



California Public Utilities Commission
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FOR IMMEDIATE RELEASE

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PRESS RELEASE

Docket #: Res E-4909

CPUC DIRECTS PG&E TO SEEK BIDS FOR CLEAN ENERGY TO REPLACE THREE FOSSIL FUEL PLANTS

SAN FRANCISCO, Jan. 11, 2018 - The California Public Utilities Commission (CPUC), continuing its commitment to helping reduce greenhouse gases in the state and lower customer costs, today directed Pacific Gas and Electric Company (PG&E) to solicit bids for clean energy resources to replace three costly fossil fuel plants to meet specific needs in Northern California.

The CPUC authorized PG&E to issue a Request for Offer (RFO) for battery storage or other preferred resources to replace three Calpine fossil fuel plants (Feather River, Yuba, and Metcalf) that do not have long-term contracts with utilities but that have been identified by the California Independent System Operator (CAISO) as needed to serve local reliability needs. If successful, PG&E's RFO, as well as transmission solutions, could replace the three gas-fired plants. Energy storage is a clean energy resource that can be fast-responding, reliable, and constructed in a short timeframe.

Calpine and the CAISO have requested that the Federal Energy Regulatory Commission approve the CAISO's designation of the three plants as "must run" for reliability purposes, which would mean that the plants would get paid to operate on an expensive cost of service contract. The CPUC and PG&E have opposed this, in part because a lack of competition can lead to market distortions and unjust rates for power. The CPUC believes there are cleaner, less expensive alternatives, including battery storage and preferred resources.

Today's decision does not require PG&E to sign contracts if doing so would result in unreasonable costs or if the solicitation yields proposals that would not prove effective in reducing or eliminating



the need for the three gas-fired plants.

The proposal voted on is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M205/K280/205280070.PDF>.

The CPUC regulates services and utilities, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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