Pacific Gas and Electric Company®
News Department
77 Beale Street
San Francisco, CA 94105
415/973-5930

FINAL - FOR IMMEDIATE RELEASE: July 25, 2007

CONTACT: PG&E News Department (415) 973-5930
Solel Contact: Solem & Associates, (415) 296-2034

PG&E Signs Agreement with Solel for 553 Megawatts of Solar Power

SAN FRANCISCO, CA (July 25, 2007) -- Pacific Gas and Electric Company announced today that it has entered into a landmark renewable energy agreement with Solel-MSP-1 to purchase renewable energy from the Mojave Solar Park, to be constructed in California's Mojave Desert. The project will deliver 553 megawatts of solar power, the equivalent of powering 400,000 homes, to PG&E's customers in northern and central California. The Mojave Solar Park project is now the world's largest single solar commitment.

"The solar thermal project announced today is another major milestone in realizing our goal to supply 20 percent of our customers' energy needs with clean renewable energy," said Fong Wan, vice president of Energy Procurement, PG&E. "Through the agreement with Solel, we can harness the sun's climate-friendly power to provide our customers with reliable and cost-effective energy on an unprecedented scale."

The plant utilizes Solel's patented and commercially-proven solar thermal parabolic trough technology. Over the past 20 years, the technology has powered nine operating solar power plants in the Mojave Desert and is currently generating 354 MW of annual electricity. When fully operational in 2011, the Mojave Solar Park plant will cover up to 6,000 acres, or nine square miles in the Mojave Desert. The project will rely on 1.2 million mirrors and 317 miles of vacuum tubing to capture the desert sun's heat.

"We are thrilled to bring 553 MW of clean energy to California," said Avi Brenmiller, chief executive officer of Solel Solar Systems. "Our proven solar technology means Solel can economically turn the energy of the warm California sun into clean power for the state's homes and businesses."

Solel Solar Systems of Israel, the world's largest solar thermal company, is the parent company of Solel-MSP-1 LLC. Solel's leading technology utilizes parabolic mirrors to concentrate solar energy onto its patented UVAC 2008 solar thermal receivers. The receivers

- more -

contain a fluid that is heated and circulated, and the heat is released to generate steam. The steam powers a turbine to produce electricity, which can be delivered to a utility's electric grid. The electricity generated by Mojave Solar Park will use some of the transmission infrastructure originally built for the now dormant coal-fired Mojave Generation Station to deliver the power to PG&E's customers.

The agreement filed today with the California Public Utilities Commission is part of PG&E's broader renewable energy portfolio. PG&E currently supplies 12 percent of its energy from qualifying renewable sources under California's Renewable Portfolio Standard (RPS) program. With more than 50 percent of the energy PG&E delivers to its customers coming from generating sources that emit no carbon dioxide, PG&E provides among the cleanest energy in the nation.

PG&E is aggressively adding renewable electric power resources to its supply and is on target to exceed 20 percent under contract or delivered by 2010. With the Solel-MSP-1 announcement, and other recently signed renewable agreements, PG&E now has contracts to provide18 percent of its future energy supply from renewable sources. PG&E has recently signed several other renewable energy agreements including an 85 MW wind project with PPM Energy, 7 MW of utility-scale solar projects with Cleantech America and GreenVolts, and a 25.5 MW contract with Western GeoPower, Inc. for a new geothermal energy facility in Sonoma County, California. PG&E is seeking regulatory approval of these five renewable energy contracts.

California's RPS Program requires each utility to increase its procurement of eligible renewable generating resources by one percent of load per year to achieve a twenty percent renewables goal by 2010. The RPS Program was passed by the Legislature and is managed by California's Public Utilities Commission and Energy Commission.

Solel Solar Systems also provides key technology components for new solar thermal plants currently under construction in the U.S. and in Spain. In addition, Solel and Sacyr-Vallehermoso are jointly building solar power plants in Spain and Solel recently completed the upgrading of more than 100 MW of solar facilities in California. Solel's headquarters, manufacturing plant, research and development center are in Beit Shemesh, Israel with its U.S. development office in Los Angeles, California. For more information about Solel, please visit the website at www.Solel.com.

- 30 -