

Corrected Exhibit 2



James P. Avery
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April 5, 2013

Eurika Derr
Clerk of the Board
U.S. Environmental Protection Agency
Environmental Appeals Board
1200 Pennsylvania Avenue, NW
Mail Code 1103M
Washington, DC 20460-0001

RE: In re: Pio Pico Energy Center, PSD Appeal No. 12-04, et seq.

Dear Ms. Derr:

As Senior Vice President – Power Supply for San Diego Gas & Electric Company (“SDG&E”), I have been substantially involved in SDG&E’s application to the California Public Utilities Commission (“CPUC”) for approval of the company’s power purchase tolling agreement (“PPTA”) with Pio Pico Energy Center, LLC (“Pio Pico”).

On March 21, 2013, the CPUC issued a decision denying without prejudice SDG&E’s application for approval of the PPTA with Pio Pico.¹ The CPUC Decision determined that SDG&E did not require additional power generation resources by the year 2015.² Instead, it determined that additional local generation capacity would be needed in 2018.³ The CPUC Decision authorized SDG&E to amend its application for approval that matches the timing of the identified need or showing a different need.⁴ SDG&E is currently in discussions with Pio Pico regarding an amendment to the PPTA and if the parties reach agreement on such amendment, SDG&E intends to file an application with the CPUC seeking approval of the amended power purchase agreement reflecting, among other things, a change in the PPTA’s initial delivery date.

1 Decision (“D.”)13-03-029 Determining San Diego Gas & Electric Company’s Local Capacity Requirement and Granting Partial Authority to Enter Into Purchase Power Tolling Agreements (Mar. 21, 2013) (“CPUC Decision”).

2 CPUC Decision at 15.

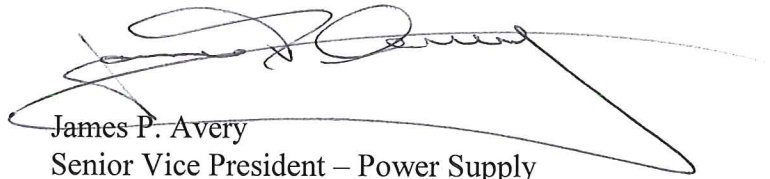
3 *Id.*

4 *Id.*

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SDG&E anticipates that additional local capacity and peaking generation will be required by SDG&E, as directed by the CPUC, and to support renewable generation resources, such as wind turbines and solar power plants. These renewable resources are often intermittent in nature, requiring reliable generation to supplement intermittent generation gaps at times of peak load. This is especially important as SDG&E brings more wind and solar facilities on line to meet California's Renewable Portfolio Standards. Resources such as the Pio Pico Energy Center are needed to address these intermittency issues.

Respectfully,

A handwritten signature in black ink, appearing to read "James P. Avery", is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping tail that extends to the right and loops back under the line.

James P. Avery
Senior Vice President – Power Supply
San Diego Gas & Electric Company