

The Panoche Energy Center, LLC, a Delaware limited liability company, is a privately funded enterprise whose sole purpose is to supply peak and intermediate power to the electrical grid under a 20-year power purchase agreement with PG&E. Aside from this contract, PG&E and PEC have no financial relationship, asset ownership or otherwise. All financial risks associated with the construction and operation of the PEC will rest on its owners. The total cost of the PEC is expected to be in excess of \$300 million.