

Monthly Report on Renewable Project Development

Provided by Pacific Gas and Electric Company to the CPUC on 04/05/2011

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Date: 04/05/2011

Executive Summary

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

A. Project Additions or Removals:

Additions:

- Vasco Wind

Removals:

- Montezuma Hills – COD Achieved - 1/28/2011

B. Recent Events:

Commercial Operation:

- 2/1/2011 – Copper Mountain

Construction Start (Official Notice Received):

- None

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

- 12/17/2010 – Vasco Wind, Advice Letter 3822-E filed (PRG: 12/10)
- 12/17/2010 – Montezuma II (PRG: 12/10)

Missed Milestones:

- 12/31/2010 – Kiara Biomass missed its Guaranteed Construction Start Date of 12/31, though this date is not yet effective because the PPA has not yet been approved.

Recent CPUC Approvals:

- None

Recent Major Amendments:

- 2/8/2011 – Chowchilla and El Nido (Global Ampersand) price increase and ability to restart.
- 2/25/2011 – Shiloh III price reduction for Treasury Grant.
- 3/2/2011 – Sunshine Landfill – price reduction if they fail to become interconnected and have a Deliverability Study and clarifies guaranteed milestones.
- 3/2/2011 – Potrero Landfill – price reduction if they fail to become interconnected and have a Deliverability Study and clarifies guaranteed milestones.

Termination:

- 4/1/2011 – Pacific Renewables (Lompoc)

C. Upcoming Events:

Commercial Operation:

- 5/1/2011 – Puget Sound Energy – expect deliveries to start
- 6/12/2011 – Sun City and Sand Drag (Eurus)
- 7/13/2011 – Avenal Park (Eurus)

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Expected Construction Start:

- 4/2011 – **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 during 4/2011. However, this milestone is not effective under the contract until the PPA is approved.
- 4/2011 – **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 4/2011.
- 6/1/2011 – **NRG Solar Alpine** expected to start construction by its Guaranteed Construction Start Date.
- 6/29/2011 – **Coram (Brodie)** expected to start construction by its Guaranteed Construction Start Date.
- 7/1/2011 – **Shiloh III** expected to start construction by its Guaranteed Construction Start Date..
- 7/1/2011 – **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. The EPC contract has been executed, but they will not officially meet their GCSD until PG&E receives the Full Notice to Proceed, expected Q2 2011

Advice Letter Filings:

- Shiloh III Supplement – April 6th
- DTE Landfills Supplement – April 13th
- Montezuma II – April 22nd
- Global Ampersand – late April
- Kiara Supplement – late April
- Abengoa Supplement – May

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. Microgy has been declared bankrupt by the court and its assets have been liquidated and placed under a Trustee. Element Markets LLC bought the facility in the bankruptcy proceeding. The facility has not been delivering gas to PG&E for several months now. PG&E is working with Element Markets on an Amended and Restated PPA for the Huckabay Ridge facility.
- **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. Akeida is 100% owner of both Chowchilla and El Nido as of late December 2010. Akeida and PG&E fully executed the amendments on 2/8/2011. The new owners are moving forward with the deferred maintenance and cap ex projects and plan to restart both facilities by late May 2011.
- **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.

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- **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.

E. Other

- **First Solar (Topaz) Land Swap**
 - **Issue Summary**
 - Carrizo Plains Planning Unit ("CPPU"): PG&E owns a 654-acre disturbed property in the Carrizo Plain constrained by PG&E's Land Conservation Commitment resulting from PG&E's bankruptcy settlement.
 - Land Exchange - First Solar will transfer 1,200 acres of private land within the Carrizo National Monument to the Bureau of Land Management and encumber it with a perpetual conservation easement. In exchange PG&E will transfer ownership of the CPPU to Topaz Solar Farms, LLC.
 - To effectuate the exchange PG&E must seek approval from The Stewardship Council, CPUC and the Bankruptcy Court.
 - On October 20, 2010 the Stewardship Council passed a resolution supporting the land exchange. This resolution is expected to be amended to accommodate an accelerated time schedule
 - **Probable Agreement Structure**
 - Pre-conditions - San Luis Obispo County approves Conditional Use Permit (CUP) Application for Topaz Solar Farms. The CUP is scheduled for action at the San Luis Obispo County Planning Commission the 2nd or 3rd week in April. The Final Environmental Impact Report will also be heard and considered for certification at that time. Topaz Solar must also receive state and federal wildlife permits.
- **PG&E's obligations**
 - Execute transfer agreement with First Solar and file application with CPUC
 - File Petition to Modify Bankruptcy Settlement with CPUC
 - Petition the Bankruptcy Court to modify Settlement Agreement
- **First Solar's obligations**
 - Execute transfer agreement with PG&E
 - Exercise purchase options on 1,200 acres parcel
 - Donate the land to the Bureau of Land Management for incorporation into the Carrizo National Monument to the satisfaction of the Stewardship Council Board resolution
- **Timing**
 - Timing of construction is driven by the DOE-backed ARRA funding requirements. First Solar has told us that they need to begin construction by September 30th to qualify for ARRA funding.