

## New Peaking Generation to Support PG&E's Transmission System

PG&E was directed in an August 15, 2006 Assigned Commissioner Ruling in the Commissions long-term procurement and resource adequacy proceedings (R06-02-013 and R05-12-013) to file a report with the CPUC addressing the need to install up to 250MW of additional peaking generation in its service area for the Summer of 2007. In light of this ruling, PG&E has examined its transmission system and concluded that additional peaking generation units could compliment operation of its electric transmission system in five locations. The locations are as follows:

1. Atlantic substation in the Lincoln and Rocklin area
2. Lakeville or Fulton substations in the Santa Rosa and Petaluma area
3. Herndon substation in the Fresno area
4. Manteca substation in the Stockton and Manteca area
5. Tesla substation in the southeastern portion of Alameda county

PG&E's conclusions are based on very preliminary analysis and more detailed, site specific analysis is necessary to fully assess the interconnection of peaking generation in these areas. It should be noted that PG&E's transmission system does not need this additional generation to meet reliability criteria but that generation in these areas could compliment transmission system operations.