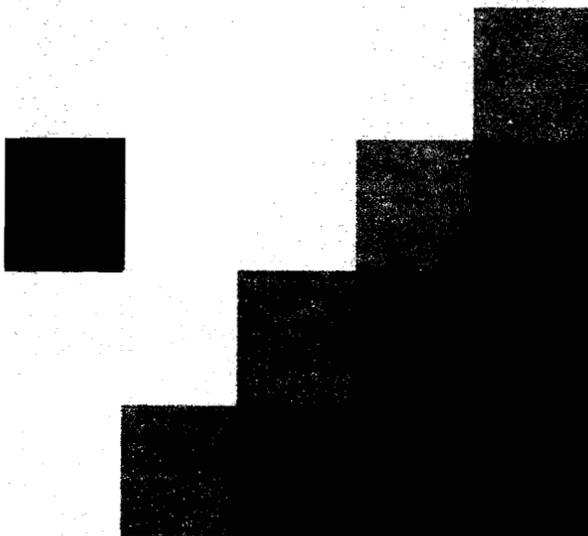


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DATE JUL 14 2008
RECD. JUL 16 2008



Independent Evaluator Background and Activities

Alan Taylor

Sedway Consulting, Inc.

CEC IEPR Workshop

July 14, 2008

Sedway Consulting Background

- Founded in 2001 in Boulder, Colorado
- Specialization in competitive bidding solicitations for new power supplies

PG&E	SCE
'04 & '08 LTRFO	'06 New Gen RFO
'05 & '06 RPS	'06, '07 & '08 RPS
	'06, '07 & '08 All Source
	'08 Energy Auction



IE Activities

- Prior to Bid Submission
- Evaluation Process
- Negotiation Process
- Final Selection
- Regulatory Process



IE Activities – Prior to Bid Submission

- Review and assist in development of RFO and related materials
- Review contemplated evaluation processes and make recommendations for improvements
- Lock down evaluation assumptions
- Calibrate Sedway Consulting's Response Surface Model (RSM)



IE Activities – Evaluation Process

- Independent evaluation of all proposals
 - Initial review for clarifications/deficiencies
 - Price and operating parameters analyzed in RSM
 - Non-price factors are assessed
- Monitor communications with bidders
- Review recommendations for disqualifications
- Review/comment on utility's recommended short list
- Provide analytic support for Procurement Review Group (PRG)



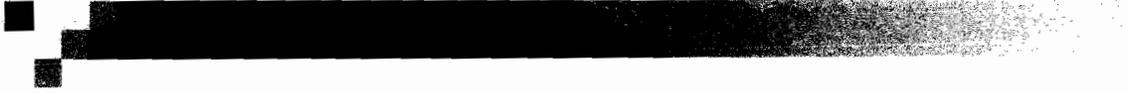
IE Activities – Negotiation Process

- Monitor communications with bidders
 - Review all emails
 - Participate in many negotiation sessions
 - Review exchange of redlined contracts
- Review prioritization decisions
- Update evaluation analysis, where necessary
 - Market price refresh
 - Final offers



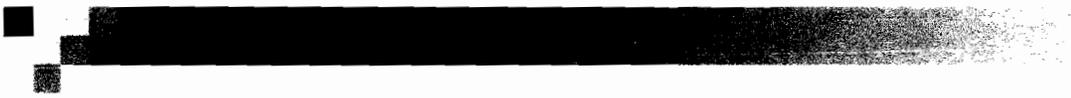
IE Activities – Final Selection

- Perform final independent evaluation
- Review/comment on final contract selection
- Participate in utility management meetings
- Provide assessment to PRG



IE Activities – Regulatory Process

- Develop IE report that describes the entire process and provides Sedway Consulting's results
- Develop related prefiled testimony
- Respond to discovery requests
- Participate in hearings



IE Activities – Throughout

- Participate in management update and decision meetings
- Provide periodic presentations/information to PRG
- Ensure that RFO processes and evaluation procedures are being followed
- Support the best selection of resources
- Ensure that all bidders are being treated fairly