

## PG&E announces 500 MW of solar power

August 10, 2006

SAN FRANCISCO &ndash; In support of its strategy to increase supplies of renewable power and address climate change, Pacific Gas and Electric Company has signed plans with Luz II, LLC, to purchase at least 500 MW of solar energy beginning in the spring of 2010. The energy would be produced through a series of projects incorporating Luz II&rsquo;s proprietary DPT 550 technology, which is a hybrid solar-gas design that meets the requirements of the California Renewables Portfolio Standard Program. The technology also has the potential to dispatch electricity at any time of the day. Pending regulatory approval, power would begin delivery in 2010. The site for the plants has not been determined.

The original Luz firm was a pioneer of solar energy development. Between 1984 and 1990, it built nine solar electric generating systems (SEGS) in southern California. At one time, Luz was producing most of the solar thermal electricity in the world. Luz II is led by its original management team, including former Chief Executive Officer, Arnold Goldman.

Luz II&rsquo;s innovative DPT technology is not only much more efficient in converting sunlight to electricity than the solar trough design used by the original Luz firm, it is significantly less expensive to build and operate. Arnold Goldman, Chairman of Luz II, said, &ldquo;With DPT technology, the dream of cost-effective solar power is finally going to become a reality.&rdquo;

&ldquo;This new project has the potential to be a tremendous additional resource and to help further solidify our leadership when it comes to providing customers with clean, climate-friendly energy. PG&E already has one of the nation&rsquo;s most climate-friendly supplies of electric power, with carbon emissions that are among the lowest in the utility industry,&rdquo; said Fong Wan, vice president of Energy Procurement. &ldquo;Thirty percent of the power we deliver comes from hydroelectric and eligible renewables, like wind, biomass, and geothermal facilities. More than fifty percent of the power we deliver comes from zero-carbon emission sources. We look forward to expanding that going forward.&rdquo;

PG&E is aggressively adding renewable electric power resources to its supply at a planned rate of more than 300 megawatts per year. This year the company has entered into new agreements to purchase 274 megawatts of wind, solar, geothermal and other renewable energy.

PG&E is the nation&rsquo;s leading distributed solar utility with over 12,000 solar customers who generate approximately 88 megawatts of solar electricity, which is more than 60% of the distributed solar energy generated in the entire state of California. In 2004 alone, PG&E interconnected more than half of the new solar electric systems installed in the entire nation.

As the nation&rsquo;s number one distributed solar utility, PG&E supports solar energy in a number of ways. Since 2004, PG&E&rsquo;s Solar Schools Program has awarded 30 educational solar electric systems valued at \$20,000 each to underserved schools throughout northern and central California. In 2006, PG&E will select an additional 30 schools to receive their very own educational solar electric system. The Solar Schools Program also provides solar curricula, teacher training and grant money to inspire students to become the solar innovators and scientists of tomorrow.

PG&E&rsquo;s Solar Habitat Program is a partnership between PG&E and local Habitat for Humanity chapters to fund solar electric systems on Habitat homes in northern and central California. The program brings solar energy to families with limited incomes and provides training funds to expand Habitat for Humanity&rsquo;s expertise with solar installations. In 2006, PG&E will contribute over \$2.0 million towards the Solar Schools and Solar Habitat Programs. These programs are funded entirely by PG&E&rsquo;s shareholders.

Through its Self-Generation Incentive Program (SGIP), PG&E offers cash rebates to help offset the upfront costs associated with the installation of large distributed solar electric systems. Since the SGIP program began in 2002, PG&E has paid out over \$137 million to customers installing clean on-site solar generation in cities and counties throughout northern and central California. For more information about Pacific Gas and Electric Company, please visit the company&rsquo;s web site at [www.pge.com](http://www.pge.com)

For more information about Luz II, Inc., please email:

Charles Ricker, President, US Operations, [cricker@luz2.com](mailto:cricker@luz2.com)

[http://www.pge.com/news/news\\_releases/q3\\_2006/060810.html](http://www.pge.com/news/news_releases/q3_2006/060810.html)