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Sent: 8/8/2011 7:49:15 PM
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Bcc:
Subject: CONFIDENTIAL: Biomass Update

CONFIDENTIAL

All,

Below is an update on PG&E's contracting and negotiations with the 19 legacy QF biomass facilities.

- PG&E has executed agreements with 9 facilities
 - PG&E currently has on file with the CPUC agreements with 7 facilities including DG Fairhaven (open book), Lassen (open book) and the 5 SPI facilities, which were filed on Wednesday with the QF fixed price application.
 - PG&E has also executed agreements with Covanta Mendota (IEP Fixed) and Ogden Power Pacific Oroville (open book)
- PG&E expects to execute IEP extension amendments with 3 facilities. The response was due on Friday, Aug. 5.
 - Rio Bravo Rocklin, Rio Bravo Fresno, and Wheelabrator Shasta have provided notice that they will execute amendments based on extension of IEP Fixed Pricing.
- PG&E is in continuing discussions with the remaining 7 facilities.
 - Negotiations are in advanced stages with HL Power, Ogden Power Pacific Burney and Covanta Ogden Power Pacific Chinese Station. Ogden Burney is waiting for an emissions study from the ARB, which is required before the plant can restart. Burney has therefore requested a delay in the execution of the amendment, which is also close to execution. We expect additional information this week.
 - Negotiations are progressing well with Thermal Energy Development Corp, but finalizing would be further out.
 - We are also continuing discussions with Town of Scotia and Burney Forest Products, but at this point these are less promising for various reasons. Both of these projects bid into the RPS RFO but are not competitive and unlikely to be short listed.
 - We are waiting for open book information from Collins.

As we have already seen this situation is fluid and the dynamic with a particular facility can change quickly and therefore, the negotiation status above may change. We will keep you updated.

Please let me know if you have questions or need additional information.

Thanks,
Meredith