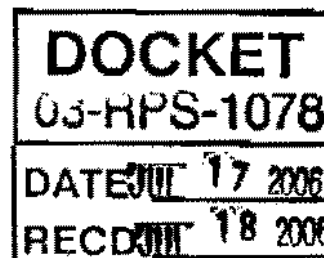


## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814 5512

July 17, 2006

Aimee M. Smith, Esq.  
San Diego Gas and Electric Company  
101 Ash Street  
San Diego, CA 92101



RE: **Application for Confidential Designation,  
CEC-SEP-3 (Utility) Data Request for SEP Application,  
Docket No. 03-RPS-1078**

Dear Ms. Smith:

This is a follow up to earlier conversation concerning San Diego Gas & Electric Company's (SDG&E) Application for Confidential Designation (Application). This Application was submitted to the Energy Commission on June 15, 2006, pursuant to the California Code of Regulations, Title 20, section 2505, and seeks confidential designation of various information included in SDG&E's CEC-SEP-3 (Utility) Data Request for SEP Application submittal. This submittal includes the completed CEC-SEP-3 form as well as supporting Excel Spreadsheets and SDG&E's Advice Letter 1795-E.

As I indicated, I have reviewed SDG&E's Application with Energy Commission staff and need additional information as identified below in order for the Energy Commission to fully evaluate the Application. This information is requested pursuant to Title 20, section 2505 (a)(3)(A).

**Information Provided in CEC-SEP-3 Form**

**Question 6 – Contract Price.**

SDG&E requests that contract price information reported in Question 6 of the CEC-SEP-3 form be kept confidential for "a period of three (3) years," but does not indicate when this three-year period is to begin. Does the three-year period begin on the date the Energy Commission approves the Application (assuming it is approved), on the date the underlying power purchase contract with Esmeralda Truckhaven Geothermal, LLC, (Esmeralda) is approved by the California Public Utilities Commission, or some other date. Please indicate in your response the beginning and end dates for the three-year period.

**Information Provided in Supporting Excel Spreadsheets**

SDG&E requests that various contract pricing information included in the Excel spreadsheets entitled "Input Bid Data," "Results," "Contract Price," "Bid Price," "Weighted Average Contract Price," and "Bid Data Request Transfer Sheet" be kept

confidential for a three-year period, but does not indicate when this three-year period is to begin. Please indicate in your response the beginning and end dates for the three-year period.

#### **Information Provided in Advice Letter 1795-E.**

SDG&E request that the appendices attached to its Advice Letter 1795-E also be kept confidential for a period of three-years, but does not indicate when the three-year period is to begin. Please indicate in your response the beginning and end dates for the three-year period. In addition, please provide information on each of the appendices as requested below.

#### **Appendix A. Proposed Project's Contribution Towards SDG&E's RPS Goals**

Appendix A provides information on the Esmeralda Project including contract price information, expected project generation, and project contribution to SDG&E's RPS goals. Please indicate whether all of the information or only the contract price information in this appendix should be kept confidential. If SDG&E requests all of the information in this appendix be kept confidential, please provide the legal justification for doing so and explain whether any of this information is or will be publicly available in the near future. Please indicate whether the public disclosure of any of the information in this appendix could adversely affect the development of the Esmeralda Project. Please indicate whether public disclosure of any of the information in this appendix could adversely affect the willingness of other project developers to participate in future RPS contract solicitations. Please indicate whether public disclosure of any of the information in this appendix could adversely affect SDG&E's costs and its ability to comply with the RPS.

#### **Appendix B. Project Viability Matrix**

Appendix B provides information on the viability of the Esmeralda Project and includes information on the project and its development status. Appendix B does not include information on the bid or contract price for the Esmeralda Project. Please indicate whether all or only a portion of the information included in this appendix should be kept confidential and provide the legal justification for doing so, including whether any of this information is or will be publicly available in the near future. Please indicate whether public disclosure of any of the information in this appendix could adversely affect pending or future contract negotiations by the developer of the Esmeralda Project and thereby affect the project's development. Please indicate whether public disclosure of any of the information in this appendix could adversely affect the willingness of other project developers to participate in future RPS contract solicitations. Please indicate whether public disclosure of any of the information in this appendix could adversely affect SDG&E's costs and its ability to comply with the RPS.

### **Appendix B-1, Project Pricing Details**

Appendix B-1 provides details on the pricing of the Esmeralda Project. It also includes non-pricing information such as the point of delivery for the project. Please indicate whether all of the information or only the project price information in this appendix should be kept confidential. If SDG&E requests all of the information be kept confidential, please provide the legal justification for doing so and state whether any of this information is or will be publicly available in the near future. Please indicate whether public disclosure of any of the information in this appendix could adversely affect pending or future contract negotiations by the developer of the Esmeralda Project and thereby affect the project's development. Please indicate whether public disclosure of any of the information in this appendix could adversely affect the willingness of other project developers to participate in future RPS contract solicitations. Please indicate whether public disclosure of any of the information in this appendix could adversely affect SDG&E's costs and its ability to comply with the RPS.

### **Appendix B-2, Contract Summary, EEI Cover Sheets, EEI Confirmation Letters and Additional EEI Exhibits**

Appendix B-2 includes a summary of the contract terms between SDG&E and Esmeralda as well as copies of the EEI Cover Sheets, EEI Confirmation Letters, and additional EEI Exhibits. Please confirm whether any of these documents are or will be publicly available through SDG&E, Esmeralda, or other parties during the "three year period" for which confidential designation is requested.

### **Appendix B-3, Selection of Esmeralda Project and Calculations of Supplemental Energy Payments**

Appendix B-3 provides information on SDG&E's selection of the Esmeralda Project. It includes pricing information on the Esmeralda Project and other projects for comparison purposes. Appendix B-3 also includes information on the calculation of Supplemental Energy Payments (SEPs) needed for the Esmeralda Project. Please indicate whether all of the information or only the project pricing information in this appendix should be kept confidential. If SDG&E requests all of the information be kept confidential, please provide the legal justification for doing so and state whether any of this information is or will be publicly available in the near future. Please indicate whether public disclosure of any of the information in this appendix could adversely affect the development of the Esmeralda Project or other projects. Please indicate whether public disclosure of any of the information in this appendix could adversely affect a project developer's willingness to participate in future RPS contract solicitations. Please indicate whether public disclosure of any of the information in this appendix could adversely affect SDG&E's costs and its ability to comply with the RPS.

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**Appendix C, Summary of PRG Meetings**

Appendix C provides information summarizing SDG&E's discussions and meetings with its Procurement Review Group. It includes information on the Esmeralda Project as well as other RPS projects considered by SDG&E. Please indicate whether all of the information or only the project pricing information in this appendix should be kept confidential. If SDG&E requests all of the information be kept confidential, please provide the legal justification for doing so and state whether any of this information is or will be publicly available in the near future. Please indicate whether public disclosure of any of the information in this appendix could adversely affect the development of the Esmeralda Project or other projects. Please indicate whether public disclosure of any of the information in this appendix could adversely affect a project developer's willingness to participate in future RPS contract solicitations. Please indicate whether public disclosure of any of the information in this appendix could adversely affect SDG&E's costs and its ability to comply with the RPS.

Please provide additional information as discussed herein within 10 business days, if possible. Your response should be filed with the Energy Commission's Dockets Unit with copies to the Energy Commission's Executive Director and Legal Office. If you have any questions concerning this matter, please contact me at (916) 654-5141.

Sincerely,



GABRIEL HERRERA  
Senior Staff Counsel

Enclosures

cc: Stephen Yatsko, SDG&E  
Dockets Unit  
Heather Raitt  
Tony Goncalves