculator

Appendix Q to Advice 2443-E-B

Confidentiality Declaration for Advice 2443-E-B

**DECLARATION OF DAVID COX REGARDING THE CONFIDENTIALITY OF
CERTAIN DATA**

I, David Cox, declare and state:

1. I am Manager of Contract Management in the Renewable and Alternative Power department of Southern California Edison Company (“SCE”). As such, I had responsibility for supervising the preparation of this advice filing (“Protected Materials”). I make this declaration in accordance with the Administrative Law Judge’s Ruling Clarifying Interim Procedures for Complying with Decision No. 06-06-066, issued on August 22, 2006 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. I have reviewed the Protected Materials. Listed below are the data in the Protected Materials for which SCE is seeking confidential protection and the categories on the Matrix of Allowed Confidential Treatment Investor Owned Utility (“IOU”) Data (“Matrix”) to which these data correspond.

Data	Page	Matrix Category	Period of Confidentiality
TransAlta Contract Summary	Appendix D	VII.F/VII.G RPS Contracts VII.H Score sheets, analyses, evaluations of proposed RPS projects VIII.A Bid Information	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.
Amendment No. 1 to TransAlta Confirmation	Appendix F	VII.F/VII.G RPS Contracts	RPS contracts confidential for three years, or until one year following expiration, whichever comes first.
TransAlta's Contribution to RPS Goals	Appendix H	V.C LSE Total Energy Forecast – Bundled Customer	LSE total energy forecast – bundled customer front three years of forecast data confidential.
AMF Calculator	Appendix I	VII.F/VII.G RPS Contracts VII.H Score sheets, analyses, evaluations of proposed RPS projects 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. Specific quantitative analysis involved in the scoring and evaluation of participating bids confidential for three years after winning bidders selected.

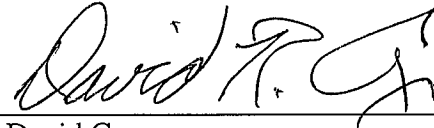
3. SCE is complying with the limitations on confidentiality specified in the Matrix that pertain to the data listed in the table above.

4. I am informed and believe and thereon allege that the data in the table 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.

5. 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 November 18, 2010, at Rosemead, California.

A handwritten signature in black ink, appearing to read "David Cox", written over a horizontal line.

David Cox