



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

FILED

04-08-11
04:59 PM

Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program

Rulemaking 08-08-009
(Filed August 21, 2008)

**SILVERADO POWER LLC'S RESPONSE TO PACIFIC GAS AND
ELECTRIC COMPANY'S PETITION FOR MODIFICATION OF
DECISION 10-12-048**

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Date: April 8, 2011

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Pursuant to California Public Utilities Commission ("Commission") Rule of Practice and Procedure 16.4, Silverado Power LLC ("Silverado") submits this response to the Petition for Modification of Decision (D.) 10-12-048 ("Petition for Modification") filed by Pacific Gas and Electric Company ("PG&E") on March 9, 2011. Silverado is a utility-scale developer of solar photovoltaic ("PV") projects with over 750 megawatts ("MWs") under development. Many of Silverado's projects are located in California and are in the 20 MW and under size category, which enables them to be bid into the Renewable Auction Mechanism ("RAM") created by D.10-12-048. Silverado files this response to help strengthen the RAM program to create a long-term, sustainable market for projects of the sort Silverado is developing.

Silverado generally supports many aspects of PG&E's Petition for Modification, including: (1) eliminating the bilateral contracting prohibition; (2) adjusting the commercial operation date deadline to start running at Commission approval of a contract instead of contract execution; (3) limiting participation to only new projects; (4) allowing only one auction per year; and (5) removing the requirement that utilities hold

simultaneous auctions. With regard to the other proposals in PG&E's Petition for Modification, Silverado takes no position.

I. SILVEARDO'S RESPONSE AND PROPOSAL TO EXTEND COMMERCIAL OPERATION DEADLINE TO 24 MONTHS.

Silverado appreciates that the Commission has moved expeditiously to eliminate the bilateral contracting prohibition in D.10-12-048 by issuing a proposed decision on March 15, 2011. Silverado has had an opportunity to review comments filed on the proposed decision on April 4, 2011 and it appears that parties are generally supportive of eliminating the bilateral contracting prohibition in D.10-12-048.

With regard to other issues raised by PG&E's Petition for Modification, Silverado supports PG&E's proposal to limit participation to new projects. Silverado also supports PG&E's proposal to adjust the timeframe for new projects to reach a commercial operation date ("COD") to start running at Commission approval of a contract instead of contract execution. This is more reasonable from a project development perspective because investors are rarely comfortable moving ahead with major deposits for interconnection facilities and project construction costs if a power purchase agreement has not been given regulatory approval. Accordingly, Silverado supports modifying the COD requirement to run upon Commission approval of a RAM contract but requests that the COD requirement be 24 months from contract approval plus a day for day extension for items outside of the developer's control. Extending the COD requirement to 24 months, from the present 18 month requirement, will allow a developer a reasonable amount of time following contract approval to complete a phase II interconnection cluster study, execute an interconnection agreement and await completion of interconnection

facilities and any distribution or transmission system upgrades that may be needed. Allowance of day-for-day extensions of up to six months in the case of delays due to the construction of interconnection facilities or regulatory delays will allow a cushion for delays that are outside developer control. In addition, Silverado believes that in no case should participants be required to reach COD prior to December 31, 2013 as this is likely to be the soonest that a developer can exit the 2011 interconnection cluster study process and have interconnection facilities and upgrades completed (*see* attached PG&E Cluster Timeline). Making these modifications to D.10-12-048 will expand participation in the first RAM auctions, which will lower RAM prices and create a more sustainable program.

II. CONCLUSION

Silverado appreciates the opportunity to file this response to PG&E's Petition for Modification.

Respectfully submitted this April 8, 2011.

/s/ Kevin T. Fox

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VERIFICATION

I am an attorney representing the Silverado Power LLC and am authorized to make this verification on its behalf. I have read the foregoing “**SILVERADO POWER LLC’S RESPONSE TO PACIFIC GAS AND ELECTRIC COMPANY’S PETITION FOR MODIFICATION OF DECISION 10-12-048**” and am informed and believe that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 8th day of April 2011, at Honolulu, Hawaii.

/s/ Kevin T. Fox
By: Kevin T. Fox