

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION
I.D. # 9124
RESOLUTION G-3425
January 21, 2010

R E S O L U T I O N

Resolution G-3425. Pacific Gas and Electric Company (PG&E) ClimateSmart performance guarantee greenhouse gas (GHG) emission reduction measurement units.

Proposed Outcome: Clarifies that PG&E's ClimateSmart program performance guarantee, adopted in Decision (D.) 06-12-032, is 1.5 million *short* tons of carbon dioxide equivalent (CO₂e) GHG emission reductions. The performance guarantee is to be stated on a metric ton equivalent basis (1,360,777.11 metric tons of CO₂e GHG emission reductions) going forward.

Estimated Cost: None

SUMMARY

ED was directed in Resolution G-3414 to clarify if the 1.5 million ton ClimateSmart program performance guarantee adopted in D.06-12-032 is in metric or short tons. The Energy Division (ED) finds that the ClimateSmart performance guarantee is 1.5 million short tons of CO₂e GHG emission reductions. ED also recommends stating the performance guarantee on a metric ton equivalent basis going forward. The Commission endorses ED's finding and recommendation.

This resolution clarifies the type of units to be used for measuring the minimum number of tons of GHG emission reductions PG&E must procure under the ClimateSmart program. The GHG emission reductions are to be verified under the appropriate California Climate Action Registry (CCAR) protocols.

In D. 06-12-032, the Commission required PG&E to procure at least 1.5 million tons of CO₂e GHG emission reductions for the ClimateSmart program (referred to as the "performance guarantee"). The decision did not state whether the performance guarantee was in metric or short tons.

In Resolution G-3414, the Commission directed ED to determine if the performance guarantee is 1.5 million short or metric tons of CO₂e GHG emission reductions.¹ This inquiry was prompted by comments made by The Utility Reform Network (TURN) concerning how PG&E reported GHG emission reductions in its 2007 ClimateSmart Annual Report.

ED conducted its review and finds that the performance guarantee adopted in D.06-12-032 requires PG&E to procure a minimum of 1.5 million *short* tons of CO₂e GHG emission reductions. To be consistent with CCAR's reporting of GHG emission reductions, ED recommends stating the performance guarantee on a metric ton equivalent basis (1,360,777.11 metric tons of CO₂e GHG emission reductions) going forward.

The Commission finds ED's conclusion accurate and it is adopted. PG&E is required to procure no less than 1,360,777.11 metric tons of CO₂e GHG emission reductions for the ClimateSmart program.

BACKGROUND

PG&E's ClimateSmart program provides customers with an opportunity to mitigate the GHG emissions associated with their electricity and natural gas use.

In D. 06-12-032, the Commission approved a new PG&E program called ClimateSmart.² The program provides PG&E customers with an opportunity to offset the GHG emissions occurring from their use of electricity and natural gas. Participation in ClimateSmart is voluntary with subscribers agreeing to pay PG&E an additional premium with the subscriber's monthly utility bill. The utility uses these premiums to fund certain projects, of types approved by the Commission, which will mitigate the subscriber's utility related GHG emissions.³ In return, PG&E receives an agreed upon amount of the project's CCAR verified

¹ A metric ton is about 10 percent heavier than a short ton.

² ClimateSmart is also referred to as the Climate Protection Tariff (CPT).

³ In response to a September 19, 2008 ED data request, PG&E stated that 199,804 tons of GHG emissions would be emitted by current program subscribers.

GHG emission reductions. ClimateSmart is scheduled to expire at the end of 2009, and PG&E has requested a two year extension.⁴

PG&E is also required to procure no less than 1.5 million tons of CO₂e GHG emission reductions under the program.⁵ Based on the 2008 ClimateSmart Annual Report (Annual Report), issued March 16, 2009, the utility procured a total of 236,058 tons of GHG emission reductions.⁶ From this showing, PG&E has not contracted for enough GHG emission reductions to meet the performance guarantee, whether it is short or metric tons.

PG&E is required to contract for projects that are certified pursuant to CCAR protocols. As the protocols state, a metric ton is approximately 10 percent more in weight than a short ton.

CCAR is a non-profit organization that develops protocols with the purpose of standardizing the measurement and reporting of GHG emissions and emission reductions. Members of CCAR voluntarily agree to report the GHG emissions and emission reductions associated with their activities pursuant to the organization's protocols. As part of this process, CCAR maintains procedures to verify the accuracy of the reported data.

The General Reporting Protocol is the primary CCAR document used for reporting by its members.⁷ Supplementing this publication are protocols that are specific to a particular industry sector or activity (e.g., forestry management). The General Reporting Protocol indicates that among the ways GHG emissions

⁴ PG&E filed Application (A.) 09-05-016 to request an extension of the program for an additional 2 years. In D.09-11-018, the Commission granted PG&E a day-to-day extension of the program while this application is pending.

⁵ "PG&E shall guarantee that the CPT program produces 1.5 million (75% of 2 million) tons of carbon dioxide equivalent reductions." (D.06-12-032, Ordering Paragraph 6.) If the amount of subscriber premiums collected by PG&E is insufficient to pay for all the GHG emission reductions, the utility is to use funds from other, non-ratepayer sources to eliminate the shortfall. (D.06-12-032, *slip op.*, p. 26)

⁶ 2008 Annual Report, p. 30. PG&E specified in the 2008 Annual Report that this quantity is expressed in short tons (2008 Annual Report, footnote 2).

⁷ http://www.climateregistry.org/resources/docs/protocols/grp/GRP_3.1_January2009.pdf

and emission reductions can be measured include short or metric tons, defined as follows:⁸

Metric Ton: Common international measurement for the quantity of GHG emissions, equivalent to about 2,204.6 pounds or 1.1 short tons.

Short Ton: Common measurement for a ton in the U.S. and equivalent to 2,000 pounds or about 0.907 metric tons.

Given these two options, the CCAR protocols direct members to report GHG emissions and emission reductions in metric tons.⁹ These reports are publically available on CCAR's website.¹⁰ For the ClimateSmart program, PG&E is to fund GHG emission reduction projects that are CCAR certified.^{11 12}

ED was directed in Resolution G-3414 to look into whether the performance guarantee is in metric or short tons.

In Resolution G-3414, the Commission approved PG&E's request to transfer unspent ClimateSmart administration and marketing (A&M) funds budgeted for 2007 to 2008. In deciding this matter, the Commission considered comments made by TURN on the 2007 Annual Report prepared and issued by PG&E.¹³

An issue raised by TURN, characterized as "(o)ne important area of clarification", involved the way GHG emission reductions were reported.¹⁴ The

⁸ CCAR General Reporting Protocol glossary.

⁹ CCAR confirmed this requirement in a March 30, 2009 e-mail to ED.

¹⁰ <https://www.climateregistry.org/CARROT/public/reports.aspx>

¹¹ D.06-12-032, Ordering Paragraph 17

¹² In the event CCAR is unable to produce protocols suitable for the ClimateSmart program, PG&E may file an advice letter requesting to use protocols issued by other entities. (D.06-12-032, *slip opinion*, p. 38)

¹³ TURN Comments on 2007 ClimateSmart Annual Report, May 5, 2008.

¹⁴ TURN May 5, 2008 comments on 2007 ClimateSmart Annual Report, p. 3.

source of TURN's concern was this footnote appearing in the 2007 Annual Report:

"Note: All units in this report are in U.S. short tons, consistent with the ClimateSmart Decision. The California Climate Action Registry (CCAR) requires reporting in metric tons. All of the bidders provided their contracts in metric tons. To convert from U.S. short tons to metric tons, divide the number of U.S. short tons by 1.1023." (PG&E 2007 ClimateSmart Annual Report, footnote 2)

With this variation in reporting, TURN suggested that "there may be a shortfall of approximately 10% in the amounts being reported as compared to the amounts promised in the application and supporting testimony."¹⁵ (TURN Annual Report Comments, p. 3) In an attempt to clarify this situation, TURN said it conducted a limited review of the A. 06-01-012 record. However, it did not find any definitive information regarding the type of measurement unit to be used for reporting GHG emissions.

In its reply to TURN, PG&E asserted that its use of short tons is consistent with its testimony and the compliance obligations of D.06-12-032. To support its position, PG&E pointed to data it presented in the ClimateSmart proceeding based on short tons of GHG emissions.¹⁶

In Resolution G-3414, the Commission acknowledged TURN's concern and agreed that there was a need for clarification. The Commission was particularly concerned about how this issue may impact the performance guarantee. To resolve this matter, the Commission stated the following:

"D.06-12-032 does not specify what type of ton GHG emissions are to be measured. It is PG&E's understanding that the Commission means "short" ton. This has implications on the definition of the 1.5 million ton

¹⁵ PG&E predicted that the program should achieve cumulative GHG emission reductions of approximately 2 million tons of CO₂ (A.06-01-012, Exhibit 1, p. 2-10).

¹⁶ For example, PG&E said that the forecasted \$9.71 per ton cost to acquire GHG emission reductions was developed using data the Commission used in Rulemaking 01-08-028. (PG&E reply to TURN May 23, 2008, pp. 2-3.)

GHG emission reduction guarantee since a short ton is about 10 percent less than a metric ton and raises this question - should the guarantee be in short or metric tons? To resolve this, we instruct ED to review the ClimateSmart proceeding record and any other relevant information that may be useful. Upon the conclusion of its review and research, ED is to issue a draft resolution with its recommendation. The draft resolution is to be served on the A.06-01-012 service list with parties given an opportunity for comment.” (Resolution G-3414, p. 14)

DISCUSSION

ED completed its review of the ClimateSmart record and other related material.

The Commission instructed ED to determine whether the ClimateSmart performance guarantee is in metric or short tons. To make its determination, ED was to review the ClimateSmart proceeding record and consider other relevant information. ED has completed its research and reports the following findings.

The City and County of San Francisco (CCSF), a party to the proceeding, initially proposed that the program include what it termed a “minimum savings requirement.”¹⁷ It recommended that PG&E be required to procure at least 1.7 million tons of CO₂e GHG emission reductions. CCSF did not specify whether its proposal was in short or metric tons. The reason for the requirement was to incentivize PG&E to successfully implement the program and compensate ratepayers for their A&M funding. PG&E opposed CCSF’s proposal claiming among other things that it was inappropriate for a demonstration program like ClimateSmart.¹⁸ Other parties expressed their support for the recommendation.

In D.06-12-032, the Commission agreed with the concept that ratepayers should be guaranteed that PG&E would procure a minimum amount of GHG emission

¹⁷ A.06-01-012, Exhibit 504, pp. 8-9.

¹⁸ *PG&E Concurrent Opening Brief of Pacific Gas and Electric Company to its Application to Establish A Demonstration Climate Protection Program and Tariff Option*, pp. 48-9.

reductions under the program.¹⁹ Rather than CCSF's recommended level of GHG emission reductions, the Commission determined that a reasonable performance guarantee would be 75% of the 2 million ton CO₂e GHG emission reductions PG&E predicted that the program would achieve (or 1.5 million tons of CO₂e GHG reductions).²⁰ The decision did not specify whether this quantity of GHG emission reductions was in short or metric tons.

Because the Commission based the adopted performance guarantee on PG&E's GHG emission reductions prediction, ED examined the proceeding record to see how the prediction was developed. In its testimony, PG&E stated that ClimateSmart should achieve approximately 2 million tons of GHG emission reductions over the three year program term.²¹ The utility did not state whether this prediction was in short or metric tons. Nor was the derivation of the prediction shown. Accordingly, ED issued a data request (DR) to PG&E asking the utility to provide this information. In its response to the DR, PG&E furnished this calculation:²²

$$\begin{aligned} & \$20.3 \text{ million (estimated program revenues for three years)} / \$9.71 \\ & \text{(estimated cost per ton of GHG emission reductions procured by PG\&E)} = \\ & 2,092,017 \text{ tons of GHG emission reductions} \end{aligned}$$

Additionally, PG&E showed how the revenue prediction was computed and cited passages in its testimony discussing the origin of the \$9.71 cost estimate. The utility also identified the cost estimate as being on a short ton basis.

ED's initial assessment of PG&E's DR response finds the following content consistent with the utility's testimony. First, ED confirmed that the \$9.71 per ton GHG emission reduction cost estimate was included in PG&E's testimony.²³

¹⁹ "We adopt CCSF's minimum GHG reduction proposal in part. Ratepayers should be assured a minimum number of tons of GHG reductions in light of the cost of the program." (D.06-12-032, *slip op.*, p. 25.)

²⁰ D.06-12-032, *slip op.*, p. 26 and Ordering Paragraph 6.

²¹ A.06-01-012, Exhibit 1, p. 2-10.

²² ED received PG&E's DR response on July 17, 2009.

²³ A.06-01-012, Exhibit 1, p. 2-19.

However, verifying whether or not the estimate refers to the cost of a short ton involved the additional research described below. Second, it is apparent from PG&E's testimony that the utility used the above formula (i.e., program revenue estimate / \$9.71 cost per ton = GHG emission reduction prediction) to calculate each GHG emission reduction estimate the utility said the program would achieve at various levels of anticipated program revenues.²⁴

While PG&E's DR response has given ED greater clarity about the composition of the performance guarantee, it does not resolve the short/metric ton issue. A critical factor is whether the \$9.71 per ton GHG emission reduction cost estimate is in metric or short tons. To find out, ED looked at how PG&E devised the estimate.

In the proceeding, PG&E predicted that it would pay \$9.71 for a ton of GHG emission reductions under the program. The utility said that this forecast was developed from data in a report called the "Methodology and Forecast of Long Term Avoided Costs for the Evaluation of California Energy Efficiency Programs" prepared by Energy and Environmental Economics, Inc. (herein referred to as the "E3 Report").²⁵ The report also includes a reference to a computer spreadsheet model containing avoided cost calculations that can be found at E3's website.²⁶ The utility noted that the E3 Report was used by the Commission in several rulemakings.²⁷

Specifically, PG&E said that it used E3's CO₂ price estimates for 2007 through 2009 (which corresponds to the ClimateSmart program's initial term) to compute a levelized, present value average. This resulted in a cost of \$9.71 per ton. But, the utility cited two different sources for the E3 data. In its testimony, the utility

²⁴ PG&E forecasted GHG emission reductions based on estimated revenues of approximately \$1.5 million, \$11.7 million and \$20 million. Dividing these estimated revenue amounts by \$9.71 per ton produces the same GHG emission reduction approximations found in PG&E's testimony. (A.06-01-012, Exhibit 1, p. 2-10)

²⁵ A.06-01-012, Exhibit 1, p. 2-19.

²⁶ E3 Report preamble under "Revision Notes - Changes from Draft Report" section.

²⁷ A.06-01-012, Exhibit 1, p. 2-19.

said that the values were taken from Table 13 in the E3 Report.²⁸ Then, in workpapers submitted in the proceeding, PG&E indicated that it used figures from the E3 model.²⁹ The utility noted in its workpapers that the values in Table 13 are less precise.

ED reviewed the E3 Report and accompanying model. As PG&E states, the report has been used in various proceedings. In fact, it was prepared for the Commission under the direction of ED.³⁰ As a general finding, ED did not see a statement in the report or model indicating that the term ton referred to either a metric or short ton. However, ED found several instances in the report or model where per ton CO₂ costs were designated as metric. This was in the context of the E3 Report's discussion of a carbon tax related to the Kyoto Protocol. For further insight, ED looked at the sources of E3 data PG&E cited in greater detail.

One data source was Table 13 in the E3 Report.³¹ Notably, the table lists CO₂ costs in dollars per pound for 2004 through 2010. Pounds are not considered to be a metric measurement.³² But this does not necessarily mean that PG&E's \$9.71 per ton estimate is in short tons. To check, ED took the \$0.005/lb value appearing in the table for 2007, 2008 and 2009 and calculated average CO₂ costs on both a short and metric ton basis. However, the resulting per ton averages exceed \$9.71 per ton, indicating that PG&E did not use the Table 13 data.³³

The other data source was E3's model referenced in PG&E's workpapers. The workpapers show annual per ton CO₂ costs for 2004 through 2022. ED found

²⁸ A.06-01-012, Exhibit 1, p. 2-19.

²⁹ A.06-01-012, Exhibit 2, workpapers for Chapter 2.

³⁰ E3 Report, p. 1.

³¹ Table 13 is included in a section of the E3 Report titled "Environmental Avoided Cost" and is captioned "CO₂ price estimates through 2010." (E3 Report, p. 79)

³² <http://ts.nist.gov/WeightsAndMeasures/Publications/appxc.cfm#1>

³³ Metric ton = 2,204.6 pounds * \$0.005 = \$11.023

Short ton = 2,000 pounds * \$0.005 = \$10.000

these same values in the E3 model, which are identified as “CO₂ (\$/ton)”.³⁴ It is apparent that PG&E used this data for 2007 through 2009 to compute its \$9.71 per ton estimate.³⁵ However, the model does not show the formulas E3 used to produce the CO₂ per ton costs. Thus, ED could not tell if the costs are on a short or metric ton basis from this showing.

In consideration of the E3 Report and model review, ED finds that there is a strong presumption that PG&E’s \$9.71 cost estimate is in short tons. First, the term “ton” was designated to be metric only in regard to the report’s Kyoto carbon tax discussion. This suggests that where the term ton appears elsewhere and is not similarly annotated, such as in the E3 data used by PG&E, it is not a metric but short ton. This is a reasonable assumption as non-metric units of measurement are typically used in this country. And, as the definition in CCAR’s protocol indicates, it is commonly understood in the U.S. that a ton means 2,000 and not 2204.6 pounds. Second, E3 Report Table 13 stated CO₂ costs in dollars per pound, which is a non-metric unit of measure. It would be logical to infer that if the CO₂ costs E3 plainly stated in tons were to be understood as metric tons, the other related GHG emission measurements E3 used would be expressed in metric units for consistency and to avoid confusion.³⁶

Because ED could not determine with absolute certainty from the foregoing review that the data used by PG&E for its cost estimate was stated in short tons, ED asked the consultant E3 about the units of measure for CO₂ used for its avoided cost analysis. E3 confirmed that the per ton CO₂ costs are expressed in short tons.³⁷ Thus, ED finds that PG&E’s GHG emission cost estimate is \$9.71 per *short* ton.

³⁴ ED found these figures under the “emissions” tab of the E3 model.

³⁵ Although ED does not have the exact formula PG&E used to compute the levelized, present value average of \$9.71 per ton, an arithmetic average of the 2007, 2008 and 2009 values (2007 = \$9.261, 2008 = \$9.72405, 2009 = \$10.2102525) results in a cost of \$9.73 per ton.

³⁶ To be consistent, if E3 was intending to express CO₂ costs in metric tons it would have stated the Table 13 CO₂ costs in dollars per kilogram (a metric measurement) as a metric ton is 1,000 kilograms. ED notes that CCAR maintains unit of measurement consistency in its protocols. For example, CCAR protocols, which require GHG emission reporting in metric tons, show emission factors in per kilogram units. CCAR, *General Reporting Protocol, version 3.1*, p. 42.

³⁷ E3 e-mail response of October 9, 2008.

Following the clarification of PG&E's GHG emission cost estimate, ED inserted \$9.71 per short ton as the estimated cost of GHG emissions in the formula the utility provided in its DR response. This yields an answer of 2,092,017 *short* tons of anticipated GHG emission reductions resulting from the program.

ED also looked at other related information outside of the proceeding record and found that metric tons of GHG emissions were used in other contexts. PG&E's Request For Offers (RFO) process used to identify projects eligible for ClimateSmart funding instructs project developers to submit their bids in metric tons of GHG emissions. Additionally, the existing contracts PG&E has entered into are for verified emission reductions specified in metric tons of CO₂e GHG emissions.³⁸ However, these later, contractual documents do not establish the measurement units used by the Commission when it adopted the performance guarantee.

ED finds that the performance guarantee adopted in D.06-12-032 is 1.5 million short tons of CO₂e GHG emission reductions. ED recommends stating the performance guarantee on a metric ton equivalent (1,360,777.11 metric tons) basis going forward.

The performance guarantee adopted by the Commission was based on PG&E's prediction of GHG emission reductions the program was expected to achieve. The foregoing analysis shows that PG&E developed the 2 million ton prediction using a GHG emissions cost factor expressed in short tons, resulting in the prediction being in short tons. ED's review did not find any other information that would otherwise have a bearing on this issue. Therefore, ED concludes that the performance guarantee adopted in D.06-12-032 is 1.5 million short tons of CO₂e GHG emission reductions. This is also consistent with PG&E's interpretation of D.06-12-032 and its understanding of the obligations it has under the program.³⁹

³⁸ Definition of "Verified Emissions Reduction" is one metric ton of CO₂ equivalent GHG emission reduction produced by a ClimateSmart funded project. (PG&E 2007 ClimateSmart Annual Report, Appendix C - Standard Form Verified Emission Reduction Purchase and Sale Agreement, p. 11)

³⁹ PG&E's May 23, 2008 reply to TURN's comments on the 2007 ClimateSmart Annual Report, p. 3

ED also recommends stating the performance guarantee on a metric ton equivalent basis going forward. Thus, the unit of measurement of the performance guarantee will be consistent with the way CCAR and other entities such as the California Air Resources Board (CARB) report GHG emissions.^{40 41} Using a standard conversion factor shows that 1.5 million short tons of CO₂e GHG emission reductions is equivalent to 1,360,777.11 metric tons of CO₂e GHG emission reductions.⁴²

The Commission agrees with ED's finding that the performance guarantee is 1.5 million short tons of CO₂e GHG emission reductions and adopts its recommendation to state the performance guarantee on a metric ton equivalent basis.

The Commission finds that ED conducted a thorough review and endorses ED's finding that the performance guarantee is 1.5 million short tons of CO₂e GHG emission reductions. ED's recommendation to state the performance guarantee on an equivalent metric ton basis going forward is reasonable and it is adopted. ED has satisfactorily fulfilled the directive of Resolution G-3414.

COMMENTS

Per Resolution G-3414, this resolution is to be served on the A.06-01-012 service list, and parties shall be given the opportunity to comment on the draft resolution.

⁴⁰ For example, CARB's recently released mandatory GHG emissions reporting data is expressed in metric tons. Go to: http://www.arb.ca.gov/cc/reporting/ghg-rep/facility_summary.xls

⁴¹ ED also notes that there is an effort to increase the use of metric measurements in the U.S. Go to: http://ts.nist.gov/WeightsAndMeasures/Metric/Federal_Metric_Policy.cfm

⁴² According to the National Institute of Standards and Technology, General Table of Units of Measurements (p. C-12), a short ton weighs the equivalent of 0.90718474 of a metric ton. Go to: http://ts.nist.gov/WeightsAndMeasures/Publications/upload/h4402_appenc.pdf. Using the conversion factor results in 1,360,777.11 metric tons as the equivalent of 1.5 million short tons.

Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from the date of mailing.

FINDINGS

1. D.06-12-032 does not specify that the PG&E ClimateSmart performance guarantee of 1.5 million tons of CO₂e GHG emission reductions is in short or metric units.
2. PG&E did not specify that its 2 million ton prediction of GHG emission reductions the program should achieve is in short or metric tons.
3. PG&E used an estimated cost of CO₂ of \$9.71 per ton to calculate the 2 million ton prediction of GHG emission reductions.
4. PG&E based its \$9.71 per ton GHG emission cost estimate on data in the E3 Report and accompanying model.
5. The E3 Report's use of the term "ton" and metric tons annotation as well as its measurement of GHG emissions in "pounds" suggests that the unmodified term "tons" in the E3 Report refers to short tons.
6. E3 confirmed that it expressed CO₂ costs in short tons for the avoided cost analysis presented in the E3 Report and model.
7. The Commission based the amount of the performance guarantee on PG&E's 2 million ton prediction of GHG emission reductions the program was estimated to achieve. The 1.5 million ton CO₂e GHG emission reduction amount adopted in D.06-12-032 represents 75 per cent of PG&E's GHG emission reduction prediction.
8. It is commonly understood in the U.S. that, unless otherwise noted, the term "ton" means 2,000 pounds and a short ton.
9. The performance guarantee adopted in D.06-12-032 is 1.5 million short tons of CO₂e GHG emission reductions.
10. Stating the performance standard on a metric ton equivalent basis is consistent with the GHG emission reporting methods of CCAR and CARB and reasonable.

THEREFORE IT IS ORDERED THAT:

1. PG&E is required to procure at least 1,360,777.11 metric tons of CO₂e GHG emission reductions under the ClimateSmart program.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on January 21, 2010; the following Commissioners voting favorably thereon:

Paul Clanon
Executive Director

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

December 21, 2009

RESOLUTION G-3425

January 21, 2010 Commission Meeting

Agenda ID # 9124



TO: Application (A.) 06-01-012 service list.

Enclosed is draft Resolution G-3425 of the Energy Division. It will be on the agenda at the Commission's January 21, 2010 meeting. The Commission may then vote on this Resolution or it may postpone a vote until later.

The draft resolution finds that Pacific Gas and Electric Company (PG&E) is required to procure a least 1.5 million *short* tons of carbon dioxide equivalent greenhouse gas emission reductions for the ClimateSmart program.

When the Commission votes on a draft Resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

Parties may submit comments on the draft Resolution. An original and two copies of the comments, with a certificate of service, should be submitted to:

Honesto Gatchalian
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Fax: 415-703-2200

A copy of the comments should be submitted **in electronic format** to:

Eugene Cadenasso
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
e-mail: cpe@cpuc.ca.gov

Any comments on the draft Resolution must be received by the Energy Division by January 11, 2010. Those submitting comments must serve a copy of their comments on the : 1) the entire service list attached to the draft Resolution, 2) all Commissioners, and 3) the Director of the Energy Division, on the same date that the comments are submitted to the Energy Division.

Comments shall be limited to five pages in length plus a subject index listing the recommended changes to the draft Resolution, a table of authorities and an appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on factual, legal or technical errors in the draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted.

Replies to comments on the draft Resolution will not be accepted.

Richard A. Myers, Program and Project Supervisor
Energy Division

Enclosure: Certificate of Service and Service List

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Draft Resolution G-3425 on the attached service list via electronic mail and first class mail if an e-mail address was not provided.

Dated December 21, 2009, at San Francisco, California.

Eugene Cadenasso

NOTICE

Parties should notify the Energy Division, Public Utilities
Commission, 505 Van Ness Avenue, Room 4002
San Francisco, CA 94102, of any change of address to

insure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

**RESOLUTION G-3425
SERVICE LIST**

Draft Resolution G-3425 was served on the service list for A.06-01-012.

The service list for A.06-01-012 may be found on the Commission's website at:
http://docs.cpuc.ca.gov/published/service_lists/A0601012_71786.htm.

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 21, 2009

RESO

RESOLUTION G-3425

**January 21, 2010 Commission Meeting
AGENDA ID # 9124**

TO: Application (A.) 06-01-012 service list.

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California Public Utilities Commission
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San Francisco, CA 94102

e-mail: cpe@cpuc.ca.gov

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Draft Resolution G-3425
December 21, 2009 PG&E ClimateSmart program

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Replies to comments on the draft Resolution will not be accepted.

Richard A. Myers, Program and Project Supervisor
Energy Division

1.1 Enclosure: Certificate of Service and Service List

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Draft Resolution G-3425 on the attached service list via electronic mail and first class mail if an e-mail address was not provided.

Dated December 21, 2009, at San Francisco, California.

Eugene Cadenasso

NOTICE

Parties should notify the Energy Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

**RESOLUTION G-3425
SERVICE LIST**

Draft Resolution G-3425 was served on the service list for A.06-01-012.

The service list for A.06-01-012 may be found on the Commission's website at:
http://docs.cpuc.ca.gov/published/service_lists/A0601012_71786.htm.