

PUBLIC UTILITIES COMMISSION

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SAN FRANCISCO, CA 94102-3298



February 27, 2008

Advice Letter 3185-E

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

Subject: Modification of PG&E Company's Existing Energy  
Efficiency Mass Market Program to Offer a Shade  
Tree Pilot Program

Dear Mr. Cherry:

Advice Letter 3185-E is effective March 1, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



**Brian K. Cherry**  
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Regulatory Relations

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December 27, 2007

**Advice 3185-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject:      Modification of Pacific Gas and Electric Company's Existing  
Energy Efficiency Mass Market Program to Offer a Shade Tree  
Pilot Program**

**Purpose**

PG&E proposes to implement a limited pilot program offering shade trees to its residential customers as part of its existing 2006-2008 energy efficiency portfolio. The primary intent of the pilot is to assess the merits of adding shade trees as an energy efficiency measure to reduce electricity demand associated with residential air conditioning. PG&E proposes to fund this pilot effort with unspent, uncommitted funds from the electric pre -1998 Demand Side Management (DSM) balancing account funds.

**Background**

PG&E's current 2006-2008 energy efficiency portfolio was approved by the Commission in Decision (D.) 05-09-043. By D. 05-09-043, the Commission provided that the Investor Owned Utilities could add new energy efficiency programs via an Advice Letter. Pursuant to direction in D. 05-09-043, PG&E submits this Advice Letter seeking approval to offer a shade tree pilot program as part of the existing Mass Market Energy Efficiency program.

Specifically, PG&E proposes to expand the current Mass Market program to include shade tree incentives. As part of the pilot, PG&E would evaluate the costs and benefits associated with planting shade trees in designated locations. PG&E believes its proposed pilot is consistent with the Commission's recent direction to pursue longer-term savings measures discussed in D. 07-10-032, Interim Opinion on Issues Relating to Future Savings Goals and Program Planning for 2009-2011 Energy Efficiency and Beyond.

## **Proposed Pilot Program**

### **Pilot Concept:**

The pilot program will be a one-year program offering a total of 1,500 shade trees at various locations within three greater municipal areas. The pilot will compare the cost, implementation processes, and energy savings of three different tree delivery and program administration models and then select the model or combination of approaches that best achieves customer benefit and cost effectiveness for PG&E and its diverse service area. The decision to permanently add a shade tree measure to the Mass Market program will depend on the outcome of the pilot. One goal of this pilot is to use the experience it provides to significantly improve the resultant total resource cost (TRC). This will include program design improvements as well as proposing how the measure life should be extended to more accurately align with the period of time when this measure provides the most value to our customers.

The areas selected for the pilot include San Jose, Davis/Woodland, and Stockton. These areas represent a variety of urban settings, all of which have high air conditioning demand. Two of these locations have an active community-based tree organization (CBO), and the third does not. The two CBOs have established reputations within their communities and have developed different methods of implementing their tree planting programs. The pilot will compare the two CBO implementation methods with a third method that does not require a CBO for potential implementation system-wide.

Sixteen different California shade tree programs were reviewed before selecting three for this pilot program. The three models to be employed for the pilot are described below:

### **Models:**

Customer Visit Model: This is the most labor intensive model (and, intuitively, the most expensive and most effective) and most closely resembles the Sacramento Municipal Utility District (SMUD) shade tree program. *Our City Forest* is a local CBO that has developed a close relationship with the Sacramento Tree Foundation, which has 25 years of tree planting experience. *Our City Forest* has been the implementer of the SMUD program since 1990 and has planted 400,000 trees in the Sacramento area. *Our City Forest* has adopted the Customer Visit Model and has planted and tracked 40,000 shade trees throughout the city of San Jose since 1994. Therefore, San Jose was chosen as the location to test the Customer Visit Model.

*Our City Forest* will provide 500 trees to residential customers, and its staff will visit the customer's home, identify the ideal tree location for energy savings purposes and provide educational materials on tree care and planting. The property owner/customer will be responsible for planting, watering, and otherwise

caring for the trees. *Our City Forest* will monitor the condition of a sample of the trees.

Workshop Model: This model represents a moderately labor intensive method and is based on the program used by the San Diego Regional Energy Office "Cool Communities Shade Tree Program." The CBO *TREE Davis* uses an implementation method which most closely resembles the Workshop Model. *TREE Davis* has a long-standing relationship with the community of Davis and has the expertise to implement the program in a timely and professional manner. *TREE Davis* will partner with the neighboring *Woodland Tree Foundation* to execute the Workshop Model in Davis and Woodland.

*TREE Davis* and *Woodland Tree Foundation* will provide 500 trees along with planting and tree care training to property owners during outreach events to be held on several weekends. Each property owner need attend only one of these events. The CBOs will also conduct one-hour training workshops to be held on weekends at a variety of locations. The property owner/customer will be responsible for planting, watering, and otherwise caring for their trees. The CBOs will monitor the condition of a sample of the trees.

Rebate Model: This model represents the least labor intensive model and is based on the current Riverside Public Utilities Shade Tree Rebate Program. Unlike the other two models, the rebate model will not be administered by a tree foundation. It will be developed using PG&E's current infrastructure that supports PG&E's existing Customer Energy Efficiency rebate programs. Rebate coupons will be mailed to residential homeowners who can then redeem them at a designated local nursery. The nursery will redeem the first 500 coupons presented and will invoice PG&E for each coupon redeemed. PG&E will monitor the condition of a sample of the trees. Since Stockton is a city with high air conditioning usage and without a CBO, Stockton was chosen as the site for the Rebate Model pilot.

#### **Implementation Schedule:**

PG&E intends to initiate the pilot in March 2008. This would allow time to conduct all of the preparatory work for the pilot, including conducting workshops, visiting homes, and ordering trees in time for the fall planting season.

#### **Funding:**

The pilot budget is \$320,000, including \$33,000 dedicated to evaluation, measurement and verification. PG&E proposes to fund this pilot effort with unspent, uncommitted funds from electric pre -1998 DSM funds currently recorded in the electric Energy Efficiency Balancing Account (EEBA). Upon approval of this advice letter, PG&E proposes to transfer an amount equal to the pilot budget from the EEBA to its current expense tracking account, the electric Public Purpose Program Energy Efficiency Balancing Account (PPPEEBA), where shade tree pilot expenses will also be recorded.

**Estimated Energy Savings:**

The estimated average Program Administrator Cost (PAC) for all three pilots is 1.14. The estimated average Total Resource Cost (TRC) for all three pilots is 1.07 and reflects the estimated air conditioning energy reductions over a twenty-year period. Annual kilowatt hour (kWh) savings per tree provided by SMUD's Tree Benefit Estimator were used as the basis for energy savings for the TRC calculator. When planted, the trees will be small and will have a low annual kWh benefit until they mature. In order to estimate the increase in energy savings provided by the trees as they grow over time, kWh savings associated with tree ages of 5, 10, 15, and 20 years were used in the TRC calculator. One result of the pilot will be to update the TRC calculator for all three models to reflect actual project costs and observed tree conditions including proximity to the house and orientation.

The estimated kilowatt peak savings are 0.074 kW per mature tree. This figure is based on the "Sacramento Municipal Utility District Shade Tree Program Impact Evaluation", July 1995, prepared for SMUD by the U.S.D.A. Forest Service, Western Center for Urban Forest Research, and University of California at Davis.

**Protest Period**

Anyone wishing to protest this filing may do so by sending a letter by **January 16, 2008**, which is **20 days** from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [anj@cpuc.ca.gov](mailto:anj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

### **Effective Date**

As discussed above, in order to ensure enough time to conduct all of the preparatory work for the pilot, PG&E requests that this advice filing become effective upon Commission approval on or before the **March 13, 2008**, Commission business meeting.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A.05-06-004. Address changes to the General Order 96-B service list should be directed to Rose de la Torre at (415) 973-4716. Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at:

**<http://www.pge.com/tariffs>**



Vice President - Regulatory Relations

Attachment

cc: Service Lists – A.05-06-004  
Honorable Sue Greenwald, Mayor, City of Davis  
Honorable Chuck Reed, Mayor, City of San Jose  
Honorable Edward Chavez, Mayor, City of Stockton  
Honorable David Flory, Mayor, City of Woodland

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Megan Hughes

Phone #: (415) 973-1877

E-mail: mehr@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3185-E**

**Tier: 3**

Subject of AL: Modification of Pacific Gas and Electric Company's Existing Energy Efficiency Mass Market Program to Offer a Shade Tree Pilot Program

Keywords (choose from CPUC listing): Energy Efficiency

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement:  Yes  No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:

Resolution Required?  Yes  No

Requested effective date: **Commission Approval**

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC Energy Division**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Avenue**

**San Francisco, CA 94102**

**E-mail: [jjj@cpuc.ca.gov](mailto:jjj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)**

**Pacific Gas and Electric Company**

**Attn: Brian K. Cherry**

**Vice President, Regulatory Relations**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)**

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	