



California Public Utilities Commission

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News Release

FOR IMMEDIATE RELEASE

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PUC APPROVES SMARTMETERS FOR PG&E CUSTOMERS

SAN FRANCISCO, July 20, 2006 -- The California Public Utilities Commission (PUC) today approved “SmartMeters” for customers of Pacific Gas and Electric Company (PG&E), giving customers new access to information and greater control over their energy use and bills.

The Commission authorized PG&E to spend \$1.7 billion to deploy Advanced Metering Infrastructure (AMI, or SmartMeters) throughout its territory and upgrade all 5 million electric meters and 4 million gas meters over the next 5 years.

“This once in a generation system-wide retrofit will propel PG&E’s customers into the 21st century,” said PUC President Michael R. Peevey. “Customers will have access to information and greater control over their energy use and bills.”

Today’s decision will give PG&E the tools necessary to:

- Conduct remote meter reading, pinpoint outages, remote turn off/turn on capability, provide more accurate billing, and prevent energy theft.
- Monitor its electrical load on an hourly basis, which will enable PG&E to more accurately forecast load and identify load centers.
- Enable two-way communication to each customer’s meter. This is important as it can, for example, signal smart thermostats.
- Offer time varying rates to all of its customers.

“PG&E’s customers will reap benefits from this history making decision. AMI will empower customers to make informed, intelligent choices about their electrical usage. Through price signals built into time varying rates, customers will know when to turn up the thermostat on their air conditioner, or not run large appliances,” said President Peevey. “In California’s Energy Action Plan, Demand Response, along with energy efficiency, is the state’s preferred means of meeting growing energy needs. PG&E’s AMI project is yet another example of our collective

efforts to further the goals we set in the Energy Action Plan. At full deployment of AMI, PG&E estimates a demand reduction of 448 megawatts, or about one power plant.”

The Commission also approved voluntary Critical Peak Pricing (CPP) Programs for PG&E’s residential, small commercial, and industrial customers (under 200 kW) with a SmartMeter. The CPP Program is designed to encourage customers to reduce their electricity usage during periods when the electric system is experiencing high electricity loads and it costs significantly more to provide customers with electricity. A statewide pilot program has demonstrated that the CPP Program provides customers with the opportunity to save 10 percent off their summer bills by reducing their electricity consumption during critical peak periods, typically hot afternoons. The CPP Program is expected to be available in the spring of 2007.

For more information on the PUC, please visit www.cpuc.ca.gov.

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