
Biomass Renewable Qualifying Facilities

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Overview of PG&E's Biomass Portfolio

- PG&E is far and away the largest purchaser of biomass in California
 - >630 MW under contract
 - ~570 MW of Operational Biomass Capacity generate ~3,000 GWh annually
- Since 2006, PG&E RPS contracting has increased expected biomass deliveries by 45%
 - PG&E has added 10 biomass facilities, totaling 190 MW or 1,350 GWh
 - At the same time, fuel supplies have decreased
- Majority of PG&E biomass portfolio are Standard Offer QFs
 - 19 QF biomass PPA account for ~60% of the current biomass portfolio
 - Two agreements are pending CPUC Approval (DG Fairhaven, Mt. Lassen)
 - PG&E has offered facilities an executable, fixed price amendment that provides an extension of the IEP fixed price
- 3 RPS Agreements are pending CPUC Approval (Kiara Biomass, Global Ampersand Chowchilla and El Nido)

Summary of Fixed Price and Open Book Options

Attribute	Legacy QF PPA	Amended PPA
Price	Monthly SRAC All-in price varies by amount of energy produced	Based on either extension of fixed price (Component 2) or Open Book assessment (Component 3) Fixed energy price contingent upon performance Annual payments in any scenario not to exceed a maximum all-in price of \$100.43/MWh for IEP fixed price extension or negotiated for open book pricing
Performance	No minimum delivery requirements Pro-rated firm capacity payments Must demonstrate 80% of Firm Capacity June, July and August every other year to avoid de-rating	Seller must deliver 95% of historical annual generation (CQ) to receive the Fixed Energy Price (FEP) <ul style="list-style-type: none"> • Deliveries \geq95% of the CQ- Seller receives 100% of the FEP • Deliveries \geq90% of the CQ and $<$95% of the CQ- Seller receives 80% of the FEP • Deliveries $<$90% of the CQ, Seller receives the lesser of the 80% of Fixed Energy Price or SRAC • PG&E will pay for generation $>$ 110% of CQ at the lesser of 80% of the Fixed Price or SRAC No change to capacity payments
Credit	None	Seller can elect to be paid the current QF SRAC price; PG&E will true up to the revised pricing and make a payment adjustment after demonstration of performance on an annual basis OR Seller can post security in accordance RPS protocol amounts
Scheduling	None; PG&E bears all liability for deviations	Binding Day Ahead Schedule-Seller responsible for CAISO charges and penalties outside a tolerance band
Outage Notification/Standard Capacity Product Liability	Outage notification is to protect Seller's capacity payment (~ 1 week for all but major overhauls); PG&E bears all liability for SCP 2 charges	Notification per RPS form PPA and CAISO planned outage requirements;
Economic curtailment	None	Seller designated an economic curtailment price
Subsidies	Seller retains all subsidies, tax incentives etc.	On an annual basis, Seller must provide 80% of any benefit realized from any subsidies or grants to PG&E Seller to provide attestation of subsidies received