

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-4261
August 12, 2010**

REDACTED

R E S O L U T I O N

Resolution E-4261. Southern California Edison Company requests approval of seven renewable energy power purchase agreements with Solar Partners I, LLC, Solar Partners XVI, LLC, Solar Partners XVII, LLC, Solar Partners XVIII, LLC, Solar Partners XIX, LLC, Solar Partners XX, LLC, and Solar Partners XXI, LLC, each a wholly owned subsidiary of BrightSource Energy, Inc., resulting from Southern California Edison Company's 2008 Renewables Portfolio Standard solicitation.

PROPOSED OUTCOME: This Resolution approves cost recovery for a long-term renewable energy power purchase agreement between Southern California Edison Company and Solar Partners I, LLC. This power purchase agreement is approved without modification. The Commission defers judgment on the Solar Partners XVI, LLC, Solar Partners XVII, LLC, Solar Partners XVIII, LLC, Solar Partners XIX, LLC, Solar Partners XX, LLC, and Solar Partners XXI, LLC power purchase agreements.

ESTIMATED COST: Costs of the power purchase agreement are confidential at this time.

By Advice Letter 2339-E filed on April 6, 2009, Advice Letter 2339-E-A filed on May 20, 2009, and Advice Letter 2339-E-B filed on June 10, 2010.

SUMMARY

Southern California Edison Company's renewable energy power purchase agreement with Solar Partners I, LLC complies with the Renewables Portfolio Standard (RPS) procurement guidelines and is approved without modification

Southern California Edison Company (SCE) filed Advice Letter (AL) 2339-E on April 6, 2009, requesting Commission approval of seven long-term power purchase agreements (PPAs) with Solar Partners I, LLC, Solar Partners XVI, LLC, Solar Partners XVII, LLC, Solar Partners XVIII, LLC, Solar Partners XIX, LLC, Solar Partners XX, LLC, and Solar Partners XXI, LLC, each a wholly owned subsidiary of BrightSource Energy, Inc. (BSE). The Solar Partners PPAs resulted from SCE's 2008 Renewables Portfolio Standard solicitation. AL 2339-E did not include an Independent Evaluator (IE) report on the PPAs. On May 20, 2009, SCE filed a supplemental advice letter (AL 2339-E-A) that included the IE report and corrected two values in Confidential Appendix C of AL 2339-E.

SCE filed an additional supplemental advice letter (AL 2339-E-B) on June 10, 2010, that included two amendments to the Solar Partners PPAs. The first amendment applies to all seven PPAs. It extends the termination rights related to CPUC Approval and includes the new non-modifiable standard terms and conditions required by Decision (D).10-03-021. The other amendment only impacts the Solar Partners I PPA. It increases the Solar Partners I project capacity from 100 megawatts (MW) to 117 MW, with a potential to expand to 128.7 MW; modifies the forecasted initial operation date from January 31, 2013 to September 30, 2013; makes changes to the generating facility and site description; and, according to SCE, makes other minor modifications to the PPA.

The following table summarizes the Solar Partners I PPA:

Generating Facility	Technology Type	Term (Years)	Capacity (MW)¹	Energy (GWh/yr)²	Contract Delivery Start Date	Location
Solar Partners I (Ivanpah)	Solar Thermal, Central Tower	20	117 (potential expansion to 128.7)	335	9/30/2013	Ivanpah, CA ³

The Solar Partners I project is actively seeking American Recovery and Reinvestment Act of 2009 (ARRA) funding, and the California Energy Commission and Bureau of Land Management released a Final Staff Assessment/Draft Environmental Impact Statement on the project in November, 2009 and a Final Staff Assessment Addendum in March, 2010.

The Solar Partners I PPA price is at or below the applicable 2008 Market Price Referent. Deliveries from the Solar Partners I PPA are consistent with SCE's 2008 RPS Procurement Plan, which the Commission conditionally approved in Decision (D.) 08-02-008. RPS-eligible deliveries under the Solar Partners I 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 PPA.

The Solar Partners I PPA is approved without modification.

Without prejudice the Commission defers judgment on the Solar Partners XVI through XXI contracts, which will be addressed in subsequent resolution(s).

¹ MW = megawatts.

² GWh/yr = gigawatt hours per year.

³ Location is within the California Independent System Operator control area.

NOTICE

Notice of AL 2339-E, AL 2339-E-A, and AL 2339-E-B was made by publication in the Commission's Daily Calendar. SCE states that copies of the Advice Letters were mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

AL 2339-E was protested on April 28, 2009 by the Division of Ratepayer Advocates (DRA). SCE filed a timely response to DRA's protest on May 4, 2009.

AL 2339-E-A and AL 2339-E-B were not protested.

DISCUSSION

Overview of the Renewables Portfolio Standard (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 one percent of retail sales per year so that twenty percent of the utility's retail sales are procured from eligible renewable energy resources no later than December 31, 2010.⁴

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>.

SCE requests approval of seven renewable energy contracts

On April 6, 2009, Southern California Edison Company (SCE) filed Advice Letter (AL) 2339-E requesting Commission approval of seven 20-year power purchase agreements (PPAs) with Solar Partners I, LLC, Solar Partners XVI, LLC, Solar Partners XVII, LLC, Solar Partners XVIII, LLC, Solar Partners XIX, LLC, Solar Partners XX, LLC, and Solar Partners XXI, LLC, each a wholly owned subsidiary

⁴ See Public Utilities (Pub. Utils.) Code § 399.15(b)(1).

of BrightSource Energy, Inc. (BSE). The Solar Partners PPAs resulted from SCE's 2008 RPS solicitation.

AL 2339-E did not include an Independent Evaluator (IE) report of the projects. On May 20, 2009, SCE submitted a supplemental advice letter (AL 2339-E-A) containing the IE report for the seven PPAs proposed in AL 2339-E. AL 2339-E-A also included corrections to two prices included in Confidential Appendix C of AL 2339-E.

SCE filed an additional supplemental advice letter (AL 2339-E-B) on June 10, 2010, that included two amendments to the Solar Partners PPAs. The first amendment, which was executed on March 26, 2010 and impacted all of the Solar Partners PPAs, extended the termination rights in the PPAs related to CPUC Approval and included the new non-modifiable standard terms and conditions required by Decision (D).10-03-021. The other amendment, which was executed on April 23, 2010 and only impacted the Solar Partners I PPA, increased the Solar Partners I project capacity, modified the forecasted initial operation date, made changes to the generating facility and site description, and, according to SCE, made other minor modifications to the PPA.

Without prejudice the Commission defers judgment on the Solar Partners XVI through XXI contracts at this time. These contracts will be addressed in subsequent resolution(s).

The Solar Partners I project will utilize a new 117⁵ megawatt (MW) air-cooled solar thermal central tower generator with an expected online date of September 30, 2013. The facility will be located near Ivanpah, CA (near the California-Nevada border) and will interconnect as part of the Eldorado - Ivanpah Transmission Project. Pursuant to the Solar Partners I PPA, the Solar Partners I project will annually provide approximately 335 gigawatt hours (GWh) towards SCE's annual procurement target (APT).

⁵ The Solar Partners I project capacity has the potential of being expanded to 128.7 MW.

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

1. Approval of the BSE Contracts in their entirety;
2. A finding that any electric energy sold or dedicated to SCE pursuant to the BSE Contracts 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 Legislation⁶ or other applicable law concerning the procurement of electric energy from renewable energy resources;
3. A finding that all procurement under the BSE Contracts count, 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 BSE Contracts count, 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 BSE Contracts count, in full and without condition, towards the requirement in the RPS Legislation that SCE procure 20% (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 BSE Contracts, and SCE's entry into the BSE Contracts, is reasonable and prudent for all purposes, including, but not limited to, recovery in rates of payments made pursuant to the BSE Contracts, subject only to further review with respect to the reasonableness of SCE's administration of the BSE Contracts; and
7. Any other and further relief as the Commission finds just and reasonable.

⁶ As defined by SCE, "'RPS Legislation' refers to the State of California Renewable Portfolio Standard Program, as codified at California Pub. Utils. Code Section 399.11 *et seq.*"

Energy Division Review of the Proposed PPA

Energy Division evaluated the Solar Partners I PPA for the following criteria:

- Consistency with SCE's 2008 RPS Procurement Plan (Plan)
- Consistency with the resource needs identified in SCE's Plan
- Comparison to the results of SCE's 2008 RPS solicitation
- Cost reasonableness
- Consistency with RPS standard terms and conditions
- Contribution to RPS minimum quantity requirements for short-term contracts with existing facilities
- Compliance with the Interim Emissions Performance Standard
- Procurement Review Group participation
- Independent Evaluator oversight of SCE's RPS procurement process

Consistency with SCE's 2008 RPS Procurement Plan

California's RPS statute requires that the Commission review the results of a renewable energy resource solicitation submitted for approval by a utility.⁷ The Commission reviews the results to verify that the utility conducted its solicitation according to its Commission-approved procurement plan. In D.08-02-008, the Commission conditionally approved SCE's Plan and bid solicitation materials for SCE's 2008 RPS solicitation. SCE subsequently amended its Plan and bid solicitation materials consistent with the requirements in the authorizing decision. Pursuant to statute, SCE'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.⁸

⁷ Pub. Utils. Code, Section §399.14.

⁸ See, e.g., Pub. Utils. Code, Section §399.14(a)(3).

SCE asserts that the Solar Partners I bid in response to its 2008 RPS solicitation conformed to SCE's approved solicitation protocol by offering energy from an eligible renewable energy resource, submitting the standard forms, agreeing to be bound by the protocol, and signing a nondisclosure agreement. Additionally, the Solar Partners I bid was scored pursuant to SCE's bid evaluation protocol, and the bid score justified its inclusion on SCE's shortlist.

The Solar Partners I PPA is consistent with SCE's 2008 RPS Procurement Plan, approved by D.08-02-008 and subsequently amended by SCE.

Consistency with the Resource Needs Identified in SCE's Plan

SCE's 2008 Plan states that SCE has a near-term as well as long-term need for renewable energy, and SCE seeks to procure renewable resources to augment those under contract from prior solicitations and bilateral negotiations. Specifically, SCE intends to secure resources from its 2008 solicitation, as necessary, to ensure that it meets the 20% RPS goal as soon as possible, and with a reasonable margin of safety. 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:

- With near-term deliveries
- 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 California Energy Commission (CEC) Guidebook for RPS eligibility
- Delivered within the CAISO Control Area, but considered proposals for facilities interconnected to the Western Electricity Coordinating Council (WECC) transmission system

The proposed Solar Partners I project may be able to contribute to SCE's 2010 20% RPS target due to the project's expected 2013 online date and SCE's ability to use flexible compliance. In addition, the project is valuable for maintaining SCE's RPS target in subsequent years, particularly given the projected increase in SCE's load and expiration of shorter-term RPS contracts. Therefore, the Solar Partners I project fits SCE's identified renewable resource needs because it will contribute to SCE's near-term and long-term RPS goal. In addition, the project

meets SCE's preferences of being located within California as well as having a capacity of at least 1.5 MW and a contract length of 20 years.

The Solar Partners I PPA is consistent with the resource needs identified in SCE's 2008 Procurement Plan.

Comparison to the Results of SCE's 2008 RPS Solicitation

The Commission's Least Cost Best Fit (LCBF) decisions direct the utilities to use certain criteria in their bid ranking and provide guidance regarding the process by which the utility ranks bids in order to "shortlist" the bids eligible for contract negotiations.⁹ The bid evaluation includes a quantitative and qualitative analysis. The quantitative analysis results in relative benefit-to-cost (B/C) ratios for each bid, and the qualitative review assesses a project's viability based on a number of factors such as development issues, site control, availability of project financing, technology maturity, and seller experience. Based on these criteria, SCE asserts that the Solar Partners I project has high viability.

An important component of this project's viability is project financing. It should be noted that, given the recent credit crisis, large renewable energy projects have faced significant financing risk. However, the Solar Partners I project is seeking American Recovery and Reinvestment Act of 2009 (ARRA) funding, which, if received, will increase the project's ability to secure project financing. In order to receive ARRA funding, the project must meet certain project milestones by the end of 2010. A precondition to achieving the milestones is to receive its Application for Certification (AFC) from the California Energy Commission (CEC), which requires an Environmental Impact Statement from the CEC and Bureau of Land Management. Both agencies released a Final Staff Assessment/Draft Environmental Impact Statement in November, 2009 and a Final Staff Assessment Addendum in March, 2010.

SCE's analysis indicates that the final LCBF results for the Solar Partners I project is favorable compared to the other 2008 RPS bids with respect to benefit/cost ratio, viability, and other factors. The IE generally concurs with SCE's findings. Confidential Appendix B to this resolution provides a more detailed comparison of the Solar Partners I project to SCE's other 2008 RPS solicitation shortlist bids.

⁹ D.04-07-029

The Solar Partners I PPA compares reasonably to the results of SCE's 2008 solicitation.

Cost Reasonableness

The Commission's reasonableness review for RPS PPA prices includes a comparison of the proposed PPA to other proposed RPS projects from recent RPS solicitations and recent Commission approved projects. SCE filed confidential work papers with AL 2339-E comparing the Solar Partners I PPA price to other offers received in SCE's 2008 RPS solicitation. As stated above, the Solar Partners I bid compared favorably to SCE's other 2008 offers.

Staff also compared the Solar Partners I PPA price to other RPS PPAs recently approved by the Commission as well as SCE's 2009 RPS solicitation shortlist bids. Based on these analyses, the Commission determines that the Solar Partners I PPA price is reasonable. Confidential Appendix A to this resolution includes details about the contractual pricing terms.

Since the Solar Partners I PPA price is at or below the applicable 2008 Market Price Referent (MPR), no above-MPR funds need to be allocated to the Solar Partners I project.

The total expected cost of the Solar Partners I PPA, as estimated by SCE, is reasonable based on its relation to bids received in response to SCE's 2008 solicitation and contracts recently executed by SCE. 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.

Consistency with RPS Standard Terms and Conditions

The Commission adopted a set of standard terms and conditions (STCs) required in RPS contracts, four of which are considered "non-modifiable." The STCs were compiled in D.08-04-009 and subsequently amended in D.08-08-028. The Solar Partners I PPA, as originally executed, did not include all of the "non-modifiable" STCs. SCE explains that on or about March 31, 2009, SCE and BrightSource executed an amendment to the Solar Partners I PPA to include all of the "non-modifiable" STCs, as set forth in D.08-04-009 and D.08-08-028.

The Solar Partners I PPA includes the Commission adopted RPS “non-modifiable” standard terms and conditions, as set forth in D.08-04-009 and amended by D.08-08-028.

Contribution to RPS Minimum Quantity Requirements for Short-term Contracts with Existing Facilities

D.07-05-028 established a "minimum quantity" condition on the ability of utilities to count an eligible short-term contract with an existing facility for compliance with the RPS program.¹⁰ In the calendar year that a short-term contract with an existing facility is executed, the utility must also enter into long-term contract(s) or contract(s) with new facilities equivalent to at least 0.25% of the utility's previous year's retail sales.

The PPA is considered a long term contract with a new facility. Therefore, the Solar Partners I PPA will contribute to SCE’s minimum quantity requirement established in D.07-05-028.

Compliance with the Interim Greenhouse Gas Emissions Performance Standard

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 Emissions Performance Standard (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. The EPS applies to all energy contracts for baseload generation that are at least five years in duration.¹¹ Generating facilities using certain renewable resources

¹⁰ For purposes of D.07-05-028, contracts of at least 10 years in duration are considered “long-term,” and facilities that commenced commercial operations on or after January 1, 2005 are considered “new.”

¹¹ “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).

are deemed compliant with the EPS,¹² although contracts with intermittent resources are subject to the limitation that total purchases under the contract do not exceed the expected output from the facility over the term of the contract.¹³

The Solar Partners I PPA meets the condition for EPS compliance established in D.07-01-039 because the Solar Partners I facility is one of the pre-approved renewable energy technologies listed in D.07-01-039.

Procurement Review Group Participation

The Procurement Review Group (PRG) process was initially established in D.02-08-071 as an advisory group to review and assess the details of the IOUs' overall procurement strategy, solicitations, specific proposed procurement contracts and other procurement processes prior to submitting filings to the Commission.

SCE asserts that its PRG¹⁴ was consulted during each step of the 2008 renewable procurement process. According to SCE, on June 11, 2008, it informed its PRG of the proposed shortlist of bids from SCE's 2008 RPS solicitation. On January 21, 2009, SCE informed its PRG that SCE had successfully concluded discussions with BSE regarding the Solar Partners I contract, and on April 14, 2010, SCE briefed its PRG about the contract amendments included in AL 2339-E-B.

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

Independent Evaluator Oversaw SCE's RPS Procurement Process

SCE retained an Independent Evaluator (IE), Sedway Consulting, Inc., to report to SCE's procurement review group about the 2008 RPS solicitation and to ensure that the solicitation was conducted fairly and that the best resources were

¹² D.07-01-039, Attachment 7, p. 4.

¹³ D.07-01-039, Attachment 7, p. 7.

¹⁴ SCE's Procurement Review Group (PRG) consists of representatives from: DRA, The Utility Reform Network (TURN), California Utility Employees, the Union of Concerned Scientists, the Natural Resources Defense Council, the California Department of Water Resources, and the Commission's Energy and Legal Divisions.

acquired. According to the IE Report submitted in AL 2339-E-A, Sedway Consulting performed its duties overseeing the 2008 solicitation and has provided assessment reports to the PRG and the Commission.

In its Independent Evaluator Report, Sedway Consulting concluded that SCE "...conducted a fair and effective evaluation of the RPS proposals that it received in response to its March 7, 2008 RFP. All proposals were evaluated consistently, appropriately, and without bias." Regarding the Solar Partners I PPA, The IE finds that the PPA was "...negotiated fairly and appropriately." The IE's contract-specific evaluation of the Solar Partners I project is attached to this resolution as Confidential Appendix C.

Consistent with D.06-05-039, an IE oversaw SCE's 2008 RPS procurement process.

DRA PROTEST OF AL 2339-E

On April 28, 2009, DRA submitted a protest to AL 2339-E. In its protest, DRA argued that the Commission should reject the proposed PPA because SCE did not submit an IE report with the original advice letter filing. SCE subsequently filed an IE report with AL 2339-E-A.

In Resolution E-4262, the Commission addressed a similar situation in which DRA protested AL 2342-E because SCE did not submit the IE report with the original advice letter filing. In that resolution, the Commission accepted DRA's protest to require the IE report to be filed in the same advice letter filing as the PPA. Staff notes that since the Commission adopted Resolution E-4262, SCE has filed IE reports in the same advice letter filings as the corresponding PPAs.

As in Resolution E-4262, the Commission reiterates that the IE report should be included in the same advice letter filing as the PPA. However, the Commission does not find that this protest merits rejecting the Solar Partner I PPA because the issues has been resolved. Therefore, DRA's protest of AL 2339-E is accepted in part.

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.¹⁵

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.”¹⁶

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 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 administration of such contracts.

¹⁵ See, e.g. D. 08-04-009 at Appendix A, STC 6, Eligibility.

¹⁶ See, e.g. D. 08-04-009 at Appendix A, STC 1, CPUC Approval.

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 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 ON THIS RESOLUTION

Pub. Utils. 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 was neither waived nor reduced.

SCE filed comments on draft Resolution E-4261 on August 2, 2010. While SCE fully supports the draft, it requests one minor clarification. SCE requests an additional Finding and Conclusion to make it clear that the Commission is approving the Solar Partners I PPA “as amended by the First, Second and Third Amendments”. The Resolution has been modified to address SCE’s concern.

FINDINGS AND CONCLUSIONS

1. The Solar Partners I power purchase agreement (PPA) was amended by the First, Second and Third Amendments. All references to the Solar Partners I PPA refer to the Solar Partners I PPA as amended by the First, Second and Third Amendments.
2. The Solar Partners I PPA is consistent with Southern California Edison Company’s (SCE) 2008 Renewables Portfolio Standard (RPS) Procurement Plan, approved by D.08-02-008 and subsequently amended by SCE.

3. The Solar Partners I PPA is consistent with the resource needs identified in SCE's 2008 Procurement Plan.
4. SCE asserts that the Solar Partners I project has high viability.
5. The Solar Partners I PPA compares reasonably to the results of SCE's 2008 solicitation.
6. The total expected cost of the Solar Partners I PPA, as estimated by SCE, is reasonable based on its relation to bids received in response to SCE's 2008 solicitation and contracts recently executed by SCE.
7. 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.
8. The Solar Partners I PPA includes the Commission adopted RPS "non-modifiable" standard terms and conditions, as set forth in D.08-04-009 and amended by D.08-08-028.
9. The Solar Partners I PPA will contribute to SCE's minimum quantity requirement established in D.07-05-028.
10. The Solar Partners I PPA meets the condition for Emissions Performance Standard (EPS) compliance established in D.07-01-039 because the Solar Partners I facility is one of the pre-approved renewable energy technologies listed in D.07-01-039.
11. Pursuant to D.02-08-071, SCE's Procurement Review Group (PRG) participated in the review of the Solar Partners I PPA.
12. Consistent with D.06-05-039, an Independent Evaluator (IE) oversaw SCE's 2008 RPS procurement process.
13. The protest of Advice Letter (AL) 2339-E by the Division of Ratepayer Advocates (DRA) is accepted in part because the Commission concurs with the argument that an Independent Evaluator report should be filed with the original advice letter but does not find that it merits rejecting this advice letter.
14. Procurement pursuant to the PPA is procurement from an eligible renewable energy resource for purposes of determining SCE'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 this PPA to count towards an RPS compliance obligation. Nor shall that finding absolve SCE of its obligation to enforce compliance with this PPA.
16. 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.
17. The Solar Partners I PPA proposed in AL 2339-E, AL 2339-E-A, and AL 2339-E-B should be approved effective today without modification.
18. Commission evaluation of the Solar Partners XVI, Solar Partners XVII, Solar Partners XVIII, Solar Partners XIX, Solar Partners XX, and Solar Partners XXI PPAs proposed in AL 2339-E, AL 2339-E-A, and AL 2339-E-B will be deferred.

THEREFORE IT IS ORDERED THAT:

1. The Solar Partners I power purchase agreement proposed in Southern California Edison Company's Advice Letter 2339-E, Advice Letter 2339-E-A, and Advice Letter 2339-E-B is approved without modification.
2. Commission evaluation of the Solar Partners XVI, Solar Partners XVII, Solar Partners XVIII, Solar Partners XIX, Solar Partners XX, and Solar Partners XXI power purchase agreements proposed in Advice Letter 2339-E, Advice Letter 2339-E-A, and Advice Letter 2339-E-B will be deferred.
3. 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 August 12, 2010; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON
PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
TIMOTHY ALAN SIMON
NANCY E. RYAN
Commissioners

Confidential Appendix A

Additional Discussion of Solar Partners I Project
[REDACTED]

Confidential Appendix B

Comparison of Solar Partners I to Other 2008 RPS
Solicitation Shortlisted Projects
[REDACTED]

Confidential Appendix C

Independent Evaluator's
Contract-Specific Assessment

[REDACTED]