



**Pacific Gas and
Electric Company™**

Jane Yura
Vice President
Regulation and Rates

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June 2, 2010

Mr. Honesto Gatchalian
California Public Utilities Commission
Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, CA 94102

**Re: Substitute Sheets for PG&E's Advice 3118-G/3667-E, Advice Letter
Implementing PG&E's On-Bill Financing Program and Updating Emerging
Technologies Program Budget**

Dear Mr. Gatchalian:

Enclosed are an original and 4 copies of substitute sheets for PG&E's Advice 3118-G/3667-E, *Advice Letter Implementing PG&E's On-Bill Financing Program and Updating Emerging Technologies Program Budget*.

PG&E submits these substitute sheets to correct page 3 of Attachment 2: OBF PIP. Lines 9 and 10 should read: "Commercial Customers: Loans offered from \$5,000-\$100,000 per premises with a maximum loan term of five years or useful life of measure(s) (whichever is shorter)."

Please telephone me at (415) 973-9312 should you have any questions regarding these substitute sheets.

Olivia Brown
Analysis and Rates

Attachments

cc: Service List for A.08-07-021

SB_GT&S_0012546

Customers who install qualifying energy efficiency retrofit projects will be eligible to receive the full rebate or incentive offered through PG&E's energy efficiency programs along with the loan to finance project costs. The eligible loan amount will be based on the project cost, less incentives or rebates, up to the loan maximums of the OBF product and within the loan term thresholds.

OBF Product Features:

- o Interest-free, unsecured loans with no loan fees, charges or penalties. No penalty for early repayment.

Commercial Customers: Loans offered from \$5,000-\$100,000 per premises with a maximum loan term of five years or useful life of measure(s) (whichever is shorter).

- o ~~Government Agency Customers: Loans offered from \$5,000- \$250,000 per meter, with a maximum loan term of ten years or useful life of measure(s) (whichever is shorter).~~
- o Loans for Government Agency Customer premises up to a maximum of one million dollars (\$1,000,000) where unique opportunities to capture large energy savings exist.
- o Initial loan billing will be through a separate invoice. Monthly billing will be converted to the participating customer's energy statement after the required billing system modifications are completed.
- o Loans are not transferable.
- o Partial or non-payment of loans could result in shut-off of a customer's utility service and the outstanding debt being turned over for collection, subject to the discontinuance provisions of gas and electric Rule 11—Discontinuance of Service, Section D – Termination of Service for Nonpayment of bills or Credit Requests – Nonresidential.
- o Customers who default will be ineligible to participate in financing programs in the future. PG&E will report defaults to the appropriate credit rating agencies.

Deleted: <#>Commercial Customers: Loans offered from \$5,000-\$100,000 per premises with a maximum five year loan term.¶

5) Program Rationale and Expected Outcome

Quantitative Program Targets

Based on market research¹ we expect and anticipate sufficient interest in the program to lend and/or reserve all loan funds through the 2010-2012 program cycle; however PG&E cannot predict participation with certainty at this time. PG&E expects early adopters of the financing program will be municipalities with strong proclivities towards energy efficiency and sustainability.

PG&E will initially reserve a minimum of 25 percent of loan funds to non-municipal customers. In the event there is a lack of eligible non-municipal customer participation the funding availability will be raised or lowered for each group to ensure all loan funds are utilized.

¹“ On Bill Financing Institutional/Agency Interviews”, August 2008

2010-2012 Energy Efficiency Portfolio On-Bill Financing Program

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