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## **PG&E TO WITHDRAW RELICENSE APPLICATION FOR DESABLA-CENTERVILLE HYDROELECTRIC FACILITY IN BUTTE COUNTY**

**CHICO, Calif.** --- Reflecting California's changing energy landscape and rising operating costs at the DeSabra-Centerville hydroelectric facility in Butte County, Pacific Gas and Electric Company (PG&E) announced today that it will withdraw its application for a new license for the facility from the Federal Energy Regulatory Commission (FERC).

PG&E's withdrawal of the application, expected in mid-February, will start a process led by FERC to determine the future of the small hydroelectric facility. PG&E will request FERC initiate its "orphan project" process, which would allow for other qualified entities to apply for a license to operate the facility in the future. The FERC process could take 5-10 years.

"PG&E recognizes the importance of the DeSabra-Centerville facility to the local communities, including its role in supporting environmental resources, meeting the needs of farms and other water users, and providing public recreation. We will continue to focus on the safe and environmentally friendly operation of the facility under existing license conditions as FERC moves forward with its process," said Debbie Powell, senior director of power generation operations at PG&E.

PG&E made this decision as the DeSabra-Centerville facility is no longer economically viable for PG&E's electric customers. This is due to renewable energy markets becoming increasingly more competitive, customer demand from PG&E declining due to customer-owned solar and community choice aggregation programs, and increasingly costly regulatory requirements to operate the hydroelectric facility.

Other entities may be able to generate power more economically at DeSabra-Centerville due to potential differences in financing mechanisms and business models. PG&E is supportive of qualified entities filing for a FERC license to operate DeSabra-Centerville.

Any new owner would be required to obtain a FERC license and be bound by license condition requirements, including protections for fisheries, notably the salmon population in Butte Creek. Also, should FERC choose a decommissioning path for the facility, any decommissioning plan would have to follow all FERC requirements.

The DeSabra-Centerville facility includes the DeSabra, Toadtown, and Centerville powerhouses, the DeSabra, Philbrook and Round Valley reservoirs, and canals and flumes in the foothills and mountains of Butte County.

The facilities were initially developed in the early 20<sup>th</sup> century by predecessor companies later acquired by PG&E. Some of DeSabra-Centerville's canals and flumes stem from the Gold Rush era.

## About PG&E

Pacific Gas and Electric Company, a subsidiary of [PG&E Corporation](#) (NYSE:PCG), is one of the largest combined natural gas and electric energy companies in the United States. Based in San Francisco, with more than 20,000 employees, the company delivers some of the nation's cleanest energy to 15 million people in Northern and Central California. For more information, visit [www.pge.com/](http://www.pge.com/) and <http://www.pge.com/about/newsroom/>.

