



July 20, 2000

Loretta Lynch, President
State of California
Public Utilities Commission
505 Van Ness Avenue
San Francisco CA 94102

Re: CPUC Summer 2000 Energy Efficiency Initiative

Dear President Lynch:

I am pleased to submit a program initiative in response to CUPC Energy Efficiency Initiative. I am enclosing four copies of the proposal. In the transmittal of the CPUC regarding an Energy Efficiency Initiative, the paper suggests that a program focused on delivery of demand and energy usage reductions is appropriate for inclusion in PY 2000 energy efficiency programs funded through the public goods charge.

The events of this past June underscore the need to develop programs that reduce demand and avoid rolling black out which have disastrous effects on the State's economy. Power plants already proposed for construction will not become operational until 2001 and 2002. Before then, the most practical measures are on the customer side of the meter. Load shedding is a cheaper and a "greener" way to meet peak demands.

We are working with the industry, including Silicon Valley Manufacturing Group and Major Energy Users Group in the Silicon Valley to find solutions.

Please feel free to contact either myself (650) 855-2699 or Roger Bedard (650) 855-2131 for further information.

Thank you for your consideration on this proposal.

Sincerely,

Mukesh K. Khattar
Team Leader, HVAC&R Technologies
EPRI