

February 26, 2013

Mr. Edward Randolph, Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

**Re: Pacific Gas and Electric Company's Energy Savings Assistance Program
Informational-Only Filing**

Dear Mr. Randolph:

Pursuant to Decision (D.) 12-08-044 – *IOUs' 2012-2014 Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets*, issued August 30, 2012, Pacific Gas and Electric Company (PG&E) hereby provides a report per Ordering Paragraph (OP) 56 to the Energy Division regarding its decision to not file a Tier 2 advice letter regarding its ESA Program's Central Air Conditioner service offerings and budgets.

OP 56 states:

“Within 180 days after this decision is issued, IOUs shall file, (a) if necessary, a Tier 2 Advice Letter seeking to modify their Central Air Conditioner service offering and budgets or propose new program designs in accordance with the findings of their Final Report and in response to stakeholders' feedback; or (b) a report to the Energy Division Director explaining the rationale for their decision not to file a Tier 2 Advice Letter.”

Specifically, D.12-08-044 directed the Joint Utilities to investigate approaches to align, coordinate, or integrate ESA Program offerings with the HVAC Quality Maintenance (HVAC QM) Program, and to report on the feasibility of aligning these programs and, if feasible and appropriate, how they would propose to modify their ESA Program offerings to conform to the HVAC QM Program objectives.

On December 21, 2012, Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company (the “Joint Utilities”) filed the ESA program and HVAC QM program alignment final report (“Final Report”) per OP 55. A finding in the report notes that PG&E's 2012-2014 Energy Efficiency Portfolio includes the Residential HVAC QM Program, a new program, where preliminary Evaluation, Measurement & Verification (EM&V) results are projected to be available by Q1 2014. These results will help evaluate the program and the best strategy to achieve the program goals. PG&E supports the Final Report's recommendation to not implement the HVAC QM approach in the ESA Program until more is known about the market acceptance, cost effectiveness, and savings potential of the current design of the

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HVAC QM Program. Therefore, PG&E is not requesting additional budget or changes to its current central air conditioning measures at this time.

If you have any questions, please contact me at [Redacted] or [Redacted]
[Redacted]

Sincerely,

/s/ [Redacted]

[Redacted]

Regulatory Affairs
Manager, Customer Demand Side Management

cc: Hazlyn Fortune – CPUC
Syreeta Gibbs – CPUC
Meredith Allen – PG&E
Sid Dietz – PG&E
Renee Samson – PG&E