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April 26, 2013

California Public Utilities Commission
Energy Division
ED Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102

Dear ED Tariff Unit:

In accordance with General Order (GO) 96B, Section 7.4.3, Protests and Responses, Replies, Pacific Gas and Electric Company (PG&E) hereby replies to the protests submitted by [Redacted] to PG&E's Advice Letter (AL) Filing 4203-E, PG&E's Customer Outreach and Education Plan for the Cap-and-Trade Program.

On March 15, 2013, in compliance with and as expressly directed by Ordering Paragraph (OP) 29 of the California Public Utilities Commission's (CPUC or the Commission) December 20, 2012, Decision (D.) 12-12-033 Adopting the Cap-and-Trade Greenhouse Gas Allowance Revenue Allocation Methodology for the Investor-Owned Electric Utilities (the Decision), PG&E filed the above-referenced Advice Letter requesting Commission approval of PG&E's scope and estimated timing of its proposed Customer Outreach and Education Plan for 2013 regarding the implementation of the Cap-and-Trade Program.

On April 19, 2013, the Energy Division (ED) accepted the late-filed protest of [Redacted] to AL 4203-E. As pertaining to PG&E, the protest focused on the following issues: (a) climate solutions have been portrayed as a cost and burden to customers and generated little public awareness and interest because they do not communicate any program benefits and are viewed as arrangements between government and large companies, not customers; (b) the focus of "cap" and not "trade" omits financial impact that customers would be most interested in; (c) the placement of "Climate Dividend" on PG&E bill; and (d) the use of space on Automatic Payment emails to communicate Climate Dividend Information.

PG&E addresses these issues below:

a. Portrayal of Climate Solutions

PG&E is working closely with ED, the Investor Owned Utilities (IOUs), Community Choice Aggregators (CCA), and Electric Service Providers (ESP) to develop effective communication and messaging for customers receiving the climate dividend. PG&E recognizes the importance of highlighting the benefits of the Cap-and-Trade program and the necessity of customer engagement for effective and real climate change and will continue to develop messaging with parties portraying Climate Solutions in this manner. In AL 4203-E, PG&E states the messaging goal is to "address the root causes of climate change," and will include a "Call to Action" geared towards informing bundled customers of the Cap-and-Trade program, policy surrounding Greenhouse Gas (GHG) emissions, and active steps they can take to reduce their emissions (i.e. Demand Response and Energy Efficiency programs) and how this affects their Climate Dividend. For CCA and ESP specific customer communications, the messaging will not include solutions that customers could take to ensure competitive neutrality.

b. Emphasis of "Cap" and Not "Trade" in Communications

The IOUs received guidance from research conducted that highlighted the importance of establishing customer trust in the outreach program and that customers generally distrusted the "trade" aspect of the Cap-and-Trade program. Redacted is concerned that the omission of the financial impact felt by customers will negatively affect customer engagement and involvement as this would be the part customers are most interested. As stated above, PG&E realizes the importance of communicating the financial aspects of the Cap-and-Trade program and will continue to work towards developing messaging that appropriately and accurately demonstrates all the affects the Cap-and-Trade program will have on customers, including financially.

c. Placement of "Climate Dividend" on PG&E Bill

AL 4203-E contained an example of the "Climate Dividend" line item on a PG&E bill. Redacted notes that it appears in the "Adjustments" section between "Energy Commission Tax" and "Utility User Tax," potentially causing customers to associate the dividend as a tax.

The Climate Dividend also appears on the front of the bill, below the amount due, in the "Savings Alert" section. This prominent positioning will prevent any customer misinterpretation.

d. Use of Space on Automatic Payment Emails

[Redacted] also points out there is ample space to include Climate Dividend information on PG&E's Automatic Payment emails. PG&E plans to use existing channels of communication to disseminate Cap-and-Trade information, and recognizes this could be a low-cost solution to help achieve the decision's goal of "maximum feasible public awareness." PG&E plans to review its 2013 outreach and education tactics to ensure alignment and, during this process, will be assessing operational feasibility to address [Redacted] concerns.

Sincerely,

Handwritten signature of Brian Cherry in cursive script.

Vice President, Regulatory Relations

cc: [Redacted]
Edward Randolph, Director, CPUC Energy Division
Don Lafrenz, CPUC Energy Division
Maria Salinas, CPUC Energy Division
Jason Houck, CPUC Energy Division
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Service List in R.11-03-012