

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

ENERGY DIVISION

Agenda ID #13220  
RESOLUTION E-4676  
August 28, 2014

REDACTED

**RESOLUTION**

**Resolution E-4676.** Pacific Gas and Electric Company (PG&E) requests approval of a renewable energy power purchase agreement with 83WI 8ME, LLC.

**PROPOSED OUTCOME:**

- This resolution approves cost recovery for the long-term renewable energy power purchase agreement between Pacific Gas & Electric Company and 83WI 8ME, LLC. The power purchase agreement is approved without modification.

**SAFETY CONSIDERATIONS:**

- The power purchase agreements require the seller of the generation to comply with all applicable requirements of law relating to the project.

**ESTIMATED COST:**

- Costs of the power purchase agreement are confidential at this time.

By Advice Letter 4363-E filed on February 19, 2014.

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**SUMMARY**

**Pacific Gas and Electric Company's (PG&E) renewable energy power purchase agreement (PPA) with 83WI 8ME, LLC (83 WI 8ME) complies with the Renewables Portfolio Standard (RPS) procurement guidelines and is approved without modification.**

PG&E filed Advice Letter (AL) 4363-E on February 19, 2014, requesting California Public Utilities Commission (Commission) review and approval of a twenty year renewable energy PPA between PG&E and 83 WI 8ME, a wholly-owned subsidiary of 8minutenergy Renewables (8minutenergy), and GASNA 15, LLC, which is a wholly owned subsidiary of Gestamp Asetym Solar, S.L.

(Gestamp). The PPA was selected through PG&E's 2012 RPS solicitation. Pursuant to the PPA, RPS-eligible generation will be purchased from the Midway Solar Farm I (Midway I) facility. The Midway I facility's capacity is 50 megawatts (MW) and is located near Calipatria, California.

This resolution approves the 83WI 8ME PPA. PG&E's execution of this PPA is consistent with PG&E's 2012 RPS Procurement Plan (RPS Plan), including its resource need, which the Commission approved in Decision 12-11-016. In addition, RPS deliveries under the 83WI 8ME PPA are reasonably priced and fully recoverable in rates over the life of the PPA, subject to Commission review of PG&E's administration of the PPA.

The following table provides a summary of the 83WI 8ME PPA:

**Table 1: Summary of Midway I PPA**

Generating Facility	Technology Type	Capacity (MW)	Expected Deliveries (GWh/yr)	Contract Start Date	Term (Years)	Location
Midway Solar Farm I	Solar PV, New	50	119	June 1, 2020	20	Near Calipatria, CA

## **BACKGROUND**

### **Overview of the Renewables Portfolio Standard Program**

The California RPS program was established by Senate Bill (SB) 1078, and has been subsequently modified by SB 107, SB 1036, and SB 2 (1X).<sup>1</sup> The RPS program is codified in Public Utilities Code Sections 399.11-399.31.<sup>2</sup> Under SB 2 (1X), the RPS program administered by the Commission requires each retail seller to procure eligible renewable energy resources so that the amount of electricity generated from eligible renewable resources be an amount that equals an average of 20 percent of the total electricity sold to retail customers in

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<sup>1</sup> SB 1078 (Sher, Chapter 516, Statutes of 2002); SB 107 (Simitian, Chapter 464, Statutes of 2006); SB 1036 (Perata, Chapter 685, Statutes of 2007); SB 2 (1X) (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session).

<sup>2</sup> All further references to sections refer to Public Utilities Code unless otherwise specified.

California for compliance period 2011-2013; 25 percent of retail sales by December 31, 2016; and 33 percent of retail sales by December 31, 2020.<sup>3</sup>

Additional background information about the Commission's RPS Program, including links to relevant laws and Commission decisions, is available at <http://www.cpuc.ca.gov/PUC/energy/Renewables/overview> and <http://www.cpuc.ca.gov/PUC/energy/Renewables/decisions.htm>.

## **NOTICE**

Notice of AL 4363-E was made by publication in the Commission's Daily Calendar. PG&E states that copies of the ALs were mailed and distributed in accordance with Section IV of General Order 96-B.

## **PROTESTS**

PG&E's AL 4363-E was not protested.

## **DISCUSSION**

### **Pacific Gas & Electric Company requests approval of a renewable energy power purchase agreement with 83WI 8ME.**

On February 19, 2014, PG&E filed AL 4363-E requesting Commission approval of a long-term PPA with 83WI 8ME. The 83WI 8ME PPA concerns generation from the 50 MW Midway I facility contracted to begin delivery of energy, renewable energy credits, and any ancillary services beginning on June 1, 2020.<sup>4</sup> Pursuant to the 83WI 8ME PPA, PG&E will receive approximately 119 gigawatt-hours (GWh) of RPS-eligible deliveries annually.

The Midway I facility is located near Calipatria, CA and has its first point of interconnection with the Imperial Irrigation District (IID), a California balancing

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<sup>3</sup> D.11-12-020 established a methodology to calculate procurement requirement quantities for the three different compliance periods covered in SB 2 (1X) (2011-2013, 2014-2016, and 2017-2020).

Because the PPA does not include capacity, the obligation in PG&E's 2012 Procurement Plan to determine import constraints from the Imperial Irrigation District balancing authority area does not apply.

authority. The PPA under consideration has a term of twenty years and begins deliveries on June 1, 2020.

**PG&E requests that the Commission issue a resolution that:**

1. Approves the PPA in its entirety, including payments to be made by PG&E pursuant to the PPA, subject to the Commission's review of PG&E's administration of the PPA.
2. Finds that any procurement pursuant to the PPA is procurement from an eligible renewable energy resource for purposes of determining PG&E's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California RPS (Public Utilities Code Section 399.11 et seq.), D.03-06-071, D.06-10-050, D.11-12-020, D.11-12-052 or other applicable law.
3. Finds that all procurement and administrative costs, as provided by Public Utilities Code Section 399.13(g), associated with the PPA shall be recovered in rates.
4. Adopts the following finding of fact and conclusion of law in support of CPUC Approval:
  - a. The PPA is consistent with PG&E's 2012 RPS procurement plan.
  - b. The terms of the PPA, including the price of delivered energy, are reasonable.
5. Adopts the following finding of fact and conclusion of law in support of cost recovery for the PPA:
  - a. The utility's costs under the PPA shall be recovered through PG&E's Energy Resource Recovery Account.
  - b. Any stranded cost that may arise from the PPA is subject to the provisions of D.04-12-048 that authorize recovery of stranded renewables procurement costs over the life of the contract. The implementation of the D.04-12-048 stranded cost recovery mechanism is addressed in D.08-09- 012.
6. Adopts the following findings with respect to resource compliance with the Emissions Performance Standard (EPS) adopted in R.06-04-009:
  - a. The PPA is not a form of covered procurement subject to the EPS, because the generating facility has an expected capacity factor of less

than 60 percent and, therefore, is not baseload generation under paragraph 1(a)(ii) and 3(2)(a) of the adopted Interim EPS Rules.

7. Adopts a finding of fact and conclusion of law that deliveries from the PPA shall be categorized as procurement under the portfolio content category specified in Section 399.16(b)(1)(A), subject to the Commission's after-the-fact verification that all applicable criteria have been met.

**Energy Division Evaluated the 83WI 8ME PPA on the Following Criteria:**

- Consistency with PG&E's 2012 RPS Procurement Plan
- Consistency with PG&E's Least-Cost, Best-Fit requirements
- Consistency with RPS Standard Terms and Conditions
- Consistency with Portfolio Content Category Requirements
- Consistency with Long-Term Contracting Requirement
- Independent Evaluator (IE) review
- Price Reasonableness and Value
- Project Viability Assessment and Development Status
- Compliance with the Interim Greenhouse Gas Emissions Performance Standard
- Procurement Review Group Participation
- Public Safety

**Consistency with PG&E's 2012 RPS Procurement Plan**

California's RPS statute requires the Commission to direct each utility to prepare an annual RPS Plan and then review and accept, modify, or reject the Plan prior to the commencement of a utility's annual RPS solicitation.<sup>5</sup> The Commission must then accept or reject proposed PPAs based on their consistency with the utility's approved Plan.

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<sup>5</sup> Pub. Util. Code, § 399.14.

The 83WI 8ME PPA was executed on December 19, 2013. At the time the PPA was executed, PG&E's most recent Commission-approved Plan was its 2012 Plan, which was conditionally approved in D.12-11-016. Pursuant to statute, PG&E's Plan includes an assessment of supply and demand to determine the optimal mix of renewable generation resources, consideration of flexible compliance mechanisms established by the Commission, and a bid solicitation protocol setting forth the need for renewable generation of various operational characteristics.<sup>6</sup>

In PG&E's 2012 RPS Plan, PG&E stated that it seeks to procure about 1,000 GWh of new generation in its 2012 RPS solicitation, with a preference for long-term contracts that qualify as a Portfolio Content Category (PCC) 1 product with initial RPS deliveries starting in 2019-2020.<sup>7</sup>

The 83WI 8ME PPA fits within PG&E's stated RPS procurement goal of an additional 1,000 GWh annually. Additionally, the PPA is long-term and PG&E expects the RPS deliveries to satisfy the criteria of PCC 1. Any deliveries from the 83WI 8ME PPA that are in excess of PG&E's RPS procurement quantity requirement could be used by PG&E to satisfy future RPS compliance needs.

The 83WI 8ME PPA is consistent with PG&E's 2012 RPS Procurement Plan, as approved by D.12-11-016.

### **PG&E's RPS Portfolio Need**

The California RPS Program was established by SB 1078 and has been recently modified by SB 2 (1X), which became effective on December 10, 2011. SB 2 (1X) made significant changes to the RPS Program.<sup>8</sup> SB2 (1X) established new RPS procurement targets such that retail sellers must procure "...from January 1, 2011 to December 31, 2013...an average of 20 percent of retail sales...25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020."<sup>9</sup>

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<sup>6</sup> Pub. Util. Code, §399.14(a)(3).

<sup>7</sup> PCCs were defined in D.11-12-052.

<sup>8</sup> The Commission opened Rulemaking (R.) 11-05-005 (May 5, 2011) to implement the new RPS law.

<sup>9</sup> See § 399.15(b)(2)(B), SB 2 (1X).

PG&E currently projects that its existing RPS portfolio will provide enough RPS generation to meet its needs in Compliance Period (CP) 1 (2011-2013) and CP 2 (2014-2016). Beginning in CP 3 (2017-2020), PG&E has stated that it has a need to procure additional RPS generation. The 83WI 8ME PPA is contracted to begin delivering RPS-eligible energy on June 1, 2020 which aligns with PG&E's RPS need beginning at the end of CP3.

RPS generation from the 83WI 8ME PPA fits the portfolio need requirements of PG&E's RPS portfolio.

### **Consistency with PG&E's Least-Cost Best-Fit (LCBF) Methodology**

The basic components of PG&E's LCBF evaluation and selection criteria and process for RPS PPAs were established in the Commission's LCBF Decisions D.03-06-071, D.04-07-029 and D.12-11-016. Consistent with these decisions, the four main LCBF evaluation steps undertaken by PG&E are:

1. Determination of market value of bid;
2. Calculation of transmission adders and integration costs;
3. Evaluation of portfolio fit; and
4. Consideration of non-price factors.

The LCBF decisions direct the utilities to use certain criteria in their bid selection. The decisions offer guidance regarding the process by which the utility ranks bids in order to select or "shortlist" the bids with which it will commence negotiations.

The 83WI 8ME PPA was selected from PG&E's 2012 RPS Solicitation. As a result, PG&E examined the reasonableness of the 83WI 8ME PPA using the same LCBF methodology that they used for assessing other RPS bids received in the 2012 RPS solicitation. When compared against offers from PG&E's 2012 RPS solicitation using LCBF, the 83WI 8ME PPA compares favorably for price, value, viability, and need. See Confidential Appendix A for more details.

PG&E adequately examined the reasonableness of the 83WI 8ME PPA utilizing its LCBF methodology.

### **Consistency with RPS Standard Terms and Conditions**

The Commission adopted a set of standard terms and conditions (STCs) required in RPS contracts, three of which are considered "non-modifiable." The STCs

were compiled in D.08-04-009 and subsequently amended in D.08-08-028. More recently in D.10-03-021, as modified by D.11-01-025 and D.13-11-024.

The 83WI 8ME PPA includes the Commission adopted RPS “non-modifiable” standard terms and conditions, as set forth in D.08-04-009, D.08-08-028, D.10-03-021, as modified by D.11-01-025.

### **Consistency with Portfolio Content Category Requirements**

In D.11-12-052, the Commission defined and implemented PCCs for the RPS program and authorized the Director of Energy Division to require the investor-owned utilities to provide information regarding the proposed contract’s PCC classification in each AL seeking Commission approval of an RPS contract. The purpose of the information is to allow the Commission to evaluate the claimed PCC of the proposed RPS PPA and the risks and value to ratepayers if the proposed PPA ultimately results in renewable energy credits in another PCC.

In AL 4363-E, PG&E claims that the product procured pursuant to 83WI 8ME PPA will be classified as PCC 1. PG&E states in the AL that the 83WI 8ME PPA requires energy to be delivered to either of the two IID intertie points with the California Independent System Operator (CAISO) controlled grid.

Consistent with D.11-12-052, PG&E provided information in AL 4363-E regarding the expected portfolio content category classification of the renewable energy credits to be procured pursuant to the 83WI 8ME PPA.

### **Consistency with Long-Term Contracting Requirement**

In D.12-06-038, the Commission established a long-term contracting requirement that must be met in order for retail sellers to count RPS procurement from contracts less than 10 years in duration for compliance with the RPS program.<sup>10</sup> In order for the procurement from any short-term contract(s) signed after June 1, 2010 to count for RPS compliance, the retail seller must execute long-term contract(s) in the same compliance period in which the short-term contract(s) is

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<sup>10</sup> For the purposes of the long-term contracting requirement, contracts of less than 10 years duration are considered “short-term” contracts. (D.12-06-038).

signed. The volume of expected generation in the long-term contract(s) must be sufficient to cover the volume of generation from the short-term contract(s).<sup>11</sup>

Because the 83WI 8ME PPA is greater than 10 years in length, the PPA will contribute towards the long-term contracting requirements that the Commission established in D.12-06-038.

### **Independent Evaluator Review**

PG&E retained IE Arroyo Seco Consulting Group (Arroyo) to oversee its 2012 RPS solicitation and to evaluate the overall merits of each PPA submitted to the CPUC for approval. Arroyo compared the price and value of the 83WI 8ME against competing offers from PG&E's 2012 RPS solicitation using Arroyo's proprietary evaluation model. Based on this comparison, Arroyo opines that the 83WI 8ME PPA ranks low for price and moderate to high for value when compared against relevant peer groups of competing proposals. Additionally, Arroyo opines that the 83WI 8ME PPA ranks moderate for viability when compared against competing offers from PG&E's 2012 RPS Solicitation. The independent evaluator recommends that the Commission approve the 83WI 8ME PPA. See Confidential Appendix B for a detailed explanation of the IE's findings.

Consistent with D.06-05-039, an independent evaluator oversaw PG&E's RPS procurement process. Additionally, an independent evaluator oversaw PG&E's negotiations and compared the costs, value and viability of the 83WI 8ME PPA against peer groups consisting of alternative competing proposals currently or recently available to PG&E.

### **Price Reasonableness and Value**

The Commission's price reasonableness review for RPS PPAs includes a comparison of the proposed PPA's price against other RPS offers received in recent RPS solicitations and against contracts executed in the 12 months prior to

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<sup>11</sup> Pursuant to D.12-06-038, the methodology setting the long-term contracting requirement is: 0.25% of Total Retail Sales in 2010 for the first compliance period; 0.25% of Total Retail Sales in 2011-2013 for the second compliance period; and 0.25% of Total Retail Sales in 2014-2016 for the third compliance period.

the proposed PPA's execution date. Using this analysis and the confidential analysis provided by PG&E in AL 4363-E, the Commission determines that the price and value of the 83WI 8ME PPA are reasonable. See Confidential Appendix A for a price and value comparison of the 83WI 8ME PPA against the appropriate cohorts.

The 83WI 8ME PPA ranks favorably for price and value when compared against RPS offers from PG&E's 2012 RPS solicitation and contracts executed by PG&E 12 months prior to executing the 83WI 8ME PPA.

Payments made by PG&E under the 83WI 8ME PPA are fully recoverable in rates over the life of the PPA, subject to Commission review of PG&E's administration of the PPA and any other applicable Commission review.

### **Project Viability Assessment**

The generation to be delivered pursuant to the 83WI 8ME PPA will be from a new solar PV facility being developed by an experienced team. Most of the critical project milestones such as major permits, interconnection agreement and site location for the Midway I facility have already been achieved.

It is reasonable to expect that Midway I facility will be able to meet the terms and conditions in the PPA.

### **Compliance with the Interim Greenhouse Gas Emissions Performance Standard**

Pub. Util. Code §§ 8340 and 8341 require that the Commission consider emissions costs associated with new long-term (five years or greater) baseload power contracts procured on behalf of California ratepayers.<sup>12</sup>

D.07-01-039 adopted an interim EPS that establishes an emission rate for obligated facilities at levels no greater than the greenhouse gas (GHG) emissions of a combined-cycle gas turbine power plant. Generating facilities using certain renewable resources are deemed compliant with the EPS.<sup>13</sup>

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<sup>12</sup> "Baseload generation" is electricity generation at a power plant "designed and intended to provide electricity at an annualized plant capacity factor of at least 60%."  
Pub. Util. Code § 8340 (a).

<sup>13</sup> D.07-01-039, Attachment 7, p. 4.

The 83WI 8ME PPA is not covered procurement subject to the EPS because the generating facility has a forecast annualized capacity factor of less than 60 percent and therefore is not baseload generation under paragraphs 1(a)(ii) and 3(2)(a) of the Adopted Interim EPS Rules.

### **Procurement Review Group Participation**

The Procurement Review Group (PRG) was initially established in D.02-08-071 to review and assess the details of the Investor Owned Utilities' (IOU) overall procurement strategy, solicitations, specific proposed procurement contracts and other procurement processes prior to submitting filings to the Commission as a mechanism for procurement review by non-market participants.

PG&E asserts participants in its PRG included representatives from the Office of Ratepayer Advocates, Department of Water Resources, Union of Concerned Scientists, The Utility Reform Network, the California Utility Employees, and Jan Reid, as a PG&E ratepayer. The 83WI 8ME PPA was presented to the PRG at PG&E's March and November 2013 PRG meetings.

Pursuant to D.02-08-071, PG&E's Procurement Review Group participated in the review of the 83WI 8ME PPA.

### **Public Safety**

Pub. Util. Code § 451 requires that every public utility maintain adequate, efficient, just, and reasonable service, instrumentalities, equipment and facilities to ensure the safety, health, and comfort of the public.

Local, state and federal agencies that have review and approval authority over the Midway I facility are charged with enforcing safety, environmental and other regulations including decommissioning. Section 3.9(a) of the PPA requires 8minutenergy and Gestamp (the entities with control over on-site decisions) to "acquire all permits and other approvals necessary for the construction, operation and maintenance of the Midway 1 project." The safety provisions in the 83WI 8ME PPA clarify that the burden of safe operations and the duty to protect PG&E customers against bearing the cost of imprudent or unsafe operations resides with 8minutenergy and Gestamp. The safety provisions do not provide PG&E with rights to enforce or dictate safe operations of the Midway 1 project as those rights reside with the governmental authorities with safety and permitting oversight over the Midway 1 project.

### **RPS ELIGIBILITY AND CPUC APPROVAL**

Pursuant to Pub. Util. Code §399.13, the California Energy Commission (CEC) certifies eligible renewable energy resources. Generation from a resource that is not CEC-certified cannot be used to meet RPS requirements. To ensure that only CEC-certified energy is procured under a Commission-approved RPS PPA, the Commission has required standard and non-modifiable “eligibility” language in all RPS PPAs. That language requires a seller to warrant that the project qualifies and is certified by the CEC as an “Eligible Renewable Energy Resource,” that the project’s output delivered to the buyer qualifies under the requirements of the California RPS, and that the seller uses commercially reasonable efforts to maintain eligibility should there be a change in law affecting eligibility.<sup>14</sup>

The Commission requires a standard and non-modifiable clause in all RPS PPAs that requires “CPUC Approval” of a PPA to include an explicit finding that “any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), D.11-12-020 and D.11-12-052, or other applicable law.”<sup>15</sup>

Notwithstanding this language, the Commission has no jurisdiction to determine whether a project is not an eligible renewable energy resource, nor can the Commission determine prior to final CEC certification of a project, that “any procurement” pursuant to a specific contract will be “procurement from an eligible renewable energy resource.”

Therefore, while we include the required finding here, this finding has never been intended, and shall not be read now, to allow the generation from a non-RPS-eligible resource to count towards an RPS compliance obligation. Nor shall such finding absolve the seller of its obligation to obtain CEC certification, or the utility of its obligation to pursue remedies for breach of contract. Such contract enforcement activities shall be reviewed pursuant to the Commission’s authority to review the utilities’ administration of such contracts.

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<sup>14</sup> See, e.g. D.08-04-009 at Appendix A, STC 6, Eligibility.

<sup>15</sup> See, e.g. D.08-04-009 at Appendix A, STC 1, CPUC Approval.

### **CONFIDENTIAL INFORMATION**

The Commission, in implementing Pub. Util. Code § 454.5(g), has determined in D.06-06-066, as modified by D.07-05-032, that certain material submitted to the Commission as confidential should be kept confidential to ensure that market sensitive data does not influence the behavior of bidders in future RPS solicitations. D.06-06-066 adopted a time limit on the confidentiality of specific terms in RPS contracts. Such information, such as price, is confidential for three years from the date the contract states that energy deliveries begin, except contracts between IOUs and their affiliates, which are public.

The confidential appendices, marked "[REDACTED]" in the public copy of this resolution, as well as the confidential portions of the advice letter, should remain confidential at this time.

### **COMMENTS**

Pub. Util. Code § 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution is waived.

### **FINDINGS AND CONCLUSIONS**

1. The 83WI 8ME power purchase agreement is consistent with PG&E's 2012 Renewables Portfolio Standard Procurement Plan, as approved by D.12-11-016.
2. Renewable energy generation from the 83WI 8ME power purchase agreements fits the portfolio need requirements of PG&E's Renewables Portfolio Standard portfolio.
3. PG&E adequately examined the reasonableness of the 83WI 8ME power purchase agreement utilizing its least-cost best-fit methodology.
4. The 83WI 8ME PPA includes the Commission adopted RPS "non-modifiable" standard terms and conditions, as set forth in D.08-04-009, D.08-08-028, D.10-03-021, as modified by D.11-01-025, and D.13-11-024.
5. Consistent with D.11-12-052, PG&E provided information in Advice Letter 4363-E regarding the expected portfolio content category classification of the

- renewable energy credits to be procured pursuant to the 83WI 8ME power purchase agreement.
6. Because the 83WI 8ME PPA is greater than 10 years in length, the PPA will contribute towards the long-term contracting requirements that the Commission established in D.12-06-038.
  7. Consistent with D.06-05-039, an independent evaluator oversaw PG&E's Renewables Portfolio Standard procurement process. Additionally, an independent evaluator oversaw PG&E's negotiations with 8minutenergy and Gestamp and compared the costs, value and viability of the 83WI 8ME power purchase agreement against peer groups consisting of alternative competing proposals currently or recently available to PG&E.
  8. The 83WI 8ME power purchase agreement ranks favorably for price and value when compared against Renewables Portfolio Standard offers from PG&E's 2012 Renewables Portfolio Standard solicitation and contracts executed by PG&E 12 months prior to executing the 83WI 8ME power purchase agreement.
  9. Payments made by PG&E under the 83WI 8ME power purchase agreement are fully recoverable in rates over the life of the power purchase agreement, subject to Commission review of PG&E's administration of the power purchase agreement and any other applicable Commission review.
  10. It is reasonable to expect that Midway I facility will be able to meet the terms and conditions in the power purchase agreement.
  11. The 83WI 8ME power purchase agreement is not covered procurement subject to the Emissions Performance Standard because the generating facility has a forecast annualized capacity factor of less than 60 percent and therefore is not baseload generation under paragraphs 1(a)(ii) and 3(2)(a) of the Adopted Interim Emissions Performance Standard Rules.
  12. Pursuant to D.02-08-071, PG&E's Procurement Review Group participated in the review of the 83WI 8ME power purchase agreement.
  13. The confidential appendices, marked "[REDACTED]" in the public copy of this Resolution, as well as the confidential portions of the advice letter, should remain confidential at this time.
  14. Advice Letter 4363-E should be approved effective today.

**THEREFORE IT IS ORDERED THAT:**

1. Pacific Gas & Electric Company's Advice Letter 4363-E requesting Commission review and approval of a power purchase agreement with 83WI 8ME, LLC is approved without modification.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held in San Francisco on August 28, 2014; the following Commissioners voting favorably thereon:

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PAUL CLANON  
Executive Director

## **Confidential Appendix A**

Price/Value Reasonableness, Need, and Viability

[REDACTED]

## **Confidential Appendix B**

### Independent Evaluator Conclusions and Recommendations

[REDACTED]