

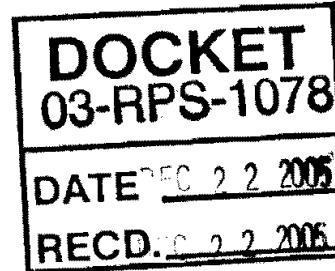


**Pacific Gas and
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December 22, 2005

ELECTRONIC DELIVERY

California Energy Commission Docket Office
Attn: Docket No. 03-RPS-1078 and 02-REN-1038
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

**Re: Supplemental Comments of Pacific Gas and Electric Company on New
Renewable Facilities Program Guidebook**

On December 9, 2005, Pacific Gas and Electric Company (PG&E) submitted comments on the Renewables Committee's December 7, 2005, workshop and the associated reports regarding proposed changes to the renewables portfolio standard guidelines and procurement verification. PG&E would like to supplement those comments with the material attached to this letter, addressing one of the guidebooks in particular, the "New Renewable Facilities Program Guidebook." Our comments address the protection of market sensitive information.

Thank you for considering our comments. Please feel free to call me at (415) 973-6463 if you have any questions about this matter.

Sincerely,

Attachment

cc: Joe Desmond
Jackalyne Pfannenstiel
Heather Raitt

**Supplemental Comments of Pacific Gas and Electric Company
In Dockets No. 03-RPS-1078 and No. 02-REN-1038**

**Supplemental Comments on Proposed Changes to the Renewables Portfolio Standard
Guidelines as Presented in the CEC Renewables Committee Workshop on
December 7, 2005**

1. Introduction

CEC Staff has issued a draft Renewables Portfolio Standard (RPS) Procurement Verification Report (Verification Report) and proposed changes to the Renewables Portfolio Standard Eligibility Guidebook (Eligibility Guidebook), New Renewable Facilities Program Guidebook (NRFP Guidebook), and the Overall Renewable Energy Program Guidebook. PG&E submitted comments on the draft report and proposed revisions to the guidebooks on December 9, 2005.

PG&E is particularly concerned with the NRFP Guidebook's proposal to disclose SEP Award information after CPUC contract approval and has provided comments on this issue. PG&E supplements its comments to propose another mechanism for protecting market sensitive contract information from disclosure.

2. The NRFP Guidebook Should Not Require Disclosure of the SEP Incentive Level

The NRFP Guidebook provides that after an RPS project requiring SEPs is approved by the CPUC, the CEC will disclose the name of the seller, the procuring utility, and the total anticipated SEP award and incentive level (p. 5, 11). PG&E recommends that the final Guidebook provide that the incentive level not be disclosed. Instead, the CEC should only disclose the total anticipated SEP award at the time proposed in PG&E's December 9, 2005, comments. In these comments, we requested that the SEP Award information not be

disclosed until the later of: 1) Three years from contract execution; or 2) The final awards for all projects contracting with the utilities from a particular year's solicitations have been granted (See PG&E's Dec. 9 Comments, p. 3-4).

The disclosure of the incentive level would provide market participants with key information that could be used to derive the overall price of the project. If this information is not released, it would be more difficult for market participants to calculate the contract price. Furthermore, the release of only the total SEP Award at the time proposed in PG&E's December 9, 2005, comments would strike the appropriate balance between providing the public with information concerning the award of SEP funds and protecting the release of pricing information. PG&E does note that although it would be more difficult to calculate the contract price, if only the total SEP Award is released, it would still be possible; therefore, the timing of the release of this information proposed in PG&E's December 9, 2005, comments should be adopted.

As set forth in PG&E's earlier comments, the release of this information would harm PG&E and its customers in the current RPS RFO and later procurement efforts, because it would provide the market with information concerning the price of accepted bids and the bid prices offered by other suppliers. This pricing information is particularly sensitive given the aggressive goal set forth for RPS procurement of 20 percent by 2010. PG&E is also concerned that the disclosure of the price of the project will discourage viable developers that do not want this market sensitive information released from participating in California's RPS.

This market sensitive pricing information constitutes trade secrets that are not required to be disclosed pursuant to Public Records Act, Govt. Code section 6254(k) and Evidence

Code section 1060. This information is also protected under the catch-all provision in Public Records Act, Govt. Code section 6255 because the public interest served by not disclosing this information outweighs the interest served by disclosing this information. Release of this information would also be inconsistent with the CPUC's determination that contract price should be protected from disclosure, providing that price is a confidential contract term (D. 04-06-014). The disclosure of this information could also result in inconsistencies with the CPUC's rulemaking addressing confidentiality of procurement information (R.05-06-040).

3. Conclusion

PG&E, therefore, respectfully requests that the final NRFP Guidebook not require disclosure of the SEP incentive level.