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Sent: 5/7/2010 1:53:52 PM  
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Cc: Ramaiva, Shilpa R (/o=PG&E/ou=Corporate/cn=Recipients/cn=SRRd); [Redacted]  
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Bcc:

Subject: Follow -up on meeting regarding DR application guidelines for 2012-2014

Scarlett

I just want to get back to you and thank you again for setting up the meeting last Friday with the CPUC ED to discuss the 2012-2014 DR application. We gained a lot of insights from the meeting and hope that it was helpful to your team as well.

As I mentioned at the meeting we think it would be beneficial to all if we could meet again with you all and the other IOUs to discuss/review guidelines before they are finalized. It is in everyone's interest to have the filing be correct from the start. Some of the key areas to cover include:

- The possible changes in Resource Adequacy (RA) counting of DR should be part of a future RA proceedings and not addressed in this DR application. Significantly changes in RA rules for DR could have a negative impact on DR programs. Any such change in RA rules needs to be approached carefully over a period of time..
- The 2010 Load Impacts Report (filed on April 1, 2010) would be used for our January 2011 filing and are designed to be used for that purpose.
- Since a final decision on cost-effectiveness protocols will not be rendered until this fall, we are planning to use the November 19, 2007 Consensus Framework currently filed in R.07-01-041.
- It would be beneficial to see a complete example of the budget template you are looking for so that we can be sure to get the right information.

Also, we did have the opportunity to have a follow up discussion with Jennifer Caron and Lisa Paulo on Wednesday to review a number of options under consideration by Energy Division to address the DR/EE integration timing. We are most favorable to moving ahead with a three year DR (2012-2014) application on January 30, 2011 and including a DR/EE integration budget for 2012 only. Thereafter the integration budget for DR EE would be addressed in future EE applications (Option 3) as this should ultimately be less work than a bridge funding request.

Look forward to hearing from you,  
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Principal Regulatory Analyst  
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Pacific Gas and Electric Company  
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