

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



May 12, 2009

Advice Letters 2294-E and 2294-E-A

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

**Subject: Submission of Contracts for Procurement of Renewable Energy
Resulting from Bilateral Negotiations and Supplemental Filing**

Dear Mr. Jazayeri:

Advice Letters 2294-E and 2294-E-A are effective May 7, 2009 per Resolution E-4230.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

March 16, 2009

ADVICE 2294-E-A
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Supplement to Submission of Contracts for Procurement of
Renewable Energy Resulting From Bilateral Negotiations

PURPOSE

On December 5, 2008, Southern California Edison Company ("SCE") submitted Advice 2294-E seeking California Public Utilities Commission ("Commission" or "CPUC") approval of two renewables portfolio standard ("RPS") power purchase agreements ("PPAs") between SCE and FlexEnergy, LLC ("FlexEnergy") relating to power plants in the Bena Sanitary Landfill in Edison, California ("Flex Kern") and the San Timoteo Landfill in Redlands, California ("Flex Bernardino") (together, the "FlexEnergy Contracts"). The purpose of this advice filing is to supplement Advice 2294-E in order to include an amendment to each of the FlexEnergy Contracts.

In accordance with General Order ("GO") 96-B, the confidentiality of information included in this advice filing is described below. This advice filing contains both confidential and public attachments as listed below:

Attachment 1: Designation of Confidential Information

Confidential Attachment 2: First Amendment to Flex Kern Contract

Confidential Attachment 3: First Amendment to Flex Bernardino Contract

BACKGROUND

On December 5, 2008, SCE submitted Advice 2294-E seeking Commission approval of the two FlexEnergy Contracts. After Advice 2294-E was filed, it was discovered that the FlexEnergy Contracts inadvertently omitted the changes to the non-modifiable "Green Attributes" definition made by the Commission in Decision ("D.") 08-08-028.

On March 10, 2009, SCE and FlexEnergy executed first amendments to both of the FlexEnergy Contracts (the "FlexEnergy Amendments") to include the non-modifiable "Green Attributes" definition adopted by the Commission in D.08-08-028 and a related definition.

This advice filing supplements Advice 2294-E in order to include the FlexEnergy Amendments, which are attached as Attachments 2 and 3. SCE also amends the requested findings in Advice 2294-E as described below.

AMENDED REQUEST FOR COMMISSION APPROVAL

In Advice 2294-E, SCE requested that the Commission issue a resolution containing seven findings.¹ Due to the execution of the FlexEnergy Amendments, SCE now requests that the Commission issue a resolution containing the following amended findings:

1. Approval of the FlexEnergy Contracts and the FlexEnergy Amendments in their entirety;
2. A finding that any electric energy sold or dedicated to SCE pursuant to the FlexEnergy Contracts, as amended, constitutes procurement by SCE from an eligible renewable energy resource ("ERR") for the purpose of determining SCE's compliance with any obligation that it may have to procure from ERRs pursuant to the RPS Legislation or other applicable law concerning the procurement of electric energy from renewable energy resources;
3. A finding that all procurement under the FlexEnergy Contracts, as amended, counts, in full and without condition, towards any annual procurement target established by the RPS Legislation or the Commission which is applicable to SCE;
4. A finding that all procurement under the FlexEnergy Contracts, as amended, counts, in full and without condition, towards any incremental procurement target established by the RPS Legislation or the Commission which is applicable to SCE;
5. A finding that all procurement under the FlexEnergy Contracts, as amended, counts, in full and without condition, towards the requirement in the RPS Legislation that SCE procure 20 percent (or such other percentage as may be established by law) of its retail sales from ERRs by 2010 (or such other date as may be established by law);
6. A finding that the FlexEnergy Contracts and the FlexEnergy Amendments, and SCE's entry into the FlexEnergy Contracts and the FlexEnergy Amendments, is

¹ Advice 2294-E at 12-13.

reasonable and prudent for all purposes, including, but not limited to, recovery in rates of payments made pursuant to the FlexEnergy Contracts, as amended, subject only to further review with respect to the reasonableness of SCE's administration of the FlexEnergy Contracts, as amended; and

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

CONFIDENTIALITY

SCE is requesting confidentiality of Attachments 2 and 3 to this advice filing. The information for which SCE is seeking confidential treatment is identified in Attachment 1 hereto. The confidential version of this advice filing will be made available to appropriate parties (in accordance with SCE's Proposed Protective Order, as discussed below) upon execution of the required non-disclosure agreement. Parties wishing to obtain access to the confidential version of this advice filing may contact Cathy Karlstad in SCE's Law Department at Cathy.Karlstad@sce.com or (626) 302-1096 to obtain a non-disclosure agreement. In accordance with GO 96-B, a copy of SCE's Proposed Protective Order was provided as Appendix I to Advice 2294-E, filed on December 5, 2008. It is appropriate to accord confidential treatment to the information for which SCE requests confidential treatment in the first instance in the advice letter process because such information is entitled to confidentiality protection pursuant to D.06-06-066 and is required to be filed by advice letter as part of the process for obtaining Commission approval of RPS PPAs.

The information in this advice filing for which SCE requests confidential treatment, the pages on which the information appears, and the length of time for which the information should remain confidential, are provided in Attachment 1. This information is entitled to confidentiality protection pursuant to D.06-06-066 (as provided in the Investor-Owned Utility ("IOU") Matrix). The specific provisions of the IOU Matrix that apply to the confidential information in this advice filing are identified in Attachment 1.

The confidential information provided in this advice filing cannot be aggregated, redacted, summarized, masked, or otherwise protected in a manner that would allow partial disclosure of the data, while still protecting confidential information, because the RPS contract advice filing template calls for the data to be provided in its present form. SCE would object to any disclosure of the confidential information in aggregated form. Based on the format of the RPS contract advice filing template, SCE is not aware of any manner that the confidential information could be aggregated that would qualify the information for public status under the IOU Matrix of D.06-06-066.

To the best of my knowledge, SCE maintains as confidential the information contained in this advice filing for which confidentiality is sought. I am informed and believe that this information is maintained by SCE's Renewable and Alternative Power Department and provided internally only to those employees who need to know the information to carry out their job duties. I am also informed and believe that this information has not

been disclosed to any person other than employees of SCE or non-market participants (such as staff of the CPUC).

TIER DESIGNATION

Pursuant to D.07-01-024, Energy Industry Rule 5.3, SCE submits this advice filing with a Tier 3 designation (effective after Commission approval).

EFFECTIVE DATE

SCE requests that this advice filing become effective by April 16, 2009, subject to review and approval by the Commission.

PROTESTS

SCE asks that the Commission maintain the original protest and comment period as designated in Advice 2294-E, filed on December 5, 2008, because the FlexEnergy Amendments simply include the non-modifiable "Green Attributes" definition adopted by the Commission in D.08-08-028 and a related definition.

NOTICE

In accordance with Section 4 of GO 96-B, SCE is furnishing copies of this advice filing to the interested parties shown on the attached R.08-08-009, R.06-02-012, and GO 96-B service lists. Address change requests to the GO 96-B service list should be directed to AdviceTariffManager@sce.com or at (626) 302-2930. 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.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

All questions concerning this advice filing should be directed to Laura Genao at (626) 302-6842 (E-mail: Laura.Genao@sce.com).

Southern California Edison Company

Akbar Jazayeri

AJ:lg:sq
Enclosures

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.: Southern California Edison Company (U 338-E)

Utility type:

- ELC GAS
 PLC HEAT WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2294-E-A

Tier Designation: 3

Subject of AL: Supplement to Submission of Contracts for Procurement of Renewable Energy Resulting From Bilateral Negotiations

Keywords (choose from CPUC listing): Compliance, Contracts, Procurement

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information: See Attachment 1.

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Cathy Karlstad, SCE Law Department, at (626) 302-1096 or Cathy.Karlstad@sce.com

Resolution Required? Yes No

Requested effective date: 4/16/09 No. of tariff sheets: -0-

Estimated system annual revenue effect: (%): _____

Estimated system average rate effect (%): _____

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: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

¹ Discuss in AL if more space is needed.

All correspondence regarding this AL shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
inj@cpuc.ca.gov and mas@cpuc.ca.gov

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Karyn.Gansecki@sce.com

Stuart Hemphill
Vice President, Renewable and Alternative Power
c/o Mike Marelli
Southern California Edison Company
2244 Walnut Grove Avenue, Quad 4D
Rosemead, California 91770
Facsimile: (626) 302-1103
E-mail: Mike.Marelli@sce.com

With a copy to:

Cathy Karlstad
Attorney
Southern California Edison Company
2244 Walnut Grove Avenue, 3rd Floor
Rosemead, California 91770
Facsimile: (626) 302-1904
E-mail: Cathy.Karlstad@sce.com

Attachment 1
Designation of Confidential Information

DESIGNATION OF CONFIDENTIAL INFORMATION

Identified below are the data in SCE’s advice filing for which SCE is seeking confidential protection and the categories of the Matrix of Allowed Confidential Treatment Investor Owned Utility (“IOU”) Data (the “IOU Matrix”) to which these data correspond. Also set forth is the period of time for which confidential protection is authorized by the IOU Matrix.

Data	Page	Matrix Category	Period of Confidentiality
FlexEnergy Amendments (which are attached as Attachments 2 and 3 to this advice filing)	Entire Documents	VII.F/VII.G RPS Contracts	RPS contracts confidential for three years, or until one year following expiration, whichever comes first.

Attachment 2

First Amendment to Flex Kern Contract

Confidential – Public Disclosure Prohibited

Attachment 3

First Amendment to Flex Bernardino Contract

Confidential – Public Disclosure Prohibited