



Ron van der Leeden  
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May 8, 2009

**ADVICE LETTER 2083-E**  
(U902-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: FIRST AMENDMENT TO THE EEI MASTER POWER PURCHASE AND SALE AGREEMENT FOR PROCUREMENT OF ELIGIBLE RENEWABLE ENERGY RESOURCES BETWEEN ESMERALDA ENERGY COMPANY AND SDG&E**

**PURPOSE**

San Diego Gas and Electric Company (SDG&E) seeks California Public Utilities Commission (Commission) approval of the first amendment (First Amendment) to a CPUC-approved Renewable Portfolio Standard (RPS) Power Purchase and Sale Agreement and related Cover Sheet and Confirmation Letter (PPA) between Esmeralda Energy Company (Esmeralda) and SDG&E (collectively, the Parties). The PPA amendment is included herein as Appendix B.

**BACKGROUND**

The PPA resulted from SDG&E's 2005 RPS Solicitation. SDG&E filed the PPA for Commission approval on November 20, 2006 in Advice Letter 1845-E. The Commission approved the PPA on March 15, 2007 in Resolution E-4073.

The PPA provided that the obligations of SDG&E were expressly conditioned on SDG&E obtaining all governmental, third party and corporate approvals and authorizations necessary to construct a new transmission line on or before a certain date and that the obligations of Esmeralda were expressly conditioned on the receipt of legally binding commitments from a financial institution (or institutions) to finance the development construction and ownership of the facility by a certain date. Additionally, the timeline assumptions upon which the PPA was based have been updated resulting in a postponement in the Commercial Operation Deadline (COD) (the original COD was December 31, 2010). The principal terms of the First Amendment are described below.

### First Amendment

The First Amendment delays the date by which SDG&E must receive all governmental, third party and corporate approvals and authorizations necessary to construct a new transmission line and the date that Esmeralda must receive legally binding commitments from a financial institution (or institutions) to finance the development construction and ownership of the facility. Additionally the First Amendment updates the COD to reflect new timing assumptions and sets this date at July 1, 2012.

SDG&E submits confidential information (Appendix B, First Amendment) in the manner directed by the Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066, issued August 22, 2006 in Rulemaking 05-06-040, and ratified by D.08-04-023 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided D.06-06-066, Appendix 1 (the IOU Matrix), Section 583 of the Public Utilities Code and/or General Order 66-C. Appendix A, a separate Declaration Seeking Confidential Treatment, is contained herein.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### EFFECTIVE DATE

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 3 (effective after Commission approval) pursuant to GO 96-B. Therefore, SDG&E respectfully requests that the Commission issue a resolution approving this advice letter on or before August 1, 2009.

### PROTEST

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impacts, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the CPUC. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Public Utilities Commission  
CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of Honesto Gatchallian (jn@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1788  
E-mail: [mcaulson@semprautilities.com](mailto:mcaulson@semprautilities.com)

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties to service lists R.06-02-012 and R.08-08-009, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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RON VAN DER LEEDEN  
Director – Rates, Revenues & Tariffs

(cc list enclosed)

# 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. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Megan Caulson

Phone #: (858) 654-1748

E-mail: mcaulson@semprautilities.com

### EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2083-E

Subject of AL: First Amendment to the EEI Master Power Purchase and Sale Agreement for Procurement of Eligible Renewable Energy Resources Between Esmeralda Energy Company and SDG&E

Keywords (choose from CPUC listing): Power Purchase Agreement, Qualifying Facility, 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 N/A

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

Does AL request confidential treatment? If so, provide explanation: Attachment B contains the amended PPA which is confidential per the IOU matrix attached to D.06-06-066

Resolution Required?  Yes  No                      Tier Designation:  1     2     3

Requested effective date: 08/01/2009                      No. of tariff sheets: 0

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

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

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

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, 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  
mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**San Diego Gas & Electric  
Attention: Megan Caulson  
8330 Century Park Ct, Room 32C  
San Diego, CA 92123  
mcaulson@semprautilities.com**

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

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling  
S. Cauchois  
J. Greig  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
H. Gatchalian  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

CCSE

S. Freedman  
J. Porter

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham  
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

H. Nanjo  
M. Clark

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell  
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard  
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate  
Reduction

M. Rochman  
Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander  
K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio  
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

R.06-02-012

R.08-08-009

# **Appendix A**

**BEFORE THE PUBLIC UTILITIES  
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION  
OF PATRICK K. CHARLES**

I, Patrick Charles, do declare as follows:

1. I am an Energy Contracts Originator in the Electric and Gas Procurement Department of San Diego Gas & Electric Company (“SDG&E”). I have reviewed Confidential Appendix A (“Appendix A”) to Advice Letter 2083-E that consists of the First Amendment to the Power Purchase Agreement (“PPA”) between Esmeralda Energy Company and SDG&E (“Parties”). In addition, I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with D.06-06-066, as modified by D.07-05-032, and D.08-04-023 to demonstrate that the confidential information (“Protected Information”) provided in Appendix A submitted concurrently herewith, falls within the scope of data protected pursuant to the IOU Matrix attached to D.06-06-066 (the “IOU Matrix”).<sup>1/</sup> I address below each of the following five features of Ordering Paragraph 2 in D.06-06-066:

- That the material constitutes a particular type of data listed in the Matrix,

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<sup>1/</sup> The Matrix is derived from the statutory protections extended to non-public market sensitive and trade secret information. (See D.06-06-066, *mimeo*, note 1, Ordering Paragraph 1). The Commission is obligated to act in a manner consistent with applicable law. The analysis of protection afforded under the Matrix must always produce a result that is consistent with the relevant underlying statutes; if information is eligible for statutory protection, it must be protected under the Matrix. (See *Southern California Edison Co. v. Public Utilities Comm.* 2000 Cal. App. LEXIS 995, \*38-39) Thus, by claiming applicability of the Matrix, SDG&E relies upon and simultaneously claims the protection of Public Utilities Code §§ 454.5(g) and 583, Govt. Code § 6254(k) and General Order 66-C.

- Which category or categories in the Matrix the data correspond to,
- That it is complying with the limitations on confidentiality specified in the Matrix for that type of data,
- That the information is not already public, and
- That the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

3. The information contained in Appendix A is confidential pursuant to Matrix Category VII.G. because it details contractual terms between the Parties.

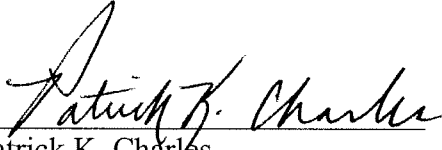
4. I am not aware of any instances where the Protected Information has been disclosed to the public.

5. SDG&E intends to comply with the limitations on confidentiality specified in the Matrix for the type of data that is provided herewith.

6. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized and still provide the level of detail requested and expected by Energy Division.

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

Executed this 6<sup>th</sup> day of May, 2009, at San Diego, California.

  
Patrick K. Charles  
Energy Contracts Originator  
San Diego Gas & Electric Company

SDG&E Advice Letter 2083-E  
May 8, 2009

## **Confidential Appendix B**

First Amendment to the EEI Master Power Purchase and Sale Agreement for Procurement of Eligible Renewable Energy Resources between Esmeralda Energy Company and SDG&E