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PG&E and Finavera Renewables Announce Nation's First Commercial Wave Energy Power Purchase Agreement

Utility to Add Two Megawatts of Clean, Renewable Wave Energy to its Power Mix

SAN FRANCISCO – Pacific Gas and Electric Company today announced that it has entered into a long-term, two megawatt (MW) commercial wave energy power purchasing agreement (PPA) with Finavera Renewables Inc. ('Finavera Renewables') (TSX-V:FVR). Located off the Northern California coast, the Humboldt County Offshore Wave Energy Power Plant will be developed by Finavera Renewables. The project is expected to begin delivering renewable, clean electricity in 2012.

"Harnessing the ocean's energy on a utility scale is a critical achievement in renewable energy technology and this project represents our first step in that direction," said Fong Wan, vice president of Energy Procurement, PG&E. "Wave energy, along with solar thermal energy and biogas generated from cow manure, are examples of the innovative and promising sources of non-polluting, renewable energy PG&E is pursuing as part of our commitment to combat climate change."

Finavera Renewables has initiated development plans for the two megawatt wave energy project to be constructed approximately 2.5 miles off the coast of Humboldt County, California for electricity delivery to PG&E's customers throughout its northern and central California service territory. The power purchase agreement calls for 3,854 MWh of clean, renewable electricity to be delivered annually to PG&E over the term of the contract. The project is expected to offset greenhouse gas emissions by displacing an estimated 245 tons of carbon dioxide (CO₂) annually.

"This power purchase agreement with PG&E represents a major accomplishment for Finavera Renewables and the development of commercial wave energy power projects. It is our intent to build wave energy power plants globally that deliver clean, renewable electricity to homes and deliver value to our shareholders. This power purchase agreement is a significant step in reaching both of those milestones," said Finavera Renewables CEO Jason Bak. "This is a huge step forward for offshore wave energy."

During the next two to three years of the permitting process, the overall project design and detailed specifications will be submitted to and evaluated by local, state, and federal regulators and community stakeholders including fishermen, recreational boaters and environmental groups to understand the siting, safety and environmental impacts of the wave energy plant. The licensing process will include all required

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environmental studies such as impacts on local fish habitat, marine mammal migration routes, and commercial and recreational fishing zones.

Renewable Wave Energy Technology

Finavera Renewables' planned offshore power projects consist of patented wave energy converters that are based on proven, marine buoy technology. Clusters of these modular devices called AquaBuOYs will be moored several kilometers offshore where the wave resource is the greatest. The wave power projects are scalable from hundreds of kilowatts to hundreds of megawatts and are designed to provide clean, renewable energy for large population centers.

Energy transfer takes place by converting the vertical component of wave kinetic energy into pressurized seawater by means of two-stroke hose pumps. The pressurized seawater is directed into an energy conversion system consisting of a turbine driving an electrical generator. The power is transmitted to shore by means of a secure, undersea transmission line.

A cluster of AquaBuOYs would have a low silhouette in the water. Located several miles offshore, the wave power project arrays would be visible to allow for safe navigation and no more noticeable than a small fleet of fishing boats. To view video of the AquaBuOY 2.0 prototype and an animation showing the technology please visit the Finavera Renewables website: www.finavera.com.

Additional

In addition to PG&E's agreement with Finavera Renewables, PG&E independently filed permit applications with the Federal Energy Regulatory Commission in February 2007 to develop generation projects that could convert the abundant wave energy off the coast of Mendocino and Humboldt Counties into electricity. Named "WaveConnect," these projects are currently undergoing initial resource, environmental, and ocean use assessments. If developed, the WaveConnect projects would use wave energy conversion (WEC) devices to transform the energy of ocean waves into clean, renewable electricity. PG&E submitted the first application in North America for a project that will allow multiple WEC device manufacturers to demonstrate their devices on a common site, which could help accelerate the development of wave energy technology.

The agreement filed today with the California Public Utilities Commission is the latest example of PG&E's commitment to aggressively add renewable energy to its power mix. PG&E recently added 177 MW of solar thermal power and 150 MW of wind power and is seeking regulatory approval of these purchasing agreements.

PG&E currently supplies 12 percent of its energy from qualifying renewable sources under California's Renewable Portfolio Standard (RPS) program. PG&E continues to add renewable electric power resources to its supply and is on target to exceed 20 percent under contract or delivered by 2010. On average, more than 50 percent of the energy PG&E delivers to its customers comes from generating sources that emit no carbon dioxide, providing among the cleanest energy in the nation.

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 20 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.

About Finavera Renewables Inc.

Finavera Renewables Inc. is dedicated to the development of renewable energy resources and technologies. The Company's objective is to become a major renewable and green energy producer by developing and operating its assets in the wind and wave energy sectors. Finavera Renewables Inc. is developing the licensed and patented 'AquaBuOY' wave energy technology, a device that is based on proven and sustainable buoy technology. The Company is also developing wave energy projects for AquaBuOY use in the United States, Canada, and South Africa. The project in South Africa is the result of a commitment made by CEO Jason Bak to the Clinton Global Initiative. The Company is also developing wind energy projects in Canada and Ireland. In Canada, a two stage 150 MW project is being developed in Alberta. Construction on this advance stage project is estimated to begin in 2008 and provides for near term revenue. In British Columbia, four projects totaling 366 MW have been entered into the provincial Environmental Assessment process, and several other sites are being developed. In Ireland, two pre-construction wind projects are under development with a potential capacity of 175MW. Data collection and environmental studies have been continuing at a number of sites in both countries.

For more information about Pacific Gas and Electric Company, please visit the company's website at

www.pge.com.

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The TSX Venture Exchange has not reviewed, and does not accept responsibility for the adequacy or accuracy of, this release.