

From: michael.hoover@sce.com
Sent: 4/11/2012 1:30:15 PM
To: Dietz, Sidney (/O=PG&E/OU=Corporate/cn=Recipients/cn=SBD4); Matthew Tisdale (matthew.tisdale@cpuc.ca.gov); William Blattner (WBlattner@SempraUtilities.com)
Cc:
Bcc:
Subject: RE: Third Party Policy in EE

Thanks Matthew. We will take a look and be prepared for the all party.

From: "Tisdale, Matthew" [matthew.tisdale@cpuc.ca.gov]
Sent: 04/11/2012 12:35 PM MST
To: "Dietz, Sidney" <SBD4@pge.com>; Michael Hoover; "Blattner, William" <WBlattner@semprautilities.com>
Subject: Third Party Policy in EE

Sid, Mike, and Billy,

Thank you all for your helpful comments on the EE PD. As we've discussed, my principal area of responsibility is on the third party policy. I infer from the comments that your companies continue to be supportive of leveraging third parties where practical and efficient. And we hear you in your comments about consistency of rules b/w third parties, the need for third party programs to provide real value, and work load around providing the Commission supporting data on the purchase orders.

At this point I want to make you aware of two key discrepancies b/w the PD and Cmr Florio's vision, which I will be working to correct:

- 1) removing the requirement that 20% of budgets go to third parties through competitive solicitation. I do not envision a hard floor or ceiling will be PUC policy in the next two years.
- 2) solicitations will not be prohibited. On the contrary, they are invited.

These parts of PD were included erroneously by an editor who was confused and I'm working to correct them.

I also want to ask that the IOUs take a close look at CEEIC's comments on the PD. They make what I think are very constructive and helpful proposals on the path forward for third parties. I'd ask that you spend a bit of ink in your reply comments addressing whether their proposals are workable from your perspective. I'll also plan to have the issue raised in the All Party meeting on April 16.

Thank you for your consideration.

Matthew