

From: Fitch, Julie A.
Sent: 8/17/2011 12:05:58 PM
To: Dietz, Sidney (/O=PG&E/OU=Corporate/cn=Recipients/cn=SBD4)
Cc: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Bcc:
Subject: RE: PG&E Suspends Gas Energy Efficiency Rebates

Hi Sid,

I wanted to get back you on this. We have several commissioners upset at the messaging here, because it looks like the utilities are blaming the CPUC for the raid of the gas funds and for not issuing a fast enough decision, when the responsibility here falls squarely in the Legislature.

Below are our talking points for how we would like this messaging to be handled by utilities and the PUC jointly. Terrie Prosper is working off of this same list when she deals with any press inquiries. See below.

1. We're all in this together. There's no need to bash the CPUC in the press or with customers. We are equally upset as the utilities at the loss of the funding that we had authorized and collected.
2. It is the Legislature who caused this most unfortunate situation. The CPUC previously authorized the full funding levels for programs. Now we all are being asked to get by with less spending.
3. The CPUC has a responsibility to follow state law, and is diligently seeking to do its job.
4. None of us wants to see efficiency projects that are planned or already underway lose financial support that customers have been counting on. Still, the Legislature has redirected \$155 million of gas funds, and the CPUC must take stakeholder input on how to allocate this reduction.
5. We all wish that the Legislature had not waited until the end of June to redirect gas funds on such short notice.
6. We hope that any public outrage over these actions will be communicated to the Legislature to pledge not to redirect the gas funds again next year.

If you could help communicate this messaging throughout the regulatory affairs and Sacramento organizations, that would be helpful. Jeanne Clinton is going to communicate these same messages to the program folks at each utility, and Terrie Prosper is doing the same with the media folks. Thanks.

Regards,

Julie

Julie A. Fitch

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From: Dietz, Sidney [mailto:SBD4@pge.com]

Sent: Monday, August 15, 2011 9:58 AM

To: Fitch, Julie A.

Subject: FW: PG&E Suspends Gas Energy Efficiency Rebates

Julie --

I just wanted to give you a heads up that we are starting the communications with our customers about stopping the gas EE programs because of the SB87 gas raid. Let me know if you have any questions.

yours,

sid

From: Berman, Janice S
Sent: Monday, August 15, 2011 9:52 AM
To: Jeanne Clinton; pete.skala@cpuc.ca.gov
Cc: Dietz, Sidney
Subject: PG&E Suspends Gas Energy Efficiency Rebates

Jeanne and Pete,

I wanted to let you know that PG&E is, this morning, announcing a suspension of gas energy efficiency incentives and rebates. As expressed in our Joint IOU motion of July 1, and our responses to the July 7th ACR (of July 21 and August 11), PG&E would strongly have preferred to maintain a comprehensive energy-efficiency portfolio, and has requested action from the CPUC which would enable the Company to continue to pay both gas and electric incentives and rebates to our customers. However, the CPUC has not yet issued a decision.

As a result, PG&E will suspend payment of gas energy-efficiency incentives and rebates pending a decision from the CPUC authorizing funding for a comprehensive energy-efficiency portfolio.

PG&E will suspend payment of customized (calculated) gas incentives for **projects that have not received a post-installation inspection prior to September 1, 2011**. PG&E will suspend payment of gas energy-efficiency rebates (also known as deemed or mass market rebates) for **applications not post-marked or submitted on-line prior to September 1, 2011**. Incentives for projects that have received a post-installation inspection and applications for rebates that are post-marked or submitted on-line before September 1, 2011 will be processed in accordance with the terms of the respective applications and agreements.

PG&E will continue to pay incentives and rebates for: 1) gas saving measures installed under Energy Upgrade California; 2) customized projects which are the recipients of Federal Stimulus (or ARRA) funding; and 3) electric energy efficiency savings. For projects that deliver both gas and electric savings, the electric incentive or rebate will be paid, while incentive payments for gas savings will be suspended. All payments will be in accordance with

the terms of the respective applications and agreements.

All other energy-efficiency incentives and rebates for gas savings will be affected. This includes all non-ARRA customized gas projects as well as gas rebates for: furnaces, clothes dryers, faucet aerators, showerheads, water heaters, pool heaters, pool covers, boilers, boiler tune ups, boiler control systems, pipe insulation, tank insulation, steam traps, ovens, griddles, fryers, broilers, steamers, and ozone laundry systems. A comprehensive list of the affected measures is included in the attached talking points.

If you have any questions about PG&E's suspension of gas energy efficiency incentives and rebates, please e-mail or call me,

Sincerely,

Jan Berman