The applicant states that there is a need to approve and construct the Mariposa Project since without the project PG&E's planning reserve margin will fall to 16.3% in 2012 which is below PG&E's planning reserve margin. The 2009 CAL-ISO summer assessment predicted a 30.6% planning reserve margin in 2009.

Table 1

Summer 2009 Outlook				
Resource Adequacy Planning Conventions	CAISO	SP26	NP26	
Existing Generation	47,500	22,558	24,929	
Retirements (Known)	22	0	22	
High Probability CA Additions	1,476	378	1,098	
Hydro Derates	-1,000	-208	-792	
Net Interchange (Moderate)	10,100	9,200	2,050	
Total Net Supply (MW)	58,098	31,929	27,306	
Demand (1-in-2 Summer Temperature)	45,379	25,412	21,370	
DR & Interruptible Programs	2,090	1,496	593	
Planning Reserve ¹	32.6%	31.5%	30.6%	
1 Planning Reserve calculation (Total Net Supply + Demand F	Response + Interrup	tibles ¥1-in-2 l	Demand)-1.	

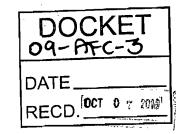
http://www.caiso.com/23ab/23abd69829524.pdf

The 2010 CAL-ISO summer assessment predicts a 38.5% Planning reserve margin in PG&E''s service territory.

Summer 2010 Supply & Demand Outlook					
Resource Adequacy Planning Conventions	ISO	SP26	NP26		
Existing Generation ¹	49,807	23,326	26,481		
Retirements (known/expected) ²	(6)	0	(6)		
High Probability CA Additions	1,086	1,057	29		
Hydro Derates	0	Q	. 0		
Net Interchange (Moderate)	10,100	9,200	2,050		
Total Net Supply (MW)	60,988	33,583	28,555		
Demand (1-in-2 Summer Temperature)	47,139	27,198	21,154		
DR & Interruptible Programs ³	2,403	1,668	734		
Planning Reserve ⁴	34.5%	29.6%	38.5%		

as of 3/22/2010 (refer to Table 8)

http://www.caiso.com/2793/2793ae4d395f2.pdf



² as of 3/22/2010 (refer to Table 8)

³ (refer to Table 9)

Planning Reserve calculation (Total Net Supply + Demand Response + Interruptibles)/ Forecast Demand)-1.