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**PRESS RELEASE**

Docket #: A.09-09-021

## **CPUC APPROVES PG&E REQUEST FOR OAKLEY POWER PLANT CONTRACT**

SAN FRANCISCO, December 16, 2010 – The California Public Utilities Commission (CPUC) today approved Pacific Gas and Electric Company’s (PG&E) purchase and sale agreement with Contra Costa Generating Station LLC for the Oakley Project, a new state-of-the-art natural gas-fired combined cycle facility that is expected to produce 586 megawatts of generation.

Today’s decision approves the project due to the extension of the project delivery date by two years, from June 2014 to June 2016. The CPUC determined that the Oakley project will help mitigate the risk of any capacity shortfall in 2016. In addition the project utilizes the latest technology from General Electric and is expected to be the most efficient power plant of its kind in California, helping to reduce gas usage and decrease greenhouse gas emissions by displacing generation from older, less efficient resources.

PG&E may not take ownership of the plant under the purchase and sale agreement prior to January 1, 2016; or, alternatively, PG&E may take ownership only on the condition that its shareholders absorb the associated revenue requirements from the date of purchase until January 1, 2016.

Commissioner John A. Bohn, author of today’s decision, commented, “This is a win-win for all. It approves the construction of a modern highly efficient power plant, provides clean and adequate power for the future, and increases PG&E’s ability to secure financing for this project, which might not have been available beyond 2010.”

Added CPUC President Michael R. Peevey, “Oakley, with a very low heat rate, is highly efficient and will enable California to meet increasingly stringent greenhouse gas reduction goals. It will also allow for the retirement of peaking plants with high heat rates.”

The proposal voted on today is available at

[http://docs.cpuc.ca.gov/word\\_pdf/AGENDA\\_DECISION/128282.pdf](http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/128282.pdf).

For more information on the CPUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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