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# Indian Energy Solutions 2007

## *RPS Opportunities Panel*

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*Pacific Gas and  
Electric Company™*

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# Agenda

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- Background on California's Energy Policy
- How CA energy policy can be an economic development opportunity for tribal governments
- PG&E renewable procurement and next steps for tribal governments pursuing renewable generation development

# California Energy Policy

- 2006 was the 30<sup>th</sup> anniversary of utility energy efficiency programs at IOUs.
- California Energy Action Plan prescribes a “loading order” of cost-effective resources:
  1. Customer Energy Efficiency
  2. Demand Response/Dynamic Pricing
  3. Renewables
  4. Distributed Generation
  5. Clean gas-fired plants
- Aggressive transmission policies to access renewable resources

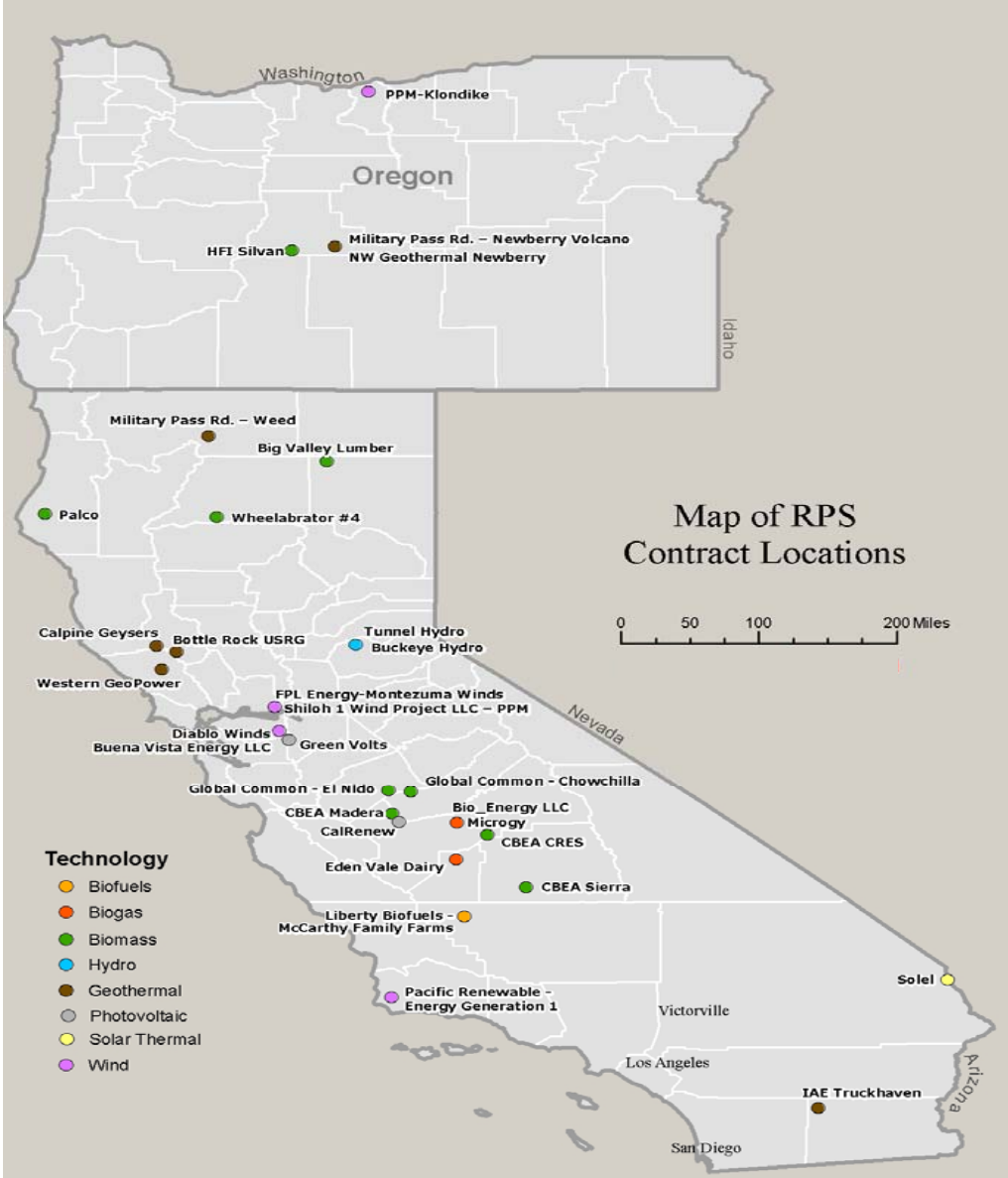
# Aggressive Energy Goals

- **Energy Efficiency**
  - Nearly 5,000 MW statewide through 2013
- **Demand Response**
  - Target of 5% of load
- **Renewables**
  - 20% of total energy deliveries target by 2010
  - Proposals to expand goal to 33% by 2020
- **Distributed Generation**
  - Focus on photovoltaics through the “California Solar Initiative”
  - Rebates on microturbines, fuel cells, etc.

# Renewable Resources in California

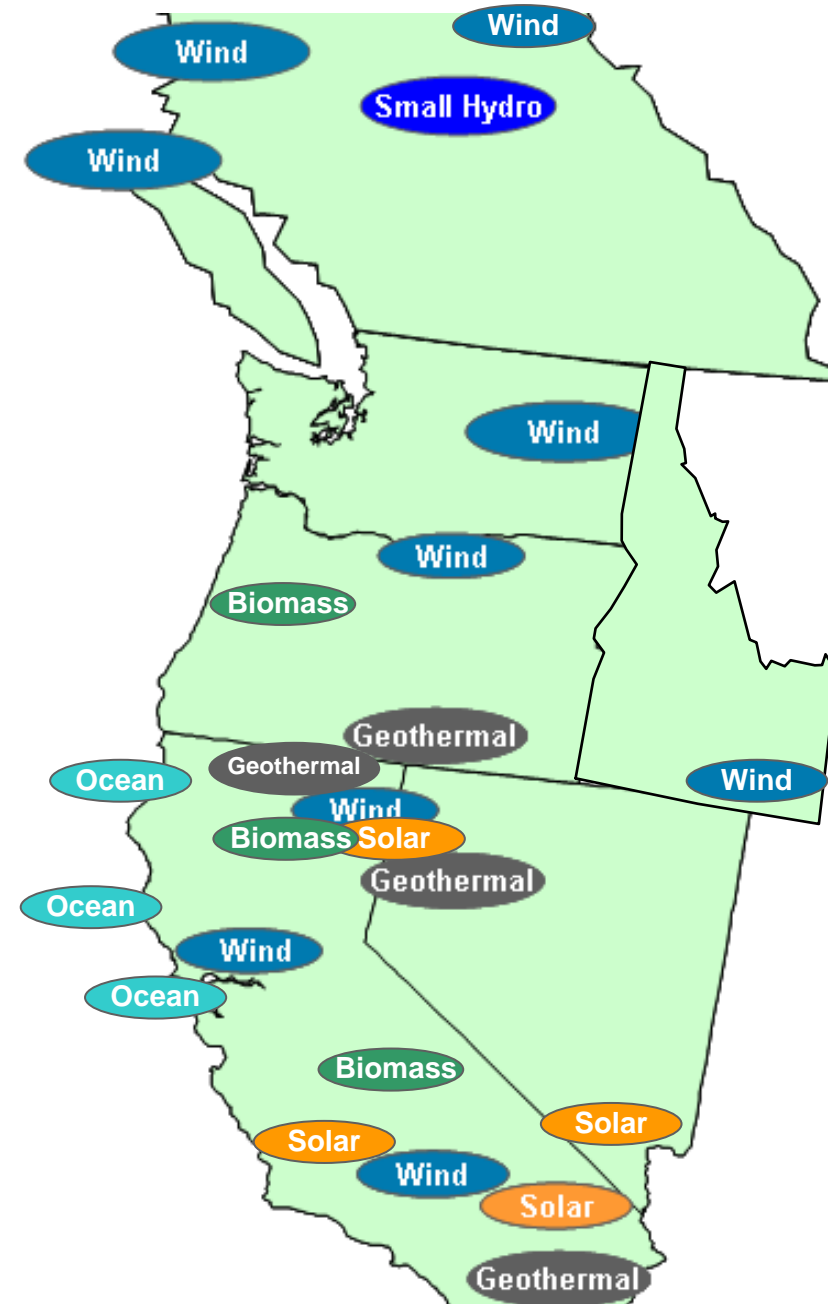


# PG&E has signed RPS contracts throughout California and Oregon



# Renewable Energy Resources Throughout Western U.S.

- **Geothermal**
  - ✓ CA, NV, OR
- **Solar (Central and Distributed)**
  - ✓ CA, NV
- **Wind**
  - ✓ CA, OR, WA, ID, BC
- **Biomass**
  - ✓ CA, OR
- **Biogas**
- **Ocean**
- **Small Hydro**
  - ✓ BC



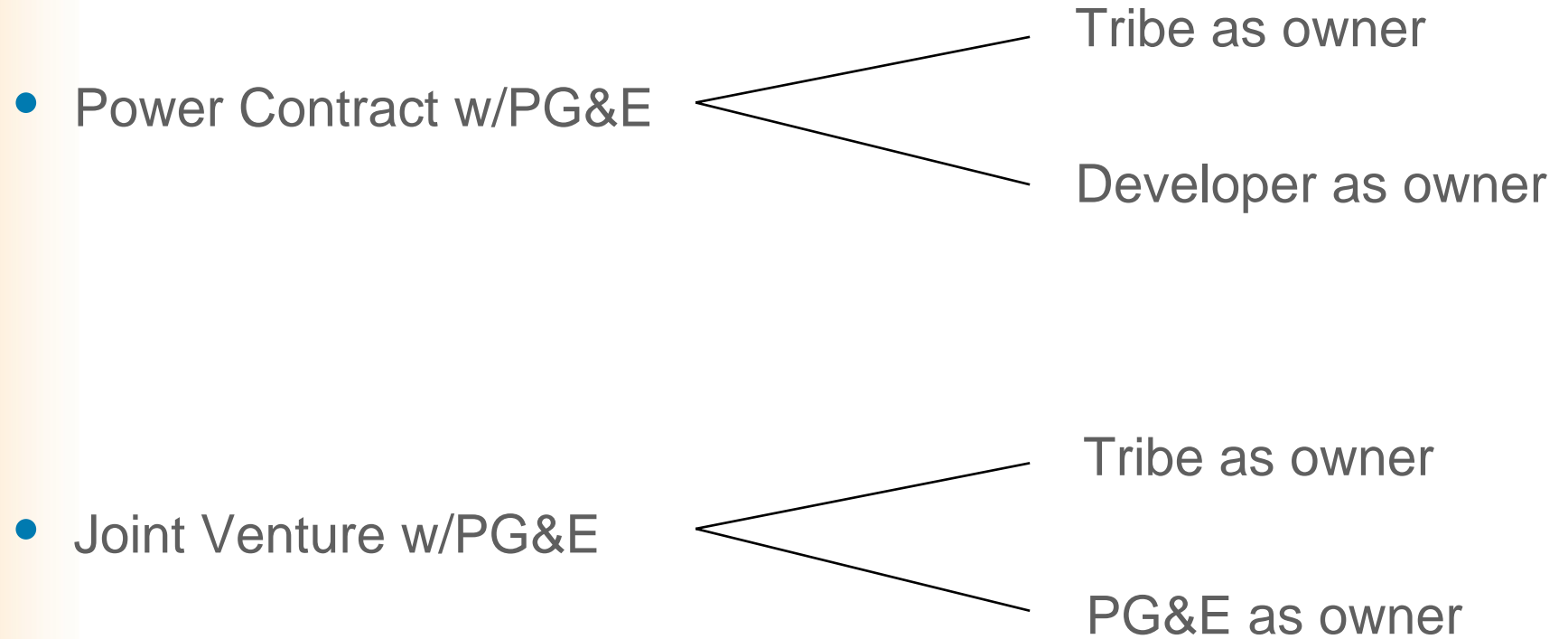
# Renewable Procurement Process

- **PG&E seeks offers for**
  - Power purchase and sales agreements (PPA)
  - Ownership offers (turn-key and sites for development)
- **Evaluation criteria**
  - Quantitative (market valuation and transmission adders)
  - Qualitative (portfolio fit, credit, project viability)
- **2007 RPS Solicitation in progress; 2008 solicitation to begin in early 2008**
- **PG&E open to bilateral negotiations**

# Typical RPS Contract

Long-Term	10-20 years
Fixed Price	\$/ MWHr
Delivery	Baseload (geothermal, biomass) Intermittent (wind, small hydro, solar)
Milestones	Guaranteed Construction & Operation Dates
Performance Req'ts	Guaranteed Annual Energy Production
Credit	Development Period Security Delivery Term Security

# Renewable Project Alternatives



# Small Renewable Generator Contract

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- **Less than 1.5 MW**
- **Standard Terms and Conditions**
- **Price set at Market Price Referent (MPR)**
- **All renewable technologies eligible**

# PG&E Contacts

- For protocols, contract documents, regulatory background:
  - [www.pge.com/rfo](http://www.pge.com/rfo)
  - Click on “2007 Renewables RFO”
- Next RFO:Q1 2008
- Contact Person:  
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