
January 26, 2012

ADVICE 2563-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 from SCE's 2009 Renewables Portfolio
Standard Solicitation

PURPOSE AND BACKGROUND

On March 21, 2011, Southern California Edison Company ("SCE") filed Advice 2563-E, which requested California Public Utilities Commission ("Commission" or "CPUC") approval of four renewables portfolio standard ("RPS") power purchase agreements ("PPAs"), one between SCE and FRV Regulus Solar, L.P. ("Regulus Contract"), one between SCE and FRV Adobe Solar, L.P. ("Adobe Contract"), one between SCE and FRV Mojave Solar, L.P. ("Mojave Contract"), and one between SCE and FRV Mojave Solar 4, L.P. ("Mojave 4 Contract").

The Mojave Contract has been terminated. Moreover, on December 21, 2011, SCE and FRV Regulus Solar, L.P., FRV Adobe Solar, L.P., and FRV Mojave Solar 4, L.P. executed Amendment No. 2 to each of the Regulus Contract, the Adobe Contract, and the Mojave 4 Contract, respectively (collectively, the "FRV Contracts"). Among other things, Amendment No. 2 modifies the product price and performance assurance amounts in the FRV Contracts and extends the termination rights in the FRV Contracts related to CPUC Approval.

The purpose of this advice filing is to supplement Advice 2563-E to inform the Commission of the termination of the Mojave Contract and to include Amendment No. 2 to each of the remaining FRV Contracts. A more detailed description of Amendment No. 2 to the FRV Contracts is included as Confidential Attachment 1 and Amendment No. 2 to each of the FRV Contracts are included as Confidential Attachments 6 through 8.

SCE has also included redlines and other revisions to Advice 2563-E reflecting the termination of the Mojave Contract and the amendment of the remaining FRV Contracts as Attachment 2 and Confidential Attachments 3 through 5, 9, and 10.¹ Such redlines also explain that Fotowatio Renewable Ventures, Inc. (“FRV”), the developer of the projects that are the subject of Advice 2563-E, has been acquired by SunEdison and include additional updated information.

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.

Confidential Attachment 1:	Description of Amendment No. 2
Attachment 2:	Redline of Advice 2563-E
Confidential Attachment 3:	Redline of Appendix A to Advice 2563-E
Confidential Attachment 4:	Revised Appendix B to Advice 2563-E
Confidential Attachment 5:	Redline of Appendix D to Advice 2563-E
Confidential Attachment 6:	Amendment No. 2 to Regulus Contract
Confidential Attachment 7:	Amendment No. 2 to Adobe Contract
Confidential Attachment 8:	Amendment No. 2 to Mojave 4 Contract
Confidential Attachment 9:	Revised Appendix I to Advice 2563-E
Confidential Attachment 10:	Revised Appendix K to Advice 2563-E
Attachment 11:	Confidentiality Declaration

CONFIDENTIALITY

SCE is requesting confidential treatment of Confidential Attachments 1 and 3 through 10 to this advice filing. The information for which SCE is seeking confidential treatment is identified in the Confidentiality Declaration attached as Attachment 11. The confidential version of this advice filing will be made available to appropriate parties (in

¹ A redline of Advice 2563-E is included as Attachment 2 to this advice filing. A redline of Appendix A to Advice 2563-E is included as Confidential Attachment 3 to this advice filing. A revised version of the 2009 Solicitation Workpapers included as Appendix B to Advice 2563-E is included as Confidential Attachment 4 to this advice filing. A redline of Appendix D to Advice 2563-E is included as Confidential Attachment 5 to this advice filing. A revised version of Appendix I to Advice 2563-E is included as Confidential Attachment 9 to this advice filing. Revised versions of Appendix K to Advice 2563-E are included as Confidential Attachment 10 to this advice filing. Appendices C, E.1 through F.2, H.1 through H.2, J, and L through M to Advice 2563-E have not been modified. Appendices G.1 and G.2 to Advice 2563-E should be withdrawn in their entirety.

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 attached as Appendix M to Advice 2563-E. 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 Decision ("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. SCE would object if the information were disclosed in an aggregated format.

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 11. 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 11.

TIER DESIGNATION

Pursuant to GO 96-B, 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 as soon as possible, 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 2563-E. If protests are allowed, pursuant to GO 96-B, Rule 7.5.1, they should be limited to the substance of this supplemental advice filing or additional information.

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.06-02-012, R.08-08-009, R.11-05-005, 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 ProcessOffice@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 Letter 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: Susan Quon

Phone #: (626) 302-2930

E-mail: Susan.Quon@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) #: 2563-E-A Tier Designation: 3

Subject of AL: Supplement to Submission of Contracts for Procurement of Renewable Energy From SCE's 2009 Renewables Portfolio Standard Solicitation

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 11.

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

Resolution Required? Yes No

Requested effective date: upon Commission approval 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

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With a copy to:

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Confidential Attachment 1

Description of Amendment No. 2

Confidential Protected Materials – Public Disclosure Prohibited

Attachment 2

Redline of Advice 2563-E



March 21, 2011

**ADVICE 2563-E
(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Submission of Contracts for Procurement of Renewable
Energy From SCE's 2009 Renewables Portfolio Standard
Solicitation

I. INTRODUCTION

A. Purpose of the Advice Letter

Southern California Edison Company ("SCE") submits this Advice Letter in compliance with California Public Utilities Code § 399.11 *et seq.* ("RPS Legislation") seeking approval of ~~four~~three renewables portfolio standard ("RPS") power purchase agreements ("PPAs"), one between SCE and FRV Regulus Solar₁ L.P. ("Regulus Contract"), one between SCE and FRV Adobe Solar₁ L.P. ("Adobe Contract"), ~~one between SCE and FRV Mojave Solar L.P.~~ ("Mojave Contract") and one between SCE and FRV Mojave Solar 4₁ L.P. ("Mojave 4 Contract") (collectively, "FRV Contracts").

A table summarizing the FRV Contracts is as follows:

Seller	Generation Type	Size	Estimated Annual Energy ¹	Forecasted Initial Synchronization Date	Forecasted Commercial Operation Date	Term of Agreement (Years)
FRV Regulus ₁ Solar L.P.	Solar photovoltaic	60 MW	115.7 GWh	January 31, 2013	December 31, 2013	20
FRV Adobe ₁ Solar L.P.	Solar photovoltaic	20 MW	38.6 GWh	August 31, 2013	September 30, 2013	20
FRV Mojave Solar L.P.	Solar photovoltaic	20 MW	43.7 GWh	November 30, 2013	December 31, 2013	20
FRV Mojave ₄ Solar ₄ L.P.	Solar photovoltaic	20 MW	43.7 GWh	November 30, 2013	December 31, 2013	20

SCE requests that the California Public Utilities Commission (“Commission” or “CPUC”) issue a resolution containing findings in the form requested in this Advice Letter as soon as possible, but in any event no later than ~~September 23, 2011~~April 19, 2012.

In accordance with General Order (“GO”) 96-B, the confidentiality of information included in this Advice Letter is described below. This Advice Letter contains both confidential and public appendices as listed below.

- Confidential Appendix A: Consistency with Commission Decisions and Rules and Project Development Status
- Confidential Appendix B: 2009 Solicitation Overview and Workpapers
- Confidential/Public Appendix C: Independent Evaluator Report
- Confidential Appendix D: Contract Summaries
- Confidential Appendix E.1: Comparison of Regulus Contract with SCE’s 2009 Pro Forma Renewable Power Purchase and Sale Agreement
- Confidential Appendix E.2: Regulus Contract and Amendment
- Confidential Appendix F.1 Comparison of Adobe Contract with SCE’s 2009 Pro Forma Renewable Power Purchase and Sale Agreement

¹ The values shown are based on the energy yield factor floor. The actual energy yield factor will be determined by an independent engineer after final design is complete and based on the then-latest solar irradiation history data, subject to the floor. The expected annual energy production based on the expected energy yield factor at time of contract execution is Regulus - 131.6 GWh; Adobe - 43.9 GWh; ~~Mojave~~ and Mojave 4 - 49.4 GWh ~~each~~.

Confidential Appendix F.2	Adobe Contract and Amendment
Confidential Appendix G.1	Comparison of Mojave Contract with SCE's 2009 Pro Forma Renewable Power Purchase and Sale Agreement
Confidential Appendix G.2	Mojave Contract and Amendment
Confidential Appendix H.1	Comparison of Mojave 4 Contract with SCE's 2009 Pro Forma Renewable Power Purchase and Sale Agreement
Confidential Appendix H.2	Mojave 4 Contract and Amendment
Confidential Appendix I:	Contribution Toward RPS Goals
Appendix J:	SCE's Written Description of RPS Proposal Evaluation and Selection Process and Criteria
Confidential Appendix K:	AMF Calculators
Appendix L:	Confidentiality Declaration
Appendix M:	Proposed Protective Order

B. Subjects of the Advice Letter

The subjects of this Advice Letter are ~~four~~three PPAs for projects being developed by Fotowatio Renewable Ventures, Inc. ("FRV").² All ~~four~~three projects utilize proven and mature solar photovoltaic ("PV") technology that has been in operation for several years.

1. FRV Regulus

The FRV Regulus project is a proposed 60 MW solar PV facility. The FRV Regulus project is to be located on private land near Lamont in Kern County, California. The project will interconnect on Pacific Gas and Electric Company's ("PG&E's") Lamont-Wheeler Ridge 115 kV line.

The seller under the FRV Regulus Contract is FRV Regulus Solar, L.P., a Delaware limited partnership company that is wholly owned by FRV. The FRV Regulus Contract is a new contract that originated from SCE's 2009 RPS solicitation.

² [SunEdison acquired FRV on September 2, 2011.](#)

2. FRV Adobe

The FRV Adobe project is a proposed 20 MW solar PV facility. The FRV Adobe project is to be located on private land near Arvin in Kern County, California. The project will interconnect on PG&E's Lamont-Wheeler Ridge 115 kV line.

The seller under the FRV Adobe Contract is FRV Adobe Solar, L.P., a Delaware limited partnership company that is wholly owned by FRV. The FRV Adobe Contract is a new contract that originated from SCE's 2009 RPS solicitation.

~~3. FRV Mojave~~

~~The FRV Mojave project is a proposed 20 MW solar PV facility. The FRV Mojave project is to be located on private land near Mojave in Kern County, California. The project will interconnect on SCE's proposed reconfigured Corum-Goldtown-Rosamond 66kV line.~~

~~The seller under the FRV Mojave Contract is FRV Mojave Solar L.P., a Delaware limited partnership company that is wholly owned by FRV. The FRV Mojave Contract is a new contract that originated from SCE's 2009 RPS solicitation.~~

4.3. FRV Mojave 4

The FRV Mojave 4 project is a proposed 20 MW solar PV facility. The FRV Mojave 4 project is to be located on private land near Lancaster in Los Angeles County, California. The project will interconnect on SCE's Antelope-Cal Cement 66 kV line.

The seller under the FRV Mojave 4 Contract is FRV Mojave ~~Solar 4~~, Solar L.P., a Delaware limited partnership company that is wholly owned by FRV. The FRV Mojave 4 Contract is a new contract that originated from SCE's 2009 RPS solicitation.

C. General Project Descriptions

Project Name	FRV Regulus
Technology	Solar PV
Capacity (MW)	60 MW
Capacity Factor	18% Floor 25% Expected

Expected Generation (GWh/Year) ³	115.7 GWh for first term year, with an annual degradation rate thereafter
Initial Commercial Operation Date	Initial synchronization date: January 31, 2013 Commercial operation date: December 31, 2013
Date Contract Delivery Term Begins	December 31, 2013
Delivery Term (Years)	20 years
Vintage (New/Existing/Repower)	New
Location (City and State)	Lamont, California
Control Area (e.g., CAISO, BPA)	CAISO
Nearest Competitive Renewable Energy Zone (CREZ) as identified by the Renewable Energy Transmission Initiative (RETI)	Tehachapi
Type of Cooling, if Applicable	Air cooled. No central cooling facility.
Price Relative to MPR (i.e., above/below)	Above <u>Below</u> 2009 MPR

Project Name	FRV Adobe
Technology	Solar PV
Capacity (MW)	20 MW
Capacity Factor	18% Floor 25% Expected
Expected Generation (GWh/Year) ⁴	38.6 GWh for first term year, with an

³ The values shown are based on the energy yield factor floor. The actual energy yield factor will be determined by an independent engineer after final design is complete and based on the then-latest solar irradiation history data, subject to the floor. The expected annual energy production based on the expected energy yield factor at time of contract execution for Regulus is 131.6 GWh.

⁴ The values shown are based on the energy yield factor floor. The actual energy yield factor will be determined by an independent engineer after final design is complete and based on the then-

	annual degradation rate thereafter
Initial Commercial Operation Date	Initial synchronization date: August 31, 2013 Commercial operation date: September 30, 2013
Date Contract Delivery Term Begins	September 30, 2013
Delivery Term (Years)	20 years
Vintage (New/Existing/Repower)	New
Location (City and State)	Arvin, California
Control Area (e.g., CAISO, BPA)	CAISO
Nearest Competitive Renewable Energy Zone (CREZ) as identified by the Renewable Energy Transmission Initiative (RETI)	Tehachapi
Type of Cooling, if Applicable	Air cooled. No central cooling facility.
Price Relative to MPR (i.e., above/below)	Above <u>Below</u> 2009 MPR

Project Name	FRV Mojave
Technology	Solar PV
Capacity (MW)	20 MW
Capacity Factor	21% Floor 25% Expected
Expected Generation (GWh/Year)⁵	43.7 GWh for first term year, with an annual degradation rate thereafter

latest solar irradiation history data, subject to the floor. The expected annual energy production based on the expected energy yield factor at time of contract execution for Adobe is 43.9 GWh.

~~⁵The values shown are based on the energy yield factor floor. The actual energy yield factor will be determined by an independent engineer after final design is complete and based on the then-latest solar irradiation history data, subject to the floor. The expected annual energy production based on the expected energy yield factor at time of contract execution for each Mojave project is 49.4 GWh.~~

Initial Commercial Operation Date	Initial synchronization date: November 30, 2013 Commercial operation date: December 31, 2013
Date Contract Delivery Term Begins	December 31, 2013
Delivery Term (Years)	20 years
Vintage (New/Existing/Repower)	New
Location (City and State)	Mojave, California
Control Area (e.g., CAISO, BPA)	CAISO
Nearest Competitive Renewable Energy Zone (CREZ) as identified by the Renewable Energy Transmission Initiative (RETI)	Within Tehachapi
Type of Cooling, if Applicable	Air cooled. No central cooling facility.
Price Relative to MPR (i.e., above/below)	Above 2009 MPR

Project Name	FRV Mojave 4
Technology	Solar PV
Capacity (MW)	20 MW
Capacity Factor	21% Floor 25% Expected
Expected Generation (GWh/Year) ⁶	43.7 GWh for first term year, with an annual degradation rate thereafter
Initial Commercial Operation Date	Initial synchronization date: November 30, 2013 Commercial operation date: December 31,

⁶ The values shown are based on the energy yield factor floor. The actual energy yield factor will be determined by an independent engineer after final design is complete and based on the then-latest solar irradiation history data, subject to the floor. The expected annual energy production based on the expected energy yield factor at time of contract execution for Mojave 4 is 49.4 GWh.

	2013
Date Contract Delivery Term Begins	December 31, 2013
Delivery Term (Years)	20 years
Vintage (New/Existing/Repower)	New
Location (City and State)	Lamont, California
Control Area (e.g., CAISO, BPA)	CAISO
Nearest Competitive Renewable Energy Zone (CREZ) as identified by the Renewable Energy Transmission Initiative (RETI)	Within Fairmont
Type of Cooling, if Applicable	Air cooled. No central cooling facility.
Price Relative to MPR (i.e., above/below)	Above <u>Below</u> 2009 MPR

D. General Deal Structure

The FRV ContractsPPAs are based on SCE’s 2009 Pro Forma Renewable Power Purchase and Sale Agreement, with certain provisions from SCE’s 2010 Pro Forma, such as the curtailment provisions. SCE is purchasing all electric energy produced by the FRV Projects throughout the contract term, net of station use (if any), and all green attributes, capacity attributes, and resource adequacy benefits generated by, associated with, or attributable to the FRV Projects.

The delivery point for the Regulus Project is the CAISO-assigned P-node that corresponds to the interconnection point on the Lamont-Wheeler Ridge 115 kV line. The delivery point for the Adobe Project is the CAISO-assigned P-node that corresponds to the interconnection point on the Lamont-Wheeler Ridge 115 kV line. ~~The delivery point for the Mojave Project is the CAISO-assigned P-node that corresponds to the interconnection point on the Corum-Goldtown-Rosamond 66 kV line.~~ The delivery point for the Mojave 4 Project is the CAISO-assigned P-node that corresponds to the interconnection point on the Antelope-Cal Cement 66 kV line.

Additional information regarding the deal structure of the FRV ContractsPPAs is provided in Confidential Appendix A.

E. RPS Statutory Goals

By providing renewable energy from an eligible renewable energy resource (“ERR”) as defined under the RPS Legislation, the FRV Projects are consistent

with, and contribute toward, the RPS program's statutory goals. Among other things, by supporting new solar PV generation projects in California, the FRV [ContractsPPAs](#) help to ensure stable electricity prices, protect public health, improve environmental quality, stimulate economic development, and create new employment opportunities.

F. Confidentiality

SCE is requesting confidential treatment of Appendices A and B, D through [F.2, H.1 through I, K](#), and the confidential version of Appendix C to this Advice Letter. The information for which SCE is seeking confidential treatment is identified in the Confidentiality Declaration attached as Appendix L. The confidential version of this Advice Letter 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 Letter 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 is attached hereto as Appendix M. 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 Decision ("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. SCE would object if the information were disclosed in an aggregated format.

The information in this Advice Letter 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 Appendix L. 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 Letter are identified in Appendix L.

II. CONSISTENCY WITH COMMISSION DECISIONS

A. SCE's 2009 RPS Procurement Plan

1. SCE's 2009 RPS Procurement Plan Was Approved by the Commission and SCE Adhered to Commission Guidelines for Filing and Revisions

In D.09-06-018, the Commission conditionally approved SCE's 2009 RPS Procurement Plan, including the solicitation materials for SCE's 2009 RPS solicitation. The Commission also ordered SCE to make certain changes to its 2009 RPS Procurement Plan and to file the amended documents with the

Director of the Energy Division, and serve such documents on the service list, by June 22, 2009. On June 22, 2009, SCE filed and served its Amended 2009 RPS Procurement Plan, including its amended 2009 solicitation materials. On June 26, 2009, SCE filed and served its Second Amended 2009 RPS Procurement Plan, including its further amended 2009 solicitation materials. Consistent with the schedule set forth in D.09-06-018, SCE issued its 2009 Request for Proposals (“RFP”) on June 29, 2009.

On June 19, 2009, the Commission issued D.09-06-050, which approved a fast-track review process allowing for the use of Tier 2 advice letter filings for short-term RPS contracts of less than 10 years duration that meet certain criteria set forth in the decision. The Commission also directed the IOUs to submit their pro forma short-term contracts as amendments to their 2009 RPS Procurement Plans within 14 days from the date of the decision. Pursuant to D.09-06-050 and an extension of time granted by the Commission’s Executive Director, on July 17, 2009, SCE filed and served its Third Amended 2009 RPS Procurement Plan, including its very short-term pro forma confirmations and certain other further amended 2009 solicitation materials. As SCE’s Third Amended 2009 RPS Procurement Plan was not suspended by the Commission’s Executive Director or Energy Division Director by July 24, 2009, SCE used its short-term pro forma confirmations and other further amended 2009 solicitation materials in its 2009 RFP as of that date.

2. Summary of SCE’s 2009 RPS Procurement Plan’s Assessment of Portfolio Needs

SCE’s 2009 RPS Procurement Plan indicated that SCE planned to seek ERRs to augment those under contract as a result of prior solicitations and bilateral negotiations to the extent necessary to ensure that SCE meets the overall goal of 20 percent renewables as soon as possible. SCE also noted that it intended to procure based on a High Need Case procurement scenario in order to account for potential project success rates and other contingencies. Furthermore, SCE indicated that it has both a near-term and long-term need for renewable energy, and that SCE’s evaluation criteria favor proposals for renewable energy sales from generating facilities with near-term deliveries. SCE also stated that its evaluation criteria consider the benefits of projects located near approved transmission infrastructure, such as the Sunrise Powerlink Transmission Project and Tehachapi Renewable Transmission Project.

SCE’s 2009 RFP solicited proposals from ERRs to supply electric energy, as well as all attributes, including, but not limited to, green attributes, capacity attributes, and resource adequacy benefits. SCE solicited standard products, moderately short-term products, and very short-term products. SCE stated that it would consider all timely proposals to sell product to SCE from either a new or existing generating facility that can be certified by the California Energy Commission

("CEC") as an ERR or multiple ERRs. Additionally, SCE noted that if the generating facility is not, or cannot be, fully certified as an ERR, then only the electric energy produced by the renewable fuel will be considered as electric energy produced by an ERR, as determined by the CEC.

3. The FRV Contracts Are Consistent with SCE's 2009 RPS Procurement Plan and SCE's Portfolio Needs

The FRV Projects are consistent with SCE's 2009 RPS Procurement Plan and SCE's portfolio needs. Specifically, the FRV projects satisfy SCE's long-term need for renewable energy with a capacity of 1200 MW over a 20-year term. Moreover, the FRV projects satisfy SCE's locational preferences and delivery requirements.

4. The FRV Contracts Meet the Project Characteristics for SCE's 2009 RPS Solicitation

SCE's 2009 RFP requested proposals with a minimum capacity of 1.5 MW. As discussed above, SCE preferred proposals for renewable energy sales from generating facilities with near-term deliveries. SCE also considered the benefits of projects located near approved transmission infrastructure, such as the Sunrise Powerlink Transmission Project and Tehachapi Renewable Transmission Project.

SCE's locational preferences included: (1) California or (2) outside California if the seller complies with all requirements pertaining to "Out-of-State Facilities" as set forth in the CEC RPS Eligibility Guidebook. SCE stated that it prefers in-state facilities.

Additionally, SCE indicated that the delivery point for generating facilities interconnected to the CAISO Control Area must be: (1) the point where the generating facility connects to the CAISO-controlled grid if SCE is the scheduling coordinator; or (2) at a point to be determined by SCE. For generating facilities interconnected outside the CAISO Control Area, SCE stated the delivery point must be: (1) the intertie point where seller's transmission provider ties to the CAISO Control Area and seller's scheduling coordinator schedules energy to SCE, as scheduling coordinator within the CAISO Control Area, via an Inter-SC Trade (also known as a scheduling coordinator-to-scheduling coordinator trade); (2) a liquid power trading hub or hubs outside of the CAISO Control Area (e.g., Mid-Columbia); (3) at the generating facility's first point of interconnection with the respective transmission provider's transmission grid, provided, however, that seller has (or will have) firm transmission rights to a liquid trading hub or CAISO for the duration of the term of the agreement that is acceptable to SCE; or (4) at a point to be determined by SCE.

The FRV Contracts meet all project characteristics for SCE's 2009 RFP. Specifically, the FRV Contracts are solar PV facilities that will have a total capacity of 1200 MWs located in Kern and Los Angeles Counties, California. As noted above, the FRV Contracts will also meet SCE's near-term and long-term needs for RPS-eligible energy and contribute significantly to the State's RPS goals.

B. Least-Cost/Best-Fit ("LCBF") Methodology and Evaluation

As explained above, SCE issued its 2009 RFP on June 29, 2009 in compliance with D.09-06-018 and SCE's Commission-approved solicitation materials. On July 24, 2009, SCE expanded its 2009 RFP to include very short-term and moderately short-term products and very short-term pro forma confirmations pursuant to D.09-06-050. In accordance with SCE's Commission-approved solicitation materials, sellers were required to submit their proposals in response to SCE's 2009 RFP on August 21, 2009. SCE submitted its 2009 Solicitation Short List Report to the Commission on December 4, 2009.

SCE evaluates and ranks proposals based on LCBF criteria that comply with criteria set forth by the Commission in D.03-06-071 and D.04-07-029 (the "LCBF Decisions"). The LCBF analysis evaluates both quantitative and qualitative aspects of each proposal to estimate its value to SCE's customers and its relative value in comparison to other proposals. The LCBF analysis was used to evaluate the proposals SCE received in its 2009 RPS solicitation. SCE applied these criteria to the proposals received in its 2009 solicitation in order to establish a "short list" of proposals from sellers with whom SCE would engage in contract discussions.

While assumptions and methodologies have evolved slightly over time, the basic components of SCE's evaluation and selection criteria and process for RPS contracts were established by the Commission's LCBF Decisions. Consistent with those LCBF Decisions, the three main steps undertaken by SCE are: (i) initial data gathering and validation, (ii) a quantitative assessment of proposals, and (iii) adjustments to selection based on proposals' qualitative attributes.

Prior to receiving proposals, SCE finalizes major assumptions and methodologies that drive valuation, including power and gas prices forecasts, existing and forecast resource portfolio, and capacity value forecast. Other assumptions, such as the Transmission Ranking Cost Report ("TRCR"), are filed with the Commission for approval prior to the release of solicitation materials.

Once proposals are received, SCE begins an initial review for completeness and conformity with the solicitation protocol. The review includes an initial screen for required submission criteria such as conforming delivery point, minimum project size, and submission of particular proposal package elements. Sellers lacking in

any of these items are allowed a cure period to remedy any deficiencies. Following this initial screen, SCE conducts an additional review to determine the reasonableness of proposal parameters such as generation profiles and capacity factors. SCE works directly with sellers to resolve any issues and ensure that data is ready for evaluation.

After these reviews, SCE performs a quantitative assessment of each proposal individually and ranks it based on the proposal's benefit and cost relationship. Specifically, the total benefits and total costs are used to calculate the net levelized cost or "renewable premium" per each complete and conforming proposal. Benefits are comprised of separate capacity and energy components, while costs include the contract payments, integration costs, transmission cost, and debt equivalence. SCE discounts the annual benefit and cost streams to a common base year. The result of the quantitative analysis is a merit-order ranking of all complete and conforming proposals' renewable premiums that helps define the preliminary short list.

In parallel with the quantitative analysis, SCE conducts an in-depth assessment of each proposal's qualitative attributes. This analysis utilizes the Commission's prescribed Project Viability Calculator to assess certain factors including the company/development team, technology, and development milestones. Additional attributes such as transmission area/cluster, seller concentration, portfolio fit of commercial on-line date, project size, and dispatchability and curtailability are also considered in the qualitative analysis. These qualitative attributes are then considered to either eliminate non-viable proposals or add projects with high viability to the final short list of proposals, or to determine tie-breakers, if any.

Following its analysis, SCE consults with its PRG regarding the final short list and specific evaluation criteria. Whether a proposal selected through this process results in an executed contract depends on the outcome of negotiations between SCE and sellers. Periodically, SCE updates the PRG regarding the progress of negotiations. SCE also consults with its PRG prior to the execution of any successfully negotiated contracts. Subsequently, SCE executes contracts and submits them to the Commission for approval via advice letter filings.

A complete discussion of SCE's proposal evaluation and selection process and criteria is provided in Appendix J.

C. Compliance with Standard Terms and Conditions

In D.04-06-014, the Commission established a number of "modifiable" and "non-modifiable" standard terms and conditions to be used by load-serving entities ("LSEs") when contracting for RPS-eligible resources. In D.07-11-025, the Commission reduced the number of non-modifiable terms to the following four

terms: (1) "CPUC Approval;" (2) "RECs and Green Attributes;"^Z (3) "Eligibility;" and (4) "Applicable Law." The remaining non-modifiable terms were converted to modifiable.⁸ In D.10-03-021, as modified by D.11-01-025, the Commission added two new non-modifiable standard terms and conditions for both bundled contracts and contracts for renewable energy credits ("RECs") only: (1) "Transfer of Renewable Energy Credits;" and (2) "Tracking of RECs in WREGIS." The Commission also added a new version of the non-modifiable "CPUC Approval" standard term and condition for REC-only contracts, and held that the non-modifiable "Applicable Law" standard term and condition also applies to REC-only contracts.

The FRV Contracts each include the six non-modifiable standard terms and conditions for bundled contracts without change.

For the Regulus Contract, the "CPUC Approval" term is located on page 5 of Exhibit A. The "RECs and Green Attributes" terms are located in Section 3.01(b) on page 13 and on pages 11 through 13 of Exhibit A. The "Eligibility" term is located in Section 10.02(b) on page 63. The "Applicable Law" term is located in Section 10.07 on page 69.

For the Adobe Contract, the "CPUC Approval" term is located on page 5 of Exhibit A. The "RECs and Green Attributes" terms are located in Section 3.01(b) on page 14 and on pages 12 and 13 of Exhibit A. The "Eligibility" term is located in Section 10.02(b) on page 66. The "Applicable Law" term is located in Section 10.07 on page 72.

~~For the Mojave Contract, the "CPUC Approval" term is located on page 5 of Exhibit A. The "RECs and Green Attributes" terms are located in Section 3.01(b) on page 14 and on pages 12 and 13 of Exhibit A. The "Eligibility" term is located in Section 10.02(b) on page 66. The "Applicable Law" term is located in Section 10.07 on page 72.~~

For the Mojave 4 Contract, the "CPUC Approval" term is located on page 5 of Exhibit A. The "RECs and Green Attributes" terms are located in Section 3.01(b) on page 13 and on pages 12 and 13 of Exhibit A. The "Eligibility" term is located in Section 10.02(b) on page 65. The "Applicable Law" term is located in Section 10.07 on page 71.

The "Transfer of Renewable Energy Credits" term was added as Section 10.02(c) of each of the FRV Contracts through Amendment No. 1 to each of the FRV

^Z In D.08-08-028, the Commission revised the non-modifiable "RECs and Green Attributes" standard term and condition.

⁸ In D.08-04-009, the Commission compiled the standard terms and conditions in one document and deleted the modifiable standard term and condition on supplemental energy payments.

Contracts. The "Tracking of RECs in WREGIS" term was added as Section 10.02(e) of each of the FRV Contracts through Amendment No. 1 to each of the FRV Contracts. Amendment No. 1 to each of the FRV Contracts is included in Appendices E.2, F.2, ~~G.2,~~ and H.2.

In addition, as permitted by D.04-06-014, SCE modified most if not all of the modifiable terms. These modifications, however, include the same principles and serve the same purpose as the standard terms and are consistent with the law and government regulations. Thus, the modifications contained in the FRV Contracts are permissible.

Comparisons of the FRV Contracts against SCE's 2009 Pro Forma Renewable Power Purchase and Sale Agreement are included as Confidential Appendices E.1, F.1, ~~G.1,~~ and H.1.

D. Unbundled REC Transactions

In D.10-03-021, as modified by D.11-01-025, the Commission held that the following types of transactions shall be treated as bundled transactions for purposes of compliance with the California RPS: (1) transactions in which energy is acquired from a generator certified as eligible for the California RPS and the generator has its first point of interconnection with the WECC interconnected transmission system with a California balancing authority; and (2) transactions in which energy is acquired from a generator certified as eligible for the California RPS and the energy from the transaction is dynamically transferred to a California balancing authority area.⁹ The Commission also found that, as of the effective date of D.10-03-021, a transaction shall be considered a transaction that procures only RECs if the transaction either: (1) expressly transfers only RECs and not energy from the seller to the buyer; or (2) transfers both RECs and energy from the seller to the buyer but does meet the Commission's criteria for considering a procurement transaction a bundled transaction for purposes of compliance with the California RPS as discussed above.

⁹ ~~SCE has filed Applications for Rehearing of both D.10-03-021 and D.11-01-025, which are currently pending before the Commission.~~

SCE is purchasing both RPS-eligible energy and RECs under the FRV Contracts. Moreover, the FRV Projects will have their first point of interconnection with the CAISO. Accordingly, the FRV Contracts are bundled transactions pursuant to D.10-03-021, as modified by D.11-01-025.

Additionally, Senate Bill 2 (1x) establishes portfolio content categories under Public Utilities Code Sections 399.16(b). The FRV Contracts fall under the Section 399.16(b)(1) portfolio content category because the FRV Projects will have a first point of interconnection with the CAISO.

E. Minimum Quantity

In D.07-05-028, the Commission held that, beginning in 2007, each LSE obligated under the RPS program must enter into long-term contracts¹⁰ or short-term contracts with new facilities¹¹ for energy deliveries equivalent to 0.25 percent of that LSE's prior year's retail sales, in order to be able to count for RPS compliance energy deliveries from short-term contracts with existing facilities. The Commission also ruled that RPS-obligated LSEs may carry forward contracted energy in long-term contracts and short-term contracts with new facilities that is in excess of the 0.25 percent requirement in the year such contracts are signed, to be used for compliance for the minimum quantity requirement in future years.

The FRV Contracts are long-term contracts. Therefore, the minimum-quantity requirement does not apply.

F. Market Price Referent ("MPR") and Above-Market Funds ("AMFs")

The revised prices in the FRV ContractsPPAs are abovebelow the 2009 MPR.

~~Pursuant to Resolution E-4199, the FRV PPAs comply with the eligibility criteria for AMFs set forth in California Public Utilities Code Section 399.15(d)(2) as follows: each agreement (1) covers a duration of no less than 10 years; (2) is with new or repowered facilities commencing operations on or after January 1, 2005; (3) is not a purchase of RECs; and (4) does not include any indirect expenses as set forth in the statute.~~

~~Notably, as SCE's AMFs are exhausted, SCE proposes to voluntarily procure energy under the FRV PPAs pursuant to California Public Utilities Code~~

¹⁰ Long-term contracts are contracts of at least 10 years duration. See Cal. Pub. Util. Code § 399.14.

¹¹ New facilities are facilities that commenced commercial operation on or after January 1, 2005. See Cal. Pub. Util. Code § 399.14.

~~Section 399.15(d)(4) and requests Commission approval of recovery of the total costs of the agreements pursuant to Section 399.15(d)(4).~~

The AMF Calculators for the FRV ContractsPPAs can be found in Confidential Appendix K.

G. Interim Emissions Performance Standard

The California Legislature passed Senate Bill (“SB”) 1368 on August 31, 2006, and Governor Schwarzenegger signed the bill into law on September 29, 2006. Section 2 of SB 1368 adds Public Utilities Code Section 8341(a), which provides, “No load-serving entity or local publicly owned electric utility may enter into a long-term financial commitment unless any baseload generation supplied under the long-term financial commitment complies with the greenhouse gases emission performance standard established by the commission, pursuant to subdivision (d).”¹²

In order to implement the provisions of SB 1368, the Commission instituted Rulemaking 06-04-009. That proceeding resulted in the establishment of a greenhouse gas (“GHG”) emissions performance standard (“EPS”) for carbon dioxide (“CO₂”). The Commission noted, “SB 1368 establishes a minimum performance requirement for any long-term financial commitment for baseload generation that will be supplying power to California ratepayers. The new law establishes that the GHG emissions rates for these facilities must be no higher than the GHG emissions rate of a combined-cycle gas turbine (“CCGT”) powerplant.”¹³ The decision further explains:

SB 1368 describes what types of generation and financial commitments will be subject to the EPS (“covered procurements”). Under SB 1368, the EPS applies to “baseload generation,” but the requirement to comply with it is triggered only if there is a “long-term financial commitment” by an LSE. The statute defines baseload generation as “electricity generation from a powerplant that is designed and intended to provide electricity at an annualized plant capacity factor of at least 60%.” . . . For baseload generation procured under contract, there is a long-term commitment when the LSE enters into “a new or renewed contract with a term of five or more years.”¹⁴

¹² Cal. Pub. Util. Code § 8341(a).

¹³ D.07-01-039 at 2-3.

¹⁴ *Id.* at 4.

By this Advice Letter filing, SCE requests that the Commission approve the FRV Contracts. The FRV Contracts are exempt from EPS regulations because they have expected annualized capacity factors ranging between 25 to 28 percent, which are well below the threshold baseload capacity factor of 60 percent, above which the EPS rules would apply.

H. Procurement Review Group (“PRG”) Participation

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

SCE consulted with its PRG during each step of the 2009 RPS solicitation process. Among other things, SCE informed the PRG of the initial results of its RFP, explained the evaluation process, and updated the PRG periodically concerning the status of contract formation.

On October 28, 2009, SCE advised the PRG of its proposed short list of bids for its 2009 RPS solicitation. On November 9, 2010, SCE briefed the PRG concerning the FRV Contracts.

I. Independent Evaluator (“IE”)

The IE for this transaction was Merrimack Energy Group, Inc. The IE joined and contributed to a number of conference calls and negotiation sessions. In addition, the IE reviewed email traffic, several versions of the proposed contract, and other documents exchanged by the parties. The IE also participated in the PRG review of the FRV Contracts. The full IE Report is included as Confidential Appendix C; a public version is included as Public Appendix C.

III. PROJECT DEVELOPMENT STATUS

A. Company/Development Team

FRV is a solar independent power producer (“IPP”) that develops, finances, owns, and operates solar energy systems in the U.S. and Europe. FRV developed, built, and now owns and operates more than 200 MWdc of projects globally and 40 MWdc of solar projects in the U.S., including one of the largest PV plants in operation in North America at Nellis Air Force Base.

At the time the FRV Contracts were executed, FRV was a subsidiary of Fotowatio S.L., one of Europe’s largest renewable energy companies. Fotowatio was formed in 2006, with equity participation by Qualitas Venture Capital. In 2008, Fotowatio completed a capital round in which General Electric (GE Energy

Financial Services) invested \$235 MM to become a 32 percent owner. In April 2009, Fotowatio acquired the U.S. firm MMA Renewable Ventures from MuniMae, a Baltimore, MD-based financial services company.

With over 200 MWdc of PV projects operational, a further 30 MWdc of solar projects under construction, and over 2,000 MWdc under development, FRV is among the world's largest and most experienced solar companies. In addition, FRV expects to begin construction on an additional 70 MWac (three projects) in 2011. FRV's development and technical teams bring 50 years of project management experience and over 30 years of environmental permitting experience.

FRV has over \$1.2 BB invested in generation assets, and currently owns and operates over 200 MWdc of solar PV systems for utilities, government agencies, and large corporations in the U.S. and Europe, including the following:

System	Capacity (kW-dc)	Location
Magascona	23,040	Spain
Nellis Air Force Base	14,000	U.S.
Extremesol	11,520	Spain
Masgasquilla	11,520	Spain
Olmedilla	11,500	Spain
Valdelaguna	10,930	Spain
Fuente Alamo III	10,310	Spain
Gamascia I	9,690	Italy
Cantore	9,320	Italy
Fuente Alamo II	8,870	Spain
Casas Coloradas	7,020	Spain
Blanca	6,955	Spain
Calasparra II	6,670	Spain
Calasparra III	6,630	Spain
Alhama de Murcia	6,340	Spain
Macy's	6,118	U.S.
La Olmeda	6,000	Spain
Stonara	5,920	Italy
Marinella	4,380	Italy
Colorado State University Phase II	3,301	U.S.
Ibi Solar	2,630	Spain
Colorado State University Phase I	2,000	U.S.
Denver International Airport	1,998	U.S.

Bolthouse Farms	1,852	U.S.
Belmar Shopping Center	1,741	U.S.
East LA Community College	1,190	U.S.
CSU Fresno	1,173	U.S.
Siemens STS	1,158	U.S.
Gap	1,055	U.S.
Follerato	1,000	Italy
Galatone I	1,000	Italy
Galatone II	1,000	Italy
Marugio	1,000	Italy
Ruffano	1,000	Italy
Roche Molecular, NJ	914	U.S.
Santa Rosa Schools	830	U.S.
Yuba City Wastewater Treatment	776	U.S.
Global Solar	767	U.S.
Brook Warehouse	600	U.S.
Montna Farms	394	U.S.
Colorado Convention Center	301	U.S.
Happy Valley, CA	253	U.S.
University of California, San Francisco	251	U.S.
Rothenback Solar Park	250	U.S.
Roche Molecular, CA	201	U.S.
Lowe's	192	U.S.
Total	205,560	

On September 2, 2011, SunEdison acquired FRV. The FRV development team has a high degree of solar project experience, having installed a U.S. solar portfolio of 41 MWp, including one of the first utility scale (14 MWp) solar PV projects in the U.S. at Nellis Air Force Base in Nevada. In addition, the FRV team had executed PPAs with a number of leading utilities, including Austin Energy, Tucson Electric Power, Nevada Energy, Pacific Gas & Electric Company, and SCE.

The acquisition of FRV was a 100% stock sale with all personnel, project assets, and pipeline transferred to SunEdison. With this transaction, SunEdison gained the FRV development team as well as its active projects, including the projects addressed in this advice letter.

Founded in 2003, SunEdison is one of the largest developers and operators of solar PV power plants in the world today. SunEdison is owned by MEMC Electronic Materials, Inc. ("MEMC"), a global leader for over 50 years in the

manufacture and sale of wafers to the semiconductor and solar industries. The combination of SunEdison and MEMC results in a vertically integrated company with access to large amounts of capital, manufacturing efficiencies, advanced solar technologies, and lower cost system components. MEMC's common stock is listed on the New York Stock Exchange under the symbol "WFR" and is included in the S&P MidCap 400 Index.

SunEdison has developed and operates over 420 MW of PV power plants around the world, including multiple utility systems between 5 MW-70 MW each. With research and development and manufacturing facilities in the U.S., Europe and Asia, the company can source equipment, access low cost capital, and deliver solar electricity to customers around the world. SunEdison also has one of the most experienced financial teams in the industry with over \$3 billion in project tax equity and debt financing closed to date.

In California, SunEdison operates in all segments of the solar PV market, from residential systems, to commercial and industrial, all the way up to large-scale, utility systems. The current state-wide operating portfolio tops 85 MW and provides electricity to schools, businesses, cities, and state government customers.

SunEdison's development team is responsible for over 450 MW of operating PV projects around the world today. Please refer to the below table for the system type, size, and location of the power plants.

<u>System Type</u>	<u>System Size (kW DC)</u>	<u>Location</u>
<u>Utility PV</u>	<u>70,556</u>	<u>Italy</u>
<u>Utility PV</u>	<u>20,410</u>	<u>Italy</u>
<u>Utility PV</u>	<u>18,184</u>	<u>Italy</u>
<u>Utility PV</u>	<u>14,000</u>	<u>Nevada</u>
<u>Utility PV</u>	<u>10,874</u>	<u>New Mexico</u>
<u>Utility PV</u>	<u>10,771</u>	<u>New Mexico</u>
<u>Utility PV</u>	<u>10,762</u>	<u>Italy</u>
<u>Utility PV</u>	<u>10,725</u>	<u>New Mexico</u>

Utility PV	9,466	Ontario
Utility PV	9,111	Ontario
Utility PV	9,043	Ontario
Utility PV	8,242	Colorado
Distributed PV	6,118	California
Utility PV	5,013	North Carolina
Utility PV	3,999	Italy
Utility PV	3,976	Italy
Utility PV	3,909	North Carolina
Utility PV	3,361	North Carolina
Utility PV	3,345	North Carolina
Distributed PV	3,301	Colorado
Utility PV	2,971	Italy
Utility PV	2,936	Italy
Distributed PV	2,800	Arizona
610 DG systems < 2.5MW	212,765	United States/Europe
Total	456,638	

Additional information, including information on key personnel, is included in Confidential Appendix A.

B. Technology

1. Technology Type and Level of Technology Maturity

The FRV Projects will utilize proven and mature solar PV technology that has been in operation for several years. For example, FRV built the Nellis Air Force Base solar PV generating facility located near Las Vegas, Nevada.

Additional information is included in Confidential Appendix A.

2. Quality of Renewable Resource

FRV has completed solar resource studies and energy projections with a third-party engineering firm that has confirmed each project is located in a high solar resource area. FRV has also deployed a meteorological tower near each project site to monitor and validate the results of the third-party analysis.

SCE believes that each FRV project will be able to meet the terms of the contract given SCE's independent understanding of the quality of the renewable resources.

Additional information is included in Confidential Appendix A.

3. Other Resources Required

Other resource requirements are discussed in Confidential Appendix A.

C. Development Milestones

1. Site Control

Site control for each project is discussed in Confidential Appendix A.

2. Equipment Procurement

At this time, FRV has not identified any equipment procurement issues that will affect the project's date of operability.

Equipment procurement is discussed further in Confidential Appendix A

3. Permitting/Certifications Status

Information regarding permitting/certifications status is included in Confidential Appendix A.

4. Production Tax Credits ("PTCs") / Investment Tax Credits ("ITCs")

The FRV projects are eligible for the ITC.

Each FRV project plans to seek the ITC. FRV does not anticipate any problems in meeting the appropriate criteria.

The Sellers bear the risk if the anticipated ITCs are not obtained.

5. Transmission

Transmission information is contained in Confidential Appendix A.

D. Financing Plan

SunEdison plans to use a project-financing structure for each project. SunEdison has used a number of different structures in the past, including single-investor sale/leasebacks and levered partnerships. SunEdison's financing expertise is one of its key competitive strengths. SunEdison has strong access to capital, established financial relationships, and a proven track record of closing over \$3 billion in project financings to date. SunEdison has closed significant volumes of third-party project financing for solar projects since its inception, including tax equity and debt financing in the U.S.

Moreover, as an MEMC company (NYSE Ticker: WFR), SunEdison has the financial strength of a 50-year-old corporation. In addition, by utilizing solar PV technology that has an extensive track record, SunEdison avoids the financing risks related to younger technologies.

~~FRV plans to use a project-financing structure for each project. FRV has used a number of different structures in the past, including single-investor sale/leasebacks and levered partnerships. FRV has closed significant volumes of third-party project financing for solar projects since its inception, including tax equity and debt financing in the U.S.~~

Further information regarding financing is provided in Confidential Appendix A.

IV. CONTINGENCIES AND MILESTONES

The FRV Projects are expected to commence deliveries in the fourth quarter 2013, ~~and first quarter 2014~~. Specific information regarding performance criteria and guaranteed milestones is provided in Confidential Appendices A and D through I.

V. REQUEST FOR COMMISSION APPROVAL

The terms of the FRV Contracts are conditioned on the occurrence of final "CPUC Approval," as it is described in the FRV Contracts. In order to satisfy that condition with respect to the FRV Contracts, SCE requests that the Commission issue a resolution no later than ~~September 23, 2011~~ April 19, 2012, containing:

1. Approval of the FRV Contracts in their entirety;
2. A finding that any electric energy sold or dedicated to SCE pursuant to the FRV Contracts constitutes procurement by SCE from ERRs 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 each FRV Contract counts, in full and without condition, toward any annual procurement target established by the RPS Legislation or the Commission which is applicable to SCE;
4. A finding that all procurement under each FRV Contract counts, in full and without condition, toward any incremental procurement target established by the RPS Legislation or the Commission which is applicable to SCE;
5. A finding that all procurement under each FRV Contract counts, in full and without condition, toward 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 each FRV Contract, and SCE's entry into the FRV Contracts, is reasonable and prudent for all purposes, including, but not limited to, recovery in rates of payments made pursuant to the FRV Contracts, subject only to further review with respect to the reasonableness of SCE's administration of the FRV Contracts; and
7. Any other and further relief as the Commission finds just and reasonable.

VI. TIER DESIGNATION

Pursuant to GO 96-B, Energy Industry Rule 5.3, SCE submits this Advice Letter with a Tier 3 designation (effective after Commission approval).

VII. EFFECTIVE DATE

This Advice Letter will become effective on ~~September 23, 2011~~ April 19, 2012.

VIII. NOTICE

Anyone wishing to protest this Advice Letter may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and SCE no later than 20 days after the date of this Advice Letter. Protests should be mailed to:

[CPUC, Energy Division](#)
[Attention: Tariff Unit](#)
[505 Van Ness Avenue](#)
[San Francisco, California 94102](#)
[E-mail: \[ijnj@cpuc.ca.gov\]\(mailto:ijnj@cpuc.ca.gov\) and \[mas@cpuc.ca.gov\]\(mailto:mas@cpuc.ca.gov\)](mailto:ijnj@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

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~~ [Leslie E. Starck](mailto:Leslie.E.Starck@sce.com)
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

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

With a copy to:

Cathy Karlstad
Attorney
Southern California Edison Company
2244 Walnut Grove Avenue, 3rd Floor
Rosemead, CA 91770
Facsimile: (626) 302-1935
E-mail: Cathy.Karlstad@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section 4 of GO 96-B, SCE is furnishing copies of this Advice Letter to the interested parties shown on the attached [R.11-05-005](#), 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 ProcessOffice@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 Letter 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 Letter should be directed to Laura Genao at (626) 302-6842 (E-mail: Laura.Genao@sce.com).

Southern California Edison Company

Akbar Jazayeri

Enclosures

Confidential Attachment 3

Redline of Appendix A to Advice 2563-E

Confidential Protected Materials – Public Disclosure Prohibited

Confidential Attachment 4

Revised Appendix B to Advice 2563-E

Confidential Protected Materials – Public Disclosure Prohibited

Confidential Attachment 5

Redline of Appendix D to Advice 2563-E

Confidential Protected Materials – Public Disclosure Prohibited

Confidential Attachment 6

Amendment No. 2 to Regulus Contract

Confidential Protected Materials – Public Disclosure Prohibited

Confidential Attachment 7

Amendment No. 2 to Adobe Contract

Confidential Protected Materials – Public Disclosure Prohibited

Confidential Attachment 8

Amendment No. 2 to Mojave 4 Contract

Confidential Protected Materials – Public Disclosure Prohibited

Confidential Attachment 9

Revised Appendix I to Advice 2563-E

Confidential Protected Materials – Public Disclosure Prohibited

Confidential Attachment 10

Revised Appendix K to Advice 2563-E

Confidential Protected Materials – Public Disclosure Prohibited

Disclosure Prohibited

Attachment 11

Confidentiality Declaration

**DECLARATION OF BRUCE MCCARTHY REGARDING THE CONFIDENTIALITY
OF CERTAIN DATA**

I, Bruce McCarthy, declare and state:

1. I am an Energy Contract/Trading Specialist in the Renewable and Alternative Power department of Southern California Edison Company (“SCE”). As such, I have reviewed Advice 2563-E-A. I make this declaration in accordance with California Public Utilities Commission (“Commission” or “CPUC”) Decisions (“D.”) 06-06-066 and D.08-04-023, issued in Rulemaking 05-06-040. I have personal knowledge of the facts and representations herein and, if called upon to testify, could and would do so, except for those facts expressly stated to be based upon information and belief, and as to those matters, I believe them to be true.

2. Listed below are the data in Advice 2563-E-A for which SCE is seeking confidential protection and the categories of the Matrix of Allowed Confidential Treatment Investor Owned Utility Data (“Matrix”) appended to D.06-06-066 to which these data correspond.

Data	Page	Matrix Category	Period of Confidentiality
Description of Amendment No. 2	Confidential Attachment 1	VII.F/VII.G RPS Contracts	RPS contracts confidential for three years, or until one year following expiration, whichever comes first.
Consistency with Commission Decisions and Rules and Project Development Status	Confidential Attachment 3	VII.F/VII.G RPS Contracts VII.H Score sheets, analyses, evaluations of proposed RPS projects VIII.A Bid Information VIII.B Specific quantitative analysis involved in the	RPS contracts confidential for three years, or until one year following expiration, whichever comes first. Score sheets, analyses, evaluations of proposed RPS projects confidential for three years. For bid information,

		scoring and evaluation of participating bids ¹	total number of projects and megawatts bid by resource type public after final contracts submitted to CPUC for approval. Specific quantitative analysis involved in the scoring and evaluation of participating bids confidential for three years after winning bidders selected.
2009 Solicitation Workpapers	Confidential Attachment 4	VII.F/VII.G RPS Contracts VII.H Score sheets, analyses, evaluations of proposed RPS projects VIII.A Bid Information VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids ²	RPS contracts confidential for three years, or until one year following expiration, whichever comes first. Score sheets, analyses, evaluations of proposed RPS projects confidential for three years. For bid information, total number of projects and megawatts bid by resource type public after final contracts submitted to CPUC for approval. Specific quantitative analysis involved in the scoring and evaluation of participating bids confidential for three years after winning bidders selected.
Contract Summaries	Confidential	VII.F/VII.G	RPS contracts confidential for three

¹ The Commission also concluded that project-specific project viability information should remain confidential in D.09-06-018.

² The Commission also concluded that project-specific project viability information should remain confidential in D.09-06-018.

	Attachment 5	<p>RPS Contracts</p> <p>VII.H Score sheets, analyses, evaluations of proposed RPS projects</p> <p>VIII.A Bid Information</p> <p>VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids</p>	<p>years, or until one year following expiration, whichever comes first.</p> <p>Score sheets, analyses, evaluations of proposed RPS projects confidential for three years.</p> <p>For bid information, total number of projects and megawatts bid by resource type public after final contracts submitted to CPUC for approval.</p> <p>Specific quantitative analysis involved in the scoring and evaluation of participating bids confidential for three years after winning bidders selected.</p>
Amendment No. 2 to Regulus Contract	Confidential Attachment 6	VII.F/VII.G RPS Contracts	RPS contracts confidential for three years, or until one year following expiration, whichever comes first.
Amendment No. 2 to Adobe Contract	Confidential Attachment 7	VII.F/VII.G RPS Contracts	RPS contracts confidential for three years, or until one year following expiration, whichever comes first.
Amendment No. 2 to Mojave 4 Contract	Confidential Attachment 8	VII.F/VII.G RPS Contracts	RPS contracts confidential for three years, or until one year following expiration, whichever comes first.
Contribution Toward RPS Goals	Confidential Attachment 9	V.C LSE Total Energy Forecast – Bundled Customer	LSE total energy forecast – bundled customer front three years of forecast data

			confidential.
AMF Calculators	Confidential Attachment 10	VII.F/VII.G RPS Contracts VII.H Score sheets, analyses, evaluations of proposed RPS projects VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids	RPS contracts confidential for three years, or until one year following expiration, whichever comes first. Score sheets, analyses, evaluations of proposed RPS projects confidential for three years. Specific quantitative analysis involved in the scoring and evaluation of participating bids confidential for three years after winning bidders selected.

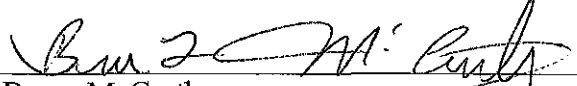
3. SCE is complying with the limitations on confidentiality specified in the Matrix that pertain to the data listed in the table above.

4. I am informed and believe and thereon allege that the data in the table above 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 it is required to be provided in this format.

5. I am informed and believe and thereon allege that the data in the table in paragraph 2 above has never been made publicly available.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 23, 2012, at Rosemead, California.


Bruce McCarthy