

From: Cherry, Brian K  
Sent: 9/26/2012 5:06:53 PM  
To: Randolph, Edward F. (edward.randolph@cpuc.ca.gov); Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAE)  
Cc: Jeung, Gary P (/O=PG&E/OU=Corporate/cn=Recipients/cn=GPJ1)  
Bcc:  
Subject: RE: Dairies in the Central Valley

7 cents ? If they are willing to sign something for 7 cents I will take every digester deal they offer. Sadly, that price is way out of line. Meredith can give you an overview. I might also suggest she do it with Gary Jeung, or Sr Director of Transactions, who has dealt with this very painful issue. The digesters aren't cost competitive. I wish it were true, but it isn't.

**From:** Randolph, Edward F. [mailto:edward.randolph@cpuc.ca.gov]  
**Sent:** Wednesday, September 26, 2012 4:19 PM  
**To:** Cherry, Brian K  
**Subject:** FW: Dairies in the Central Valley

Brian,

Per the below the Business development unit in the Governor's office is pushing for individual PPAs with some dairy digesters. They claim is that the Dairy folks are only asking for 7 cents/kWh. If that is the case it seems like it would be good for PGE to sign some PPAs. However, I suspect there is much more to the story and the pricing. The Business Development folks in the Governor's office don't have much of a grasp of the electricity sector and are not talking to the energy folks in the Governor's Office.

Can someone for PGE fill me on PG&E's view of these proposals? Thanks.

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Edward Randolph | Director, Energy Division  
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**From:** Mather Kearney [<mailto:Mather.Kearney@GOV.CA.GOV>]  
**Sent:** Wednesday, September 26, 2012 9:00 AM  
**To:** Randolph, Edward F.  
**Cc:** [Ray@ch4power.com](mailto:Ray@ch4power.com); Patrick McGuire; Frank Ramirez  
**Subject:** RE: Dairies in the Central Valley

The two we have spoken with at PG&E are [Redacted] (Economic Development Manager) and [Redacted] (Renewable Auction Mechanism Program Manager). I don't know who else Ray has spoken with at PG&E.

For SCE we have spoken with Mike Nuby (Economic Development Manager) and Laurel Shockley (Economic Development Field Rep.) We have not moved past them because they provided information that was consistent with the information we received from PG&E.

Ray, who else have you been working with at either of the two utilities?

Thank you,

Mather

**From:** Randolph, Edward F. [<mailto:edward.randolph@cpuc.ca.gov>]  
**Sent:** Wednesday, September 26, 2012 8:36 AM  
**To:** Mather Kearney  
**Cc:** Randolph, Edward F.; [Ray@ch4power.com](mailto:Ray@ch4power.com); Patrick McGuire; Frank Ramirez  
**Subject:** Re: Dairies in the Central Valley

Please send me more details of the specific projects and who he has been talking to at PG&E or SCE so I can look into it some more. Thanks.

On Sep 26, 2012, at 8:28 AM, "Mather Kearney" <[Mather.Kearney@GOV.CA.GOV](mailto:Mather.Kearney@GOV.CA.GOV)> wrote:

Ed,

We spoke last week about PPAs and dairies in the Central Valley. Ray is owner of CH4 which is putting digesters and turbines on dairies up and down the state to help tackle the environmental issues the industry has. The issue Ray has been running into is the task of getting a PPA. Ray has successfully secured one with a price of \$.089 kw/hr. The system will be roughly a 1 mw system. Ray believes he can duplicate the price range of \$.07-.10 kw/hr on additional dairies. The variance in the price is driven by many factors and he can explain that.

Do you have time to connect for a call so we can figure out the details needed to secure these agreements from the IOUs? Please suggest some times that work for you in the next couple of weeks.

Thank you very much,

Mather

Mather Kearney

Deputy Director, CalBIS

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