

From: Peevey, Michael R.
Sent: 7/5/2011 8:06:56 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE: GWF

1. Just tell me what I can do to be helpful on TGP Coyote (is this a new coyote ugly?).
 2. I support Bottlerock. Try to make it happen.
- Thanks.

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Tue 7/5/2011 5:28 PM
To: Peevey, Michael R.
Subject: RE: GWF

I'm working on getting Northstar finalized. We are close to a deal and they know what the number needs to be. I need to follow up on TGP Coyote but I'm also worried about Bottlerock (another geothermal). They are losing \$7 million a year and need a contract amendment to take them to current pricing if they hope to rework the wells and recapitalize to remain a going concern. They received Commission approved amended pricing in January but they can't hit the deliveries they need to make it work without additional investment and a market PPA price. Susan K is getting involved in it. I'm happy to pursue it but won't if you aren't interested in seeing it through.

From: Peevey, Michael R. [mailto:michael.peevey@cpuc.ca.gov]
Sent: Tuesday, July 05, 2011 5:16 PM
To: Cherry, Brian K
Subject: RE: GWF

Good. On other projects, how about wrapping up the NorthStar contract. I understand they have come down in price. Second, how about speeding up the TGP Coyote Canyon Project? This is a geothermal project in Nevada that connects to the ISO at the Control substation in Inyo County. We should act on this one at our August meeting.

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Tue 7/5/2011 5:04 PM
To: Peevey, Michael R.
Cc: Brown, Carol A.
Subject: GWF

Mike - just a heads-up. We inked a deal with GWF on eliminating 5 petroleum coke

facilities and extending the contracts on two existing peaker units. The peaker deal is similar in pricing, terms and conditions to a deal we made with Calpine last year. We decided not to pursue a combined cycle retrofit project because the economics weren't there to justify it no matter how we cut the deal. [Redacted] will be visiting your office in the next few weeks to give you more color. I don't think there should be a major problem with this solution, but we can chat at NARUC if you'd like more details (or you can shoot me a note). We plan on filing an application at the end of the month.