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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

ID #9058  
RESOLUTION E-4300  
December 17, 2009

REDACTED

R E S O L U T I O N

Resolution E-4300. Southern California Edison (SCE) requests approval of a renewable power purchase agreement with Puget Sound Energy, Inc. (Puget)

PROPOSED OUTCOME: This Resolution approves a new renewables portfolio standard power purchase agreement (PPA) between SCE and Puget. The agreement is approved without modification.

ESTIMATED COST: This Resolution approves cost recovery for a renewable energy PPA. Actual costs of this contract are confidential at this time.

By Advice Letter 2388-E filed on October 5, 2009.

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SUMMARY

**SCE's proposed contract with Puget complies with the Renewables Portfolio Standard (RPS) procurement guidelines and is approved.**

SCE filed advice letter (AL) 2388-E on October 5, 2009 requesting Commission review and approval of a new PPA executed with Puget. The PPA is a short-term, bilateral contract for Puget's portion of the generation from the Klondike III wind facility located in Oregon. The PPA (the "Puget III Contract") is SCE's third contract with Puget. The Puget I contract was approved by the Commission in Resolution E-4244 on June 18, 2009.

<b>Generating facility</b>	<b>Type</b>	<b>Term (Years)</b>	<b>Capacity (MW)</b>	<b>Energy (GWh)</b>	<b>Expected Contract Delivery Date</b>	<b>Location</b>
Klondike III	Wind	2	50	156	January 1, 2010	Oregon

The proposed contract is consistent with SCE's 2008 RPS Procurement Plan. RPS-eligible deliveries from the PPA are reasonably priced and fully recoverable in rates over the life of the contract, subject to Commission review of SCE's administration of the contract.

### **NOTICE**

Notice of AL 2388-E was made by publication in the Commission's Daily Calendar. SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

### **PROTESTS**

Advice Letter 2388-E was not protested.

### **DISCUSSION**

#### **Overview of RPS Program**

The RPS Program administered by the Commission requires each utility to increase its total procurement of eligible renewable energy resources by at least 1% of retail sales per year so that 20% of the utility's retail sales are procured from eligible renewable energy resources no later than December 31, 2010.<sup>1</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.htm> and <http://www.cpuc.ca.gov/PUC/energy/Renewables/decisions.htm>.

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<sup>1</sup> See Pub. Utils. Code § 399.15(b)(1).

**SCE requests Commission approval of a renewable energy contract with Puget**

On October 5, 2009, SCE filed AL 2388-E seeking approval of a new bilateral PPA between SCE and Puget. The wind facility is an operating, RPS-eligible<sup>2</sup> wind facility located in Oregon and owned and operated by Iberdrola Renewables, Inc. The facility was brought into commercial operation in May 2008. Puget has a 50 MW share of the 223.6 MW Klondike III wind facility.

Pursuant to the PPA, SCE will take delivery of electric energy and green attributes at the Mid-Columbia trading hub. SCE will then manage the energy by either selling it outside of California and tagging import schedules with the green attributes at a later date, or scheduling firm and shaped energy with green attributes directly into California as an import. In either event, SCE's imports into California under the PPA shall be consistent with the delivery rules in the California Energy Commission's RPS Eligibility Guidebook as confirmed by the California Energy Commission (CEC). The PPA will contribute energy deliveries towards SCE's renewable procurement goal required by California's RPS statute, starting in 2010.<sup>3</sup>

SCE requests that the Commission issue a resolution containing the following findings:

1. Approval of the Puget III Contract in its entirety
2. A finding that any electric energy sold or dedicated to SCE pursuant to the Puget III Contract constitutes procurement by SCE from an eligible renewable energy resource ("ERR") for the purpose of determining SCE's compliance with any obligation that it may have to procure from ERRs pursuant to the RPS Legislation<sup>4</sup> or other applicable law

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<sup>2</sup> California's RPS Eligible Facilities Database (updated September 2009)  
[http://www.energy.ca.gov/portfolio/documents/list\\_RPS\\_certified.html](http://www.energy.ca.gov/portfolio/documents/list_RPS_certified.html)

<sup>3</sup> The CEC is responsible for determining the RPS-eligibility of a renewable generator. See Pub. Util. Code Section 399.12 and D.08-04-009, as modified by D.08-08-028.

<sup>4</sup> As defined by SCE, "RPS Legislation" refers to the State of California Renewable Portfolio Standard Program, as codified at California Public Utilities Code Section 399.11 *et seq.*

- concerning the procurement of electric energy from renewable energy resources
3. A finding that all procurement under the Puget III Contract counts, in full and without condition, towards any annual procurement target established by the RPS Legislation or the Commission which is applicable to SCE
  4. A finding that all procurement under the Puget III Contract counts, in full and without condition, towards any incremental procurement target established by the RPS Legislation or the Commission which is applicable to SCE
  5. A finding that all procurement under the Puget III Contract counts, in full and without condition, towards the requirement in the RPS Legislation that SCE procure 20 percent (or such other percentage as may be established by law) of its retail sales from ERRs by 2010 (or such other date as may be established by law)
  6. A finding that the Puget III Contract, and SCE's entry into the Puget III Contract, is reasonable and prudent for all purposes, including, but not limited to, recovery in rates of payments made pursuant to the Puget III Contract, subject only to further review with respect to the reasonableness of SCE's administration of the Puget III Contract
  7. Any other and further relief as the Commission finds just and reasonable.

**Energy Division examined the proposed PPA on multiple grounds:**

- Consistency with SCE's Commission approved 2008 RPS Procurement Plan (Plan)
- Consistency with the resource needs identified in SCE's Plan
- Consistency with Commission-adopted RPS standard terms and conditions (STC)
- Consistency with bilateral contracting guidelines
- Consistency with RPS delivery rules
- Project viability
- Consistency with the Emissions Performance Standard
- Procurement Review Group (PRG) concerns

- Comparison to the results of SCE's 2008 solicitation
- Cost reasonableness

### **Consistency with SCE's Commission adopted 2008 RPS Plan**

California's RPS statute requires the Commission to review the results of a renewable energy resource solicitation submitted for approval by a utility.<sup>5</sup> The Commission must then accept or reject a proposed PPA based on its consistency with the utility's approved renewable procurement plan (Plan). The Commission conditionally approved SCE's 2008 RPS Plan, including its bid solicitation materials, in D.08-02-008. SCE's 2008 Plan includes an assessment of supply and demand for renewable energy and bid solicitation materials, including a pro-forma agreement and bid evaluation methodology documents.

The proposed PPA is consistent with SCE's Commission-approved RPS Plan, approved by D.08-02-008.

### **Consistency with the Resource Needs Identified in SCE's Plan**

SCE's 2008 RPS Plan called for SCE to issue a competitive solicitation for electric energy generated by eligible renewable resources from either existing or new generating facilities that would deliver in the near term or long term.

SCE's 2008 request for proposals (RFPs) solicited proposals for projects that would supply electric energy, green attributes, capacity attributes and resource adequacy benefits from eligible renewable energy resources. SCE also considered any new or repowered facilities that operate on co-fired fuels or a mix of fuels that include fossil fuel hybrid.

SCE requested proposals based upon standard term lengths of 10, 15 or 20 years or a non-standard delivery term of no less than 1 month. SCE also requested proposals with a minimum capacity of 1.5 MW.

SCE indicated a preference for projects:

- To be generating facilities with near-term deliveries

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<sup>5</sup> PU Code §399.14

- To be located in California or outside of California if the seller complies with all requirements pertaining to “Out-of-State Facilities” as set forth in the CEC Guidebook for RPS eligibility
- To be delivered within the CAISO Control Area, but considered proposals for facilities interconnected to Western Electricity Coordinating Council (WECC) transmission system was also indicated in SCE’s RFP

The PPA is consistent with the resource needs identified in SCE’s 2008 Plan.

### **Consistency with RPS Standard Terms and Conditions (STC)**

The proposed PPA is comprised of the Western Systems Power Pool (WSPP) Master Agreement and a WSPP Confirmation Letter, which comply with D.08-04-009, as modified by D.08-08-028. As a result, the PPA contains the required non-modifiable STCs.

The PPA includes the Commission adopted RPS standard terms and conditions, including those deemed “non modifiable”.

### **Consistency with RPS Bilateral Contracting Guidelines**

In D.09-06-050 the Commission determined that bilateral contracts should be reviewed according to the same processes and standards as contracts that come through a solicitation. As discussed in the previous and follow sections, the PPA was reviewed and found reasonable based on the same review and standards as those used for determining reasonableness of PPA from solicitations.

The PPA is consistent with the bilateral contracting guidelines.

### **Consistency with RPS Delivery Rules**

Where an advice letter requests Commission approval of a PPA with a facility that does not have its first point of connection with the California transmission network and deliver electricity to an in-state location, the CEC provides a written determination to the Commission addressing whether the proposed delivery

structure meets the RPS delivery requirements set forth in the CEC's RPS Eligibility Guidebook.<sup>6</sup>

SCE will buy energy and green attributes from Puget and take delivery of both products at the Mid-Columbia trading hub. SCE will manage the energy from that point and proposes to satisfy the CEC's RPS delivery guidelines<sup>7</sup> in one of two ways:

1. Schedule firmed and shaped energy with green attributes directly into California upon receipt of the energy, or
2. Sell the energy outside California and "tag" import schedules with the green attributes

SCE has not committed itself to one of the options, but notes in AL 2388-E that it will choose what is appropriate and most cost-effective based on the relative prices of the options as they administer the contract.

Appendix A to this resolution contains a letter from CEC Staff determining that the delivery structure contained in the proposed PPA meets the CEC's RPS delivery requirements as set forth in the CEC's RPS Eligibility Guidebook.

### **Project Viability**

SCE asserts that there are no viability concerns with the Puget III Contract because the Klondike III facility is already operating and SCE expects that Puget will be able to perform all of its financial and other obligations under the agreement.

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<sup>6</sup> Renewables Portfolio Standard Eligibility Guidebook, 3<sup>rd</sup> Edition, publication # CEC-300-2007-006-ED3-CMF (January 2008), *available at* <http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-ED3-CMF.PDF>

<sup>7</sup> Public Resources Code §25741(b)(2)(B) requires that the energy from out-of-state facilities is delivered to California, and the CEC has adopted eligibility guidelines about the RPS delivery rules.

There is no project viability risk associated with the Puget III Contract because the facility is online and generating electricity.

### **Compliance With The Minimum Quantity Condition**

D.07-05-028 established a “minimum quantity” condition on the ability of utilities to count an eligible contract of less than 10 years duration with a facility that commenced commercial operations prior to January 1, 2005 for compliance with the RPS program.<sup>8</sup> In the calendar year that a short-term contract with an existing facility is executed, the utility must also enter into long-term contracts with new facilities equivalent to at least 0.25% of the utility’s previous year’s retail sales.

The facility that is to deliver energy pursuant to the PPA began commercial operation after January 1, 2005. Thus, the minimum quantity condition does not apply.

### **Compliance with the Interim Greenhouse Gas Emissions Performance Standard (EPS)**

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

D.07-01-039 adopted an interim EPS that establishes an emission rate quota for obligated facilities to levels no greater than the greenhouse gas (GHG) emissions of a combined-cycle gas turbine powerplant. The EPS applies to all energy contracts for baseload generation that are at least five years in duration.<sup>9</sup> Renewable energy contracts are deemed compliant with the EPS except in cases where intermittent renewable energy is firmed and shaped with generation from non-renewable resources.

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<sup>8</sup> For purposes of D.07-05-028, contracts of less than 10 years duration are considered “short-term” contracts and facilities that commenced commercial operations prior to January 1, 2005 are considered “existing”.

<sup>9</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. Utils. Code § 8340 (a).

The PPA is not a long-term financial commitment subject to the EPS because the term of the PPA is less than five years.

### **Procurement Review Group (PRG) Concerns**

SCE's PRG was formed on or around September 10, 2002. Participants include representatives from the Commission's Energy and Legal Divisions, the Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN), the Natural Resources Defense Council, California Utility Employees, the Union of Concerned Scientists, Aglet Consumer Alliance and the California Department of Water Resources.

SCE asserts that its PRG was consulted during each step of the 2008 renewable procurement process. On August 20, 2009, SCE advised the PRG of its conclusion of negotiations with Puget and intent to execute the Puget III Contract.

Pursuant to D.02-08-071, SCE's PRG participated in the review of the PPA.

Although Energy Division is a member of the PRG, it reserved its judgment on the contract until the resolution process. Energy Division reviewed the transaction independent of the PRG, and allowed for a full protest period before concluding its analysis.

### **Independent evaluator (IE) Reviewed the PPA**

SCE retained an IE, Merrimack Energy Group, Inc., to review project evaluation, monitor negotiations, and review the PPA. According to the IE Report submitted in AL 2388-E-A, Merrimack Energy Group, Inc. performed its duties reviewing the PPA and has provided an assessment report to the Commission.

In its Independent Evaluator Report, Sedway Consulting concluded that "...the process undertaken by SCE is consistent with the evaluation process and criteria used to undertake the evaluation of bids submitted in response to the 2008 RPS solicitation." Merrimack Energy Group, Inc. also recommends CPUC approval of the Puget III Contract based on the quantitative analysis, viability of facility, capability and experience of the project owner and operator, and the balanced risk allocation provisions in the contract .

The IE's contract-specific evaluation of the Puget III Contract is attached as confidential Appendix C to this resolution.

Consistent with D.09-06-0050, an independent evaluator (IE) reviewed the PPA.  
**Comparison to the Results of SCE's 2008 Solicitation**

Although the Puget III Contract was negotiated bilaterally, SCE conducted a least-cost best-fit (LCBF) bid evaluation of the project to compare it to SCE's 2008 solicitation bids and to determine whether the project would have been shortlisted. SCE found that the Puget III contract is attractive relative to proposals received in response to SCE's 2008 solicitation. (See Appendix B)

The PPA compares favorably to the results of SCE's 2008 solicitation.

**Cost Reasonableness**

Pursuant to D.09-06-050, Energy Division established a price reasonableness benchmark to evaluate the reasonableness of very-short term contracts. This benchmark, however, only applies when the request for approval of a contract comes through the expedited approval process approved by D.09-06-050.

Since SCE submitted AL 2388-E through the Tier 3 advice letter process, the reasonableness of the PPA price was evaluated relative to SCE's 2008 solicitation bids and SCE's other available RPS procurement options. While there were no very short-term contracts shortlisted in SCE's solicitation, SCE provided the Commission with a confidential analysis of how the contract price compares to its other 2008 offers. Confidential Appendix B includes a detailed discussion of the contractual pricing terms, including SCE's analysis that demonstrates that the Puget III Contract price is reasonable as compared to its 2008 shortlist.

The total expected costs of the PPA, as estimated by SCE, are reasonable based on their relation to bids received in response to SCE's solicitation.

**RPS Eligibility and CPUC Approval**

Pursuant to Pub. Utils. Code § 399.13, the 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 contract, the Commission has required standard and non-modifiable "eligibility" language in all RPS contracts. 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 use commercially reasonable efforts to maintain eligibility should there be a change in law affecting eligibility.<sup>10</sup>

The Commission requires a standard and non-modifiable clause in all RPS contracts 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.*), Decision 03-06-071, or other applicable law.”<sup>11</sup>

Notwithstanding this language, the Commission has no jurisdiction to determine whether a project is 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 a finding absolve any contracting party of its obligation to obtain CEC certification and/or to pursue remedies for breach of contract to ensure that only RPS-eligible generation is delivered and paid for under a Commission-approved contract. Such contract enforcement activities shall be reviewed pursuant to the Commission’s authority to review the administration of such contracts.

### **Confidential Information**

The Commission, in implementing Pub. Utils. 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

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<sup>10</sup> See, e.g. D. 80-04-009 at Appendix A, STC 6, Eligibility.

<sup>11</sup> See, e.g. D. 80-04-009 at Appendix A, STC 1, CPUC Approval.

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**

Public Utilities Code section 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 was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

## **FINDINGS AND CONCLUSIONS**

1. The proposed Puget III Contract is consistent with SCE's approved 2008 RPS Procurement Plan, approved by D.08-02-008.
2. The PPA is consistent with the resource needs identified in SCE's 2008 Procurement Plan.
3. The PPA includes the Commission-adopted RPS standard terms and conditions including those deemed "non-modifiable".
4. PPA is consistent with the bilateral contract guidelines established in D.09-06-050.
5. Appendix A to this resolution contains a letter from CEC Staff determining that the delivery structure contained in the proposed PPA meets the CEC's RPS delivery requirements as set forth in the CEC's RPS Eligibility Guidebook.
6. There is no project viability risk associated with the Puget III Contract because the facility is online and generating electricity.

7. The facility that is to deliver energy pursuant to the PPA began commercial operation after January 1, 2005. Thus, the minimum quantity condition does not apply.
8. The PPA is not a long-term financial commitment subject to the EPS because the term of the PPA is less than five years.
9. SCE's Procurement Review Group (PRG) participated in the review of the PPA.
10. An independent evaluator (IE) reviewed the PPA.
11. The PPA compares favorably to the results of SCE's 2008 solicitation.
12. The costs of the PPA, as estimated by SCE, are reasonable based on their relation to bids received in response to SCE's 2008 solicitation.
13. Provided the generation is from an eligible renewable energy resource, payments made by SCE under the PPA are fully recoverable in rates over the life of the PPA, subject to Commission review of SCE's administration of the PPA.
14. Procurement pursuant to the PPAs is procurement from eligible renewable energy resources 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 Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), D.03-06-071 and D.06-10-050, or other applicable law.
15. The immediately preceding finding shall not be read to allow generation from a non-RPS eligible renewable energy resource under these PPAs to count towards an RPS compliance obligation. Nor shall that finding absolve PG&E of its obligation to enforce compliance with Standard Term and Condition 6, set forth in Appendix A of D.08-04-009, and included in these PPAs. 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.
16. AL 2388-E should be approved effective today without modification.

**THEREFORE IT IS ORDERED THAT:**

1. The proposed renewable energy contract between Southern California Edison and Puget in Advice Letter 2388-E is approved without modification.

2. The costs of the contract between Southern California Edison and Puget are reasonable and in the public interest; accordingly, the payments to be made by Southern California Edison are fully recoverable in rates over the life of the project, subject to Commission review of Southern California Edison's administration of the contract.

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 on December 17, 2009; the following Commissioners voting favorably thereon:

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Paul Clanon  
Executive Director

Appendix A  
CEC Letter Regarding Eligibility of the Puget III  
Contract Delivery Structure

**CALIFORNIA ENERGY COMMISSION**

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512  
www.energy.ca.gov



November 3, 2009

The California Energy Commission, through its staff, has reviewed the proposed contracting structure between Puget III and Southern California Edison, as described in the excerpt from pages 4-5 of Advice Letter #2388-E in "Attachment A," and as shown in the schematic design from page 6 of the Advice Letter titled, "Attachment B — Diagram 1 - Puget III/Southern California Edison Delivery Structure."

Assuming that all eligibility requirements for the Renewables Portfolio Standard (RPS) are met, and that all parties shown in Attachment B participate in the Energy Commission's Renewables Portfolio Standard Tracking and Verification System and that the delivery point is in California, the Energy Commission staff has determined that the proposed contracting structures would meet the RPS delivery requirements according to the *Renewables Portfolio Standard Eligibility Guidebook* (CEC-300-2007-006-ED3-CMF, January 2008).

A handwritten signature in black ink, appearing to read 'Tony Gonçalves'.

Tony Gonçalves  
Manager, Renewable Energy Office  
California Energy Commission

Attachments

**ATTACHMENT A**  
**Puget III/Southern California Edison**

Under the Puget III Contract, SCE will take delivery of electric energy and green attributes at the Mid-Columbia trading hub. SCE will then import the energy into California in a manner that is compliant with the California Energy Commission's ("CEC's") out-of-state RPS delivery requirements.

In managing the electric energy, SCE will employ the same fundamental economic principles as it does with its current (non-ERR) power purchase agreements ("PPAs") for out-of-state resources by choosing the option that yields the most value to its customers:

- Scheduling the energy directly into California upon receipt of the energy, and/or
- Selling the energy outside California.

Analogous to the scenarios described immediately above, SCE will self-manage the green attributes as follows by:

- Scheduling firmed and shaped energy with green attributes directly into California as an import, and/or
- Selling energy without green attributes into the local market, and later (within the same calendar year that the facility produced the energy) tagging import schedules with the green attribute identifier consistent with the CEC<sup>5</sup> delivery requirements.

In all scenarios, SCE will demonstrate delivery of the wind generation to an in-state market hub or in-state location as specified in the CEC's "Delivery Requirements" as required in the CEC RPS Eligibility Guidebook, including by:

- Importing energy into California within the same calendar year the Klondike III facility produce the respective energy, and
- Participating in the CEC's approved RPS tracking and verification system.

Diagram 1 illustrates the deal structure and energy management scenarios described above.

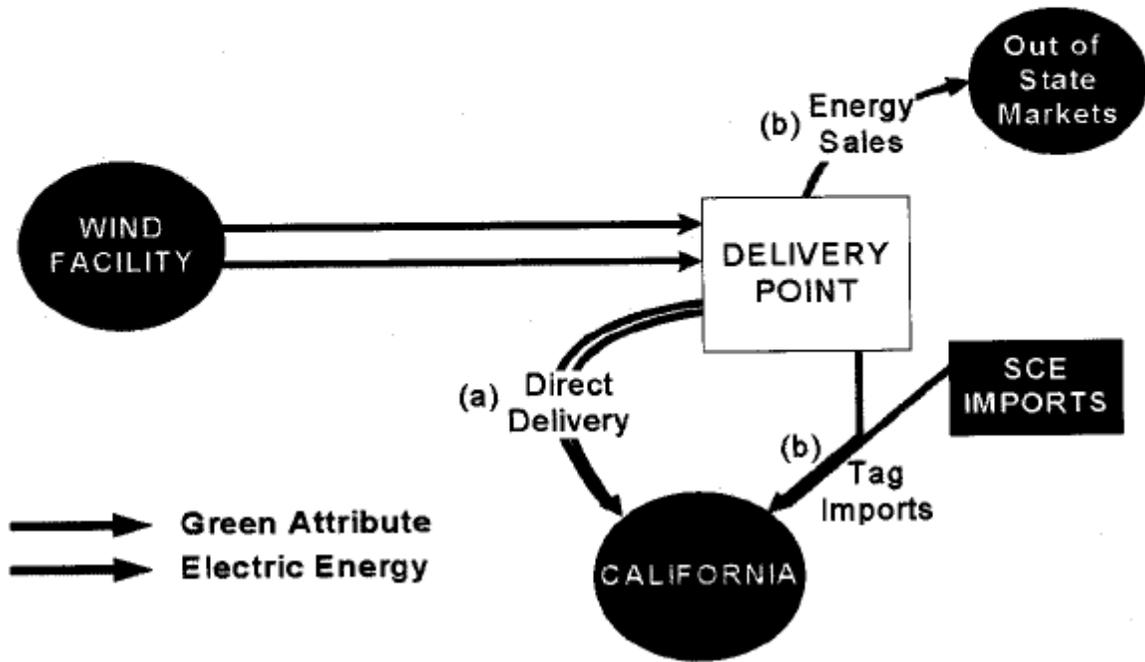
<sup>3</sup> ... although the Puget III Contract obligates Puget to deliver all RPS-eligible energy and related green attributes from Puget's 50 MW portion of the Klondike III facility starting from January 1, 2010 for calendar years 2010 and 2011, SCE will not begin receiving deliveries under the contract until certain contractual conditions are met, including final Commission approval. There is also a lag in deliveries to SCE due to firming and shaping.

<sup>4</sup> See Footnote 3 above.

<sup>5</sup> See Renewables Portfolio Standard Eligibility Guidebook (Third Edition), publication # CEC-300-2007-006-ED3-CMF, adopted December 19, 2007.

**ATTACHMENT B**

**Diagram 1 - PUGET III/SCE ENERGY DELIVERY STRUCTURE**



Confidential Appendix B:  
Confidential price and contract terms and conditions

[REDACTED]

Confidential Appendix C:  
IE Report for SCE's Puget III Contract<sup>12</sup>

[REDACTED]

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<sup>12</sup> Excerpts from "Southern California Edison Company Submission of a Bilateral Agreement with Puget Sound Energy, Inc. for Procurement of Renewable Energy - Report of the Independent Evaluator" (Merrimack Energy Group, Inc October 2009)