



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

PRESS RELEASE

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CPUC APPROVES POWER CONTRACTS FOR EDISON TO ENSURE LONG-TERM RELIABILITY

SAN FRANCISCO, September 18, 2008 - The California Public Utilities Commission (CPUC) today approved four power purchase agreements for Southern California Edison to ensure reliable long-term electricity supply for the state.

This decision approves up to 1,350 megawatts (MW) with the following companies, as follows:

- CPV Sentinel, LLC for 273 MW of capacity and energy deliverable from May 1, 2012 through April 30, 2022.
- El Segundo Energy Center, LLC for 550 MW of capacity and energy deliverable from June 1, 2011 through May 31, 2021.
- Walnut Creek Energy, LLC for 478.80 MW of capacity and energy deliverable from June 1, 2013 through May 31, 2023.
- Wellhead Delano, LLC for 48.5 MW of capacity and energy deliverable from June 1, 2012 through May 31, 2022.

On July 20, 2006, the CPUC issued a Decision (D.06-07-029) designed to encourage the development of new electric resources for system reliability. The Decision established a mechanism for allocating the benefits and costs of new generation to all benefiting customers in an Investor-Owned Utility's service territory, including Investor-Owned Utility customers, Direct Access customers, and Community Choice Aggregation customers. Edison has elected to apply this cost allocation mechanism to these contracts.



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The CPUC determined that all four of the agreements are with new, state-of-the-art facilities, will produce electricity more efficiently and with fewer pollutants than older power plants, comply with the CPUC’s Greenhouse Gas Emissions Performance Standard, and should facilitate the integration of intermittent renewable resources. Further, the CPUC determined that the addition of these resources to Edison’s service territory will not “crowd out” preferred loading order resources, namely, energy efficiency, demand response and renewables. Edison only chose these fossil-fueled resources after all the preferred resources had been exhausted in a cost-effective manner.

“The actions being taken today are demonstrative of our efforts to get our utilities and our customers ahead of the curve and add resources to the supply mix before the need reaches a critical state,” said CPUC President Michael R. Peevey. “The approval of these contracts is another step toward continuing to provide a reliable, cost effective energy supply for California’s consumers while minimizing potential environmental impacts.”

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