Date of Issuance – 6/11/12

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION **RESOLUTION E-4501**
June 7, 2012

REDACTED

R E S O L U T I O N

Resolution E-4501. Southern California Edison Company requests approval of a power purchase agreement with McCoy Solar, LLC a subsidiary of NextEra Energy Resources, LLC.

PROPOSED OUTCOME: This Resolution approves cost recovery for a power purchase agreement between Southern California Edison Company and McCoy Solar, LLC.

ESTIMATED COST: Actual costs are confidential at this time.

By Advice Letter 2661-E filed on November 28, 2011.

SUMMARY

Southern California Edison Company's renewable energy power purchase agreement with McCoy Solar, LLC.

Southern California Edison Company (SCE) requests approval of a power purchase agreement (PPA) with McCoy Solar, LLC a subsidiary of NextEra Energy Resources, LLC. McCoy Solar, LLC is developing a new solar photovoltaic project in Riverside County, California with a total capacity of 250 megawatts (MW) and total annual expected generation of 611 gigawatt-hours (GWh).

The McCoy Solar, LLC facility (McCoy Solar) is forecast to achieve commercial operation no later than November 30, 2016 coinciding with SCE's Renewables Portfolio Standard (RPS) portfolio needs in the second half of this decade. The McCoy Solar PPA is reasonably priced compared to other contracts offered to SCE at the time the McCoy Solar PPA was signed, including offers received in SCE's 2011 RPS solicitation. The McCoy Solar PPA was negotiated bilaterally prior to SCE's 2011 RPS solicitation; however, SCE executed the PPA only after

seeing the results of the 2011 solicitation to ensure that the McCoy Solar PPA was of comparable or better value to other RPS market offers.

This resolution approves SCE's PPA with McCoy Solar, LLC without modification. SCE's execution of the PPA is consistent with SCE's 2011 RPS Procurement Plan, which the Commission approved in Decision 11-04-030. The procurement costs incurred by SCE associated with the McCoy Solar, LLC PPA are fully recoverable in rates over the life of the PPA, subject to Commission review of SCE's administration of the PPA.

The following table summarizes the project-specific features of the agreement:

Generating Facility	Type	Term Years	MW Capacity	Annual Deliveries	Online Date	Project Location
McCoy Solar	Solar PV	20	250	611 GWh	November 30, 2016	Riverside Co., CA

BACKGROUND

Overview of the Renewables Portfolio Standard (RPS) 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).[1] The RPS program is codified in Public Utilities Code Sections 399.11-399.31.[2] 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

[1] 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).

[2] 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.[3]

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.

NOTICE

Notice of AL 2661-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

No protests were received to this advice letter.

DISCUSSION

SCE requests Commission approval of a renewable energy contract with McCoy Solar, LLC.

On November 28, 2011, Southern California Edison Company (SCE) filed Advice Letter (AL) 2661-E requesting Commission approval of a renewable power purchase agreement (PPA) with McCoy Solar, LLC, a subsidiary of NextEra Energy Resources, LLC. McCoy Solar, LLC is developing a new solar photovoltaic facility (McCoy Solar) on public and private land in Riverside County, California with a total capacity of 250 megawatts (MW) and total annual expected generation of 611 gigawatt-hours (GWh). The McCoy Solar facility will utilize commercially demonstrated photovoltaic technology to generate RPS-eligible electricity. SCE will begin taking deliveries of energy, capacity and resource adequacy attributes from the McCoy Solar facility no later than November 30, 2016 and thereafter for a period of 20 years under the price and terms of the approved PPA.

[3] D.11-12-020 established a methodology to calculate procurement requirement quantities for the three different compliance periods set forth in Section 399.15 (2011-2013, 2014-2016, and 2017-2020).

SCE and McCoy Solar, LLC negotiated the PPA bilaterally outside of a competitive solicitation. Consequently, SCE compared the price and value of the McCoy Solar PPA to offers received in the 2011 RPS solicitation to ensure the PPA was of comparable or better value to the most current market offers. Information filed by SCE in AL 2661-E, including analysis from an independent evaluator, shows that the McCoy Solar PPA will provide SCE with competitively priced renewable energy at a time when SCE forecasts it needs it most.

The McCoy Solar facility will interconnect and have its first point of delivery within the California Independent System Operator (CAISO) balancing authority area (BAA). Therefore, the renewable energy credits (RECs) SCE acquires from the McCoy Solar PPA are expected to be "Category 1" RECs for the purpose of compliance with California's Renewables Portfolio Standard (RPS) program.[4]

SCE requests that the Commission issue a resolution containing:

1. Approval of the McCoy power purchase and sale agreement (PPSA) in its entirety;
2. A finding that the McCoy PPSA is consistent with SCE's 2011 RPS Procurement Plan;
3. A finding that the McCoy PPSA is compliant with the Emissions Performance Standard;
4. A finding that any procurement pursuant to the McCoy PPSA 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.), Decision 03-06-071, or other applicable law;
5. A finding that the McCoy PPSA, and SCE's entry into it, is reasonable and prudent for all purposes, including, but not limited to, recovery in rates of payments made pursuant to the McCoy PPSA and administrative costs associated with the McCoy PPSA, subject only to further review with

[4] In Decision (D.) 11-12-052, the Commission implemented the RPS portfolio content categories established in Section 399.16.

respect to the reasonableness of SCE's administration of the McCoy PPSA; and

6. Any other and further relief as the Commission finds just and reasonable.

Energy Division Evaluated the McCoy Solar, LLC PPA on these Grounds:

- Consistency with Bilateral Contracting Rules
- Consistency with SCE's 2011 RPS Procurement Plan
- Consistency with Least-Cost Best-Fit Requirements
- RPS Portfolio Need
- Price Reasonableness and Value
- Consistency with RPS Standard Terms and Conditions
- Project Viability
- Procurement Review Group Participation
- Independent Evaluator Requirements
- Compliance with the Interim Greenhouse Gas Emissions Performance Standard

Consistency with Bilateral Contracting Rules

SCE and McCoy Solar, LLC negotiated the McCoy Solar PPA on a bilateral basis during an extended period of time when there wasn't an RPS solicitation held.[5] SCE entered into bilateral negotiations because of the PPA's competitive price and terms.

The Commission has developed guidelines pursuant to which utilities may enter into bilateral RPS contracts. In D.03-06-071, the Commission authorized entry into bilateral RPS contracts provided that such contracts did not require Public Goods Charge funds and that they were "prudent." In D.06-10-019, the Commission established rules pursuant to which the IOUs could enter into bilateral RPS contracts. SCE adhered to these bilateral contracting rules because

[5] SCE's 2009 RPS solicitation closed on August 21, 2009 and the 2011 RPS solicitation opened on May 13, 2011. There was no RPS solicitation held in 2010.

the McCoy Solar, LLC PPA is longer than one month in duration, the PPA was filed by advice letter and the contracts are reasonably priced, as discussed in more detail below.

In D.09-06-050, the Commission also determined that bilateral agreements should be reviewed according to the same processes and standards as projects that come through a solicitation. Accordingly, as described below, the McCoy Solar, LLC PPA was compared to other RPS offers received in SCE's 2011 RPS solicitation; the PPA was reviewed by SCE's Procurement Review Group; and an independent evaluator oversaw the project evaluation and PPA negotiation.

<u>The McCoy Solar, LLC PPA is consistent with the bilateral contracting guidelines established in D.06-10-019 and D.09-06-050.</u>

Consistency with SCE's 2011 RPS Procurement Plan

California's RPS statute requires the Commission to direct each utility to prepare a Renewable Energy Procurement Plan (Plan) and then review and accept, modify, or reject the Plan prior to the commencement of a utility's annual RPS solicitation.[6] The Commission must then accept or reject proposed PPAs based on their consistency with the utility's approved Plan. SCE's stated that its evaluation criteria would consider the benefit of 1) offers with facilities located near approved transmission infrastructure, and 2) offers with facilities that have a first point of interconnection to a California balancing authority area[7] within the Western Electricity Coordinating Council. Also, SCE informed potential participants to SCE's 2011 RPS solicitation that SCE preferred offers that could

[6] Section 399.13

[7] In D.11-12-052, the Commission determined that there are currently five California balancing authority areas that meet the criteria in Section 399.12(d). These California balancing authority areas are: California Independent System Operator (CAISO), Balancing Authority of Northern California (formerly Sacramento Municipal Utility District), Imperial Irrigation District, Los Angeles Department of Water and Power, and Turlock Irrigation District.

initially deliver in later half of the decade (i.e., 2016-2020) when SCE is expected to have a need for incremental RPS generation.[8]

The McCoy Solar PPA is consistent with SCE's 2011 RPS Procurement Plan, approved by D.11-04-030.

Consistency with SCE's Least-Cost Best-Fit Requirements

The Least-Cost Best-Fit (LCBF) decision directs the utilities to use certain criteria in their bid ranking.[9] The decision offers guidance regarding the process by which the utility ranks bids in order to select or "shortlist" the bids with which it will commence negotiations. SCE's bid evaluation process includes a quantitative and qualitative analysis as well as an assessment of each proposal's absolute value to SCE's customers and relative value in comparison to other proposals. The basic components of SCE's LCBF evaluation and selection criteria and process for RPS contracts were established in the Commission's LCBF Decisions D.03-06-071 and D.04-07-029. Consistent with these decisions, the three main steps undertaken by SCE are: (1) initial data gathering and verification; (2) a quantitative assessment of proposals, and; (3) adjustments to selection based on proposals' qualitative attributes. SCE applied these criteria to the proposals received in the 2011 Solicitation in order to establish a short-list of proposals from bidders with whom SCE would engage in contract discussions.

While the McCoy Solar PPA did not result from the 2011 RPS solicitation, SCE evaluated McCoy Solar, LLC's offer using the same LCBF metrics applied to offers received in the solicitation. This was confirmed by the independent evaluator.[10]

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[8] *See* SCE's "2011 RENEWABLE RFP BIDDERS CONFERENCE" presentation (May 26, 2011). Most recently accessed on April 26, 2012: http://asset.sce.com/Documents/Shared/2011_SCEBiddersPresentation.pdf

[9] *See* D.04-07-029

[10] *See* AL 2661-E, Appendix C at 14.

The Commission finds that SCE appropriately examined the reasonableness of the McCoy Solar, LLC PPA by utilizing the LCBF methodology used to evaluate offers from the 2011 RPS solicitation.

RPS Portfolio Need

The need for incremental RPS generation is based on SCE's projected RPS position for all three compliance periods established under Public Utilities Code Section 399.15 (b)(1) as implemented by Decision (D.)11-12-020. When adjusting SCE's RPS portfolio to account for a certain amount of project failure, the need requirements for SCE to meet its RPS compliance requirements fall in the second half of this decade which coincides with the third compliance period (2017-2020). The McCoy Solar facility is forecast to achieve full commercial operation by November 30, 2016 for a term of 20 years, thus delivering energy during the latter half this decade when SCE has a need for new renewable generation to achieve and sustain a 33% RPS requirement. See Confidential Appendix A for a discussion on SCE's need requirements and portfolio fit.

The McCoy Solar, LLC PPA meets the need requirements of SCE's RPS portfolio because it is expected to result in RPS generation in the third compliance period.

Price Reasonableness and Value

SCE asserts that the McCoy Solar LLC PPA is a good value for its ratepayers and is competitively priced compared to offers it received in its most recent RPS solicitation held in 2011. SCE and McCoy Solar, LLC completed PPA negotiations (without having contract execution occurred) in March 2011. On September 29, 2011 SCE and McCoy Solar, LLC executed the PPA, after the June 27, 2011 close of the 2011 RPS solicitation. Therefore, the proper cohorts to evaluate the McCoy Solar price reasonableness and value against are the shortlisted projects from SCE's 2011 RPS Solicitation. See Confidential Appendix A for a discussion on the price reasonableness and value of the McCoy Solar, LLC PPA.

The Commission finds that the price and value of the McCoy Solar, LLC PPA are reasonable and competitive with contracts offered to SCE in its 2011 RPS solicitation. Payments made by SCE under the McCoy Solar, LLC 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. More recently in D.10-03-021, as modified by D.11-01-025, the Commission further refined these STCs.

The McCoy Solar, LLC PPA includes the Commission-adopted RPS "non-modifiable" standard terms and conditions, as set forth in D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025.

Project Viability

NextEra Energy Resources, LLC, the parent company to McCoy Solar, LLC is the largest generator in North America of wind and solar power claiming more than 8,500 MW of nameplate renewable generating capacity.[11]

The McCoy Solar facility will utilize commercialized photovoltaic technology, e.g., crystalline silicon or cadmium telluride, with single axis tracking. Key project development milestones have been initiated and/or obtained. Given the project developers' experience and the utilization of commercialized technology, SCE considers the McCoy Solar facility highly viable, especially for a project with a 2016 commercial online date. The independent evaluator determined that, "…the McCoy project is a reasonably mature project that has been in the development process for some time."[12] See Confidential Appendix A for a broader discussion on the project viability of the McCoy Solar project.

The McCoy Solar project is viable because it will utilize commercialized technology and has achieved key project development milestones.

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[11] Information about NextEra Energy Resources is available here: http://www.nexteraenergyresources.com/environment/renewable.shtml

[12] *See* AL 2661-E, Appendix C at 14

Procurement Review Group Participation

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

According to SCE, participants in its PRG include representatives from the Commission's Energy and Legal Divisions, the Division of Ratepayer Advocates, The Utility Reform Network, the Natural Resources Defense Council, California Utility Employees, the Union of Concerned Scientists, and the California Department of Water Resources.

SCE advised the PRG of the McCoy Solar, LLC PPA at several meeting including March 30, 2011, August 17, 2011 and September 14, 2011.

<u>Pursuant to D.02-08-071, SCE complied with the Commission's rules for involving the Procurement Review Group.</u>

Independent Evaluator Requirements

The Commission requires the use of independent evaluator (IE) in significant procurement processes and decisions undertaken by the investor-owned utilities. SCE retained Merrimack Energy Group, Inc to serve as its IE and oversee the evaluation and negotiation of the McCoy Solar, LLC PPA.

The independent evaluator participated in communications between SCE and NextEra Energy Resources, LLC (affiliate to McCoy Solar, LLC) and participated in SCE's internal meetings to evaluate the value and merits and the McCoy Solar, LLC PPA relative to other RPS procurement opportunities. The IE also independently reviewed the evaluation of the contract relative to the renewable premium and project viability criteria associated with offers from the 2011 solicitation. The independent evaluator from Merrimack Energy Group, Inc determined that SCE's decision to execute the McCoy Solar, LLC PPA was based on a fair and unbiased evaluation process that was consistent with the evaluation process and criteria SCE used to evaluate bids submitted in response to the 2011 RPS solicitation. The IE determined that the costs and viability of the McCoy Solar PPA and project, respectively, merit Commission approval.

Consistent with D.06-05-039, an independent evaluator oversaw SCE's RPS procurement process. Additionally, an independent evaluator oversaw SCE's negotiations with McCoy Solar, LLC and compared the costs, value and viability of the McCoy Solar LLC, PPA to the most recent offers received in the 2011 RPS solicitation. The independent evaluator recommends that the Commission approve the McCoy Solar LLC, PPA.

Contribution to Minimum Quantity Requirement for Long-Term/New Facility Contracts

Section 399.13(b) requires that the commission establish "minimum quantities of eligible renewable energy resources to be procured through contracts of at least 10 years' duration." Because the McCoy Solar LLC, PPA is greater than 10 years in length, the PPA may be construed as counting toward the minimum quantity requirements that the Commission will establish in Rulemaking (R.) 11-05-005.

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

California Public Utilities Code Sections 8340 and 8341 require the Commission to consider emissions 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 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.[13] Generating facilities using certain renewable resources are deemed compliant with the EPS.[14]

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[13] "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).

[14] D.07-01-039, Attachment 7, p. 4

The McCoy Solar LLC, PPA meets the conditions for EPS compliance because the contract is for intermittent generation from a facility with a capacity factor less than 60 percent.[15]

The McCoy Solar LLC, PPA meets the conditions for EPS compliance established in D.07-01-039 because the facility will produce electricity at a capacity factor of less than 60 percent and is therefore not a baseload power plant as defined in Public Utilities Code Section 8340(a).

CONFIDENTIAL INFORMATION

The Commission, in implementing Public Utilities Code Section 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, including 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.

RPS ELIGIBILITY AND CPUC APPROVAL

Pursuant to Public Utilities Code Section 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 uses commercially

[15] D.07-01-039, Attachment 7, p. 7

reasonable efforts to maintain eligibility should there be a change in law affecting eligibility.[16]

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.*), D.11-12-020 and D.11-12-052, or other applicable law."[17]

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 utilities' administration of such contracts.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to Public Utilities Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

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[16] *See, e.g.* D. 08-04-009 at Appendix A, STC 6, Eligibility.

[17] *See, e.g.* D. 08-04-009 at Appendix A, STC 1, CPUC Approval.

FINDINGS AND CONCLUSIONS

1. Southern California Edison Company's (SCE) power purchase agreement (PPA) with McCoy Solar, LLC is consistent with the bilateral contracting guidelines established in Decision (D.) 06-10-019 and D.09-06-050.
2. SCE's PPA with McCoy Solar, LLC is consistent with SCE's 2011 RPS Procurement Plan, approved by Decision (D.) 11-04-030.
3. The McCoy Solar, LLC PPA includes the Commission-adopted RPS "non-modifiable" standard terms and conditions, as set forth in D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025.
4. SCE appropriately examined the reasonableness of the McCoy Solar, LLC PPA by utilizing the Commission-approved least-cost best-fit methodology used to evaluate offers from the 2011 RPS solicitation.
5. The price and value of the McCoy Solar, LLC PPA are reasonable and competitive when compared to other RPS contracts offered to SCE in its 2011 RPS solicitation.
6. Payments made by SCE under the McCoy Solar, LLC PPA are fully recoverable in rates over the life of the PPA, subject to Commission review of SCE's administration of the PPA.
7. The McCoy Solar, LLC PPA is expected to result in an annual average of 611 gigawatt hours of electricity beginning in the fourth quarter of 2016, which meets SCE's need for incremental renewables portfolio standard (RPS) eligible resources.
8. SCE complied with the Commission's rules for involving its Procurement Review Group pursuant to D.02-08-071.
9. The McCoy Solar project is viable because it will utilize commercialized technology and has achieved key project development milestones.
10. Consistent with D.06-05-039, an independent evaluator oversaw SCE's negotiations with McCoy Solar, LLC and compared the costs, value and viability of the McCoy Solar LLC, PPA to the offers received in SCE's 2011 RPS solicitation. The independent evaluator believes that the McCoy Solar, LLC PPA merits Commission approval.
11. The McCoy Solar LLC, PPA meets the conditions for compliance with the Emissions Performance Standard established in D.07-01-039 because the facility will produce electricity at a capacity factor of less than 60 percent

and is therefore not a baseload power plant as defined in Public Utilities Code Section 8340(a).

12. 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.
13. 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.11-12-020 and D.11-12-052, or other applicable law.
14. The immediately preceding finding shall not be read to allow generation from a non-RPS eligible renewable energy resource under the McCoy Solar LLC, PPA to count towards an RPS compliance obligation. Nor shall that finding absolve SCE of its obligation to enforce compliance with the McCoy Solar LLC, PPA.
15. The McCoy Solar LLC, PPA should be approved in its entirety.
16. Advice Letter 2661-E should be approved effective today without modification.

THEREFORE IT IS ORDERED THAT:

1. The power purchase agreement between Southern California Edison Company and McCoy Solar, LLC as proposed in Advice Letter 2661-E 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 on June 7, 2012; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON
PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President
TIMOTHY ALAN SIMON
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
MARK J. FERRON
Commissioners

Confidential Appendix A

Price Reasonableness, Value, RPS Portfolio Need and Project Viability

[REDACTED]

Confidential Appendix B

Contract Terms and Conditions

[REDACTED]

Confidential Appendix C

Independent Evaluator Report's Conclusion

[REDACTED]