



Stephen L. Garber

Mailing Address
P.O. Box 7442
San Francisco, CA 94120

Street/Courier Address
Law Department
77 Beale Street
San Francisco, CA 94105

(415) 973-8003
Fax: (415) 973-0516
Internet: SLG0@pge.com

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VIA E-MAIL

Gregory W. Stepanicich
Richards, Watson & Gershon
44 Montgomery Street, Suite 3800
San Francisco, CA 94104-4811

Dear Greg:

Thank you for your emails last week and this week responding to the concerns that I have been raising on behalf of PG&E regarding inaccurate and misleading statements Marin Energy Authority (MEA) has made regarding the terms and conditions of its CCA service. I appreciate your timeliness in responding, and I also appreciate that you have corrected some of the misstatements on MEA's website.

However, several MEA misstatements have not been corrected, and MEA has, thus far, declined to make any effort to correct the false impressions that its inaccurate website, mailers and recent customer notifications have created. Given our mutual goal of ensuring that customers decide on their energy supplier based upon accurate information, PG&E once again requests that MEA correct the misstatements discussed below and take steps to correct the false or misleading impressions that its inaccurate website and customer communications have created.

A. Rates

In my June 4 email I mentioned (1) that MEA has sent inaccurate mailers to customers claiming that MEA is offering "lower rates" than PG&E,¹ and (2) that MEA had a number of places on its website where it inaccurately claimed that its Light Green product is offered "at or below" PG&E's rates, or other words to similar effect. I also need to point out that MEA's statutorily required customer notifications have been misleading, since the first two referred to "at the same rates you currently pay" and to MEA's rates being "equivalent to the PG&E rates for electric generation in effect as of February 4, 2010." The third, most recent notice states that MEA's rates are "equivalent to the PG&E rates for electric generation in effect as of April 1, 2010."

Your June 7 response indicated that MEA would be "reviewing the MCE website references to customer rates." I have gone back to MEA's website, and I would like to thank you for

¹ As noted in an earlier email, MEA has acknowledged that it "adopted rates for MEA's default, 'Light Green' service offering that are identical to PG&E's current five-tier generation rates." (See p. 4 of MEA's May 24 Comments on Proposed Decision of ALJ Fukutome in A.06-03-005.)

correcting the references I had cited so that the website now refers to “competitive” rates, not “lower rates.” However, there is still information on MEA’s website that inaccurately claims MEA’s Light Green product is at “no additional cost.” See, e.g., http://marincleanenergy.info/pdf/Deep_Green_Step_Up_Mailer.pdf. Nor has MEA taken any action to correct the misleading references to MEA’s rates being “equivalent to PG&E’s February 4 [April 1] rates” in MEA’s statutorily-required notifications to customers.

As MEA knew before it sent out its third statutorily-required notification to customers, MEA’s rates are *not* “equivalent to” PG&E’s current rates, and in fact MEA’s current Tier 4 and 5 electricity rates to higher usage residential customers (whom MEA has targeted in Phase 1 of its CCA program) are *higher than* PG&E’s currently effective Tier 4 and 5 electricity rates to those same Phase 1 customers. MEA’s reference in its statutorily-required notification to customers that its rates are “equivalent” to PG&E’s rates “in effect as of April 1, 2010” is misleading, because it omits the material fact that PG&E’s *current rates* (effective June 1, 2010, prior to MEA sending its notifications to customers) for Tier 4 and 5 residential customers are significantly *lower* than MEA’s rates.

Nor has MEA taken any steps to address the misperceptions caused by its “lower rates” brochure, copy enclosed, or by the erroneous information seen by past visitors to MEA’s website. A sales pitch of “cleaner power, same reliable service, and lower rates” is not accurate. Customers who saw such a mailer from their local government may well have been induced not to opt out, wrongly concluding that MEA costs less than PG&E. That is simply not true.

B. Deep Green

In my June 4 email, I pointed out that MEA’s website was not correct where, on its Deep Green page, it said “Marin Clean Energy defines renewable energy according to the California State definition of eligible renewables. Types of eligible renewables include solar, wind, biomass, and small hydroelectric facilities under 30 megawatts in size.”

Your June 7 response indicated that “We are revising the description of the Deep Green program as you suggest below.” Although that page on MEA’s web site was changed, the correction was not made to MEA’s other documents and webpages that reference its Deep Green program and thus MEA continues to use the word “renewables” incorrectly in its customer communications.

MEA’s website still broadly says that:

Marin Clean Energy defines renewable energy according to the California State definition of eligible renewables. Types of eligible renewables include solar, wind, biomass, and small hydroelectric facilities under 30 megawatts in size.

See http://marincleanenergy.info/pdf/Light_Green_Product.pdf. On that same webpage MEA has a table referring to Deep Green as “100%” renewable and PG&E as “13%” renewable.

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As I explained in my June 4 email, MEA's contract with Shell expressly permits Shell to use "Renewable Energy Sources" to supply MEA's "Deep Green" product. "Renewable Energy Source" is defined to be either an "Eligible Renewable Energy Source" or "Other Renewable Energy Source." "Other Renewable Energy Sources" are defined as renewable energy sources that do not meet the California State definition of renewables. It is therefore misleading for MEA's website to represent the content of its "Deep Green" product as complying with the California State definition of renewables.

Furthermore, MEA's Deep Green customer sign-up page still implies that its Deep Green product meets the California definition of eligible renewables, stating that "The Marin Energy Authority is offering customers a 100% renewable energy product that we call Deep Green. This option uses renewable resources such as solar, wind, biomass, and small hydroelectric facilities under 30 megawatts in size." Nowhere does MEA clarify that Shell is only required to supply 25% "Eligible Renewable Energy Sources" for Deep Green, and that the majority of the power can, and probably will, come from other renewable sources. (See Section 2.2 of MEA's contract with Shell.)

MEA's representation that it defines "renewables" as "California eligible" renewables is false and misleading. MEA should correct this situation.

C. "Three Year" Issue

In our conversations and email exchanges the last week or so, we've discussed the "three year" issue, and that MEA's website and statutorily required opt out notifications have incorrectly implied that customers who opted out would be penalized by losing the right to switch back to MEA for three years. I appreciate that you have fixed MEA's website, and will correct the language for the fourth and final opt out notice, but MEA has not taken any action to contact customers that have already received inaccurate information in their official opt out notices, and through MEA's website.

Thank you in advance for reviewing this matter. Please let me know if you have any questions.

Very truly yours,



Stephen L. Garber

SLG/mw

cc: Paul Clanon, Executive Director, CPUC
Julie Fitch, Director, Energy Division, CPUC
Steve Roscow, Energy Division, CPUC
Brian Cherry
Sanford Hartman