



**Pacific Gas and  
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**Electronic Delivery**

California Energy Commission  
Docket Office, MS-4  
Attn: Docket No. 08-IEP-1B  
1516 Ninth Street  
Sacramento, CA 95814-5512

**Re: Docket No. 08-IEP-1B**

Docket Office:

Please find attached PG&E's comments on the workshop held on July 21, 2008, regarding  
Integration of Renewables.

Please contact me should you have any questions. I can be reached at 415/973-4185.

Sincerely,

  
Kathleen Treleven

Attachment

<b>DOCKET</b> 08-IEP-1B	
<b>DATE</b>	AUG 01 2008
<b>RECD.</b>	AUG 01 2008

PG&E's Comments in Response to the CEC Staff's  
Workshop on the Integration of Renewables  
Held July 21, 2008  
Docket No. 08-IEP-1B

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to participate in the California Energy Commission (CEC) staff's discussion regarding the myriad issues and implications that come with integrating higher levels of renewable energy into the California grid. PG&E also appreciates the hard work the California Energy Commission, CAISO, and other entities have done to contribute to this dialogue and address these issues.

There are numerous challenges to increasing the amount of renewable energy being deployed in California. Given the remote locations of a substantial portion of the remaining undeveloped renewable resources, significant upgrades in the transmission infrastructure will be required, both in California and throughout the Western Electricity Coordinating Council (WECC). The implications of potential once-through cooling regulations on resource adequacy may inhibit the growth of renewable energy delivery. The adequacy of storage technologies and other measures to address intermittency issues also remain. We contend that addressing these concerns in a holistic manner, as opposed to an incremental approach, will assist in coordination efforts and long-term planning for higher levels of renewables in California.

Despite these challenges, PG&E is working hard to put more renewable resources online and is making progress on contracting for such resources and connecting them to the grid. As of mid-year 2008, PG&E has renewable resources online or contracted for over 21% of its projected 2010 load currently signed<sup>1</sup>.

Feed-In Tariffs (FITs) were discussed at the workshop as a potential policy measure to incentivize higher levels of renewable resources. With regard to the use of FITs, PG&E believes that the Renewable Portfolio Standard (RPS) solicitation process is working and is the appropriate methodology to achieve a larger penetration of renewable resources to the grid. In tandem, PG&E currently offers a standard offer contract as part of the AB 1969 (Chpt. 731, Stats of 2006) implementation for generation up to 1.5 MW at the Market Price Referent (MPR). PG&E has executed several contracts with renewable generators sized between 1.5MW and 20MW through its competitive solicitations, and feels that ratepayer impacts are addressed most appropriately via this process.

Thank you for the opportunity to add our comments to the CEC's ongoing discussion within the 2008 IEPR Update proceeding on barriers to expanding renewable resource investment in California. We look forward to continued participation with the CEC and others on this important issue.

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<sup>1</sup> PG&E Corp. (PCG) Form 8-K Filing: Exhibit 99, July 30, 2008.