

# **Monthly Report on Renewable Project Development**

Provided by Pacific Gas and Electric Company to the CPUC on 12/21/2010

**Confidential Commercially Sensitive Information**

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### Executive Summary

[Note: Changes since last time are shown in blue.]

#### A. Project Additions or Removals:

Additions:

- Manzana

Removals:

- **Vantage Wind** – Achieved commercial operation on 10/4/10.

#### B. Recent Events:

Commercial Operation:

- 12/14/10 – **Hatchet Ridge Wind** achieved commercial operation.

Construction Start (Official Notice Received):

- 11/30/2010 – **Avenal Park Solar Farm** started construction.

Recent Executions (add last PRG meeting an item was presented):

- None

Missed Milestones:

- None

Recent CPUC Approvals:

- 11/18/10 – **El Dorado Irrigation District** was approved via AL E-4376.
- 11/18/10 – **California Valley Solar Ranch-HPR 3** was approved via AL E-4375.
- 11/18/10 – **SPS Alpaugh, Alpaugh North, Atwell Island, Corcoran and White River** were approved via AL E-4377.
- 12/16/10 – **Solaren** was approved via AL E-4380.

Recent Major Amendments:

- **SPS Aplaugh North, Atwell Island, Corcoran and White River** – amended on 12/15/10 to require SPS to provide RA.

Termination:

- **Solel** – On 12/01/10 Solel declared a development failure and PG&E declared an event of default and collected \$3.3 million in project development security.

#### C. Upcoming Events:

Commercial Operation:

- **1/2011 – Montezuma Wind Energy** began delivering test energy in November, with the full COD expected early January.
- **1/2011 – Copper Mountain Solar 1** completed construction of all 48 MWs and is now commissioning. Expect commercial operation by January 2011.

Expected Construction Start:

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- 1/2011 – **Kiara Solar** started site preparation and other pre-construction related work. They cannot meet contractual CSD until the EPC agreement is executed and expect to accomplish that by 1/1/2011.
- 1/2010 – **Ivanpah Solar Electric Generating Station #1 and #3** began working on tortoise relocation and tortoise fences on October 8, and are expected to achieve contractual construction start following financial close, expected 1/1/2011.
- 3/2011 – **Agua Caliente** is expected to start construction prior to its guaranteed construction start date of 6/1/11. Agua Caliente has a fully negotiated EPC Contract with First Solar Electric, which will be executed at financial closing of the Project, scheduled for March 2011.
- 3/2011 – **AV Solar Ranch 1** is expected to start construction prior to its guaranteed construction start date of 8/31/11. AV Solar Ranch started site preparation during November 2010. AV Solar Ranch I started site preparation in November 2010. The EPC contract has been executed, but they will not officially meet their GCSD until PG&E receives the Full Notice to Proceed, expected Q1 2011.

### Advice Letter Filings:

- 12/10/10 - **Norman Ross Burgess** (aka. Three Forks) filed via AL 3775-E

### D. Operational Projects:

- **Microgy** – Received notice that Texas site is in receivership and all payments should be directed to the lender. In June 2010, Microgy filed Chapter 7 Bankruptcy. Law is reviewing the Bankruptcy proceeding and impacts it may have on the existing gas purchase agreement. In late September 2010, PG&E was notified that Enterprise pipeline was no longer allowing Microgy to flow due to, among other things, the facility failing to produce biogas and accumulating an imbalance. PG&E received confirmation from the Receiver for the Texas site that, starting in late August 2010, Microgy began experiencing digester issues resulting in no biogas production, but they are working with Enterprise to correct this issue and recommence deliveries. Long term project viability remains in question.
- **BioEnergy** – The project is not currently delivering biogas. On 4/12/10, PG&E sent BioEnergy a letter reserving our right to declare early termination for failure to deliver sufficient biogas. On 11/16/2010, PG&E drew all \$217k in performance assurance, for failure to meet minimum deliveries under the contract.
- **Global Ampersand** – Global Ampersand continues to have financial difficulties, and as a result, neither Chowchilla nor El Nido is currently generating. Global is attempting to sell the two plants. PG&E has been in negotiations with Global for some time on PPA amendments that would provide price increase. In November, PG&E has informed Global with all the considerations regarding these projects, the project viability and requested level of price increase make it difficult for management to support moving forward with additional amendments. Negotiation has restarted, PG&E and Global have exchanged a revised amendment and are currently working toward agreement.
- **Big Valley** - Big Valley stopped delivering energy on June 17, due to an inability to procure sufficient fuel for operations. Big Valley is seeking financing to open a sawmill on the site to serve as a source for fuel.