



Steven E. Malnight
Vice President
Customer Energy Solutions

Mail Code N9K
P.O. Box 770000
San Francisco, CA 94177
Steven.Malnight@pge.com

January 8, 2014

President Michael R. Peevey
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear President Peevey,

PG&E is writing this letter in response to the November 12th letter from Bernie Kotlier of CALCTP. In the letter, Mr. Kotlier highlights the amount of time it has taken PG&E and the other IOUs to develop incentive programs that leverage CALCTP's capabilities. While we acknowledge the process has been lengthy, PG&E has a pilot designed to demonstrate the effectiveness of CALCTP installations and plans to continue to improve the efficacy of our innovative lighting programs using CALCTP's expertise.

PG&E shares many of the goals of CALCTP, including expanding energy efficiency efforts in California, achieving maximum savings potential for energy efficient lighting, and ensuring complex lighting controls are appropriately implemented. PG&E has supported CALCTP since 2008, and has included CALCTP in our Program Implementation Plan.

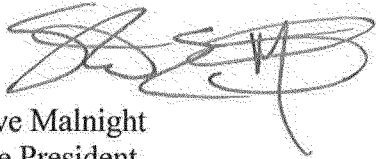
In an effort to support our partnership with CALCTP and further innovative lighting solutions, PG&E launched a Dimming Ballast and Controls Pilot on September 1, 2013. The pilot offers tiered incentives for lighting controls and provides additional incentives for CALCTP certified contractors. The results of the pilot will be verified through measurement and evaluation and will support the development of a possible future program targeted for 2016. Additionally, the pilot will be used to determine appropriate strategies to market certified lighting control installations to ensure widespread acceptance by our customers. Energy savings and market acceptance will be dependent on the ability to include savings from the early retirement of existing equipment and the continued cost reduction of these advanced products in the market place.

Energy Division's evaluation of the pilot and of CALCTP's approach is important to the success of a program based on installation quality. PG&E asks that the Energy Division, the IOUs, and CALCTP work closely together during the evaluation process of this pilot to validate the energy savings and overall market potential for certified installations of advanced lighting controls. If the pilot can demonstrate savings and market potential, the IOUs would work with Energy Division to include the measure in their portfolio.

PG&E is dedicated to working closely with the Energy Division and CALCTP to demonstrate the possible potential of the pilot. PG&E shares the Commission's interest in the development of a green workforce, and will continue to work with the CALCTP board, the other IOUs, and key stakeholders toward that goal.

If you or your staff has any follow-up questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Malnight', with a stylized flourish at the end.

Steve Malnight
Vice President
Customer Energy Solutions

cc: Carol A. Brown, Chief of Staff to President Michael R. Peevey