

California Public Utilities Commission
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PRESS RELEASE

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**CPUC APPROVES PG&E RENEWABLE CONTRACT THAT
FACILITATES THE CONVERSION OF A COAL AND
PETROLEUM COKE FACILITY TO BIOMASS**

SAN FRANCISCO, February 4, 2010 - The California Public Utilities Commission (CPUC) today approved a renewable energy contract for Pacific Gas and Electric Company (PG&E), furthering the state's progress towards its renewable energy goals.

Under the 15-year contract with Mt. Poso Cogeneration Company, LLC, PG&E will procure renewable energy from the Mt. Poso Cogeneration facility. The CPUC-approved contract facilitates the conversion of the Mt. Poso Cogeneration plant, which currently generates electricity from coal, petroleum coke, and tire-derived fuel, to a facility powered with urban and agricultural wood waste. The proposed 44 megawatt biomass facility will be located in Bakersfield and will generate 325 gigawatt-hours of energy per year beginning in 2012.

"This new agreement will reduce our state's reliance on coal and other less attractive fuels and increase our usage of much cleaner renewable energy. This is obviously a plus for California," said CPUC President Michael R. Peevey.

The CPUC's Renewables Portfolio Standard (RPS) program requires investor-owned utilities, energy service providers, and community choice aggregators operating in California to obtain 20 percent of their retail sales from renewable energy sources by 2010. On November 17, 2008, Governor Schwarzenegger signed an Executive Order (S-14-08) that established a 33 percent by 2020 RPS goal. Additionally, on April 25, 2006, Governor Schwarzenegger signed an Executive Order (S-06-06) that established that 20 percent of the renewable electricity should be generated from biomass resources within the state by 2010.

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