

California Public Utilities Commission
505 Van Ness Ave., San Francisco

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Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

PRESS RELEASE

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CPUC APPROVES BIOMASS CONTRACT AMENDMENT FOR COVANTA ENERGY TO HELP CALIFORNIA REACH RENEWABLES TARGET

SAN FRANCISCO, July 15, 2011 - The California Public Utilities Commission (CPUC) yesterday approved a renewable energy contract amendment for the continued operation of an 18 megawatt (MW) biomass facility, supporting the state's progress towards its renewable energy goals.

Pacific Oroville Power, Inc. (POPI), a wholly-owned subsidiary of Covanta Energy Corporation, operates an 18 MW biomass generating facility in the southern part of Oroville, in Butte County. The facility has historically burned a mix of mill wood waste, wood chips from forest thinning operations, agricultural residue such as shells and pits, and urban wood waste. In order to retain renewable power deliveries from the biomass facility, PG&E and POPI executed new contract terms that will help prevent plant closure until an updated contract can be negotiated.

California's Renewables Portfolio Standard (RPS) is the most ambitious in the country, requiring investor-owned utilities, electric service providers, and community choice aggregators to procure 20 percent of their power from renewable sources by 2010. Senate Bill 2 (First Extraordinary Session), signed into law in April 2011, extends the 20 percent renewable energy goal by 2010 to a 33 percent target by December 31, 2020.

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