Energy Efficiency Providing Savings Assurance to the Market

May 2011

Pacific Gas and Electric Company™

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Proposed Decision Should be Revised

Retroactive changes disrupt portfolio and implementers (3P, GP, Contractors, Retailers) causing revised programs and contracts

- Keep changes prospective
- Retroactive changes . Assurance to market

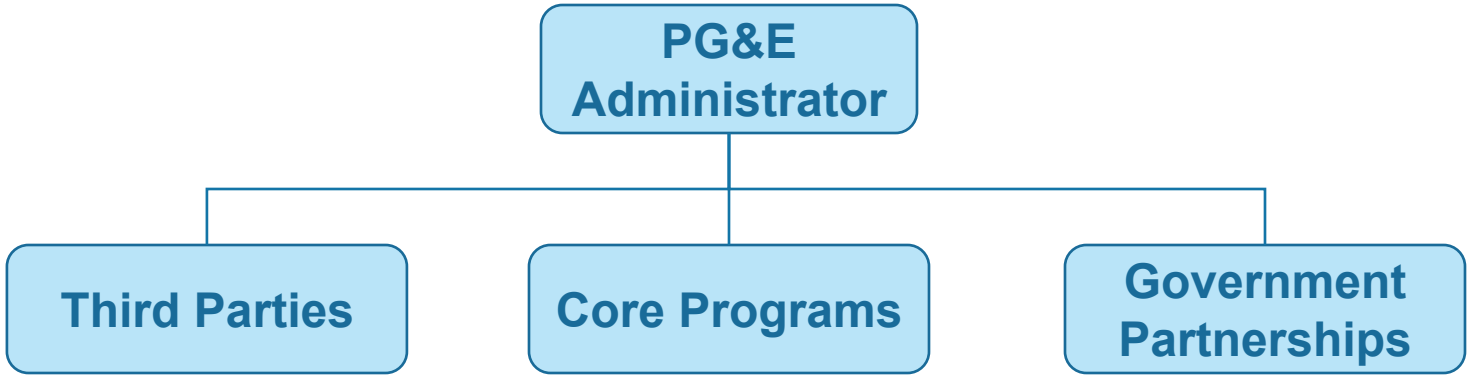
Arbitrary savings adjustments should not be allowed

- Keep values consistent with studies
- Institute dispute resolution process

Do not create new reporting

- Revise post-decision compliance (60 days) to existing quarterly report

Retroactive Changes Disrupt the Business Environment and Weaken Trust



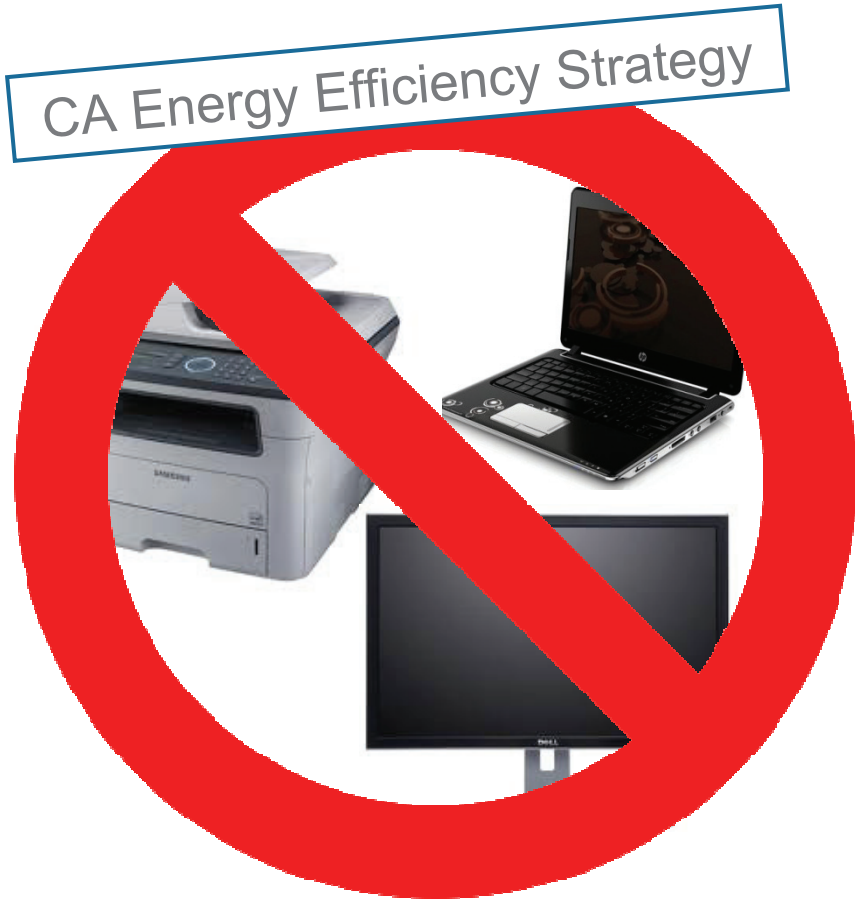
Retroactive changes negatively affect all stakeholders

- Compromises trust with customers and contractors
- Increases costs
- Potentially delays and changes contracts
- Fails to recognize valuable energy efficiency

Arbitrary Changes have No Place in EE

Energy savings should be based on best available information and standard engineering practices

- Need for Dispute Resolution
- Arbitrary cuts eliminate emerging technologies from EE portfolio
- Commission decision approved default values



09-09-047

"Values frozen at the time the activity is starting should be used" [1]

1 - D. 09-09-047 pge. 356 "26. Measure ex ante values established for use in planning and reporting accomplishments for 2010-2012 should be frozen, based upon the best available information at the time the 2010-2012 activity is starting."

Consumer Electronics: An Example of Arbitrary Change

Step 1:
Strategic Plan concludes significant savings in Consumer Electronics

Step 2:
PG&E works with industry experts and utilizes best available studies to create workpaper

Step 3:
ED reviews workpaper and approves of PG&E's savings calculation methodology and states studies used are the best available

Step 4:
ED significantly reduces savings (60%-80%) despite lack of EM&V evidence and requires year-long EM&V study

"Energy Division does not reject any of the assumptions"[1]

"Authors believe using Barr et. al. provided a conservative estimate"[1]

Outcome:
Energy Savings Envisioned in Strategic Plan Not Achieved

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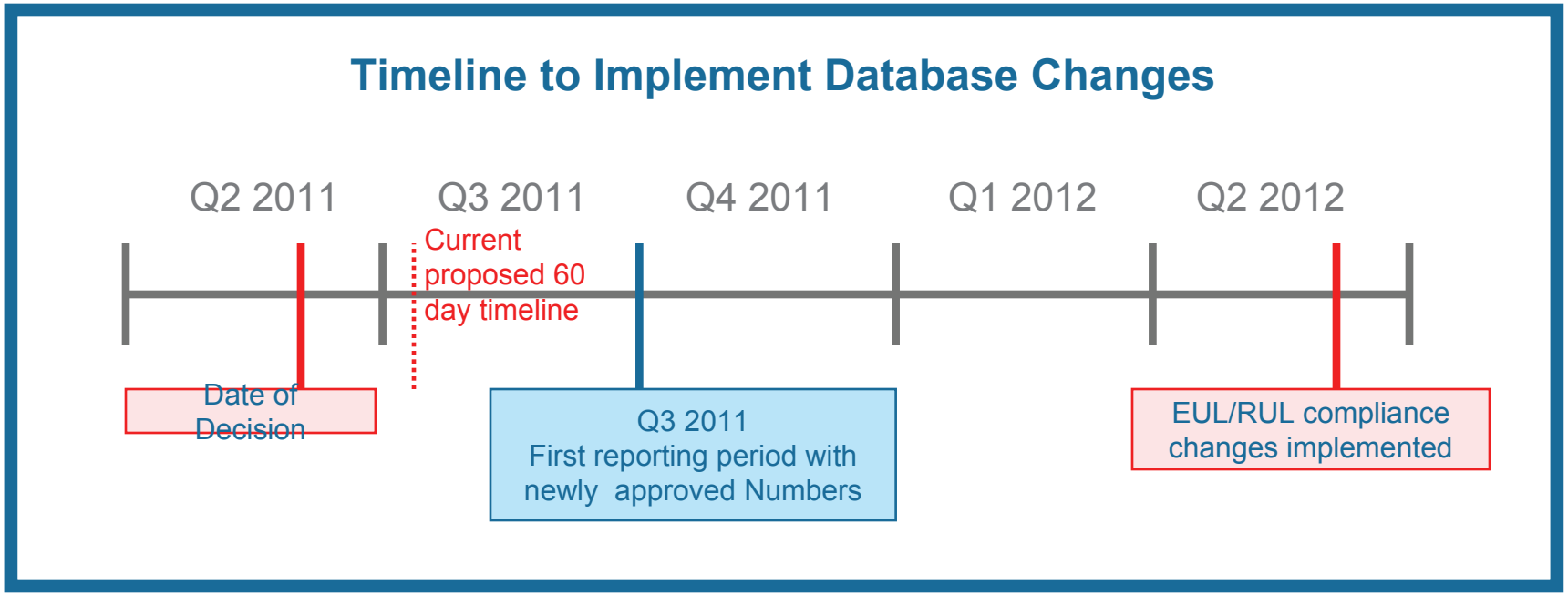
1 – "CPUC Energy Division Phase 2 Workpaper Review and Measure Disposition March 30, 2011" Notebook Computer and Business Printer and MFD.

Schedule for Incorporating New Changes

- Extend time to implement updated workpapers from 60 days (OP 3) to next regularly scheduled reporting quarter to mimic current process
- Benefits . Costs of upgrading the system for dual baselines (EUL/RUL)?