

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric  
Company for Authority to Increase  
Revenue Requirements to Recover the Costs  
to Upgrade its SmartMeter™ Program.  
(U39E)

Application 07-12-009  
(Filed December 12, 2007))

**COMMENTS OF THE TECHNOLOGY NETWORK  
ON THE POTENTIAL COSTS ASSOCIATED  
WITH A TEMPORARY SUSPENSION**

In accordance with the Commission's Rules of Practice and Procedure and the Ruling issued at the August 18, 2010, Prehearing Conference ("PHC") in the above-captioned proceeding, The Technology Network ("TechNet")<sup>1</sup> hereby submits these comments on the potential costs associated with a temporary suspension.

The Ruling directs Pacific Gas and Electric Company (PG&E) to file responses addressing the costs associated with a temporary suspension of PG&E's SmartMeter™ Program deployment on August 25, 2010 and requests that interested parties submit statements in response to the August 25, 2010 PG&E filing by August 27, 2010.

TechNet's statements are as follows:

**1. A Temporary Suspension of PG&E's SmartMeter Technology Deployment Would Result in Significant Direct Job Losses Throughout California.**

If granted, the requested moratorium would result in significant direct job losses.

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<sup>1</sup> TechNet is the bipartisan, political network of CEOs and Senior Executives that promotes the growth of technology and the innovation economy. TechNet focuses on politics and policy by bringing its members together with our nation's policy makers to sustain and advance America's global leadership in innovation. In addition to its offices in Washington, DC and Silicon Valley, TechNet has a presence in New England; Texas; the Pacific Northwest; Sacramento, CA; and Albany, NY. TechNet's members represent two million employees in the fields of information technology, clean technology, biotechnology, e-commerce and finance.

One Technet member supporting the PG&E deployment estimates that it would likely lay off 100 or more direct employees if the moratorium were granted. These job losses are not accounted for in the PG&E estimates of cost.

The consulting firm KEMA produced a study for the Gridwise Alliance<sup>2</sup> that estimated that up to 280,000 jobs would be created nationwide as a direct result of smart grid deployments during a four year period from 2009 to 2013, and that 140,000 of these positions would be permanent (not project specific), on-going, high value roles.<sup>3</sup> These “direct Smart Grid jobs” refer to positions where the work involves direct exposure to Smart Grid technology, business issues or services. Examples include positions working with Smart Grid technology at utility companies, equipment suppliers, supply chain component providers, hardware installers and energy services companies.

Using CA's share of US population and GDP (12% and 13%, respectively), TechNet estimates that 33,000 to 36,000<sup>4</sup> California jobs involve work directly in the smart grid industry. All of these direct Smart Grid jobs would be at risk if the requested moratorium were granted, and California likely represents a disproportionate percent of Smart Grid jobs.

The risk of direct job loss is not confined to the San Francisco Bay Area. Many direct workers are located in California but outside PG&E's Smart Grid deployment territory.

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<sup>2</sup> “The US Smart Grid Revolution; KEMA’s Perspectives for Job Creation,” dated December 2008, by KEMA, Inc. See [www.smartgridnews.com/artman/uploads/1/KEMA\\_s\\_Perspectives\\_for\\_Job\\_Creation.pdf](http://www.smartgridnews.com/artman/uploads/1/KEMA_s_Perspectives_for_Job_Creation.pdf) (the “December 2008 Study”).

<sup>3</sup> See December 2008 Study, page 1-2; page 4-1.

<sup>4</sup> This a conservative estimate. A large percentage of US smart grid companies and US smart grid related businesses are located in the State of California.

The requested PG&E moratorium places at risk the jobs of all direct Smart Grid workers located in California, not just direct workers in Northern California.

**2. A Temporary Suspension of PG&E’s SmartMeter Technology Deployment Would Result in Significant Indirect Job Losses Throughout California.**

If granted, the requested moratorium would have a further chilling effect on indirect smart grid jobs.

The job loss figures described in the preceding paragraph do not include loss of job created indirectly in sectors and industries that depend on smart grid. These “indirect Smart Grid jobs” refer to positions that exist due to the creation of the Smart Grid. Examples include positions in the energy efficiency, home appliance design and manufacturing, electric vehicle design and manufacturing, energy storage and distributed energy generation sectors.

The TechNet member referenced above estimates that its consultants and suppliers would lay off four employees for every one employee laid off by the TechNet member, resulting in the loss of 400 indirect jobs, many of which would be located in California.

The December 2008 Study estimates that indirect Smart Grid jobs to be created in the four year period from 2009 – 2012 measure in the hundreds of thousands in the United States and in the tens of thousands in California. All of these California indirect jobs would be at risk as well if the requested moratorium were granted.

The risk of indirect job loss is not confined to the San Francisco Bay Area. Many indirect workers are located in California but outside PG&E’s Smart Grid deployment

territory. The requested PG&E moratorium places at risk the jobs of all indirect Smart Grid workers located in California, not just indirect workers in Northern California.

**3. A Temporary Suspension of PG&E's SmartMeter Technology Deployment Would Introduce Significant Uncertainty and Risk Around Continuation of the SmartMeter Program, and Smart Grid Programs Globally.**

California is recognized as a global leader in the development and deployment of Smart Grid technologies. Any suspension of PG&E's program will likely be leveraged by opponents of clean energy and consumer empowerment as an excuse to delay or defer Smart Grid projects globally. It has taken many years, with California's strong leadership, to propel the Smart Grid, clean-energy movement and any suspension of the program jeopardizes those efforts.

Respectfully submitted,



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August 27, 2010

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of *Comments of The Technology Network on the Potential Costs Associated with a Temporary Suspension* on all parties of record in proceeding *A.07-12-009* by serving an electronic copy on their email addresses of record and by mailing a properly addressed copy by first-class mail with postage prepaid to each party for whom an email address is not available.

Executed on August 30, 2010, at Woodland Hills, California.

  
Michelle Dangott

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