

From: Affonsa, Deborah
Sent: 9/10/2013 2:01:34 PM
To: 'Zafar, Marzia' (marzia.zafar@cpuc.ca.gov); 'Ralff Douglas, Kristin' (kristin.ralffdouglas@cpuc.ca.gov) (kristin.ralffdouglas@cpuc.ca.gov)
Cc: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); Reilly, Brooke A (/O=PG&E/OU=Corporate/cn=Recipients/cn=BAR11)
Bcc:
Subject: RE: Articles I mentioned yesterday

Ladies – sorry for the second email but I did want to point out in the EEI article (page 23) a key conclusion based on a comparison with the telecom model (a question we get all the time). I thought it would be of interest to both of you. Deb

“One significant difference between the electric sector and the telecom restructuring example is the value of the respective infrastructure following the disruptive threat. In the telecom situation, the original copper wire phone network is of no/low value in a wireless, Internet protocol, landline world. However, the value of the electric grid to the customer is retained in a distributed generation environment as the grid provides the highway to sell power generated by the DER and the back-up resource infrastructure to deliver power required when the DER is not meeting the load obligation of its provider. In essence, while a wireless user does not need a landline, an electric consumer-generator will not be able to and will not necessarily want to achieve full independence from the “wired” utility grid. So, while the telecom example is a tale of responding to the threat of obsolescence, the near-term challenge to the electric sector is providing the proper tariff design to allow for equitable recovery of revenue requirements to address the pace of non-economic sector disruption.”

Deborah T. Affonsa
Vice President, Corporate Strategy
Pacific Gas & Electric Company
dta3@pge.com
(o) 415-973-4407 (c) 415-260-4407

From: Affonsa, Deborah

Sent: Tuesday, September 10, 2013 1:54 PM
To: 'Zafar, Marzia'; Ralff Douglas, Kristin (kristin.ralffdouglas@cpuc.ca.gov)
Cc: Allen, Meredith; Reilly, Brooke A
Subject: Articles I mentioned yesterday
Importance: High

Ladies,

Frist – great to meet you in person yesterday – always good to put a face with a name. Next, attached are a couple of articles that might be good pre-reads for the Commissioners for the en banc. The two we are sending to our Board are Profit and EEI Disruptive Challenges. Let me know if you need anything else.

Deb

Deborah T. Affonsa
Vice President, Corporate Strategy
Pacific Gas & Electric Company
dta3@pge.com
(o) 415-973-4407 (c) 415-260-4407