

From: Allen, Meredith
Sent: 11/2/2011 1:43:47 PM
To: 'Ikle, Judith' (judith.ikle@cpuc.ca.gov)
Cc: Redacted Lee, Cheryl
(cheryl.lee@cpuc.ca.gov); Schwartz, Andrew (andrew.schwartz@cpuc.ca.gov);
Kalafut, Jennifer (jennifer.kalafut@cpuc.ca.gov)
Bcc:
Subject: CONFIDENTIAL: Biomass Update

Judith,

Below is an update on PG&E's contracting and negotiations with the 19 legacy QF biomass facilities. I've also included a list of the facilities that are currently on file with the CPUC to make it easy to cut and paste. If you would also like to provide to the CEC the names of the 5 facilities that have yet to be filed, the names are not technically confidential, but the information has not yet been made public.

Please let me know if you need additional information.

Thanks,
Meredith

-PG&E has now executed agreements with 18 of the 19 facilities.

-PG&E currently has on file with the CPUC agreements with 13 facilities, and plans to file Town of Scotia (open book), Thermo Energy Development Co. (Tracy) (open book), HL Power (open book), Burney Forest Products (open book) and Collins Pine (SRAC-fixed price) in the next 3 to 6 weeks.

-The 13 facilities on file with the CPUC include:

- 5 SPI facilities (SRAC fixed-price Application)
 - 5 IEP Fixed Price Agreements -- Covanta Mendota, Rio Bravo Fresno, Rio Bravo Rocklin, Wheelabrator Shasta, Ogden Power Pacific (Chinese Station)
 - 3 Open Book Agreements -- DG Fairhaven, Mt. Lassen*, Ogden Power Pacific (Oroville)

-Ogden Power Burney remains shutdown and the project is no longer participating in active negotiations on a price relief amendment with PG&E. Restarting the facility requires additional expenses related to completion of air emissions studies and/or upgrades to the emission system. Additionally, Burney said it was not prepared to operate over the winter and sought to delay the restart of the facility until next summer. PG&E declined to execute an agreement with a later online date because Burney is obligated to operate during the summer regardless. However, PG&E may revisit the need for generation before next summer depending on market conditions.

*PG&E was informed by Covanta that the Mt. Lassen facility ceased operations on October 21 due to a crack in its turbine; management has indicated that the plant will be shutdown permanently. PG&E

plans to submit a letter to withdraw the advice letter from CPUC consideration.

Biomass Amendments Currently On File at CPUC

5 SPI facilities

Covanta Mendota

Rio Bravo Fresno

Rio Bravo Rocklin

Wheelabrator Shasta

Ogden Power Pacific (Chinese Station)

DG Fairhaven

Mt. Lassen

Ogden Power Pacific (Oroville)