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CPUC APPROVES SOLAR PV PROGRAM FOR PG&E

SAN FRANCISCO, April 22, 2010 - The California Public Utilities Commission (CPUC) today authorized a five-year solar photovoltaic (PV) program to develop up to 500 megawatts (MW) of solar PV facilities in the range of 1 to 20 MW in Pacific Gas and Electric Company’s (PG&E) service area.

The PV program allows for development of solar facilities owned by PG&E and also owned by third parties. Under the utility owned portion of the PV program, PG&E is authorized to install up to 250 MW of PV facilities from 1 to 20 MW in size in its service area at a rate of 50 MW per year. Similarly, under the third-party owned portion of the program, PG&E can solicit energy from 250 MW of PV facilities from 1 to 20 MW in size located in its service area, also at a rate of 50 MW a year.

“This solar development program has many benefits and can help the state meet its aggressive renewable power goals,” said CPUC President Michael R. Peevey. “Smaller scale projects can avoid many of the pitfalls that have plagued larger renewable projects in California, including permitting and transmission challenges. Because of this, programs targeting these resources can serve as a valuable complement to the existing Renewables Portfolio Standard program.”

The CPUC authorized expenditures of up to $1.454 billion for the capital costs associated with the utility owned portion of the PV program. If PG&E develops fewer than 250 MW over the five year duration of the PV program, this amount will be adjusted based on the number of megawatts PG&E does develop. Pricing under the third-party owned PV will be based on competitive solicitations, with the successful bidders entering into a 20-year power purchase agreement with PG&E. Similarly, for utility owned projects, PG&E will conduct competitive solicitations for turn-key and
engineering, procurement and construction projects that the utility will then own and operate. To
ensure the best price possible for ratepayers for projects developed by PG&E and those developed
by independent power producers, PG&E must enlist the services of an independent evaluator to
assess the fairness and robustness of its solicitations. Additionally, today’s decision authorizes
PG&E to recover the costs of a 2 MW pilot project the utility built to demonstrate the viability of
this program. This facility is online and operating in Vacaville, California.

The proposal voted on today is available at:
http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/116784.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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