

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 1, 2010

Advice Letter 3691-E

Jane K. Yura, Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
PO Box 770000
San Francisco, California 94177

Subject: Pacific Gas and Electric Company's Advice Letter 3691-E, as supplemented by AL 3691-E-A, requesting approval of implementation and administration details for Pacific Gas and Electric's Utility-Owned Generation Solar Photovoltaic Program.

Dear Ms. Yura:

The Energy Division has determined that Pacific Gas and Electric's (PG&E's) Advice Letter (AL) 3691-E, as supplemented by AL 3691-E-A, is in compliance with Decision (D.)10-04-052 and is effective October, 2010.

D.10-04-052 adopted a five-year, solar photovoltaic program (PVP), which in part authorized PG&E to build, own and operate up to 250 megawatts of solar photovoltaic systems. The Decision also authorized PG&E to enter into contracts with independent power producers for an additional 250 megawatts. Pursuant to D.10-04-052, PG&E filed AL 3691-E to request approval of implementation and administration details for the utility-owned generation (UOG) portion of the PVP. On July 12, 2010, the Division of Ratepayer Advocates (DRA) submitted a protest to AL 3691-E. On July 19, 2010, PG&E filed a reply to DRA's protest. On September 14, 2010, PG&E submitted supplemental AL 3691-E-A, which addressed certain issues raised in DRA's protest. These issues are discussed below.

The first issue raised in DRA's protest was that "With all other factors being equal, the Commission should order PG&E to identify, assess and favor projects located in the California Independent System Operator (CAISO) Local Capacity Requirements (LCR) need areas over projects elsewhere given that UOG solar PV projects in the need areas would provide additional value for PG&E customers." D.10-04-052 ordered PG&E to identify a process for identifying preferred locations for project development to optimize the locational value of project sites, including impacts on neighboring lands. In AL 3691-E, PG&E identifies a multi-step process for maximizing the locational value of project sites. In AL 3691-E-A, PG&E addressed DRA's concerns and clarifies its intent to use the LCR designation as a tie-breaker if all other selection criteria are equal.

The second issue raised by DRA was that the "Commission should order PG&E to offer ratepayers the same Resource Adequacy (RA) protections and benefits that it receives from Independent Power Producers (IPP) as a result of contract provisions in the power purchase agreements (PPAs) for PG&E's solar PV Program." In AL 3691-E-A, PG&E addresses DRA's concern and states that RA credit is not currently available to these types of projects, but will

seek RA credit for these projects if changes to RA rules allow these projects to receive credit in the future.

The third issue raised by DRA was that the Commission rejected the front-loading of project deployment in earlier years and “should require that PG&E submit a Tier Three Advice Letter and receive Commission approval before contracting with independent suppliers for multiple year module solar PV purchases as PG&E proposes to do in AL 3691-E.” In D.10-04-052, the Commission rejected front-loading the megawatts deployed in the PVP, so that PG&E could take advantage of future price reductions. In its reply comments, PG&E states that it will compare the prices of its multiple year module purchase options to current year module prices. It will then choose the lower priced modules. Entering into multi-year module purchase options does not constitute front-loading the program as described in D.10-04-052, and DRA’s argument is rejected.

D.10-04-052 is the Commission’s decision on PG&E’s Application (A.)09-02-019 that adopted the PVP. The requested relief sought in AL 3691-E, as supplemented by AL 3691-E-A, complies with D.10-04-052 and sufficiently addresses concerns raised by DRA in its protest to AL 3691-E. Accordingly, DRA’s protest is denied without prejudice. PG&E’s AL 3691-E as, supplemented by AL 3691-E-A, is effective September 27, 2010.

Please contact Amy Baker of the Energy Division staff at 415-703-1691 (abl@cpuc.ca.gov) if you have any questions.

Sincerely,



Julie Fitch, Director
Energy Division

cc: Cynthia Walker, Program Manager
Division of Ratepayer Advocates



June 21, 2010

Advice 3691-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Request for Approval of Implementation and Administration Details for Pacific Gas and Electric's Utility-Owned Generation Solar Photovoltaic Program

I. PURPOSE

In compliance with Ordering Paragraph 10 of the California Public Utilities Commission's ("Commission" or "CPUC") Decision ("D.") 10-04-052 ("Decision") issued on April 28, 2010, Pacific Gas and Electric Company ("PG&E") submits this Tier 2 advice letter specifying the implementation and administration details for the utility-owned generation ("UOG") portion of PG&E's Photovoltaic ("PV") Program. In particular, this Advice Letter requests approval of:

- (1) The solicitation process and protocols, eligibility, and timeline for projects bidding into the UOG solicitations;
- (2) The evaluation criteria for conforming bids in the UOG solicitations; and,
- (3) The process for identifying preferred locations of UOG project development.

II. BACKGROUND

In Application ("A.") 09-02-019, PG&E requested Commission authority to own, install, operate and maintain 250 megawatts ("MW") of utility-owned solar PV generating facilities and to enter into contracts for the purchase of an additional 250 MW of solar PV generating facilities to be owned, installed, operated, and maintained by third-party developers. The Decision authorized both components of PG&E's proposal, subject to certain modifications. In the Decision, the Commission ordered that "within 60 days of the effective date of this decision, Pacific Gas and Electric Company shall file a Tier 2 advice letter with the Energy Division specifying the Photovoltaic Program implementation and administration details" including certain information concerning three specific aspects of the UOG PV Program.

PG&E believes its solicitation process and evaluation criteria to implement its PV Program, outlined below, reflect a balanced approach to leverage its ability to gain economies of scale while allowing the flexibility to take advantage of changing market conditions that will ultimately lead to benefits for its customers.

III. PROCESS, PROTOCOLS, AND EVALUATION FOR UOG PV SOLICITATION

A. Overview

PG&E's UOG PV Program will include five stages designed to procure the best resources at the least cost for customers:

- Stage #1 – Outreach
- Stage #2 – Requests for Information (“RFI”)
- Stage #3 – Development of Shortlist
- Stage #4 – Requests for Proposals (“RFP”)
- Stage #5 – Contracting

Each of these stages is described in more detail below.

B. Stage #1 – Outreach

A key component to a successful UOG PV Program is outreach to PV developers and suppliers to ensure that the solicitation is robust and competitive. Both before it issued its Request for Information (“RFI”), described in Stage #2 below, and when the actual RFI was issued, PG&E reached out to as many developers and suppliers as possible. PG&E has compiled an extensive contact list from both internal and external sources. Internal sources include the supplier list for the 2 MW Pilot Project that PG&E constructed in 2009 and suppliers that expressed interest in the program after sourcing the Pilot Project. External sources include major industry associations including the Solar Electric Power Association (“SEPA”), Solar Energy Industry Association, and its California chapter, California Solar Energy Industry Association (“CalSEIA”), and the European Photovoltaic Industry Association. In anticipation of approval and to facilitate rapid deployment of the UOG PV Program, PG&E began its outreach efforts in late December 2009 and continued these efforts through the RFI.

C. Stage #2 – RFI

RFIs are designed to obtain technical, commercial, and supplier diversity information from potential bidders in PG&E's UOG PV Program. RFIs are also designed to invite qualified suppliers to participate in the Requests for Proposals

or “RFP” stage so that the number of RFP bids are manageable for evaluation purposes. The RFI approach is typical for many large-scale capital projects and provides a means to assess the viability of bidders, and identifies potential bidders before final bid proposals are solicited in the RFP stage. The RFI is not intended to solicit final bids to procure PV facilities.

PG&E issued two separate RFIs to more than one hundred suppliers – one to those suppliers interested in supplying PV modules and another to those suppliers interested in engineering, procuring, and constructing all system components with or without provision for PV modules. These RFIs were issued on January 25, 2010 and responses were received on March 31, 2010. Copies of the RFI documents are included as Attachments A and B, respectively, to this Advice Letter. A module supplier would typically supply the PV panels to PG&E but would not construct the actual PV facility. An Engineering, Procurement and Construction (“EPC”) contractor, on the other hand, would construct the PV facility and may supply the modules with all system components. For EPC suppliers, PG&E included the option for bundled (with modules) and unbundled (without modules) approaches.

Responses submitted in the RFI are evaluated by PG&E and the Independent Evaluator (“IE”) for the UOG PV Program, Merrimack Energy Group, whose IE Report is Attachment G to this Advice Letter. The submitted responses are evaluated on the following:

- **Commercial strength** scores are based on the vendors’ Dunn & Bradstreet ratings, strength of balance sheet, debt / equity ratio, bonding capability, etc.
- **Supplier Diversity** scores are based on vendors’ stated commitment to achieve levels of diversity-spend on women, minority or California disabled veteran business enterprise (“WMDVBE”).
- **Technical capability** scores are assessed separately for EPC and module bids as follows:
 - EPC bidders’ technical capabilities are based on their experience building large ground-mounted PV facilities and power plants and how much of that experience is in the United States and in California. It also includes the supplier’s ability to meet schedule and their safety and environmental programs.
 - Module bids are based on the commercial readiness of the technology (i.e., substantial deployment history), manufacturing capacity, uncontracted manufacturing capacity available to support the PG&E program, and approved test laboratory certification of PV panels.

There is no pricing component to the RFI evaluations.

D. Stage #3 – Development of a Short List

Based on information received in the RFI and the evaluation performed by PG&E and reviewed by the IE, PG&E will develop a short list of bidders for its RFP. PG&E expects to short-list between 15-20 EPC and module-supplier finalists, who will then be invited to participate in the RFP. After approval of this Advice Letter, PG&E will notify parties that are short-listed.

E. Stage #4 – RFP

After notifying shortlisted parties, PG&E will release two RFPs--one for EPC contracts and the other for PV Modules. The EPC RFP will seek pricing for both bundled (with modules) and unbundled (without modules) proposals. The Module RFP will request bids for PV projects to be built in the first year of the five-year UOG PV Program (“Year-One Bids”), and bids for long-term module supply. The Year-One Bids will be used in making the bundled versus unbundled EPC decision in year one as discussed below. The long-term supply bids will be used to determine how much of the UOG PV Program’s module supply should be placed under long-term/large-volume contracts. Copies of the draft RFP Protocols for EPC and Modules are provided in Attachments C and D, respectively, to this Advice Letter.

1. Description of EPC RFP

The EPC RFP will request all short-listed EPC bidders to submit: (1) fully “bundled” bids including both the cost to the bidder to purchase the PV modules and the work to design, procure and construct the PV system; and/or (2) “unbundled” bids for all of the work to design, procure and construct the PV system with the PV modules being supplied by PG&E. For both bundled and unbundled bids, PG&E will provide prepared sites to build the solar PV portion of the project. PG&E will be responsible for land, permitting, generation ties and substation interconnection, and site preparation (e.g., grading, roads, and fences).

Bidders will submit commercial, technical, and pricing information including, but not limited to:

1. Safety Performance
2. Price
3. Detailed Construction Schedules
4. Preliminary System Design and Equipment Specifications
5. Forecasts of Lifetime Energy Production
6. Exceptions to PG&E Terms and Conditions

7. Payment Schedules
8. Warranty and Performance Guarantee Information
9. Supplier Diversity Commitment

The scope of EPC work includes modules (for bundled bids), racks, foundations, cables, combiner boxes, inverters, transformers, medium voltage wiring, weather stations, switchgear with metering and protective relaying, SCADA, and any other components to comprise a complete PV system, and the associated installation labor.

PG&E will evaluate bundled and unbundled EPC bids for Year-One Projects. Based on these bids and the evaluation process described below, PG&E will award multi-year Master Service Agreements (“MSA”) to three (3) winning EPC contractors. MSAs will be for a period of three years, with options to renew. EPC Contractors that are awarded an MSA will then receive Contract Work Authorizations (“CWA”) based on their bids to construct Year-One PV projects. PG&E will have the right to cancel the MSA award to any EPC contractor that does not adequately perform under the contract, or that does not provide competitive pricing in the annual bidding process. A disqualified MSA awardee may be replaced with another EPC contractor from the short list.

There will be a competitive bidding process in subsequent years for those projects not under contract and only those EPC contractors with MSAs will be eligible to bid until the expiration of the MSA. EPC contractors will have an opportunity to win more than one PV project per year. This process ensures that multiple EPC contractors gain construction expertise in PG&E’s PV Program while ensuring a competitive procurement process.

2. Description of Module RFP

The purpose of the Module RFP is to obtain the lowest possible cost for commercially proven technologies. The RFP will also enable PG&E to determine whether EPC bids should be bundled or unbundled and determine to what degree price reductions can be obtained from larger and longer term orders. Module suppliers will be requested to provide bids for:

1. Multi-year contract with no obligation to purchase (guaranteed pricing only).
2. Multi-year contracts with obligations to purchase. Forward pricing will be requested for individual years or for multi-year strips according to Table 1 below. Module bidders will be required to

provide cancellation fees for all or a portion of the contract volumes for each year and for various notice provisions. PG&E will request bids each year and determine whether existing contracts should be cancelled or not, if cancellation will result in lower overall customer costs.

3. Projects in Year-One. The initial RFP will have a request for Year-One projects only. To the extent that PG&E does not procure modules for years 2-5 of the Program through multi-year module supply contracts, PG&E will issue separate module RFPs for each subsequent year of the Program.

Table 1: Module Supply Options

Bid Options	Program Year 1	Program Year 2	Program Year 3	Program Year 4	Program Year 5	Total Volume
1	40	40	40	40	40	200
2	20	20	20	20	20	100
3	10	10	10	10	10	50

For each of the options above, PG&E will ask bidders to provide:

1. Firm fixed price (\$/watt DC) up to these amounts. Module bid prices will be adjusted to account for the changes in balance of plant costs associated with using modules of different efficiency. The adjustment factors will be developed from differences in bundled EPC bids from the same bidder for systems using modules of different efficiency, or from PG&E's Owner Engineer's assessment of the impact of module efficiency on balance of plant cost.
2. Payment schedule.
3. Termination fees and adjustments to panel prices for flexibility in delivery timing. By having a portion of modules under long-term fixed price contracts, PG&E may obtain benefits of scale and hedge the risk of future price escalation. However, PG&E will also request that bidders provide termination charges for six- and twelve-months notification. If market prices for modules decrease such that overall customer costs would be lower by terminating existing long-term contracts and procuring less expensive modules, PG&E may terminate a long-term fixed contract, pay the termination fee, and procure the less expensive modules at current

market prices. This type of flexibility is critical so that PG&E obtains the best value and lowest cost for its customers by capturing changes in market prices.

PG&E will also request the ability to move volumes of modules under a long-term contract between years. Rollover provisions will also enable PG&E to take advantage of fluctuating spot prices. PG&E will compare the cost of rollover provisions against their value as a risk mitigation measure for customers. Therefore, PG&E will request pricing for adjustments to delivery time periods and associated notification periods.

PG&E will run a competitive solicitation for modules not covered under long-term contracts, if any, for each subsequent year of the program after Year-One. These bids will be used to evaluate the bundled versus unbundled EPC RFPs and will provide current market information to assess the cost effectiveness of any remaining long-term module commitments.

Module delivery will occur approximately four months after the beginning of program year. The first program year is expected to begin upon Commission approval of this Advice Letter.

3. Evaluation of RFP Bids

After bids in both RFPs are received, PG&E and the IE will evaluate all of the bids according to the RFP Protocol and evaluation criteria and PG&E will make a decision to award: (1) bundled or unbundled EPC contracts; and (2) multi-year module contracts or annual module contracts. The decision to make long-term commitments to module suppliers and the amount of any commitments will be based on the pricing received relative to PG&E's market price forecast. Specific criteria for evaluating EPC and module bids are included in the RFP Protocols for EPC bids and Module bids in Confidential Attachments E and F, respectively, to this Advice Letter.

F. Stage #5 – Contracting

After reviewing the short-listed bidder proposals based on the evaluation criteria described above, PG&E will award contracts to EPC contractors and potentially to module suppliers. PG&E will negotiate final contracts with these contractors and/or suppliers, including all necessary commercial terms and conditions. Depending on bids received and negotiations with EPC contractors, PG&E may decide to pursue a “re-bundling” approach where it would require that EPC contractors to procure panels under PG&E's module contract and provide the same guarantees and performance standards as they would otherwise provide in a fully bundled bid.

All EPC contractors will be required to sign the Project Labor Agreement, Attachment H to this Advice Letter, agreed to by PG&E and International Brotherhood of Electrical Workers (“IBEW”), which includes local hiring goals. Whether an EPC contractor or supplier uses local labor will be part of the bid evaluation process. The IE will be involved in negotiations throughout the contracting process.

V. **PROCESS FOR IDENTIFYING PREFERRED LOCATIONS FOR UOG FACILITIES**

PG&E has conducted and will continue to conduct an exhaustive process to identify preferred locations for UOG development to optimize the locational value of projects.¹ In particular, PG&E is using the following location specific criteria to select sites for UOG PV facilities:

- **Insolation:** The intensity of the solar radiation directly impacts the amount of energy that can be generated at a site, and the lifetime levelized cost of energy;
- **Slope:** Projects on flat, level, or gently sloped sites will have lower construction and maintenance costs;
- **Flood zones:** Projects outside of flood zones will have lower construction and maintenance costs;
- **Cost of Interconnection:** Sites that provide lower cost interconnections will lower the overall cost of the project;
- **Distance from substation:** Shorter gen ties result in lower costs and fewer impacts to property owners along the gen tie route;
- **Substation Capacity:** Substations having large capacity will allow PG&E to minimize substation upgrade expenses and build larger individual plants, which are likely to come at a lower cost per kilowatt (kW);
- **Local Transmission Capacity:** Interconnection locations that do not require network upgrades reduce the time and cost of developing projects;
- **Land Cost:** Lower land costs reduce overall project costs;
- **Minimizing Community Impacts:** PG&E selects parcels away from homes and communities wherever possible;

¹ See e.g. A.09-02-019, PG&E Initial Testimony (Exhibit 1), Chapter 2 at pp. 2-3 – 2-4 (describing factors PG&E would consider in locating UOG facilities).

- **Minimizing Environmental Impact:** Minimizing environmental impact fits with PG&E's and its customers values. It also minimizes development costs and reduces uncertainty.

These factors, along with PG&E's practice of consulting neighboring landowners and local officials and representatives when undertaking a development project, will help identify and resolve any impacts on neighboring lands.

PG&E has focused its land acquisition efforts in the western San Joaquin Valley, as that region best satisfies the mix of criteria described above. To date, PG&E has executed purchase option contracts for properties that can accommodate over 250 MW of PV generation facilities. Further evaluations of these sites will determine which ones are ultimately selected for development for the 250 MW UOG PV Program.

VI. PROTESTS

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **July 12, 2010**.² Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. Mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

² The protest period ends on a weekend; therefore, PG&E is moving the end of the protest period to the following business day.

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

VII. EFFECTIVE DATE

The Decision designated this advice letter as Tier 2.³ Accordingly, the advice letter is effective upon approval by Energy Division.⁴ PG&E requests that Energy Division issue its disposition of this advice filing **by July 21, 2010**, which is 30 days after the date of the filing of this Advice Letter.

VIII. NOTICE

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for A.09-02-019. Address changes to the General Order 96-B list should be directed to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs/>.

Handwritten signature of Jane Yura in cursive, with a vertical line through the signature.

Vice President – Regulation and Rates

cc: Service List A.09-02-019
Service List R.06-02-012
Service List R.08-08-009

Limited Access to Confidential Material:

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protection of Section 583 and 454.5(g) of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because

³ See Decision at p. 81 (Ordering Paragraph 10).

⁴ General Order (“G.O.”) 96-B, Energy Industry Rule 5.2.

it consists of, among other items, specific quantitative analysis involved in scoring and evaluating RFP bids, which are protected pursuant to D.06-06-066 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

Confidential Attachments:

Attachment E – Confidential Evaluation Criteria, EPC Supplier

Attachment F – Confidential Evaluation Criteria, Module Supplier

Public Attachments:

Attachment A – RFI Protocol, EPC Supplier

Attachment B – RFI Protocol, Module Supplier

Attachment C – RFP Protocol, EPC Supplier

Attachment D – RFP Protocol, Module Supplier

Attachment G – IE Report

Attachment H – Project Labor Agreement

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3691-E**

Tier: **2**

Subject of AL: **Request for Approval of Implementation and Administration Details for Pacific Gas and Electric's Utility-Owned Generation Solar Photovoltaic Program**

Keywords (choose from CPUC listing): Compliance, UEG/Utility Electric Generation

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.10-04-052

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes. See the attached matrix that identifies all of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Brian McDonald (415) 973-2005

Resolution Required? Yes No

Requested effective date: **July 21, 2010**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane Yura

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**DECLARATION OF BRIAN MCDONALD
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN
ADVICE LETTER 3691-E
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Brian McDonald, declare:

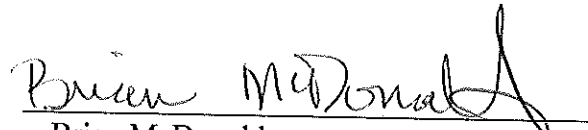
1. I am the Director of Renewable Resource Development in the Energy Procurement department within Pacific Gas and Electric Company ("PG&E"). I am responsible for the development of renewable generation projects. In carrying out my responsibilities, I have acquired knowledge of development activities and vendors in general and, based on my experience, consider certain types of development data and information confidential and proprietary.

2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 the "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendices E and F to Advice Letter 3691-E submitted on June 21, 2010. By this Advice Letter, PG&E is seeking the Commission's approval of implementation and administration details for PG&E's utility-owned generation solar photovoltaic program ("PV Program").

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix 1 of D. 06-06-066 and Appendix C of D. 08-04-023 ("the IOU Matrix"), or constitutes information that should be protected under General Order 66-C. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds (where applicable),

and why confidential protection is justified. Finally, the matrix specifies: (1) that PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information (where applicable); (2) that the information is not already public; and (3) that the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the text in the attached matrix that is pertinent to this filing.

I declare under penalty of perjury, under the laws of the State of California that, to the best of my knowledge, the foregoing is true and correct. Executed on June 17, 2010 at San Francisco, California.


Brian McDonald

PACIFIC GAS AND ELECTRIC COMPANY
Advice Letter 3691-E
June 21, 2010

IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066 AND DECISION 08-04-023

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 and Appendix C to D.08-04-023 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time	
1	Document: Advice Letter 3691-E							
2	Appendices E and F	Y	Item VIII B) Specific quantitative analysis involved in scoring and evaluation of participating bids.	Y	Y	Y	These Appendices contain bid evaluation criteria for the PV Program solicitation. Disclosure of this information would provide valuable market sensitive information to competitors and potential suppliers. It would also be damaging to negotiations that PG&E will make as part of the process it uses to select its EPC and module suppliers.	For information covered under Item VIII B), remain confidential for three years after winning bidders selected.

Attachment A

RFI Protocol, EPC Supplier



**EPC Supplier (Modules Optional) for
250 MW Utility-Owned Photovoltaic
Program**

**REQUEST
FOR
INFORMATION

PROTOCOL**

January 25, 2010

EPC RFI for 250 MW PV Program

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EPC RFI for 250 MW PV Program

I. Program Introduction and Solicitation

A. Introduction

Pacific Gas and Electric Company (“PG&E”) proposes to initiate in 2010, a five-year program to develop up to 500 MW of solar photovoltaic (“PV”) generation installation in its service territory. The PV program targets the development of 250 MW of utility-owned generation (“UOG”) and another 250 MW through a Purchase Power Agreement (“PPA”). Implementation of these programs will help meet the obligations under California's Renewable Portfolio Standard.

250 MW UOG PV Program

The overall program plan (“Program”) in PG&E’s application to the California Public Utilities Commission (“CPUC”) consists of the following:

- Each ground-mounted PV facility will be approximately 1 to 20 MW in size
- We expect to install and commission 25-75 MW/year
- Sites will be in PG&E’s service territory and ideally located within 5 miles of a PG&E substation
- The Program is open to any commercially viable PV technologies with proven operating experience in the field that will support an analysis of lifetime performance claims
- PG&E will obtain permits and provide sites that are ready for equipment installation
- PG&E will be responsible for generation tie lines and interconnection
- Contract awards will be based on the PV technology’s potential to deliver a competitive levelized cost of electricity

In anticipation of a February 2010 CPUC decision on the continuation of the Program, PG&E will be issuing two separate Requests for Information (RFI) - one for those suppliers interested in supplying PV modules only and the other for suppliers interested in engineering, procuring, and constructing (“EPC”) all system components with or without provision of PV modules (collectively “Suppliers” or “Bidders”).

Following the evaluation of the RFIs and receipt of CPUC approval, PG&E plans to issue two Requests for Proposal (RFP) to two groups of Suppliers, similar to the RFIs. RFPs will be by invitation only. Qualification for participation in either or both RFPs will be based on Supplier’s successful response to the relevant RFIs as measured by the evaluation criteria, which are as outlined in Section III, Evaluation of Proposal, below. Suppliers that qualify for one or both RFPs will be notified as such by PG&E.

PG&E may award multi-year, multi-project contracts to successful Bidders from the RFPs. Award and assignment of contracts will be based on PG&E’s ongoing needs throughout the implementation of this Program.

EPC RFI for 250 MW PV Program

B. RFI Communication

This RFI will be conducted using the PowerAdvocate Sourcing Intelligence platform (“PowerAdvocate”). All communications including, but not limited to, RFI documents, information, announcements, and amendments will be posted in PowerAdvocate; likewise, questions or comments between PG&E and Suppliers will utilize PowerAdvocate’s messaging tool. Requested documents and information shall be provided by Supplier through PowerAdvocate.

Jocelyn Quintana, of PG&E Strategic Sourcing Department, shall be the Supplier’s sole point of contact during the RFI process. Bidder shall not contact any other PG&E employee or consultants for questions regarding the Project during the RFI period. Failure to comply with this requirement may result in disqualification.

For questions or matters of general interest raised by any Supplier during the Q&A period, PG&E will issue an answer during or shortly after the closing of the Q&A period. PG&E may, in its sole discretion, decline to respond to any e-mail or other inquiry outside of PowerAdvocate Messaging, and will have no liability or responsibility to any Supplier for failing to do so.

C. Contracting Strategy

PG&E considers the splitting of Module and EPC services RFPs as being an “Unbundled” approach. Those Bidders that participate in the EPC RFP will have the option of including modules in their proposals. If preferred modules are included, EPC Bidders will be executing the option to “Bundle” PG&E’s scope of work. However, even if an EPC firm offers a Bundled solution, PG&E may pursue an “Unbundled” relationship so as to leverage the value proposed by the separately released Module RFP. The provision of modules is not a requirement for satisfactory participation in the EPC services RFP.

The separate Module and EPC services RFPs will be processed and released at roughly the same time so as to allow for a comprehensive evaluation of programmatic solutions. To minimize total project risks and complexity, the development of final contracts will be coordinated between the successful parties so as to collaboratively define the division of responsibilities, particularly for each project site’s construction phase.

PG&E recognizes that new or existing partnerships, and other relationships between Suppliers, may be required to satisfy the Program’s goals. PG&E also recognizes the general market practice of subcontracting for specific items such as balance of system equipment, site engineering, and electrical installation. Such relationships are encouraged so long as they do not absolve the successful Bidder(s) from accepting responsibility for the contracted scope of work.

PG&E may award EPC service contracts to multiple Bidders. If awarded, these Suppliers would operate within an alliance framework for the Program. Some critical details of the Program may not be known at the time of award. At the point where sufficient

EPC RFI for 250 MW PV Program

specification details can be finalized for a particular project site, the final scope will be released to the alliance EPC Supplier(s) to solicit final proposals. This “Competitive Partnership” is intended to balance the Program’s objectives with the present project limitations.

Should PG&E elect to procure the modules separately from the EPC contractors then PG&E may award module contracts to more than one Bidder. The role of the module Suppliers in the Competitive Partnership will vary with the capabilities of the successful EPC Bidder. However, the module Suppliers will generally be expected to work with PG&E and the EPC service provider to support the construction schedule.

II. RFI Process

A. Solicitation Schedule

The RFI schedule is subject to change at PG&E’s sole discretion at any time. PG&E will notify Suppliers of any schedule change.

The expected schedule (Pacific time) for this RFI process is:

- | | |
|---------------------------|--|
| ■ January 22, 2010 | Supplier Outreach period closes |
| ■ January 25, 2010: | PG&E issues RFI |
| ■ March 17, 2010 @ 2 PM: | Deadline for Suppliers to submit questions regarding RFI (Questions can be submitted anytime up until the deadline.) |
| ■ March 2, 2010: | PG&E issues answers |
| ■ March 31, 2010 @ 2 PM: | RFI Submittal Deadline |
| ■ TBD upon CPUC Decision: | Announce Bidders for RFP |

B. RFI Participation

1. PG&E issues the RFI. Supplier will have access to the bid event at the designated day and time specified in PowerAdvocate for this RFI.
2. Questions and Answers (Q&A). PG&E will compile and issue answers to questions received via PowerAdvocate Messaging during the Q&A period.
3. Amendments to RFI. PG&E reserves the right to amend this RFI up to the issuance of the answer to Suppliers’ questions.

EPC RFI for 250 MW PV Program

4. RFI Submittal Deadline. Supplier's proposal must be submitted through PowerAdvocate by the event close date/time and include without limitation the information and documents requested by the RFI. The entire proposal shall be submitted via PowerAdvocate.

C. Disclaimers for Rejecting or Terminating RFI

PG&E RESERVES THE RIGHT TO WITHDRAW THIS RFI AT ANY TIME BEFORE OR AFTER THE PROPOSAL DUE DATE, OR TO REJECT ANY OR ALL PROPOSALS SUBMITTED IN RESPONSE TO THIS RFI FOR WHATEVER REASON, INCLUDING PG&E BUDGETARY LIMITATIONS. PG&E WILL NOT BE LIABLE, BY REASON OF SUCH WITHDRAWAL OR REJECTION, TO ANY SUPPLIER SUBMITTING A PROPOSAL IN RESPONSE TO THIS RFI.

D. How to Respond to RFI Using PowerAdvocate

Supplier must answer questions and provide information using the PowerAdvocate Sourcing Intelligence platform as directed by PG&E. Suppliers are to follow directions and submit the required documentations in PowerAdvocate as directed in this RFI. Bidder may enter and revise information; and upload, delete and re-upload requested documents, anytime during the bid event up until the RFI submittal deadline. It is recommended that Bidder upload the requested document well before the deadline. Documents uploaded after the deadline will not be considered. PG&E will evaluate the information provided based on the evaluation criteria as established in Section III, Evaluation of Proposal.

The RFI is organized into five web "Tabs":

- Tab #1, "Download RFP," is the one used to download documents such as this RFI Protocol and all other relevant documents. Tab #1 includes guidelines for Suppliers in addition to the questions contained in subsequent Tabs. Although the term "RFP" appears at the top of the Tab, this is being used as a generic term. As described above, the 250 MW Solar PV Program is only being presented as a RFI at this time.
- Tab #2, "Upload Proposal," is the tab that Supplier shall use to upload all relevant documentation such as technical specifications, one-line drawings, warranty terms, and others as requested in the RFI. Supplier shall indicate whether each file is commercial or technical in content when uploading the files and shall follow "filenaming" instructions in the datasheet. Documents may not be considered if instructions are not followed.
- Tab #3, "Commercial Data" contains datasheets that Suppliers must fully complete to the best of their ability by answering EVERY relevant question. All Suppliers must complete the EPC Minimum Bid Criteria and the EPC Commercial Questions tab. EPC Suppliers that are planning for the provision of modules in this RFI must also complete the Module Minimum Bid Criteria and the Commercial Tabs for each module technology proposed, as directed in the datasheets. Suppliers may propose up to three module technologies but are not required to propose any modules. Certain questions will

EPC RFI for 250 MW PV Program

direct Supplier to upload additional information. Please ensure that the requested commercial data are uploaded as directed.

- Tab #4, “Technical Data” contains datasheets that resemble the Commercial tab, but that ask different questions. The requirements for completing the Commercial datasheets also holds true for the Technical datasheets. All Suppliers must complete the EPC Technical Questions tab. EPC Suppliers that are planning for the provision of modules in this RFI must also complete the Technical Tabs for each module technology proposed, as directed in the datasheets. Suppliers may propose up to three module technologies but are not required to propose any modules. Please ensure that the requested technical data are uploaded as directed.
- Tab #5, “Pricing Data,” is intentionally left blank for this RFI.

Supplier responses can be provided and updated up until the RFI deadline. Thereafter, the RFI will be closed, and Supplier will be unable to make further revisions. PG&E will not accept any other form of response to the RFI except those submitted through PowerAdvocate.

E. Information Submitted by Bidder

1. Proprietary Data. Documents and data submitted for this RFI become the property of PG&E upon submission, and will be retained by PG&E in the document record for this RFI. Suppliers are cautioned to clearly label all proprietary data as such. PG&E agrees to exercise reasonable efforts to protect all information received, provided it is expressly understood and by submitting such information thus agreed to by Supplier, that PG&E shall not be liable in the event that such information is disclosed.
2. Supplemental and Additional Information. PG&E may request that Supplier furnish additional information, after the RFI due date, as is necessary in the opinion of PG&E, to clarify the Supplier’s information or to assure that the Supplier’s technical competence and business organization qualifies to participate in the RFP.
3. Inclusion of the Information submitted under this RFI as Part of the Bidder’s RFP Submittal. As mentioned in this Protocol’s introduction, PG&E plans to issue a Request for Proposal invitations to EPC Suppliers who qualified as a result of Suppliers’ successful response to the RFI for EPC Supplier. Please note that all information and documents submitted by Supplier in response to the EPC Supplier RFI shall be consolidated as part of Supplier’s proposal submitted in response to the RFP. Bidder shall acknowledge that all of the information provided in its response to both the RFI and RFP are factual and complete.
4. Proposal Preparation Cost. Notwithstanding the outcome of this RFI, PG&E shall not be liable for any preparation costs incurred in responding to this RFI.

III. Evaluation of Proposal

EPC RFI for 250 MW PV Program

The goal of the EPC RFI is to ensure that the appropriately qualified Bidders are invited to join the Program's RFP. To evaluate the EPC RFI, PG&E will primarily consider the Supplier's financial strength, corporate programs, plan to support PG&E's WMDVBE goals, technical experience, project implementation plans, technological flexibility, and ability to meet Program schedules. Additionally, Supplier's submittals will be evaluated to determine their completeness, clarity, and conformance to EPC RFI instructions. If it is difficult or overly time-consuming to evaluate Supplier's submittals, then Supplier may be disadvantaged in the evaluation process and may be disqualified.

Company Financials relates to the Suppliers viability in terms of credit, risks, and financial stress. PG&E will consider bankruptcies, pending lawsuits, and bonding capabilities as well as other traditional factors such as working capital, tangible net worth, return on equity, debt-to-equity ratio and other financial measurements.

Company Programs refers to the Suppliers safety and environmental programs.

Supplier Diversity encompasses PG&E's commitment to seek maximum practicable opportunities to use WMDVBES in the performance of its contracts. Supplier will be evaluated on the thoroughness of their plan to carry out PG&E's policy to the fullest extent possible. PG&E's enterprise-wide goal for WMDVBE participation is 30% for the 2010 calendar year.

Technical Experience pertains to the Supplier's solar and power plant construction experience. The role of the Supplier in these projects will be evaluated as well as the location and size of the projects. Suppliers are encouraged to provide information on projects that are most similar to PG&E's Program.

Project Implementation refers to the supply chain capabilities for the Program's sites and the capacity to deliver complete and qualified project documentation.

Technical Flexibility is a factor of the evaluation that analyzes the EPC Supplier's ability and experience working with multiple solar technologies.

Ability to Meet Schedule is measured against a standard project size and the Supplier's track record for meeting previous project schedules. For the purpose of this RFP, a typical 20 MW PV site will have the following characteristic: 200 contiguous acres. The site will be graded and the perimeter roads and laydown area will be constructed prior to mobilization by contractor.

Completeness, Quality and Responsiveness of Proposal means the degree that Supplier follows the requirements of the RFI including, but not limited to, the completeness of the response and ability to follow instructions in the RFI Protocol and datasheets.

Attachment B

RFI Protocol, Module Supplier



Module Supplier for 250 MW Utility- Owned Photovoltaic Program

REQUEST FOR INFORMATION

PROTOCOL

January 25, 2010

Module RFI for 250 MW PV Program

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Module RFI for 250 MW PV Program

I. Program Introduction and Solicitation

A. Introduction

Pacific Gas and Electric Company (“PG&E”) proposes to initiate in 2010, a five-year program to develop up to 500 MW of solar photovoltaic (“PV”) generation installation in its service territory. The PV program targets the development of 250 MW of utility-owned generation (“UOG”) and another 250 MW through a Purchase Power Agreement (“PPA”). Implementation of these programs will help meet the obligations under California's Renewable Portfolio Standard.

250 MW UOG PV Program

The overall program plan (“Program”) in PG&E’s application to the California Public Utilities Commission (“CPUC”) consists of the following:

- Each ground mount facility will be approximately 1 to 20 MW in size
- We expect to install and commission 25-75 MW/year
- Sites will be in PG&E’s service territory and ideally located within 5 miles of a PG&E substation
- The Program is open to any commercially viable PV technologies with proven operating experience in the field that will support an analysis of lifetime performance claims
- PG&E will obtain permits and provide sites that are ready for equipment installation
- PG&E will be responsible for generation tie lines and interconnection
- Contract awards will be based on the PV technology’s potential to deliver a competitive levelized cost of electricity

In anticipation of a February 2010 CPUC decision on the continuation of the Program, PG&E will be issuing two separate Requests for Information (RFI) - one for those suppliers interested in supplying PV modules only and the other for suppliers interested in engineering, procuring, and constructing (“EPC”) all system components with or without provision of PV modules (collectively “Suppliers” or “Bidders”).

Following the evaluation of the RFIs and receipt of CPUC approval, PG&E plans to issue two Requests for Proposal (RFP) to two groups of Suppliers, similar to the RFIs. RFPs will be by invitation only. Qualification for participation in either or both RFPs will be based on Supplier’s successful response to the relevant RFIs as measured by the evaluation criteria, which are as outlined in Section III, Evaluation of Proposal, below. Suppliers that qualify for one or both RFPs will be notified as such by PG&E.

PG&E may award multi-year, multi-project contracts to successful Bidders from the RFPs. Award and assignment of contracts will be based on PG&E’s ongoing needs throughout the implementation of this Program.

Module RFI for 250 MW PV Program

B. RFI Communication

This RFI will be conducted using the PowerAdvocate Sourcing Intelligence platform (“PowerAdvocate”). All communications including, but not limited to, RFI documents, information, announcements, and amendments will be posted in PowerAdvocate; likewise, questions or comments between PG&E and Suppliers will utilize PowerAdvocate’s messaging tool. Requested documents and information shall be provided by Supplier through PowerAdvocate.

Jocelyn Quintana, of PG&E Strategic Sourcing Department, shall be the Supplier’s sole point of contact during the RFI process. Bidder shall not contact any other PG&E employee or consultants for questions regarding the Project during the RFI period. Failure to comply with this requirement may result in disqualification.

For questions or matters of general interest raised by any Supplier during the Q&A period, PG&E will issue an answer during or shortly after the closing of the Q&A period. PG&E may, in its sole discretion, decline to respond to any e-mail or other inquiry outside of PowerAdvocate Messaging, and will have no liability or responsibility to any Supplier for failing to do so.

C. Contracting Strategy

PG&E considers the splitting of Module and EPC services RFPs as being an “Unbundled” approach. Those Bidders that participate in the EPC RFP will have the option of including modules in their proposals. If preferred modules are included, EPC Bidders will be executing the option to “Bundle” PG&E’s scope of work. However, even if an EPC firm offers a Bundled solution, PG&E may pursue an Unbundled relationship so as to leverage the value proposed by the separately released Module RFP. The provision of modules is not a requirement for satisfactory participation in the EPC services RFP.

The separate Module and EPC services RFPs will be processed and released at roughly the same time so as to allow for a comprehensive evaluation of programmatic solutions. To minimize total project risks and complexity, the development of final contracts will be coordinated between the successful parties so as to collaboratively define the division of responsibilities, particularly for each project site’s construction phase.

PG&E recognizes that new or existing partnerships, and other relationships between Suppliers, may be required to satisfy the Program’s goals. PG&E also recognizes the general market practice of subcontracting for specific items such as balance of system equipment, site engineering, and electrical installation. Such relationships are encouraged so long as they do not absolve the successful Bidder(s) from accepting responsibility for the contracted scope of work.

PG&E may award EPC service contracts to multiple Bidders. If awarded, these Suppliers would operate within an alliance framework for the Program. Some critical details of the Program may not be known at the time of award. At the point where sufficient

Module RFI for 250 MW PV Program

specification details can be finalized for a particular project site, the final scope will be released to the alliance EPC Supplier(s) to solicit final proposals. This “Competitive Partnership” is intended to balance the Program’s objectives with the present project limitations.

Should PG&E elect to procure the modules separately from the EPC contractors, then PG&E may award module contracts to more than one Bidder. The role of the module Suppliers in the Competitive Partnership will vary with the capabilities of the successful EPC Bidder. However, the module Suppliers will generally be expected to work with PG&E and the EPC service provider to support the construction schedule.

II. RFI Process

A. Solicitation Schedule

The RFI schedule is subject to change at PG&E’s sole discretion at any time. PG&E will notify Suppliers of any schedule change.

The expected schedule (Pacific time) for this RFI process is:

- | | |
|-----------------------------|--|
| ■ January 22, 2010 | Supplier Outreach period closes |
| ■ January 25, 2010: | PG&E issues RFI |
| ■ February 19, 2010 @ 2 PM: | Deadline for Suppliers to submit questions regarding RFI (Questions can be submitted anytime up until the deadline.) |
| ■ February 26, 2010: | PG&E issues answers |
| ■ March 31, 2010 @ 2 PM: | RFI Submittal Deadline |
| ■ TBD upon CPUC Decision: | Announce Bidders for RFP |

B. RFI Participation

1. PG&E issues the RFI. Supplier will have access to the bid event at the designated day and time specified in PowerAdvocate for this RFI.
2. Questions and Answers (Q&A). PG&E will compile and issue answers to questions received via PowerAdvocate Messaging during the Q&A period.
3. Amendments to RFI. PG&E reserves the right to amend this RFI up to the issuance of the answer to Suppliers’ questions.

Module RFI for 250 MW PV Program

4. RFI Submittal Deadline. Supplier's proposal must be submitted through PowerAdvocate by the event close date/time and include without limitation the information and documents requested by the RFI. The entire proposal shall be submitted via PowerAdvocate.

C. Disclaimers for Rejecting or Terminating RFI

PG&E RESERVES THE RIGHT TO WITHDRAW THIS RFI AT ANY TIME BEFORE OR AFTER THE PROPOSAL DUE DATE, OR TO REJECT ANY OR ALL PROPOSALS SUBMITTED IN RESPONSE TO THIS RFI FOR WHATEVER REASON, INCLUDING PG&E BUDGETARY LIMITATIONS. PG&E WILL NOT BE LIABLE, BY REASON OF SUCH WITHDRAWAL OR REJECTION, TO ANY SUPPLIER SUBMITTING A PROPOSAL IN RESPONSE TO THIS RFI.

D. How to Respond to RFI Using PowerAdvocate

Supplier must answer questions and provide information using the PowerAdvocate Sourcing Intelligence platform as directed by PG&E. Suppliers are to follow directions and submit the required documentations in PowerAdvocate as directed in this RFI. Bidder may enter and revise information; and upload, delete and re-upload requested documents, anytime during the bid event up until the RFI submittal deadline. It is recommended that Bidder upload the requested document well before the deadline. Documents uploaded after the deadline will not be considered. PG&E will evaluate the information provided based on the evaluation criteria as established in Section III, Evaluation of Proposal.

The RFI is organized into five web "Tabs":

- Tab #1, "Download RFP," is the one used to download documents such as this RFI Protocol and all other relevant documents. Tab #1 includes guidelines for Suppliers in addition to the questions contained in subsequent Tabs. Although the term "RFP" appears at the top of the Tab, this is being used as a generic term. As described above, the 250 MW Solar PV Program is only being presented as a RFI at this time.
- Tab #2, "Upload Proposal," is the tab that Supplier shall use to upload all relevant documentation such as technical specifications, one-line drawings, warranty terms, and others as requested in the RFI. Supplier shall indicate whether each file is commercial or technical in content when uploading the files and shall follow "filenaming" instructions in the datasheet. Documents may not be considered if instructions are not followed.
- Tab #3, "Commercial Data" contains datasheets that Suppliers must fully complete to the best of their ability by answering EVERY relevant question. If the Supplier would like to present more than one technology type, than Supplier may do so on the optional Commercial tabs as indicated in the datasheets. Certain questions will direct Supplier to upload additional information. Please ensure that the requested commercial data are uploaded as directed.

Module RFI for 250 MW PV Program

- Tab #4, “Technical Data” contains datasheets that resemble the Commercial tab, but that ask different questions. If the Supplier would like to present more than one technology type, than Supplier may do so on the optional Technical tabs as indicated in the datasheets. The requirements for completing the Commercial datasheets also holds true for the Technical datasheets. Please ensure that the requested technical data are uploaded as directed.
- Tab #5, “Pricing Data,” is intentionally left blank for this RFI.

Supplier responses can be provided and updated up until the RFI deadline. Thereafter, the RFI will be closed, and Supplier will be unable to make further revisions. PG&E will not accept any other form of response to the RFI except those submitted through PowerAdvocate.

E. Information Submitted by Bidder

1. Proprietary Data. Documents and data submitted for this RFI become the property of PG&E upon submission, and will be retained by PG&E in the document record for this RFI. Suppliers are cautioned to clearly label all proprietary data as such. PG&E agrees to exercise reasonable efforts to protect all information received, provided it is expressly understood and by submitting such information thus agreed to by Supplier, that PG&E shall not be liable in the event that such information is disclosed.
2. Supplemental and Additional Information. PG&E may request that Supplier furnish additional information, after the RFI due date, as is necessary in the opinion of PG&E, to clarify the Supplier’s information or to assure that the Supplier’s technical competence and business organization qualifies to participate in the RFP.
3. Proposal Preparation Cost. Notwithstanding the outcome of this RFI, PG&E shall not be liable for any preparation costs incurred in responding to this RFI.

III. Evaluation of Proposal

The goal of the Module RFI is to ensure that the appropriately qualified Bidders are invited to join the Program’s RFP. To evaluate the Module RFI, PG&E will primarily consider the Supplier’s financial strength, technology improvement plan, plan to support PG&E’s WMDVBE goals, field experience, product quality, and its manufacturing base. Additionally, Supplier’s submittals will be evaluated to determine their completeness, clarity, and conformance to Module RFI instructions. If it is difficult or overly time-consuming to evaluate Supplier’s submittals, then Supplier may be disadvantaged in the evaluation process and may be disqualified.

Company Financials relates to the Suppliers viability in terms of credit, risks, and financial stress. PG&E will consider bankruptcies, pending lawsuits, and bonding capabilities as well as other traditional factors such as working capital, tangible net worth, return on equity, debt-to-equity ratio and other financial measurements.

Module RFI for 250 MW PV Program

Technology Improvement Plan refers to the Supplier's targets and plan for production cost reductions and efficiency improvements over the period of the Program.

Supplier Diversity encompasses PG&E's commitment to seek maximum practicable opportunities to use WMDVBES in the performance of its contracts. Supplier will be evaluated on the thoroughness of their plan to carry out PG&E's policy to the fullest extent possible. PG&E's enterprise-wide goal for WMDVBE participation is 30% for the 2010 calendar year.

Field Experience pertains to the module's degree of commercial deployment, field proven quality, and warranty strength..

Module Technology Details refers to the Supplier's capacity to deliver complete and qualified product documentation which can be used to evaluate the module performance and quality.

Technical Flexibility is a factor of evaluation that identifies any particular inverter requirements for use with the proposed module.

Manufacturing Base is a factor that accounts for the Supplier's manufacturing capacity size, manufacturing utilization, availability of modules for the Program, delivery lead times and local manufacturing presence.

Completeness, Quality and Responsiveness of Proposal means the degree that Supplier follows the requirements of the RFI including, but not limited to, the completeness of the response and ability to follow instructions in the RFI Protocol and datasheets.

Attachment C

RFP Protocol, EPC Supplier



EPC Supplier for 250 MW Utility- Owned Photovoltaic Program

Request For Proposal

PROTOCOL

MMM DD, 2010

EPC RFP for 250 MW PV Program

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EPC RFP for 250 MW PV Program

I. Program Introduction and Solicitation

A. Introduction

Pacific Gas and Electric Company (“PG&E”) proposes to initiate in 2010, a five-year program to develop up to 500 MW of solar photovoltaic (“PV”) generation installation in its service territory. The PV program targets the development of 250 MW of utility-owned generation (“UOG”) and another 250 MW through a Purchase Power Agreement (“PPA”). Implementation of these programs will help meet the obligations under California's Renewable Portfolio Standard.

250 MW UOG PV Program

The overall program plan (“Program”) in PG&E’s application to the California Public Utilities Commission (“CPUC”) consists of the following:

- Sites will be in PG&E’s service territory. Each ground-mounted PV facility will be approximately 1 to 20 MW in size
- PG&E expects to install and commission 50 MW/year
- The Program is open to any commercially proven viable PV solutions and technologies with substantial operating experience in the field.
- PG&E will be responsible for generation tie lines and interconnection. Additionally, PG&E will obtain permits and provide sites that are ready for equipment installation.
- Contract awards will be based on the Bidder’s potential to deliver competitive pricing, performance, reliability and a demonstrated ability to meet PG&E’s goals.

In response to the CPUC’s approval of the Program, PG&E will be issuing two separate Requests for Proposals (“RFP”s) - one for those suppliers interested in supplying PV modules only, and the other for suppliers interested in engineering, procuring, and constructing (“EPC”) all system components with contractor furnished modules or PG&E furnished modules.

PG&E may award multi-year, multi-project contracts to successful Bidders from the RFPs. Award and assignment of contracts will be based on PG&E’s ongoing needs throughout the implementation of this Program.

B. RFP Communication

This RFP will be conducted using the PowerAdvocate Sourcing Intelligence platform (“PowerAdvocate”). All communications including, but not limited to, RFP documents, information, announcements, and amendments will be posted in PowerAdvocate; likewise, questions or comments between PG&E and Suppliers will utilize PowerAdvocate’s messaging tool. Requested documents and information shall be provided by Supplier through PowerAdvocate.

PG&E Strategic Sourcing Department shall be the Supplier’s sole point of contact during the RFP process. Bidder shall not contact other PG&E employees or consultants for

EPC RFP for 250 MW PV Program

information regarding the Project during the RFP period. Failure to comply with this requirement may result in disqualification.

For questions or matters of general interest raised by any Supplier during the Q&A period, PG&E will issue an answer during or shortly after the closing of the Q&A period. PG&E may, in its sole discretion, decline to respond to any e-mail or other inquiry outside of PowerAdvocate Messaging, and will have no liability or responsibility to any Supplier for failing to do so.

C. Contracting Strategy

The separate Module and EPC Services RFPs will be processed and released at roughly the same time so as to allow for a comprehensive evaluation of programmatic solutions. To minimize total project risks and complexity, the development of final contracts will be coordinated between the successful parties so as to collaboratively define the division of responsibilities, particularly for each project site's construction phase.

PG&E recognizes that new or existing partnerships, and other relationships between Suppliers, may be required to satisfy the Program's goals. PG&E also recognizes the general market practice of subcontracting for specific items such as balance of system equipment, site engineering, and electrical installation. Such relationships are encouraged so long as they do not absolve the successful Bidder(s) from accepting responsibility for the contracted scope of work.

PG&E intends to award EPC Service contracts to multiple Bidders. If awarded, these Suppliers would operate within an alliance framework for the Program. At the point where sufficient specification details can be finalized for a particular project site, the final scope will be released to the alliance EPC Supplier(s) to solicit final proposals. This "Competitive Partnership" is intended to balance the Program's objectives with the present project limitations.

Should PG&E elect to procure the modules separately from the EPC Bidders then PG&E may award module contracts to more than one Bidder. The role of the module Suppliers in the Competitive Partnership will vary with the capabilities of the successful EPC Bidder. However, the module Suppliers will be expected to work with PG&E and the EPC Supplier to support the construction schedule.

II. RFP Process

A. Solicitation Schedule

The RFP schedule is subject to change at PG&E's sole discretion at any time. PG&E will notify Suppliers of any schedule change.

The expected schedule (Pacific Time) for this RFP process is:

EPC RFP for 250 MW PV Program

- | | |
|--------------|-----------------------------------|
| ■ T, 2010 | PG&E issues RFP |
| ■ T+10, 2010 | Site Walk for RFP |
| ■ T+20, 2010 | Question & Answer Period Closes |
| ■ T+30, 2010 | RFP Closes |
| ■ T+60, 2010 | PG&E intends to award contract(s) |

B. RFP Process Milestones

1. PG&E issues the RFP. Supplier will have access to the bid event at the designated day and time specified in PowerAdvocate for this RFP.
2. Optional Bid Walk. Supplier will have the opportunity to join a site walk for the PG&E project locations, should that be necessary. The optional bid walk should take place before the close of the Q&A period.
3. Questions and Answers (Q&A). PG&E will compile questions received and issue answers via PowerAdvocate Messaging during the Q&A period.
4. Amendments to RFP. PG&E reserves the right to amend this RFP during the Supplier response period.
5. RFP Submittal Deadline. Supplier's proposal must be submitted through PowerAdvocate by the event close date/time and include, without limitation, the information and documents requested by the RFP. The entire proposal shall be submitted via PowerAdvocate.
6. PG&E Selects Bidder for Interview. PG&E intends to conduct interview with the top Bidders whose proposals received the highest evaluated scores. PG&E may request Bidder to furnish additional information, as is necessary in the opinion of PG&E, to clarify the Bidder's Proposal.
7. Negotiate and Execute Agreement. PG&E and preferred Bidder will negotiate and finalize agreement. In the course of negotiation, if the parties cannot agree on the terms of the Agreement, PG&E reserves the right to cease negotiation with Bidder and to select an alternate Bidder. The final contract will use PG&E's contract format including, but not limited to, the Technical Specification and PG&E's standard Terms and Conditions. Bidder's standard form contract will not be accepted.

C. RFP Participation

EPC RFP for 250 MW PV Program

This RFP is by invitation only to qualified suppliers Bidders. Bidders invited to submit a proposal were qualified as a result of supplier's successful response to the Request for Information ("RFI") issued by PG&E on January 25th, 2010.

Bidders are to follow directions and submit the required documents as directed in this RFP. PG&E will evaluate the proposals and may, at its sole discretion, request that any Bidder travel to PG&E's corporate headquarters in San Francisco for an interview. If PG&E opts to interview any Bidder, Bidder must be available to travel to San Francisco on 24-hours notice. Each Bidder is solely responsible for all its expenses related to its proposal or any other expenses incurred in connection with this RFP, including travel costs.

Bidder's Proposal must remain valid for a period of not less than sixty (60) days from the Proposal submission due date. PG&E agrees, and requires that each Bidder agree, to act in good faith in its performance of obligations under this RFP and, in each case in which PG&E's or Bidder's consent or agreement is required or requested hereunder, such consent or agreement shall not be unreasonably withheld or delayed.

Bidder's submitted information in this RFP should be an accurate reflection of the Bidder's capabilities, offerings, and services. Bidder must be able to substantiate any data provided in this RFP. If the Bidder provides inaccurate information in this RFP process, PG&E may choose to disqualify the Bidder.

Unless specifically noted by the Supplier during the RFP process, PG&E may award Supplier portions of the scope as proposed.

D. Disclaimers for Rejecting or Terminating RFP

PG&E RESERVES THE RIGHT TO WITHDRAW THIS RFP AT ANY TIME BEFORE OR AFTER THE PROPOSAL DUE DATE, OR TO REJECT ANY OR ALL PROPOSALS SUBMITTED IN RESPONSE TO THIS RFP FOR WHATEVER REASON, INCLUDING PG&E BUDGETARY LIMITATIONS. PG&E WILL NOT BE LIABLE, BY REASON OF SUCH WITHDRAWAL OR REJECTION, TO ANY SUPPLIER SUBMITTING A PROPOSAL IN RESPONSE TO THIS RFP.

Should PG&E and preferred Bidder come into an agreement, the resulting contract from this RFP to the preferred Bidder is non-exclusive:

THE PARTIES AGREE THAT THIS CONTRACT DOES NOT ESTABLISH AN EXCLUSIVE CONTRACT BETWEEN PG&E AND CONTRACTOR NOR CONSTITUTE A COMMITMENT BY PG&E, WHETHER EXPRESSED OR IMPLIED, TO CONTRACT WITH CONTRACTOR TO PERFORM OR SUPPLY ANY WORK; NOR IS THERE ANY GUARANTEE AS TO VOLUME OF WORK OR THE DURATION OF THIS CONTRACT. PG&E EXPRESSLY RESERVES ALL ITS RIGHTS, INCLUDING BUT NOT LIMITED TO THE FOLLOWING: THE RIGHT TO UTILIZE OTHERS TO PERFORM OR SUPPLY WORK OF THE TYPE

EPC RFP for 250 MW PV Program

CONTEMPLATED BY THE CONTRACT; THE RIGHT TO REQUEST PROPOSALS FROM OTHERS WITH OR WITHOUT REQUESTING PROPOSAL(S) FROM SUPPLIER FOR WORK OF THE TYPE CONTEMPLATED BY THE CONTRACT AND THE UNRESTRICTED RIGHT BY PG&E TO BID OR PERFORM ANY SUCH WORK.

By responding to this RFP, Bidder agrees to be bound by all terms, conditions and other provisions of this RFP and any changes or supplements to it that may be issued by PG&E.

E. How to Respond to RFP Using PowerAdvocate

Supplier must answer questions and provide information using the PowerAdvocate Sourcing Intelligence platform as directed by PG&E. Suppliers are to follow directions and submit the required documentations in PowerAdvocate as directed in this RFP. Bidder may enter and revise information; and upload, delete and re-upload requested documents, anytime during the bid event up until the RFP submittal deadline. It is recommended that Bidder upload the requested document well before the deadline. Documents uploaded after the deadline will not be considered. PG&E will evaluate the information provided based on the evaluation criteria as established in Section III, Evaluation of Proposal.

The RFP is organized into five web “Tabs”:

- Tab #1, “Download RFP,” is the one used to download documents such as this RFP Protocol, RFP guidelines, and all other relevant documents.
- Tab #2, “Upload Proposal,” is the tab that Supplier shall use to upload all relevant documentation such as technical specifications, one-line drawings, warranty terms, and others as requested in the RFP. Supplier shall indicate whether each file is commercial, technical, or pricing-related in content when uploading the files and shall follow “file naming” instructions in the datasheet. Documents may not be considered if instructions are not followed.
- Tab #3, “Commercial Data” contains datasheets that Suppliers must fully complete to the best of their ability by answering EVERY relevant question. All Suppliers must complete the EPC Commercial Questions tab. Certain questions will direct Supplier to upload additional information. Please ensure that the requested commercial data are uploaded as directed.
- Tab #4, “Technical Data” contains datasheets that resemble the Commercial tab, but that ask different questions. The requirements for completing the Commercial datasheets also holds true for the Technical datasheets. All Suppliers must complete the EPC Technical Questions tab. For each potential PG&E project, Suppliers should complete the corresponding Technical datasheet with the project-specific information requested. All Suppliers should plan for the provision of modules, and provide the necessary

EPC RFP for 250 MW PV Program

technical information. Certain questions will direct Supplier to upload additional information. Please ensure that the requested technical data are uploaded as directed.

- Tab #5, “Pricing Data,” contains datasheets that resemble the Technical tab, but that ask different questions. The requirements for completing the Technical datasheets also holds true for the Pricing datasheets. All Suppliers must complete the EPC Pricing Questions tab. For each potential PG&E project, Suppliers should complete the corresponding Project datasheet with the project-specific information requested. All Suppliers should plan for the provision of modules, and provide the necessary pricing information. Certain questions will direct Supplier to upload additional information. Please ensure that the requested pricing data are uploaded as directed.

Supplier responses can be provided and updated up until the RFP deadline. Thereafter, the RFP will be closed, and Supplier will be unable to make further revisions. PG&E will not accept any other form of response to the RFP except those submitted through PowerAdvocate.

F. Information Submitted by Bidder

1. Proprietary Data. Documents and data submitted for this RFP become the property of PG&E upon submission, and will be retained by PG&E in the document record for this RFP. Suppliers are cautioned to clearly label all proprietary data as such. PG&E agrees to exercise reasonable efforts to protect all information received, provided it is expressly understood and by submitting such information thus agreed to by Supplier, that PG&E shall not be liable in the event that such information is disclosed.
2. Supplemental and Additional Information. PG&E may request that Supplier furnish additional information, after the RFP due date, as is necessary in the opinion of PG&E, to clarify the Supplier’s information or to assure that the Supplier’s technical competence and business organization qualifies to participate in the RFP.
3. Proposal Preparation Cost. Notwithstanding the outcome of this RFP, PG&E shall not be liable for any preparation costs incurred in responding to this RFP.

III. Evaluation of Proposal

The goal of the EPC RFP is to award multi-year, multi-project contracts to successful Bidders from the RFPs. Award and assignment of contracts will be based on PG&E’s ongoing needs throughout the implementation of this Program. To evaluate the EPC RFP, PG&E will primarily consider performance, pricing, plan to support PG&E’s WMDVBE goals, conformance to PG&E’s stated terms and conditions, Supplier’s financial stability, technical experience, subcontracting and project plan, and ability to meet Program schedules. Additionally, Supplier’s submittals will be evaluated to determine their completeness, clarity, and conformance to EPC RFP instructions. If it is difficult or

EPC RFP for 250 MW PV Program

overly time-consuming to evaluate Supplier's submittals, then Supplier may be disadvantaged in the evaluation process and may be disqualified.

To evaluate the EPC bids, PG&E will consider the following elements of the proposed documents and data (in no particular order):

- A. **Company Financials** – Bidder's viability in terms of credit, risks, and financial stress, as well as Bidder's bonding capabilities.
- B. **Company Programs** – Strength of Bidder's Company Programs including, but not limited to, Safety, Environmental, Green Supply Chain, Change Control, Risk Management, Quality Assurance, and other relevant programs and procedures.
- C. **Supplier Diversity** – Bidder's demonstrated commitment to seek maximum practicable opportunities to use WMDVBEs in the performance of work. Supplier will be evaluated on the thoroughness of its plan to carry out PG&E's policy.
- D. **Technical Experience** – Extent of project management and installation expertise within the Bidding Team and the Bidder's key personnel. PG&E will also evaluate the commercial deployment and field-proven quality of proposed modules.
- E. **Conformance to Technical Specification** – Bidder's proposed materials, equipment and services meet or exceed technical requirements.
- F. **Technical Flexibility** – assesses EPC Suppliers ability to work with other module technologies, and any additional costs incurred to do so.
- G. **Ability to Meet Schedule** – Bidder's ability to meet program targets and demonstration of Bidder's planning proficiencies.
- H. **Conformance to PG&E's stated Terms and Conditions** – Degree to which the Bidder accepts PG&E's Contract terms and conditions including but not limited to warranties, remedies, and performance guarantees
- I. **Pricing** – Lifetime levelized cost of energy, installed costs, operating and maintenance costs, cost of spare parts, and energy production; and also long term pricing considerations
- J. **Subcontracting & Partnership Plan** – Effective subcontractor management processes, and clear division of responsibilities.
- K. **Completeness, Quality and Responsiveness of Proposal** – Degree that Bidder follows the requirements of the RFP including, but not limited to, the requested documents, the organization, and format of Bidder's proposal.
- L. **Other Factors** based on the information provided by Bidder in response to the RFP demonstrating that Bidder is the appropriate candidate to complete the Project.

Attachment D

RFP Protocol, Module Supplier



Module Supplier for 250 MW Utility- Owned Photovoltaic Program

Request For Proposal

PROTOCOL

MMM DD, 2010

Module RFP for 250 MW PV Program

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Module RFP for 250 MW PV Program

I. Program Introduction and Solicitation

A. Introduction

Pacific Gas and Electric Company (“PG&E”) proposes to initiate in 2010, a five-year program to develop up to 500 MW of solar photovoltaic (“PV”) generation installation in its service territory. The PV program targets the development of 250 MW of utility-owned generation (“UOG”) and another 250 MW through a Purchase Power Agreement (“PPA”). Implementation of these programs will help meet the obligations under California's Renewable Portfolio Standard.

250 MW UOG PV Program

The overall program plan (“Program”) in PG&E’s application to the California Public Utilities Commission (“CPUC”) consists of the following:

- Sites will be in PG&E’s service territory. Each ground-mounted PV facility will be approximately 1 to 20 MW in size
- PG&E expects to install and commission 50 MW/year
- The Program is open to any commercially viable PV solutions and technologies with proven operating experience in the field that will support an analysis of lifetime performance claims
- PG&E will obtain permits and provide sites that are ready for equipment installation
- PG&E will be responsible for generation tie lines and interconnection
- Contract awards will be based on the Bidder’s potential to deliver competitive pricing, performance, reliability and a demonstrated ability to meet PG&E’s goals.

In response to the CPUC’s approval of the Program, PG&E will be issuing two separate Requests for Proposals (RFPs) - one for those suppliers interested in supplying PV modules only and the other for suppliers interested in engineering, procuring, and constructing (“EPC”) all system components with contractor furnished modules or PG&E furnished modules.

PG&E may award multi-year, multi-project contracts to successful Bidders from the RFPs. Award and assignment of contracts will be based on PG&E’s ongoing needs throughout the implementation of this Program.

B. RFP Communication

This RFP will be conducted using the PowerAdvocate Sourcing Intelligence platform (“PowerAdvocate”). All communications including, but not limited to, RFP documents, information, announcements, and amendments will be posted in PowerAdvocate; likewise, questions or comments between PG&E and Suppliers will utilize PowerAdvocate’s messaging tool. Requested documents and information shall be provided by Supplier through PowerAdvocate.

Module RFP for 250 MW PV Program

PG&E Strategic Sourcing Department shall be the Supplier's sole point of contact during the RFP process. Bidder shall not contact other PG&E employees or consultants for information regarding the Project during the RFP period. Failure to comply with this requirement may result in disqualification.

For questions or matters of general interest raised by any Supplier during the Q&A period, PG&E will issue an answer during or shortly after the closing of the Q&A period. PG&E may, in its sole discretion, decline to respond to any e-mail or other inquiry outside of PowerAdvocate Messaging, and will have no liability or responsibility to any Supplier for failing to do so.

C. Contracting Strategy

The separate Module and EPC Services RFPs will be processed and released at roughly the same time so as to allow for a comprehensive evaluation of programmatic solutions. To minimize total project risks and complexity, the development of final contracts will be coordinated between the successful parties so as to collaboratively define the division of responsibilities, particularly for each project site's construction phase.

PG&E recognizes that new or existing partnerships, and other relationships between Suppliers, may be required to satisfy the Program's goals. PG&E also recognizes the general market practice of subcontracting for specific items such as balance of system equipment, site engineering, and electrical installation. Such relationships are encouraged so long as they do not absolve the successful Bidder(s) from accepting responsibility for the contracted scope of work.

PG&E intends to award EPC Services contracts to multiple Bidders. If awarded, these Suppliers would operate within an alliance framework for the Program. At the point where sufficient specification details can be finalized for a particular project site, the final scope will be released to the alliance EPC Supplier(s) to solicit final proposals. This "Competitive Partnership" is intended to balance the Program's objectives with the present project limitations.

Should PG&E elect to procure the modules separately from the EPC Bidders then PG&E may award module contracts to more than one Bidder. The role of the module Suppliers in the Competitive Partnership will vary with the capabilities of the successful EPC Bidder. However, the module Suppliers will be expected to work with PG&E and the EPC Supplier to support the construction schedule.

II. RFP Process

A. Solicitation Schedule

The RFP schedule is subject to change at PG&E's sole discretion at any time. PG&E will notify Suppliers of any schedule change.

Module RFP for 250 MW PV Program

The expected schedule (Pacific Time) for this RFP process is:

- | | |
|--------------|-----------------------------------|
| ■ T, 2010 | PG&E issues RFP |
| ■ T+20, 2010 | Question & Answer Period Closes |
| ■ T+30, 2010 | RFP Closes |
| ■ T+60, 2010 | PG&E intends to award contract(s) |

B. RFP Process Milestones

1. PG&E issues the RFP. Supplier will have access to the bid event at the designated day and time specified in PowerAdvocate for this RFP.
2. Questions and Answers (Q&A). PG&E will compile questions received and issue answers via PowerAdvocate Messaging during the Q&A period.
3. Amendments to RFP. PG&E reserves the right to amend this RFP.
4. RFP Submittal Deadline. Supplier's proposal must be submitted through PowerAdvocate by the event close date/time and include without limitation the information and documents requested by the RFP. The entire proposal shall be submitted via PowerAdvocate.
5. PG&E Selects Bidder for Interview. PG&E intends to conduct interview with the top Bidders whose proposals received the highest evaluated scores. PG&E may request Bidder to furnish additional information, as is necessary in the opinion of PG&E, to clarify the Bidder's.
6. Negotiate and Execute Agreement. PG&E and preferred Bidder will negotiate and finalize agreement. In the course of negotiation, if the parties cannot agree on the terms of the Agreement, PG&E reserves the right to cease negotiation with Bidder and to select an alternate Bidder. The final contract will use PG&E's contract format including, but not limited to, the Technical Specification and PG&E's standard Terms and Conditions. Bidder's standard form contract will not be accepted.

C. RFP Participation

This Request for Proposal is by invitation only to qualified suppliers. Bidders invited to submit a proposal were qualified as a result of supplier's successful response to the Request for Information ("RFI") issued by PG&E on January 25th, 2010.

Bidders are to follow directions and submit the required documents as directed in this RFP. PG&E will evaluate the proposals and may, at its sole discretion, request that any

Module RFP for 250 MW PV Program

Bidder travel to PG&E's corporate headquarters in San Francisco for an interview. If PG&E opts to interview any Bidder, Bidder must be available to travel to San Francisco on 24-hours notice. Each Bidder is solely responsible for all its expenses related to its proposal or any other expenses incurred in connection with this RFP, including travel costs.

Bidder's Proposal must remain valid for a period of not less than sixty (60) days from the Proposal submission due date.

PG&E agrees, and requires that each Bidder agree, to act in good faith in its performance of obligations under this RFP and, in each case in which PG&E's or Bidder's consent or agreement is required or requested hereunder, such consent or agreement shall not be unreasonably withheld or delayed.

Bidder's submitted information in this RFP should be an accurate reflection of the Bidder's capabilities, offerings, and services. Bidder must be able to substantiate any data provided in this RFP. If the bidder provides inaccurate information in this RFP process, PG&E may choose to disqualify the Bidder.

Unless specifically noted by the Supplier during the RFP process, PG&E may award Supplier portions of the scope as proposed.

D. Disclaimers for Rejecting or Terminating RFP

PG&E RESERVES THE RIGHT TO WITHDRAW THIS RFP AT ANY TIME BEFORE OR AFTER THE PROPOSAL DUE DATE, OR TO REJECT ANY OR ALL PROPOSALS SUBMITTED IN RESPONSE TO THIS RFP FOR WHATEVER REASON, INCLUDING PG&E BUDGETARY LIMITATIONS. PG&E WILL NOT BE LIABLE, BY REASON OF SUCH WITHDRAWAL OR REJECTION, TO ANY SUPPLIER SUBMITTING A PROPOSAL IN RESPONSE TO THIS RFP.

Should PG&E and preferred Bidder come into an agreement, the resulting contract from this RFP to the preferred Bidder is non-exclusive:

THE PARTIES AGREE THAT THIS CONTRACT DOES NOT ESTABLISH AN EXCLUSIVE CONTRACT BETWEEN PG&E AND CONTRACTOR NOR CONSTITUTE A COMMITMENT BY PG&E, WHETHER EXPRESSED OR IMPLIED, TO CONTRACT WITH CONTRACTOR TO PERFORM OR SUPPLY ANY WORK; NOR IS THERE ANY GUARANTEE AS TO VOLUME OF WORK OR THE DURATION OF THIS CONTRACT. PG&E EXPRESSLY RESERVES ALL ITS RIGHTS, INCLUDING BUT NOT LIMITED TO THE FOLLOWING: THE RIGHT TO UTILIZE OTHERS TO PERFORM OR SUPPLY WORK OF THE TYPE CONTEMPLATED BY THE CONTRACT; THE RIGHT TO REQUEST PROPOSALS FROM OTHERS WITH OR WITHOUT REQUESTING PROPOSAL(S) FROM SUPPLIER FOR WORK OF THE TYPE CONTEMPLATED BY THE CONTRACT AND THE UNRESTRICTED RIGHT BY PG&E TO BID OR PERFORM ANY SUCH

Module RFP for 250 MW PV Program

WORK.

By responding to this RFP, Bidder agrees to be bound by all terms, conditions and other provisions of this RFP and any changes or supplements to it that may be issued by PG&E.

E. How to Respond to RFP Using PowerAdvocate

Supplier must answer questions and provide information using the PowerAdvocate Sourcing Intelligence platform as directed by PG&E. Suppliers are to follow directions and submit the required documentations in PowerAdvocate as directed in this RFP. Bidder may enter and revise information; and upload, delete and re-upload requested documents, anytime during the bid event up until the RFP submittal deadline. It is recommended that Bidder upload the requested document well before the deadline. Documents uploaded after the deadline will not be considered. PG&E will evaluate the information provided based on the evaluation criteria as established in Section III, Evaluation of Proposal.

The RFP is organized into five web “Tabs”:

- Tab #1, “Download RFP,” is the one used to download documents such as this RFP Protocol, RFP guidelines, and all other relevant documents.
- Tab #2, “Upload Proposal,” is the tab that Supplier shall use to upload all relevant documentation such as technical specifications, one-line drawings, warranty terms, and others as requested in the RFP. Supplier shall indicate whether each file is commercial, technical, or pricing-related in content when uploading the files and shall follow “file naming” instructions in the datasheet. Documents may not be considered if instructions are not followed.
- Tab #3, “Commercial Data” contains datasheets that Suppliers must fully complete to the best of their ability by answering EVERY relevant question. All Suppliers must complete the Module Commercial Questions tab. Certain questions will direct Supplier to upload additional information. Please ensure that the requested commercial data are uploaded as directed.
- Tab #4, “Technical Data” contains datasheets that resemble the Commercial tab, but that ask different questions. The requirements for completing the Commercial datasheets also holds true for the Technical datasheets. For each proposed module technology, Suppliers shall complete the corresponding Technical datasheet with the technology-specific information requested. Certain questions will direct Supplier to upload additional information. Please ensure that the requested technical data are uploaded as directed.
- Tab #5, “Pricing Data,” contains datasheets that resemble the Technical tab, but that ask different questions. The requirements for completing the Technical datasheets also

Module RFP for 250 MW PV Program

holds true for the Pricing datasheets. For each proposed module technology, Suppliers shall complete the corresponding Pricing datasheet with the technology-specific information requested. Certain questions will direct Supplier to upload additional information. Please ensure that the requested pricing data are uploaded as directed.

Supplier responses can be provided and updated up until the RFP deadline. Thereafter, the RFP will be closed, and Supplier will be unable to make further revisions. PG&E will not accept any other form of response to the RFP except those submitted through PowerAdvocate.

F. Information Submitted by Bidder

1. Proprietary Data. Documents and data submitted for this RFP become the property of PG&E upon submission, and will be retained by PG&E in the document record for this RFP. Suppliers are cautioned to clearly label all proprietary data as such. PG&E agrees to exercise reasonable efforts to protect all information received, provided it is expressly understood and by submitting such information thus agreed to by Supplier, that PG&E shall not be liable in the event that such information is disclosed.
2. Supplemental and Additional Information. PG&E may request that Supplier furnish additional information, after the RFP due date, as is necessary in the opinion of PG&E, to clarify the Supplier's information or to assure that the Supplier's technical competence and business organization qualifies to participate in the RFP.
3. Proposal Preparation Cost. Notwithstanding the outcome of this RFP, PG&E shall not be liable for any preparation costs incurred in responding to this RFP.

III. Evaluation of Proposal

The goal of the Module RFP is to award multi-year, multi-project contracts to successful Bidders from the RFPs. Award and assignment of contracts will be based on PG&E's ongoing needs throughout the implementation of this Program. To evaluate the Module RFP, PG&E will primarily consider performance, pricing, plan to support PG&E's WMDVBE goals, conformance to PG&E's stated terms and conditions, Supplier's financial stability, technical experience, subcontracting and project plan, and ability to meet Program schedules. Additionally, Supplier's submittals will be evaluated to determine their completeness, clarity, and conformance to Module RFP instructions. If it is difficult or overly time-consuming to evaluate Supplier's submittals, then Supplier may be disadvantaged in the evaluation process and may be disqualified.

To evaluate the Module bids, PG&E will consider the following elements of the proposed documents and data (in no particular order):

- A. **Company Financials** – Bidder's viability in terms of credit, risks, and financial stress.

Module RFP for 250 MW PV Program

- B. **Company Programs** – Strength of Bidder’s Company Programs including, but not limited to, Environmental, Green Supply Chain, Quality Assurance, and other relevant programs and procedures.
- C. **Supplier Diversity** – Bidder’s demonstrated commitment to seek maximum practicable opportunities to use WMDVBES in the performance of work. Supplier will be evaluated on the thoroughness of their plan to carry out PG&E’s policy.
- D. **Field Experience** – Proposed module’s degree of commercial deployment, field proven quality, and warranty strength.
- E. **Conformance to Technical Specification** – Bidder’s proposed equipment meets or exceeds technical requirements including module warranties (guaranteed output over the life of the panel)
- F. **Technical Flexibility** – identifies any particular inverter, racking and/or other requirements for use with the proposed module.
- G. **Manufacturing Base** – Bidder’s manufacturing base including but not limited to capacity, manufacturing utilization, availability of modules for the Program, delivery lead times, delivery capabilities, and local manufacturing presence.
- H. **Conformance to PG&E’s stated Terms and Conditions** – Degree to which the Bidder accepts PG&E’s Contract terms and conditions including but not limited to warranties and remedies, and performance guarantees
- I. **Pricing** – Module price (\$/watt), and, along with panel efficiency, panel warranty and panel durability, its impact on levelized cost of energy, installed costs, operating and maintenance costs, cost of spare parts, and long-term pricing solutions.
- J. **Technology Improvement Plan** – Bidder’s targets and plan for production cost reductions and efficiency improvements over the period of the Program.
- K. **Completeness, Quality and Responsiveness of Proposal** – Degree that Bidder follows the requirements of the RFP including, but not limited to, the requested documents, the organization, and format of Bidder’s proposal.
- L. **Other Factors** based on the information provided by Bidder in response to the RFP demonstrating that Bidder is the appropriate candidate to complete the Project.

Attachment G

Independent Evaluator (IE) Report

**Comments of Merrimack Energy Group, Inc. on Pacific Gas
and Electric Company's
250 MW Utility-Owned Solar Photovoltaic Program
June 15, 2010**

*Prepared by
Merrimack Energy Group, Inc.*



Introduction

Merrimack Energy Group, Inc. (“Merrimack Energy”) has been retained by Pacific Gas and Electric Company (“PG&E”) to serve as Independent Evaluator (“IE”) for PG&E’s Solar Photovoltaic (“Solar PV”) Program. The Solar PV Program provides for the development of solar facilities through both utility-owned generation (“UOG”) and power purchase agreements (“PPA”). Under the UOG portion of the Solar PV Program, PG&E is authorized to install up to 250 MW of UOG solar PV facilities from 1 to 20 MW in size in its service territory at a rate of 50 MW per year, subject to cost of service ratemaking treatment and carryover provisions. Similarly, under the PPA portion of the Solar PV Program, PG&E will be authorized to solicit energy from 250 MW of PV facilities from 1 to 20 MW in size located in PG&E’s service territory, also at a rate of 50 MW per year.

In the role of IE, Merrimack Energy will serve as IE for both the 250 MW UOG portion of the program and the 250 MW PPA portion of the program.¹ Merrimack Energy was retained in late March 2010 to begin its role as IE in this process.²

This report will provide the IE’s initial findings and comments with regard to the development and implementation of the UOG portion of the program.³ The comments provided below will reflect Merrimack Energy’s review of the documentation prepared by the UOG Project Team,⁴ meetings and discussions with project team members, and review of the Power Advocate Sourcing Intelligence (“Power Advocate”) website as the platform for the solicitation.⁵ In that regard, the report will address the following issues associated with the UOG solicitation process:

¹ The UOG portion of the Solar PV program and the PPA portion of the program will be undertaken on two separate tracks led by different divisions of the Company with no overlap in responsibility or communications associated with either program.

² In the *Decision Adopting a Solar Photovoltaic Program for Pacific Gas and Electric Company* issued on April 22, 2010, the California Public Utilities Commission (“CPUC”) required PG&E to enlist the services of an independent evaluator to assess the fairness and robustness of its solicitation for both the UOG and PPA portions to ensure the best price possible for ratepayers for the UOG projects developed by PG&E and those developed by independent power producers.

³ As will be noted in the report, the UOG team has solicited Requests for Information (“RFI”) from prospective suppliers and is in the process of reviewing and evaluating the responses. The report will therefore primarily address the solicitation process, protocols and criteria developed by UOG to undertake the RFI phase of the program.

⁴ Documentation reviewed includes the RFI documents, evaluation criteria and scorecard, draft Procurement Protocol, Solar Evaluation and Contracting Process, and the draft Request for Proposals (“RFP”).

⁵ The UOG Project Team largely consists of PG&E Power Generation division management and staff with a range of expertise and experience in power generation project construction and operations, renewable project development and engineering, site acquisition, and related disciplines. The UOG team is responsible for developing the program protocols, evaluation methodology and criteria, information required of bidders, and evaluation of the information responses and bids received.

1. Description and review of the proposed solicitation protocols and process⁶
2. Outreach activities
3. RFI and RFP evaluation process and criteria
4. Overall findings and comments

On March 26, 2010 Merrimack Energy met with the UOG project team to discuss the UOG program and the proposed solicitation and evaluation process. Merrimack Energy prepared a list of topics for discussion at the initial meeting and sent the list to the UOG team prior to the meeting. The list of topics for discussion is attached as Appendix A.

Description of the Proposed UOG Solicitation Process

PG&E is seeking 250 MW of solar photovoltaic (“PV”) generation installations in its service territory through the UOG portion of the program. The program is seeking primarily ground-mounted PV facilities in the 1 to 20 MW range that will be constructed over a five year period. Sites will be in PG&E’s service territory. The program is open to any commercially viable PV technology with a proven operating experience in the field. PG&E’s UOG team is responsible for providing the sites and permits for the project while third-party suppliers will be responsible for the Engineering, Procurement and Construction (“EPC”) services and modules for the project. PG&E will also be responsible for generation interconnection and tie lines as well as site preparation. Awards of contracts to selected suppliers will be largely based on the cost of delivering electricity from the project.

PG&E’s UOG solicitation process encompasses a two stage process. In the first stage of the process, PG&E issues Requests for Information (“RFI”) from industry participants capable of providing PV modules and/or EPC services. Suppliers responding to either RFI are evaluated relative to a largely objective evaluation process designed to evaluate RFI responses relative to specified criteria. In the second stage of the process, qualified suppliers selected through the RFI process are invited to submit proposals to provide EPC services or modules or both through a Request for Proposal (“RFP”) process.⁷

In the Draft Procurement Protocol, PG&E identifies four objectives for the UOG PV Program including:

1. Obtain the best value for PG&E’s PV Solar Program by contracting for reliable and durable PV systems, while driving cost below the CPUC cap;
2. Manage risk of uncertainty and volatility to PV module prices;
3. Allow a significant portion of the system’s content to be provided by CPUC registered diversity companies;
4. Manage generation asset reliability and minimize O&M risk.

⁶ PG&E has received responses for the RFI from prospective bidders and is in the process of evaluating the responses. Based on discussions with PG&E, it appears that the RFP process to select the final suppliers will be similar to the RFI process in terms of general criteria and methodology.

⁷ PG&E has indicated to the IE that it intends to select a large enough group of supplier through the RFI process who will be eligible to respond to the RFP to ensure the process is a very competitive process.

PG&E indicates it may award multi-year, multi-project contracts to successful Bidders from the RFPs.

With regard to the RFI process, PG&E developed and posted on the Power Advocate platform RFI protocols for the two program options available under the UOG portion of the program: (1) EPC Supplier and (2) Module Supplier. Under the EPC option, suppliers had two options as well. A supplier could elect to provide EPC services only or could combine EPC services with modules. While the RFI protocol documents are similar, as will be discussed later in this report, the information required of bidders and the evaluation criteria differ slightly but appropriately based on the product sought.

PG&E issued/posted the two separate RFI's on January 25, 2010. One RFI solicited information for suppliers interested in providing EPC services ("EPC Supplier RFI"). The second RFI was for suppliers interested in providing modules to PG&E ("Module Supplier RFI"). Following the evaluation of the RFIs and receipt of CPUC approval of its Advice Letter for the UOG program, PG&E plans to issue RFPs to a short list of the two groups of suppliers (i.e. EPC and Modules) based on scores for each bidder based on the RFI evaluation criteriasimilar to the RFIs. It is anticipated that EPC and Module responses to the RFP will be evaluated using the same or similar criteria used for the RFI evaluation, with the addition of firm pricing and project schedule.

The options proposed by PG&E allow for either an unbundled approach (*i.e.* splitting the EPC services and modules) or bundled approach (*i.e.* EPC services and modules offered as a bundle) for combining EPC and modules. The RFI and RFP protocol documents note that even if an EPC firm offers a bundled solution, PG&E may pursue an unbundled relationship to leverage potential value resulting from the separately released RFPs and responses. The process also allows suppliers to develop partnerships with industry participants to enhance their capability. PG&E notes that subcontracting is a general industry practice for such services as EPC services and encourages such relationships as long as the successful bidder maintains the responsibility to perform under the contract. PG&E notes that it may select multiple EPC contracts for the program. As a result, PG&E appropriately notes that the final outcomes for selection of EPC contractors and module suppliers may not be known until PG&E has the opportunity to coordinate with selected suppliers to ensure there is compatibility among the parties (*i.e.* PG&E, EPC and Module supplier).

PG&E included in its RFI Protocol documents for each program a description of the product options, the proposed schedule for the process, a description of the Power Advocate platform as the mechanism to communicate with bidders, the criteria of importance for each option and the type of information required. This information should be sufficient to allow prospective suppliers to assess the requirements of PG&E and make an informed decision to participate in the RFI phase of the process.

Prior to receipt of the responses to the RFI, PG&E held a webinar for prospective suppliers on supplier diversity and its importance to PG&E. PG&E also posted the

responses to a number of questions received from prospective suppliers at various times during the process. Also, PG&E posted documents and other background information on the Power Advocate platform to assist suppliers with their responses.

Responses to the RFI were received via the Power Advocate platform on March 31, 2010 for both the EPC and Modules components of the UOG program. As of the date of this filing, PG&E has been in the process of evaluating the responses and intends to select those suppliers who will be eligible to submit a proposal for either the EPC or Modules component of the program.⁸

Outreach Activities

PG&E maintains a large database of potential suppliers and contractors that serves as the basis for its outreach activities for the UOG portion of the Solar PV program. PG&E views outreach to potential market competitors to be a very important component of program activities. Since UOG may be targeting a different group of industry participants (*i.e.* EPC contractors and module manufacturers) than the PPA portion of the program (*i.e.* project developers), establishing a unique database of market participants has been an important activity of the UOG team.

PG&E has drawn its contact list from two major sources of information: (1) internal sources and (2) external sources. Internal sources include the supplier list for the 2 MW PV Pilot project as well as other suppliers that expressed interest in the program after the sourcing for the pilot program. External sources include major industry associations including the Solar Electric Power Association, Solar Energy Industry Association, California Solar Energy Industries Association, and European Photovoltaic Industry Association. For outreach purposes, PG&E has informed the market of the RFI through a press release issued by PG&E's External Communications Group, and through posting the bid opportunity in business-to-business and News and Events at PGE.com. PG&E began contacting external resources concerning the implementation and timing of the 250 MW UOG Solar PV program in late December 2009 and sent bid announcements to the internal and external resources after development of the procurement strategy in early January.⁹

To implement the UOG portion of the program, PG&E has elected to use the Power Advocate platform. Suppliers are required to answer questions and provide requested information directly to their specific file on the platform. The Power Advocate platform allows PG&E to communicate with all bidders at the same time using the same general format and requirements. For example, any documents, email notices to all bidders, individual emails to specific bidders and other communication requirements are conducted over the website without allowing access to other bidder files. Bidders are also allowed to update their files at any time prior to the RFI (and RFP) submittal deadline.

⁸ As previously noted, Merrimack Energy was given access to the Power Advocate platform. Merrimack Energy conducted its own initial review and evaluation of the responses based on the evaluation criteria developed by PG&E and included on the evaluation Scorecard.

⁹ The RFI was sent to over 100 interested parties.

The IE has been provided secure access to the files of all registered and active participants, including access to their RFI information and any supporting information provided.

Finally, to ensure consistency in communications with suppliers, PG&E has established specific staff contacts for communications with bidders.

RFI Evaluation Process and Criteria

As previously noted, PG&E has developed a process for evaluating the responses to the RFI designed to select a shortlist of eligible suppliers who will then submit their bids in response to the RFP currently under development. For the RFI phase of the evaluation, PG&E has designed an evaluation Scorecard that will be used to score and rank responses submitted by suppliers. While the Scorecards for the EPC and Module Supply options in the program differ with regard to the information requested and the evaluation criteria, the overall methodology and objectives are similar.

PG&E proposes to conduct the evaluation of the offers in two steps. The first step is the minimum criteria evaluation. If a project does not meet the minimum criteria defined by PG&E they would be eliminated from further consideration. The minimum criteria are listed on the Scorecard along with the basis for not achieving the minimum criteria. In this step, PG&E classifies offers as “Go/No Go”.

In the second step, all remaining offers are scored relative to the established Scorecard criteria. The criteria are generally objective in nature and were developed by the UOG project team.

The criteria used in the evaluation of the RFI responses are separated into three categories: (1) Technical Capability criteria; (2) Commercial Strength criteria; and (3) Supplier Diversity. Within each of the major evaluation categories are a number of sub-criteria. Table 1 provides a more in-depth description of the sub-criteria used in the evaluation process as described in the RFI protocol.

**Table 1
RFI Evaluation Criteria**

EPC Supplier Option	Module Supplier Option
<p>1. <u>Company Financials</u> – relates to supplier viability in terms of credit, risks, and financial stress. Considers financial criteria such as working capital, tangible net worth, return on equity, debt-to-equity ratio, etc.</p>	<p>1. <u>Company Financials</u> – relates to supplier viability in terms of credit, risks, and financial stress. Considers financial criteria such as working capital, tangible net worth, return on equity, debt-to-equity ratio, etc.</p>
<p>2. Supplier safety and environmental programs</p>	<p>2. <u>Technology Improvement Plan</u> – refers to the supplier’s targets and plan for production cost reductions and efficiency improvements over the period of the program.</p>
<p>3. <u>Supplier Diversity</u> – Suppliers will be evaluated</p>	<p>3. <u>Supplier Diversity</u> – Suppliers will be evaluated</p>

on the thoroughness of their plan to carry out PG&E's policy.	on the thoroughness of their plan to carry out PG&E's policy.
4. <u>Technical Experience</u> – Supplier's solar and power plant construction experience, including the role of the supplier in the identified projects, as well as the location and size of the projects developed.	4. <u>Field Experience</u> – pertains to the module's degree of commercial deployment, field proven quality, and warranty strength.
5. <u>Project Implementation</u> – refers to the supply chain capabilities for the Program's sites and the capacity to deliver complete and qualified project documentation. Includes assessment of project design drawings.	5. <u>Module Technology Details</u> – refers to the Supplier's capacity to deliver complete and qualified product documentation which can be used to evaluate the module performance and quality.
6. <u>Technical Flexibility</u> – assesses EPC suppliers ability and experience working with multiple solar technologies	6. <u>Technical Flexibility</u> – identifies any particular inverter requirements for use with the proposed module.
7. <u>Ability to Meet Schedule</u> – will include a measure against a standard project size and the suppliers track record for meeting previous project schedules.	7. <u>Manufacturing Base</u> – accounts for the supplier's manufacturing capacity size, manufacturing utilization, availability of modules for the program, delivery lead times, and local manufacturing presence.
8. <u>Completeness, Quality and Responsiveness of the Offer</u> – pertains to whether the supplier provided the information requested.	8. <u>Completeness, Quality and Responsiveness of the Offer</u> – pertains to whether the supplier provided the information requested.

The evaluation Scorecard developed by the UOG project team contains a pre-determined matrix which lists the criterion and the objective requirements associated with the scores relative to each criterion. An offer could receive a score of 1 to 5 within each sub-criterion. The matrix contains cells which specify what is required within each sub-criterion for an offer to receive a score of 1 to 5. As noted, the matrix approach to effectively determine the score of each option in advance is a very objective process with limited room for interpretation. In addition to the potential scores within each sub-criterion from 1 to 5, the UOG project team has also attached weights to the overall three criteria above as well as the sub-criteria. The sum of the product of the scores for each criterion and the weights attached in advance will determine the total score for each offer. In the RFI phase of the program offers are then ranked based on the overall score.

The UOG project team has identified evaluators within the overall evaluation team to focus on both the commercial and technical requirements. Through the Power Advocate platform, members of the technical team do not have access to the information used by the commercial team to ensure bias is not entered into the evaluation.

RFP Evaluation Process and Criteria

PG&E provided the IE an initial draft of the RFP documents that will be distributed to shortlisted bidders to be selected through the RFI process. Merrimack Energy raised a number of questions about the RFP process, including the status of bid evaluation and selection protocols. Subsequently, PG&E developed two documents for the RFP phase of the process and provided the documents to the IE for review.

The documents provide a detailed description of the bid evaluation and selection process leading to the selection of the preferred EPC and Module suppliers, including flow charts

and step-by-step details for implementing the program. PG&E notes that the purpose of the Module RFP is to obtain best value with the lowest evaluated cost for commercially proven technologies. The RFP will also enable PG&E to determine whether EPC bids should be bundled or unbundled and determine what degree price reductions can be obtained from larger and longer term orders. One of the goals of the EPC RFP is to assess whether bundled (with modules) or unbundled (without modules) provide the best options for customers.

Following is a summary of the key elements of the process as described in the protocol documents.

- After CPUC approval of the Advice Letter, PG&E intends to release two RFPs to the short listed suppliers selected through the RFI process. One of the RFPs will be for PV modules only and the other for EPC contracts. For the EPC contracts, bidders will be required to submit pricing for both bundled (with modules) and unbundled (without modules) products.
- The Module RFP will request bids for year-one projects only plus long-term supply of modules. Decisions will be made to award long-term module contracts versus annual contracts based on the market data received with the goal of obtaining benefits of scale for customers and hedging future module price risk. Module suppliers will be requested to provide bids for (a) multi-year contract with no obligation for PG&E to purchase (guaranteed pricing only); (b) long-term multi-year contracts with obligations to purchase; and (c) projects in year-one. In addition, module suppliers will be required to provide cancellation fees for all or a portion of the contract volume for each year and for various notice provisions. PG&E will execute forward contracts for modules if the prices are attractive. The prices will be evaluated relative to several reference prices developed by PG&E based on extensive market intelligence.
- The EPC RFP will require general contractors to bid EPC services on projects in year one on both a bundled basis (fully wrapped with modules) and unbundled basis (without modules). PG&E will not be soliciting multi-year bids from EPC contractors for the first year of the program. Proposals will be submitted for year-one project sites identified by PG&E. It is anticipated that three bidders will be awarded a Master Service Agreement with PG&E for a term of three years plus potential renewals.
- PG&E will request module bids each year to determine whether or not existing contracts should be cancelled and to evaluate the bundled versus unbundled EPC decision.
- PG&E will evaluate the bid results for long and short term module contracts, and bundled/rebundled EPC contracts to determine the mix based on the evaluation of different options. For example, PG&E module prices bid into the module RFP will be compared against the module prices included in the bundled EPC bid.

- PG&E proposes to conduct supplier interviews with the short listed Module and EPC Suppliers.
- PG&E will then request best and final offers for each of the three project sites, utilizing the modules either proposed by the EPC supplier or furnished by PG&E.
- PG&E will then enter into negotiations with the top EPC and Module suppliers to finalize contracts for both aspects of the program.

PG&E has indicated that the evaluation process and methodology associated with the RFP phase of the process will be similar to the RFI phase, with a few additional criteria included in the evaluation, notably the addition of price criteria. Table 2 lists the proposed criteria for the EPC and Module options for the RFP process. The objective Scorecard process for evaluating bids is expected to be similar to the RFI approach. The major difference is that price will be considered in the evaluation of bids submitted in response to the RFP and is expected to carry a significant weight in the evaluation.

**Table 2
RFP Evaluation Criteria**

EPC Request for Proposals	Solar PV Modules Request for Proposals
1. <u>Performance</u> – output of the electrical generation systems	1. <u>Performance</u> – output of the electrical generation systems
2. <u>Pricing</u> – Levelized cost of energy including installed costs, operating and maintenance costs, cost of spare parts, and long-term pricing considerations	2. <u>Pricing</u> – Levelized cost of energy including installed costs, operating and maintenance costs, cost of spare parts, and long-term pricing solutions
3. <u>Supplier Diversity</u> – Thoroughness of the suppliers plan to carry out PG&E’s policy	3. <u>Supplier Diversity</u> – Thoroughness of the suppliers plan to carry out PG&E’s policy
4. <u>Company Programs and Processes</u> – Strength of bidder’s company programs including safety, environmental, green supply chain, change control, risk management, quality assurance and others	4. <u>Company Programs and Processes</u> – Strength of bidder’s company programs including safety, environmental, green supply chain, change control, risk management, quality assurance and others
5. <u>Conformance to PG&E’s Terms and Conditions</u> – the degree to which the bidder accepts PG&E’s contract terms and conditions including but not limited to warranties and remedies, and performance guarantees.	5. <u>Conformance to PG&E’s Terms and Conditions</u> – the degree to which the bidder accepts PG&E’s contract terms and conditions including but not limited to warranties and remedies, and performance guarantees.
6. <u>Financials</u> – Bidders financial viability as measured in terms of credit, risks, and financial stress, as well as bidder’s bonding capabilities.	6. <u>Financials</u> – Bidders financial viability as measured in terms of credit, risks, and financial stress.
7. <u>Experience</u> – extent of project management and installation expertise within the Bidding Team and the bidder’s key personnel. PG&E will also evaluate the commercial deployment and field-proven quality of proposed modules.	7. <u>Conformance to Technical Specification</u> – Bidder’s proposed equipment meets or exceeds technical requirements.
8. <u>Subcontracting and Partnership Plan</u> – Effective subcontractor management process, and clear division of responsibilities	8. <u>Technology Improvement Plan</u> – Bidder’s targets and plans for production cost reductions and efficiency improvements over the period of the

	program.
9. Project Schedule – Bidder’s ability to meet program targets and demonstration of bidder’s planning proficiencies	9. Field Experience – Proposed modules degree of commercial deployment, field proven quality, and warranty strength.
10. Conformance to Technical Specification – Bidder’s proposed materials, equipment, and services meet or exceed technical requirements	10. Manufacturing Base – Bidder’s manufacturing base including but not limited to capacity, manufacturing utilization, availability of modules for the Program, delivery lead times, delivery capabilities, and local manufacturing presence.
11. Completeness, Quality, and Responsiveness of Proposal – Degree that Bidder follows the requirements of the RFP including, but not limited to, the requested documents, the organization, and format of Bidder’s proposal.	11. Completeness, Quality, and Responsiveness of Proposal – Degree that Bidder follows the requirements of the RFP including, but not limited to, the requested documents, the organization, and format of Bidder’s proposal.
12. Technical Flexibility – Bidder’s ability to work with other module technologies.	12. Technical Flexibility – Any particular inverter, racking and/or other requirements for use for the proposed module.
13. Other Factors – Based on information provided by Bidders in response to the RFP demonstrating that the Bidder is the appropriate candidate to complete the project.	13. Other Factors – Based on information provided by Bidders in response to the RFP demonstrating that the Bidder is the appropriate candidate to complete the project.

Overall Findings and Conclusions

Merrimack Energy’s findings and conclusions at this point are focused primarily on the RFI process as well as the protocols proposed for the RFP process. However, it is our understanding based on discussions with PG&E that the RFP process will include the same general evaluation process as the RFI, and similar criteria, with the major exception that competitive pricing will be a primary evaluation criterion. We believe the experience with the RFI process will assist in the design of the final RFP process. Merrimack Energy’s findings and conclusions include the following:

1. The two-stage solicitation process (*e.g.* pre-qualification and final bid) developed by PG&E for the UOG portion of the Solar PV program, while different from traditional competitive solicitation processes for PPAs, is consistent with the types of products sought (*i.e.* EPC services and modules). Merrimack Energy is of the opinion that the UOG project team has developed a thorough and consistent evaluation methodology and process consistent with the types of products and resources sought through the UOG portion of the program associated with the RFI process.
2. Merrimack Energy feels that the separation of the products sought into EPC without modules, EPC with modules and modules only will provide flexibility to optimize the products offered. While this may require further assessment of the options once all bids are received in the RFP stage of the process, opportunities exist to optimize the options with the objective of lowering costs to customers.
3. The RFP process developed by PG&E is a creative and detailed process designed for a unique solicitation. The protocols established by PG&E should lead to the

implementation of a process that is consistent with the objectives outlined for the procurement process, should be fair and equitable to EPC and Module Suppliers and should lead to competitive benefits for PG&E's customers.

4. The timing of the rollout of the Solar PV program combined with the flexibility built into the UOG program such as cancellation fees, should allow PG&E to position itself to take advantage of changing market conditions in the solar industry, including lower prices and enhanced competition from suppliers throughout the world.
5. The outreach efforts initiated by PG&E in combination with the size of the program offering should lead to a very competitive process in both the RFI and RFP stages with opportunities for all the major participants in the industry to compete. We expect that a significant diversity of suppliers from around the world will be interested in this process.
6. Merrimack Energy also feels the Scorecard process and methodology results in a fair, objective, and transparent process for resources of this nature. The use of such objective criteria and scoring eliminates much of the subjectivity that can be included in such processes. The criteria and sub-criteria appear reasonable and well defined. Certainly, the level of objectivity included in the evaluation should limit any potential bias in the evaluation. Furthermore, the information required of bidders is generally consistent with the evaluation criteria.
7. The management structure and organization of the UOG team includes project management and staff with a range of applicable skill sets and experience in power plant construction, operations, renewable project development and related areas. These skill sets are consistent with the types of products sought through this solicitation. Furthermore, members of the team have responsibility in the design of the Scorecard and evaluation of the offers commensurate with their experience and expertise.
8. The number of suppliers selected through the RFI process for competition through the RFP should be adequately robust to allow for a range of bundled and unbundled options.
9. The IE expects to work with the UOG team to further develop, refine and prepare the RFP document and requirements consistent with the proposed protocol and supplier selection process.

Appendix A

Topics for Discussion

Meeting with PG&E Regarding PV Program March 26, 2010

1. Overview of the Program

- a. Introduction to the Project Team
- b. Commission Decision
- c. Schedule
 - i. RFI
 - ii. RFP process
- d. Next steps
- e. CPUC approval of Eligible entities
- f. Status of RFP development
- g. Critical path issues

2. Review of Protocols - RFI

- a. Turnkey option
 - i. With provision of PV modules
 - ii. Without provision of PV modules
 - iii. Preferences for either option
- b. Self-build option
- c. Site options
 - i. PG&E site
 - ii. Bidder site
- d. Relationship to PPA program

3. Review Evaluation Criteria - RFI

- a. Preferences for above options, if any
- b. Evaluation and selection process
 - i. Walk through evaluation and ranking scorecards

4. Outreach

- a. Approach
- b. Potential bidders
- c. Selection of bidders to the RFP – how many

5. Confidentiality issues

- a. UOG and PPA programs
- b. Procedures

6. Status of RFP

- a. RFP documents
- b. Contracts

- i. EPC
 - ii. Asset purchase agreement – modules
 - iii. Land lease
 - iv. Project development agreement
- c. Evaluation Criteria
 - i. Price
 - ii. Viability Assessment

7. Role of the IE

- a. Regulatory requirements – CPUC Decision
- b. IE role on UOG and PPA processes
- c. Advice Letter filings
- d. Procedures manual?
- e. Reporting/ Recommendations
 - i. IE Report with RFI results
 - ii. Short list report for RFP

Attachment H
Project Labor Agreement

**PACIFIC GAS & ELECTRIC
AND IBEW LOCAL #1245**

PROJECT LABOR AGREEMENT

FOR

SOLAR PHOTOVOLTAIC GENERATION PROJECTS

RECITALS

WHEREAS, Pacific Gas & Electric ("PG&E") is developing large capital projects collectively herein defined below in Section 1.2 as the "Project," and its employees, construction contractors and its subcontractors will be engaged in construction of the Project; and

WHEREAS, PG&E is a California public utility whose employees regularly perform construction work on its facilities. Many of those employees are members of or are represented by International Brotherhood of Electrical Workers (IBEW), Local Union No. 1245 ("the Union" or "IBEW 1245"). PG&E and the Union are also parties to a collective bargaining agreement. PG&E is an employer engaged in the construction industry; and

WHEREAS, a mixture of skilled and semi-skilled labor pool will be required to complete the work involved; and

WHEREAS, the parties to this Agreement, consisting of PG&E, the Union, and any Contractor who executes the Agreement to Be Bound in Attachment A hereto, mutually agree that safety, quality that meets or exceeds PG&E Construction Standards, and productivity are primary goals; and

WHEREAS, the parties recognize the need for safe, efficient and speedy construction, to reduce unnecessary delays, to prevent work slowdowns and stoppages, and to meet established

scopes, milestones, and close-out through standard industry best practices thereby further reducing costs; and

WHEREAS, the parties desire jointly to establish and stabilize mutually agreeable wages, hours and working conditions for the employees employed on the Project by the Contractors, and further to encourage close cooperation between the parties to the end that a satisfactory, continuous and harmonious relationship will exist between the parties to this Agreement; and

WHEREAS, the parties seek to provide work opportunities to contractors and residents of the local area in which projects covered by this agreement are constructed;

NOW, THEREFORE, the parties, in consideration of the mutual promises and covenants herein contained, mutually agree as follows:

1. INITIAL PROVISIONS

1.1. This Project Labor Agreement ("Agreement") is entered into by PG&E and the Union.

1.2. In accordance with CPUC Application 09-02-019, PG&E proposes to construct multiple utility-owned solar photovoltaic (PV) generation facilities at multiple locations within PG&E's service territory ("the Project"). Construction will commence on the Project, and each subpart thereto, after January 1, 2010, and prior to December 31, 2014.

1.3. It is understood and agreed by and between the Parties to this Agreement that the final plans for the Project may be subject to modifications and approval by those regulatory agencies possessing lawful approval authority over the Project and that this Agreement applies to the Project as it is finally approved by such agencies.

1.4. PG&E retains the right to perform any work on the Project with its own workforce (regular and Hiring Hall employees). Work that is not performed by PG&E employees, but instead is contracted to another is referred to in this Agreement as "Covered Work."

1.5. As provided below, contractors and subcontractors performing certain construction work on the Project will be subject to this Agreement and shall execute the attached Employer Agreement to be Bound (all of whom, including PG&E, are individually and collectively referred to as "Employer(s)" or "Contractor(s)").

1.6. The Union is a labor organization whose members are construction industry employees. The Union is a party to a multi-employer collective bargaining agreement known as the California Outside Line Agreement Between the Western Line Constructors Chapter of N.E.C.A. and IBEW Local 1245, AFL-CIO, International Brotherhood of Electrical Workers ("Master Labor Agreement"¹). Where the term "Master Labor Agreement" is used, it means the Master Labor Agreement then in effect for 1245 IBEW and the Western Line Constructors Chapter of N.E.C.A.

1.7. A labor pool will be required to execute the work involved in the Project. It is the purpose of this Agreement, to ensure that a sufficient supply of skilled and semi-skilled craft workers are available at the Project, to meet established milestones and operating dates as set forth by PG&E, so that all construction and related work performed by members of the Union on this Project shall proceed continuously, without interruption, in a safe and efficient manner, effectively, and with due consideration for the protection of labor standards, wages and working conditions.

1.8. In furtherance of these purposes, to secure optimum productivity, harmonious relations between the parties, and the orderly performance of the work, the parties to this Agreement agree to establish adequate and fair wage levels and working conditions and to protect the Project against strikes and lockouts and other interference with the progress of the work,

¹ The Master Labor Agreement is not the IBEW 1245 and PG&E Collective Bargaining Agreement.

including interference that may arise at a common-situs jobsite when union employees have to work along side non-union employees.

1.9. In the interest of the future of the construction industry in the local area, of which the Union is a vital part, and to maintain the most efficient and competitive posture possible, the Union pledges to work and cooperate with the management of the Project to produce the most efficient utilization of labor and equipment to meet established milestones and operating dates in accordance with this Agreement.

2. SCOPE OF AGREEMENT

2.1. This Agreement covers all on-site new construction and related activities for the Project that is within the craft jurisdiction of the IBEW (according to its Master Labor Agreement) and which is part of the Project, including without limitation construction installation of solar photovoltaic panels, support posts, wiring and transformers, for the Project. All such work within the scope of this Agreement is referred to as "Covered Work." Covered work does not include work self performed by PG&E employees. Furthermore, the following types of work are not Covered Work even if performed on the Project: (1) Site preparation prior to construction including fencing and roadways ; (2) All start up and testing, energization and commissioning, or placing in service of the facilities constructed (if the work is performed by PG&E personnel); (3) Engineering, design and procurement for the Project; (4) Contracts for equipment being supplied and installed where the warranty for the equipment or system is conditioned upon installation by the vendor with its own employees who are not represented by the Union; (5) Specialty services, such as technical representatives from equipment or design suppliers and project management personnel; (6) Installation of highly technical equipment such as control devices, computers or servers; and (7) All interconnection to PG&E grid (if the work is performed by PG&E personnel).

2.1.1 This Agreement does not apply to any utility-owned PV generation facility built in San Francisco. Any utility-owned PV generation facility will be subject to separate negotiations between the IBEW and PG&E.

2.2 This Agreement only applies to employees performing Covered Work. It does not apply to, among others, a Contractors' supervisor, technical or no-manual employees including, but not limited to, executives, office and clerical employees, supervisors, timekeepers, messengers, guards, and drafters whose scope of work is not covered by a collective bargaining agreement of a Union signatory to this Agreement, or any other employees above the classification of General Foreman or who perform administrative/clerical functions. In addition, this Agreement does not apply to employees reporting, either directly or indirectly, to local, state or federal governmental agencies (e.g., CBO Inspectors) or PG&E's quality control employees. This agreement also does not apply to employees of contractors performing testing of or quality control on new facilities.

2.4 This Agreement does not apply to work performed by property owners, lessors, tenants, the grantors or holders of easements or other interests in real property (such entities other than PG&E or its Contractors referred to collectively as "Property Interest Holders") at or near the Project site undertaken on their own behalf, whether or not such Property Interest Holders grant easements to PG&E for the construction of Project work that is covered by this Agreement, and whether or not such work undertaken by Property Interest Holders is required to deliver the site in a condition suitable to proceed with the Project. By way of example, but not limitation, this Agreement shall have no applicability to any demolition or relocation of existing oil or gas pipelines or of existing water pipelines or work performed by the local telephone utility. However, this Agreement does apply to any new gas, water or wastewater pipelines built under the control of PG&E to serve the Project.

2.5 Work performed or contracted by PG&E or its designee after the completion of Covered Work is not included within the scope of the Agreement. Work performed by a separate entity not under the control of PG&E or one of its contractors is excluded from the scope of this Agreement. A manufacturer or its representatives may perform industry standard work to satisfy its guarantee or warranty prior to start-up of a piece of equipment.

2.6 It is further recognized Contractors who execute the Agreement to Be Bound in Attachment A are acting only on behalf of themselves, and have no authority, either expressed, implied, actual, apparent or ostensible, to speak for or bind PG&E.

3. SUBCONTRACTING

3.1.1 Any Employer performing Covered Work on the Project must execute an Agreement to Be Bound in Attachment A hereto. Every Employer shall provide the Union within three business days after it has subcontracted work a copy of the Agreement to be Bound executed by the subcontractor.

3.1.2 Any Employer performing Covered Work on a Project which is within the scope of the IBEW 1245 Master Agreement must be a contractor signatory to the appropriate IBEW 1245 Master Agreement solely for the duration of their work on the Project.

3.1.3 All Employers shall notify each of their contractors and subcontractors of the provisions of this Agreement and require as a condition precedent to the award of any construction contract or subcontract for Covered Work or allowing any subcontracted Covered Work to be performed, that all such contractors and subcontractors at all tiers become signatories to this Agreement and the appropriate IBEW 1245 Master Labor Agreement. If any Employer fails to provide the Union with an Employer Agreement to be Bound executed by its subcontractor, that Employer shall be liable for any contributions to any trust funds that the subcontractor, or any subcontractor to that subcontractor, fails to make.

3.2. Notwithstanding section 3.1, PG&E may perform Covered Work with its own employees under the terms of its applicable collective bargaining agreement with the Union.

3.3. Nothing in this Agreement shall in any manner whatsoever limit the rights of the PG&E, or any other Employer, to subcontract work or to select its contractors or subcontractors; provided, however, that all Employers, at all tiers, performing Covered Work shall be required to comply with the provisions of this Agreement.

3.4. Except as enumerated in this Agreement or as otherwise required by law or regulation, all other terms and conditions of employment described in the IBEW's Master Labor Agreement shall apply.

3.5 The furnishing of materials, supplies or equipment and the delivery thereof shall in no case be considered subcontracting.

4. CREW STAFFING AND WAGES

4.1 Staffing levels will vary depending on the size of the site. PG&E and the Union will negotiate and agree on staffing size for each individual site.

4.2 The Union agrees that it will work with PG&E to make the labor cost-effective and competitive for PG&E by agreeing to crew staffing for the performance of Covered Work which utilizes Equipment Operators, Groundsman, and any other existing or created entry level classifications to the greatest extent possible.

4.2 It is a goal of PG&E to employ residents of the Local Area as well as a work force representative of the socio-economic community where the Project is located. To that end, the Union agrees that it will assist PG&E in meeting its goal for local and diverse hires; provided that all such workers so employed will fulfill and maintain membership or representation status with the Union for the duration of their employment on work covered by this Agreement. A "Local Area" is defined to mean the geographic area within a reasonable distance from the Project.

4.2.1 To the extent they are available, local PowerPathway™ shall serve as a first source feeder pool for contractor hiring needs at the entry level. Local PowerPathway™ graduates and PowerPathway™ students-in-good-standing from skilled craft pre-apprentice types of programs shall receive first interview prior to extending consideration to other local laborers.

4.3 All employees covered by this Agreement (including foremen and general foremen if they are covered by the Master Labor Agreement) shall be referred by the Union and classified and paid wages, other compensation including but not limited to travel, subsistence, show up and shift premium pay, all in accordance with the then current Master Agreement.

5. UNION RECOGNITION AND REFERRAL

5.1. The Employers recognize the IBEW 1245 as the sole and exclusive collective bargaining agent for its construction craft employees performing Covered Work for the Project, and further recognize the traditional and customary craft jurisdiction of the IBEW Local 1245.

5.2. All employees performing Covered Work shall be or shall become and then remain members in good standing of the Union as a condition of employment on or before the eighth (8th) day of cumulative or consecutive employment on a Project.

5.3. The Union shall be the source of all craft employees for Covered Work for the Project. Employers agree to be bound by the hiring practices of the IBEW, including hiring of apprentices, and to utilize its registration facilities and referral systems. The Employers shall have the right to reject any applicant referred by the Union (such rejected applicant may not be re-deployed to the Project.).

5.4. The Employers shall have the unqualified right to select and hire directly all supervisors above general foreman it considers necessary and desirable, without such persons being referred by the Union.

5.5. In the event the referral facilities maintained by the IBEW do not refer the employees as requested by the Employer within a forty eight (48)-hour period after such requisition is made by the Employer (Saturdays, Sundays and Holidays excepted), the Employer may employ applicants from any source.

5.6. The Union shall exert its utmost efforts, including requesting assistance from other local unions, to recruit a sufficient number of skilled craftspersons to fulfill the labor requirements of the Employers.

6. **STRIKES AND LOCKOUTS**

6.1. During the term of this Agreement, the Union, its agents, its representatives and its employees agree that they shall not incite, encourage, condone or participate in any strike, walkout, slowdown, sit-down, sit-in, stay-in, boycott, sympathy strike, picketing, other work stoppage, or handbilling where the handbilling relates to PG&E, the Project, a contractor or a subcontractor under this Agreement, or other jobsite disruptive activity for any reason or by any employee for any cause whatsoever with respect to this Project; and it is expressly agreed that any such action is in violation of this Agreement. For purposes of this Agreement, failure of any Union or employee to cross any picket line established at the Project site is a violation of this Article.

6.2. In the event of a violation of this provision, any Employer shall be entitled to seek relief in court, specifically including injunctive relief and liquidated damages, to restrain any such action on the part of the Union, and/or any of its agents, representatives or employees. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge, and if justifiably discharged for the above reason, shall not be eligible for rehire on a PG&E Project. In the event of any work stoppage, strike, picketing interference with work or other disruptive activity in violation of this Article, PG&E or its Contractor may suspend all or any portion of the Project work affected by such activity without penalty and PG&E's contractor may hire replacement workers.

6.3. Upon written facsimile or e-mail notice of a violation to the local Union(s) and their officers, and their agents, representatives, employees and persons acting in concert with them, the local Union(s) shall take immediate action and will use their best efforts to prevent, end or avert any such aforementioned activity or the threat thereof by any of its officers, members,

representatives or employees, either individually or collectively, including but not limited to publicly disavowing any such action and ordering all such officers, representatives, employees or members who participate in such unauthorized activity to cease and desist from same immediately and to return to work and comply with its orders. The Employers and Contractor(s) shall have the right in the event of a work stoppage by the Union to replace the employees represented by the Union in violation of this Agreement in any way the Employers and/or the Contractor(s) choose. Nothing in this Agreement shall be construed to limit or restrict the right of any of the parties to this Agreement to pursue fully any and all remedies available under law in the event of a violation of this Article 6.

6.3. In the event that any Master Labor Agreement expires and the parties to that agreement fail to reach agreement on a new contract by the date of expiration, the Union shall continue to provide employees to the Employers working on the Project under all the terms of the expired agreement until a new agreement is negotiated, at which time all terms and conditions of that new agreement shall be applied to Covered Work at the Project, except to the extent they conflict with any provision of this Agreement. In addition, if the new labor agreement provides for wage or benefit increases, then any Employer shall pay to its employees who performed Covered Work at the Project during the hiatus between the effective dates of such labor agreements, an amount equal to any such wage and benefit increases established by the new labor agreement for such work performed.

6.4. Neither PG&E nor any other Employer shall incite, encourage or participate in any lockout or cause to be locked out any employee covered under the provisions of this Agreement. The term "lockout" refers neither to the discharge, termination nor layoff of employees by any Employer for any reasons in the exercise of its rights as set forth in any provision of this Agreement, nor does "lockout" include a decision by PG&E or any Employer to terminate or suspend work on the site or any portion thereof for any reason other than a labor dispute. Either PG&E or any other Employer may terminate and employee for serious safety violations as defined by the contractors site safety program.

6.5. Notwithstanding the provisions of Section 6.1, it is agreed that a Union retains the right to withhold the services of its members from a particular Employer who fails to make timely payments to the Union's benefit plans, or fails to timely pay its weekly payroll, in accordance with the Master Labor Agreement; provided, in the event the Union or any of its members withholds their services from such Employer, PG&E shall have the right to replace such Employer with any other Employer who executes the Agreement To Be Bound. The Union shall not withhold the services of its members under this provision without first giving PG&E and the individual Employer alleged to be delinquent in its payments at least five (5) business days' written notice, in the case of payroll delinquencies, and ten (10) business days' written notice, in the case of benefit fund delinquencies, and an opportunity to cure the delinquency by tendering payment to the relevant employees or trust funds.

7. GRIEVANCE PROCEDURE

7.1. It is mutually agreed that any question arising out of and during the term of this Agreement involving its interpretation and application shall be considered a grievance. Any grievances involving interpretation and application of this Agreement will be governed by this Agreement's grievance procedure as set forth below. Any grievances involving interpretation and application of the Master Labor Agreement will be governed by the Master Labor Agreement's grievance procedure.

7.2. A grievance involving this Agreement shall be considered null and void if not brought to the attention of the Contractor within five (5) working days after the incident that initiated the alleged grievance occurred or was discovered, whichever is later.

7.3. Grievances shall be settled according to the following procedure except that grievances that do not involve an individual grievant shall commence at Step 2:

Step 1. The steward and the grievant shall attempt to resolve the grievance with the Contractor's supervisor within five (5) working days after the grievance has been brought to the attention of the Contractor.

Step 2. In the event the matter remains unresolved in Step 1 above after five (5) working days, within five (5) working days after notice to the Union, the alleged grievance, in writing, may then be referred to the Business Manager of the Union and the Labor Relations representative of the Contractor for discussion and resolution. A copy of the written grievance shall also be mailed/faxed to PG&E.

Step 3. In the event the matter remains unresolved in Step 2 above after five (5) working days, within five (5) working days, the alleged grievance, in writing, may then be referred to the Business Manager of the Union and the Manager of Labor Relations of the Contractor or the Manager's designated representative and PG&E as for discussion and resolution.

Step 4. If the grievance is not settled in the preceding steps within five (5) working days, either party may request the dispute be submitted to arbitration or the time may be extended by mutual consent of both parties. The request for arbitration and/or the request for an extension of time must be in writing with a copy to PG&E. An Arbitrator selected from a permanent panel of Arbitrators consisting of Gerald McKay, William Riker and Tom Angelo will hear grievances filed pursuant to this Article. Should the parties be unable to mutually agree on the selection of an Arbitrator from between those on the panel, selection for that given arbitration shall be made by alternately striking a name from the list of names on the panel until one name remains. The first party to strike a name from the list shall be the party bringing forth the grievance. In the event the Arbitrator is not available in a reasonable time to hear the grievance and the parties have not mutually agreed to extend the time for arbitration, the last stricken Arbitrator will be selected. A reasonable time is defined as thirty (30) days.

7.4. The Arbitrator shall conduct a hearing at which the parties to the grievance shall be entitled to present testimonial and documentary evidence. Hearings will be transcribed by a certified court reporter. The parties shall be entitled to file written briefs after the close of the hearing and receipt of the transcript.

7.5. Upon expiration of the time for the parties to file briefs, the Arbitrator shall issue a written decision that will be served on all parties and on PG&E. The Arbitrator's decision shall be confined to the issue(s) posed by the grievance and the Arbitrator shall not have the authority

to modify, amend, alter, add to or subtract from any provision of this Agreement. The Arbitrator shall have the authority to utilize any equitable or legal remedy to prevent and/or cure any breach or threatened breach of this Agreement. The Arbitrator's decision shall be final and binding as to all parties signatory to this Agreement.

7.6. The cost of the Arbitrator and the court reporter, and any cost to pay for facilities for the hearing, shall be borne equally by the parties to the grievance. All other costs and expenses in connection with the grievance hearing shall be borne by the party who incurs them.

7.7. PG&E may, at its own initiative, participate in Steps I through 3 of the grievance procedure. If PG&E is not the Employer, any party to a grievance may invite PG&E to participate in resolution of a grievance.

7.8. In determining whether the time limits of Steps 2-4 of the grievance procedure have been met, a written referral or request shall be considered timely if it is personally delivered, faxed or postmarked within the five (5) working day period. Any of the time periods set forth in this Article 6 may be extended in writing by mutual consent of the parties to the grievance, and any written referral or request shall be considered timely if it is personally delivered, faxed or postmarked during the extended time period.

8. DRUG TESTING PROCEDURE

8.1 Drug and alcohol testing shall be conducted in accordance with Appendix A, as attached.

9. CANCELLATION

9.1 Either party may cancel this agreement after December 31, 2011. The cancelling party must give the receiving party 90-days notice of its cancellation.

10. GENERAL PROVISIONS

10.1. If any article or provision of this Agreement shall be declared invalid, inoperative, or unenforceable by any competent authority of the executive legislative, judicial or administrative branch of the federal or state government, PG&E, the Employers and the Union shall suspend the operation of such article or provisions during the period of its invalidity and shall substitute by mutual consent, in its place and stead, an article or provision which will satisfy the objections to its validity and which, to the greatest extent possible, will be in accord with the intent and purpose of the article or provision in question.

10.2. If any article or provision of this Agreement shall be held invalid, inoperative or unenforceable by operation of law, or by any of the above mentioned tribunals of competent jurisdiction, the remainder of the Agreement or application of such article or provision to persons or circumstances other than to which it has been held invalid, inoperative or unenforceable shall not be affected thereby.

10.3. The provisions of this Agreement shall take precedence over conflicting provisions of the Master Labor Agreement of the Union.

10.4. Each person executing this Agreement represents and warrants that he or she is authorized to execute this Agreement on behalf of the party or parties indicated.

10.5. This Agreement may be executed in counterparts.

10.6. Any notices required under this Agreement shall be given as follows. Either party shall notify the other in writing if its person designated to receive notice is changed.

To Pacific Gas & Electric:

To the Union:

[
Pacific Gas & Electric
245 Market Street
San Francisco, CA
Telephone:
Facsimile:
E-mail:

Tom Dalzell, Business Manager
IBEW, Local 1245
PO Box 2547
Vacaville, CA , 95696
Telephone: 707-452-2700
Facsimile: 707-452-2701
E-mail: tmd9@ibew1245.com

With a copy to:

Pacific Gas & Electric-Law Dept.
245 Market Street
San Francisco, CA 91770
Telephone:
Facsimile:
E-mail:

With a copy to:

Marc D. Joseph
Adams Broadwell Joseph & Cardozo
601 Gateway Boulevard, Suite 1000
South San Francisco, CA 94080
Telephone: 650-589-1660
Facsimile: 650-589-5062
E-mail: mdjoseph@adamsbroadwell.com

11. ANTI-REDLINING

11.1 There shall be no redlining of the Project in any multi-employer collective bargaining agreement by singling out, either by name or by effect, this Project for more onerous wages, benefits or working conditions than are generally accorded other industrial projects in the same general geographic area.

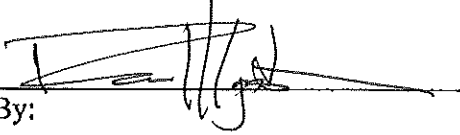
12. TERM OF AGREEMENT


12.1 The term of this Agreement shall commence on the date indicated below as the date of execution, and shall continue until December 31, 2014.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and effective as of _____, 2009.

PACIFIC GAS & ELECTRIC

IBEW LOCAL 1245

By: 

By: 
Tom Dalzell
Business Manager

**ATTACHMENT A
AGREEMENT TO BE BOUND**

by

**PACIFIC GAS & ELECTRIC AND IBEW LOCAL 1245
PROJECT LABOR AGREEMENT FOR UTILITY-OWNED SOLAR PHOTOVOLTAIC
GENERATION PROJECTS**

The undersigned, as a contractor or subcontractor (hereinafter "Contractor") on the utility owned Solar-Photovoltaic Generation Project, as defined in Section 1.2 (hereafter "Project"), of the Pacific Gas & Electric and IBEW Local 1245 Project Labor Agreement (hereafter "Agreement"), for and in consideration of the award to it of a contract to perform work on said Project, and in further consideration of the promises made in the Agreement and all attachments, a copy of which was received and is acknowledged, hereby:

- 1.) Accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto;

- 2.) Certifies that it has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of said Agreement; and

- 3.) Agrees to secure from any Contractor(s) (as defined in said Agreement) which are or become a subcontractor (of any tier) to it, a duly executed Agreement to be Bound in form identical to this document.

DATED: _____

Name of Contractor: _____

(Authorized Officer & Title)

(Address)

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

Alcantar & Kahl	Defense Energy Support Center	Northern California Power Association
Ameresco	Department of Water Resources	Occidental Energy Marketing, Inc.
Anderson & Poole	Department of the Army	OnGrid Solar
Arizona Public Service Company	Dept of General Services	Praxair
BART	Division of Business Advisory Services	R. W. Beck & Associates
BP Energy Company	Douglass & Liddell	RCS, Inc.
Barkovich & Yap, Inc.	Downey & Brand	Recon Research
Bartle Wells Associates	Duke Energy	Recurrent Energy
Bloomberg New Energy Finance	Dutcher, John	SCD Energy Solutions
Boston Properties	Economic Sciences Corporation	SCE
Brookfield Renewable Power	Ellison Schneider & Harris LLP	SMUD
C & H Sugar Co.	Foster Farms	SPURR
CA Bldg Industry Association	G. A. Krause & Assoc.	Santa Fe Jets
CAISO	GLJ Publications	Seattle City Light
CLECA Law Office	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
CSC Energy Services	Green Power Institute	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	Hanna & Morton	Silicon Valley Power
California Energy Commission	Hitachi	Silo Energy LLC
California League of Food Processors	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Sunshine Design
Calpine	Los Angeles Dept of Water & Power	Sutherland, Asbill & Brennan
Cameron McKenna	Luce, Forward, Hamilton & Scripps LLP	Tabors Caramanis & Associates
Cardinal Cogen	MAC Lighting Consulting	Tecogen, Inc.
Casner, Steve	MBMC, Inc.	Tiger Natural Gas, Inc.
Chris, King	MRW & Associates	Tioga Energy
City of Glendale	Manatt Phelps Phillips	TransCanada
City of Palo Alto	McKenzie & Associates	Turlock Irrigation District
Clean Energy Fuels	Merced Irrigation District	U S Borax, Inc.
Coast Economic Consulting	Mirant	United Cogen
Commerce Energy	Modesto Irrigation District	Utility Cost Management
Commercial Energy	Morgan Stanley	Utility Specialists
Consumer Federation of California	Morrison & Foerster	Verizon
Crossborder Energy	NRG West	Wellhead Electric Company
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	Norris & Wong Associates	eMeter Corporation
	North Coast SolarResources	