

From: Peevey, Michael R.
Sent: 3/17/2012 11:23:32 AM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: Re: Solaren

Well, at least they met, though I understand neither Fong nor Roy were present. It all comes down to the following, I believe: The original PPA had a price of \$135 MWH. PG&E said conditions have changed, based on more recent solicitations, and that its offer was \$103 MWH. Solaren said, in effect, let's split the difference down the middle and make it \$120 MWH. As I understand it, PG&E refused to counter, saying it is \$103, take it or leave it. This is unreasonable. Splitting the difference is very fair. I strongly urge the company to so agree to a price of \$119 or thereabouts.

This is another situation where prices have dropped and a company, Solaren, got caught in the economic downturn and had a tough time lining up financing. Now they claim to have it. One can make a good case for the original PPA price and a good case for renegotiating at a lower price, given the plunge in prices. A half-way split seems most fair to me.

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Sat 3/17/2012 11:12 AM
To: Peevey, Michael R.
Subject: Fw: Solaren

FYI. Progress is being made.

From: Bottorff, Thomas E
Sent: Friday, March 16, 2012 07:34 PM
To: Cherry, Brian K
Subject: RE: Solaren

Yes; Fong gave his team instructions to hear them out and see what we can do.

Tom

From: Cherry, Brian K
Sent: Friday, March 16, 2012 4:39 PM
To: Bottorff, Thomas E
Subject: Solaren

Tom – where are we on this ? Is Fong working with them ?