

California Public Utilities Commission

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CPUC APPROVES BIOGAS MANAGEMENT PROJECT FOR PG&E

SAN FRANCISCO, June 12, 2008 - The California Public Utilities Commission (CPUC) today authorized Pacific Gas and Electric Company to include manure management projects in the portfolio of projects supported by its ClimateSmart program. By capturing and destroying methane from livestock operations, these projects have an important part to play in mitigating climate change.

"The agricultural sector produces significant amounts of methane each year, a gas that has at least 21 times the global warming impact of CO₂. By expanding the portfolio of offset projects eligible to receive ClimateSmart funds to include manure management projects, today's decision will enable dairy farmers and other livestock operators to transform a waste stream into a revenue stream, benefiting both their bottom line and the environment," said CPUC President Michael R. Peevey. "This, combined with the opportunity to sell biogas or electricity generated from that biogas into the state's renewable energy program via the feed-in tariffs we approved last year, should make investments in methane capture technologies a no-brainer."

Commissioner John Bohn said, "This is another example of a flexible and positive response by PG&E."

Added Commissioner Rachelle Chong, "I urge PG&E customers to sign up for the ClimateSmart program like I did. PG&E will invest this money in worthy projects that reduce greenhouse gas emissions."

Commissioner Timothy Alan Simon observed, "Opportunities to address climate change both empowers consumers and creates markets. With today's high energy prices, that will put real money back into the pockets of consumers."

A previous CPUC decision (D.06-12-032) approved PG&E's ClimateSmart program, which provides PG&E customers with an opportunity to offset the greenhouse gas emissions attributable to their use of electricity and natural gas. Participation in ClimateSmart is voluntary with customers agreeing to pay PG&E an additional amount monthly. The utility uses these premiums to fund projects (called offsets) approved by the CPUC that will mitigate the customer's greenhouse gas emissions.

Manure managements projects are the second type of offset project to be included in the ClimateSmart program. Prior to today's resolution, the ClimateSmart program relied exclusively on forestry offsets. The projects meet the rigorous offset protocols established by the California Climate Action Registry as well as additional requirements established by the CPUC to ensure these programs deliver real and verifiable reductions in greenhouse gas emissions.

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

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