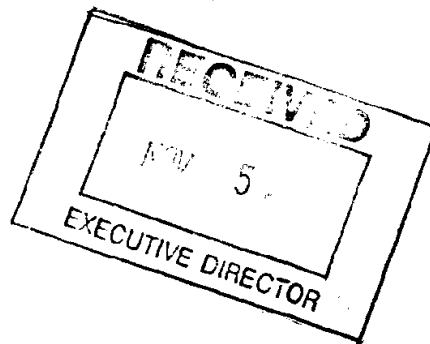




**Pacific Gas and
Electric Company®**



Evelyn C. Lee
Attorney at Law

Mailing Address:
P. O. Box 7442
San Francisco, CA 94120

Street/Courier Address:
Law Department
77 Beale Street, B30A
San Francisco, CA 94105

415.973.2786
Fax: 415.973.0516
E-Mail: ecl18@pge.com

November 1, 2007

Mr. B. B. Blevins, Executive Director
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, CA 95814-5512

**Re: CEC Docket No. 03-RPS-1078 - CEC-SEP-I, CEC-SEP-2, and CEC-SEP-J
Data Requests For CalRENEW and Green Volts Renewable Projects and
Application for Confidential Designation**

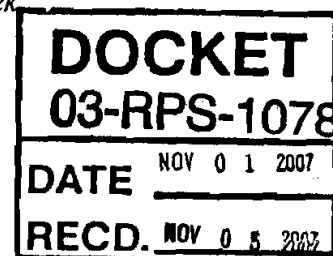
Dear Mr. Blevins:

On August 17, 2007, Pacific Gas and Electric Company ("PG&E") submitted materials required to support the applications of solar photovoltaic projects CalRENEW-1 LLC ("CalRenew") and Green Volts, Inc ("Green Volts") for Supplemental Energy Payments ("SEPs") administered by the California Energy Commission ("CEC"). An application for confidential designation was submitted concurrently. PG&E now seeks to withdraw those materials because there appears to be no possibility that the SEPs can be paid.

Due to the passage of Senate Bill 1036 this legislative session, funds for SEPs will be redirected and the SEP program will be terminated. PG&E understands that the CEC can reserve SEP funds only for projects that have executed a SEP Award Agreement by March 1, 2008. On October 31st, the CEC's SEP program manager, Bill Knox, advised CalRenew, Green Volts, and PG&E by e-mail that,

CPUC staff for the RPS and I are in agreement that it is extremely unlikely that applicants could obtain necessary permits and that the Energy Commission would encumber funds prior to March 1, 2008, the date set in SB 1036 for the Energy Commission to transfer the SEP funds to the electrical corporations.

Given that reality, and in the spirit of SB 1036, CPUC and CEC staff agree that SEP applicants (and IOU counter-parties) should withdraw SEP applications and supplementary materials, and also withdraw confidentiality applications and request that the CEC return the materials for which confidentiality has been requested. Instead of continuing with SEPs, applicants and PG&E should seek recovery of above-market costs through the CPUC process(es).





Mr. B. B. Blevins, Executive Director
CALIFORNIA ENERGY COMMISSION
November 1, 2007
Page Two

Accordingly, PG&E withdraws its SEP supplementary materials and its application for confidential designation and requests you to either return the materials or destroy them in a manner that preserves their confidentiality. We would appreciate confirmation of whichever means you select for removing PG&E's SEP supporting material from the CEC's files.

If you have any questions, please do not hesitate to contact me at (415) 973-2786.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Evelyn C. Lee', written over a horizontal line.

Evelyn C. Lee

ECL:bd

cc: Mr. William Barnes, CEO
CALrenew-1, LLC

Mr. Eric Romo, Principal
GREEN VOLTS, INC.

Kevin T. Fox, Esq.
Wilson, Sonsini, Goodrich & Rosati

Mr. William Knox
CEC - Renewables Trust Fund

Fernando de Leon, Esq.
CEC - Legal Department