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**PG&E'S CLIMATESMART™ PROGRAM MAKES ITS LARGEST PURCHASE
OF GREENHOUSE GAS EMISSION REDUCTIONS**

Program Also Retires Its First 40,000 Metric Tons of Greenhouse Gas Emission Reductions

SAN FRANCISCO, Calif. – On behalf of its more than 30,000 ClimateSmart™ customers, Pacific Gas and Electric Company (PG&E) today announced its largest purchase of greenhouse gas emission reductions in a contract with The Conservation Fund. This purchase will also be the largest registered by the Climate Action Reserve, a national offsets registry working to ensure environmental benefits, integrity and transparency of emission reductions. The sizeable investment will help fight climate change by yielding 600,000 metric tons of verifiable greenhouse gas emission reductions.

The ClimateSmart program is purchasing the emission reductions from The Conservation Fund's Big River and Salmon Creek Forest carbon project. By sustainably managing the growth of more than 16,000 acres of redwood and Douglas fir forests on the Mendocino Coast, The Conservation Fund will allow them to grow larger and capture more greenhouse gases from the atmosphere.

“PG&E's ClimateSmart program is proud to collaborate with The Conservation Fund on our customers' largest investment to date in fighting global warming,” said Wendy Pulling, director of environmental policy for PG&E. “Such purchases not only help balance out our enrolled customers' greenhouse gas emissions, they also help protect California's natural resources.”

The Big River and Salmon Creek Forest carbon project will also provide meaningful employment in the area as workers implement sustainable forest practices and restore watersheds. In addition, these activities will protect habitat for species such as northern spotted owl and coho salmon.

“The sustainable management of the Big River and Salmon Creek forests made possible by the ClimateSmart program will help ensure that the redwood and Douglas fir forests surrounding Big River and Salmon Creek will be permanently protected from fragmentation, development and conversion to non-forest uses,” said Chris Kelly, California program director of The Conservation Fund.

This is the second contract between PG&E's ClimateSmart program and The Conservation Fund. In February 2008, the ClimateSmart program purchased 200,000 metric tons of greenhouse gas emission reductions from The Conservation Fund's Garcia River Forest project, located on California's North Coast.

The forest is further protected by a conservation easement on the forest held by The Nature Conservancy. This project was among the first forest carbon projects to be registered with the Climate Action Reserve.

Earlier this month the ClimateSmart program permanently “retired” the first 40,000 metric tons of greenhouse gas emission reductions from the Garcia River Forest project through the Climate Action Reserve. The ClimateSmart program retires greenhouse gas emission reductions once they have been independently verified through the Climate Action Reserve’s rigorous processes. This retirement ensures that these reductions will not be used for any purpose other than for making enrolled customers carbon neutral.

“Retiring 40,000 metric tons of GHG emissions is a significant milestone, and it is notable that the retired emissions are from a project that is well respected for its quality and many benefits to the environment,” said Gary Gero, president of the Climate Action Reserve. “This retirement will ensure that no other entity can claim these emission reductions in the future.”

The ClimateSmart program is a voluntary, tax-deductible program that allows enrolled PG&E customers to balance out the greenhouse gas emissions produced by the energy they use. To participate, customers pay a separate amount on their monthly energy bill, based on their actual energy use. The average residential participant pays less than five dollars per month. The ClimateSmart program invests all payments in new, independently verified projects that reduce or absorb greenhouse gas emissions.

PG&E enrolled as the first participant in the ClimateSmart program by committing approximately \$1.5 million of shareholder funds over the first three years of the program to make the energy use in the company’s facilities completely carbon neutral. To date, more than 30,000 customers, including homes, businesses and cities, have enrolled in PG&E’s ClimateSmart program.

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation ([NYSE:PCG](https://www.nyse.com/quote/PCG)), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with 20,000 employees, the company delivers some of the nation’s cleanest energy to 15 million people in northern and central California. For more information, visit www.pge.com/about/. For more information about PG&E’s ClimateSmart program, visit www.joinclimatesmart.com.

The Conservation Fund forges partnerships to conserve America’s legacy of land and water resources. Through land acquisition, community and economic development and training and education, the Fund and its partners demonstrate balanced conservation solutions that emphasize the integration of economic and environmental goals. Since 1985, the Fund has helped protect more than 6 million acres throughout America while consistently earning top rankings for efficiency by review groups such as Charity Navigator and the American Institute of Philanthropy. For more information, visit www.conservationfund.org.