ASKS or COMMENT	EFFECT ON JULY 1 LAUNCH	STEPS PG&E HAS TAKEN OR COULD TAKE TO ADDRESS THE RECOMMENDATION OR CONCERN
Hank wants the program to start on July 1, without any delays	n/a	PG&E agrees. However, use of resources to respond to protests endangers the July 1 delivery date since these same resources are needed for a timely launch. Product launch or design changes at this point will not allow us to deliver on July 1, as PG&E has worked within existing processes to meet our tight schedule while minimizing cost.
Hank is concerned that off-bill financing if done poorly, will raise defaults.	n/a	PG&E has carefully designed the program to minimize defaults: o Non-paying borrowers are subject to discontinuation of service o Borrowers will be screened for utility payment history o Borrowers will be screened for commercial credit standing o The off-bill payment invoicing will be of limited duration, and customer billing will transition to the energy statement after the IT modifications are completed in Q3 2011.
1. Off bill should be mailed at the same time as utility bills **2.** Off bill should be allowed to be paid in the same envelope as utility bill **3.** Off bill should be	Yes. These are not part of the current process for our NEBS billing and will therefore add delay.	Customers have paid non-energy bills for decades using the existing process we have today. 1. There is no evidence that mailing the bills at the same time would reduce non-payments. Businesses pay bills all the time, and while some businesses collect their invoices and pay them at one time, other business pay as received, or per their

paid to the same address as regular monthly bills.		particular A/P schedules. 2. Mixing the customer energy bill (created by energy billing system called CC&B) and the monthly loan charge (created by NEBS, the Non-Energy Billing System) would be counter-productive as there would be a tendency for the customer to aggregate the amounts and submit one check. This would create significant additional work, as the payments would then have to be manually re-allocated between the energy charges (through CC&B) and the loan charges (through SAP and the NEBS system.)
Hank wants an autopay mechanism set up for the off bill period.	Yes. These are not part of the current process for our NEBS billing and will therefore add delay.	PG&E has investigated the possibility of using an autopay mechanism for the off-bill period, and such an option is not possible. There are currently two functionalities that allow a customer to "auto pay" their utility bill. 1. Through the energy billing system (CC&B) the customer enters their routing check info etc. and when the account bills the amount is auto-deducted from their account 14 days later. This functionality will be available when the line item billing modifications are finished and the program goes "on-bill" but is not possible in the interim as we will not be using CC&B during the off-bill timeframe. 2. Online energy payment at PGE.com. In this option the customer sets up the option and puts in their banking information. This

		will not work during the off-bill phase for several reasons. The Non-Energy Billing System (NEBS) which creates the invoices for the loan payments does not pass the invoice number to CC&B or CSOL. In addition, the invoice does not remain static. A new invoice number is created with each billing cycle. A customer attempting to use the online energy payment system would experience an error as the invoice number is not housed in CSOL. An additional problem with the online energy payment is that the payments must be applied to an actual account in CC&B. The NEBS system instead generates an invoice, which our My Account (CSOL) application does not have access to.
Hank notes that PG&E does not specify how it will define credit eligibility (the other three IOUs do), which could lead to lower participation and confusion due to a lack of statewide uniformity.	N/A	PG&E will look back at two years of customer payment history in order to meet the payment history criteria. The degree to which commercial credit checks will be utilized has not yet been decided, but the credit check criteria will involve a balance between ratepayer protections and customer accessibility to the financing program.
Hank believes that on bill financing should move higher on IT at PG&E's priority list.	Yes. Any time spent trying to reprioritize IT projects is time not spent working toward launch.	PG&E's IT department has moved aggressively to implement the mandated off-bill solution to support the July 2010 financing program launch. The PG&E IT department is implementing many mandated projects, all of which involve complex schedules and carefully

		allocated resources. Directing PG&E's IT effort through the Regulatory process would be counter-productive and ultimately harmful to the Ratepayers and the goals of all parties involved.
Hank believes that ED should require PG&E to demonstrate that methods PG&E may require to determine loan eligibility, beyond the process used by other IOUs, be shown to be cost-effective, applied uniformly and that the use of enhanced requirements will not be a significant barrier to businesses wishing to utilize PG&E OBF programs.	Yes. Time spent justifying product features that are common practice among OBF programs will not allow us to meet our July 1 deadline.	PG&E OBF benchmarking study shows that 2/3rds of OBF programs in the country conduct credit checks. Any methods to determine loan eligibility must avoid excessive program costs which would lower the cost-effectiveness of the energy efficiency portfolio. PG&E will be obligated to conform to all applicable lending laws
Hank wants ED to hold two workshops on finance, with particular focus on OBF by the end of 2010.	n/a – as long as the workshops occur after July launch.	
DRA recommends that the PUC deny PG&E's request for an interim off-bill financing program. Instead, the PUC should require PG&E to focus its efforts on a workable On-Bill Financing program as soon as possible, but no later than August 2011.	Would prohibit the launch of a financing program in 2010.	Per CPUC guidance, PG&E has already invested significant resources on the off-bill program in order to effect a July 2010 program launch. While all parties seem to agree that on-bill loan presentment is preferred, PG&E knows of no evidence that a utility financing program would experience significant defaults as a result of going through a limited period of off-bill loan invoicing.
Ratepayers should not be required to pay for the redundant	n/a	While additional costs will be incurred in order to offer financing off-bill, existing

development of both the interim infrastructure needed for off-bill financing as well as the ultimate infrastructure needed for the On-Bill Financing program.		systems and processes will be leveraged as much as possible in order to minimize costs, and ratepayers will benefit from the availability of the financing for energy efficiency retrofits during the period before the on-bill financing modifications are completed.
The PIP appended to the AL has no detail about the proposed implementation of the eventual OBF program. DRA believes that either solution (on-bill or off-bill) should require PG&E to more fully develop a detailed implementation plan for Off-Bill and On-Bill Financing with regular milestones that can be assessed by Energy Division that the OBF program will meet an on-time start date. Footnote: given that PG&E has claimed for more than five years now that it needs to make improvements to its IT system to be able to implement ON-Bill Financing, the Commission should ensure that there is a well-developed plan in place so that PG&E's targeted date of Q3 2011 will not be missed with claims of continued technical problems.	Any additional reporting requirements result in OBF personnel being diverted from tasks required to design, implement and launch the program	The PG&E PIP has an implementation plan.
This AL would limit the amount	n/a	DRA has misread the PIP.

of funds available to non-municipal customers to 25% of the available $18.5M in the revolving loan pools, unless there is insufficient interest among municipal customers. DRA disagrees with this proposed cap, which artificially constrains the ability of small businesses to participate. This appears contrary to the Commission's intent in D. 09-09-047.		In order to ensure that a disproportionate share of the fund are not capitalized by Government Agency customers, PG&E will initially reserve a minimum of 25% of the funds for non-municipal customers. The intent of this reservation is to provide a reasonable level of funding availability for non-municipal customers, who by the nature of the program terms are eligible for smaller loan amounts. This reservation is for guidance purposes, as the program must be kept flexible in order to respond to market demand and successfully utilize all loan funds.
Credit criteria are missing from the AL for both institutional and commercial customers.	N/A	PG&E will be establishing credit criteria and policies and procedures during this program development phase. While utility payment history criteria have been established, the degrees to which other factors are considered, and the policies and procedures necessary for compliance with lending law, have not yet been finalized.