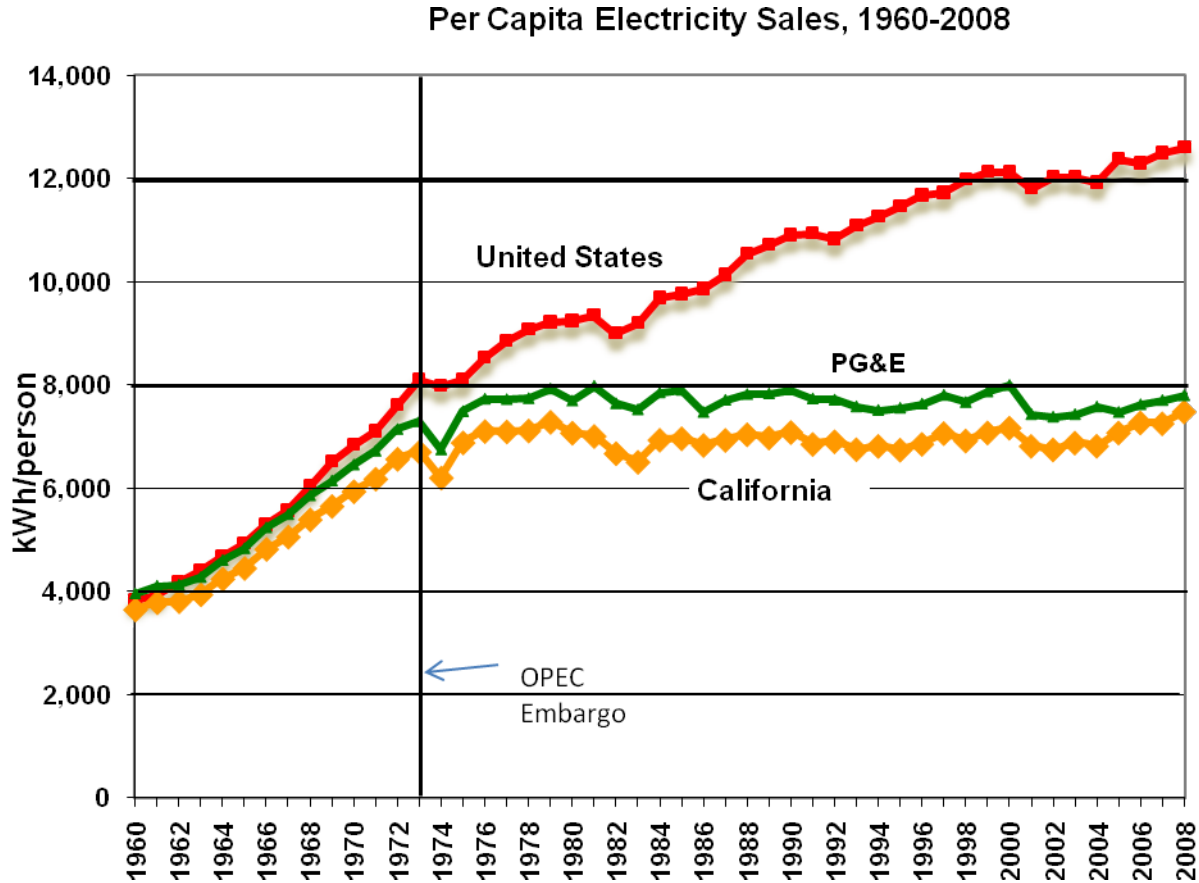


## ASE Nomination for PG&E submitted by Commissioner Art Rosenfeld

I am pleased to nominate Pacific Gas and Electric Company for a "Galaxy" Star of Energy Efficiency Award from the Alliance to Save Energy. PG&E has a 30+ year track record of delivering highly successful and innovative energy efficiency programs to its customers in central and northern California.

To illustrate this I've inserted here one of my favorite slides --- kWh sales/person from before the 1973 OPEC oil embargo through 2008, for California and for the US --- and inserted a green line for PG&E. On the slide, the gold line is California (the Golden State) and the red line is the US (including CA). Before 1973 kWh sales for both the US and CA were growing 5-6%/year, and then came a remarkable flattening/person for CA and PG&E, despite an increase in disposable per capita income of 80%. By contrast the US growth per person did slow, but has remained at 2%/year and has grown a total of 50%. We see clearly the leadership role of PG&E (and its sister IOU's), in avoiding this 50% increase in electric use (and a similar savings in natural gas).



Through its 2006-2008 energy efficiency portfolio, PG&E delivered record energy savings to the State of California, significantly exceeding the extremely aggressive goals set by the California Public Utilities Commission. Between 2006 and 2008, PG&E spent approximately \$911 million on energy efficiency programs and achieved demand reduction of 899 megawatts (147 percent of goal) and energy savings of 5,465 gigawatt-hours (193 percent of goal) and 72.5 million therms (161 percent of goal). Because these installed measures have useful lives of up to 20 years, the actual savings over the measures' lifetimes is significantly higher. The cumulative lifecycle savings over the lifetime of the measures installed over the three years are 46,609 GWH and 1.1 billion therms of natural gas. The levelized cost for these energy efficiency savings is 2.5 cents per KWH and 24 cents per therm – greatly lower than PG&E's current average rates of 11.8 cents per KWH and 47.3 cents per therm.

In 2008 alone, the company reduced demand by 459 megawatts and delivered electric savings of 2,844 gigawatt-hours and natural gas savings of 39.3 million therms. These achievements represent the largest energy efficiency effort ever by a U.S. utility.

PG&E's leadership goes far beyond its impressive energy savings. For example, since 1997, PG&E has played a leading role in helping the California Energy Commission adopt more stringent building codes and appliance standards. Before each code upgrade cycle, PG&E has developed Codes and Standards Enhancement studies to assess the potential energy savings and demand reduction, technical feasibility, market readiness and cost-effectiveness of potential code upgrades. PG&E staff provides expert testimony at public workshops and hearings and organizes and participates in working meetings to resolve stakeholder issues. PG&E fills an essential role in the code upgrade process, helping me and the other Commissioners to make informed decisions that result in significant statewide energy savings.

PG&E has shared its accomplishments and program best practices with a wide variety of audiences and industry professionals, helping other utilities, other states and even other countries to replicate their programs and deliver increased energy savings. PG&E personnel speak at dozens of industry conferences and events every year, working to advance the field nationally. In addition, Peter Darbee, Chairman of the Board, Chief Executive Officer and President, PG&E Corporation, and President and Chief Executive Officer of Pacific Gas and Electric Company, has championed energy efficiency as the fastest and most cost-effective way to address climate change on a national level. He has testified in front of Congress several times about the critical role energy efficiency must play in the fight against climate change, and he co-chaired Edison Electric Institute's Energy Task Force and currently serves on the board of the Institute of Electric Efficiency.

PG&E has also had a major impact on the international energy efficiency scene, most significantly through their involvement with officials from China and India. PG&E Vice President Steve Kline has visited China twice to meet with senior Chinese government and industry officials to describe California energy efficiency policy and practices. PG&E also led the development of a demand-side management manual written in Chinese that provides practical, step-by-step guidance on how to implement energy efficiency programs. The company is sending one of its energy efficiency experts, who is fluent in Chinese, to China for three months to train energy implementers in this new industry. PG&E director Roland Risser visited India last year and spoke to dozens of regulatory officials, state energy officers and electric utilities during his two-week trip. On my recent trip to India this month, I was told that his training lectures in Mumbai and Delhi were extremely appreciated and helped convince regulators from seven states to initiate demand-side management programs at a level of about ½% of annual revenues. This is a small program compared to the 3% currently budgeted by the California IOU's but it's a good start (\$22M/year for Mumbai). Roland Risser is also the Chair of the US Technical Advisory Group working to develop ISO 50001, a new energy management standard. This standard is being developed by about 40 countries, and supports a data-driven approach to energy management, including continual improvement in the energy performance. This standard will have a significant positive impact on energy savings worldwide.

Based upon their exceptional performance and results, as described above, I am nominating PG&E for this important recognition from the Alliance to Save Energy.

Sincerely,

Dr. Arthur Rosenfeld  
Commissioner, California Energy Commission