

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 5, 2008

Advice Letter 3257-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 Existing Mass Market Program to Offer
Limited Marketing Campaign of Fluorescent Lamp Recycling

Dear Mr. Cherry:

Advice Letter 3257-E is effective May 27, 2008.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
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San Francisco, CA 94177

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May 20, 2008

Advice 3257-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Information: Modification of Existing Mass Market Program to Offer Limited Marketing Campaign of Fluorescent Lamp Recycling.

Purpose

On April 22, 2008, Pacific Gas and Electric Company (PG&E) filed Advice Letter 3257-E proposing modifications to the existing Mass Market program to offer a limited marketing campaign for fluorescent lamp recycling (FLR) through the remainder of calendar year 2008. Support letters were provided by the California Environmental Protection Agency, the California Product Stewardship Council, and the City and County of San Francisco. The Utility Reform Network (TURN) and the Division of Ratepayer Advocates (DRA) filed a protest, dated May 12, 2008. PG&E held a clarifying teleconference with TURN and DRA on May 16, 2008, joined by Mr. Leonard Robinson, Deputy Director of the California Department of Toxic Substances Control, in order to understand and explore the concerns raised by TURN and DRA in their protest letter. This letter offers supplemental information to document the information discussed during the teleconference and to address the concerns raised in the protest letter. PG&E understands from TURN and DRA that many of their concerns have been addressed through the phone call and the supplemental information in this letter.

Additional Background

The California Lighting Efficiency and Toxics Reduction Act (AB 1109) directs the California Energy Commission to adopt new energy efficiency standards for general purpose lighting by December 2008. It also directs the California Department of Toxic Substances Control (DTSC) to convene a Task Force to consider and make recommendations to the Legislature by September 1, 2008, on a number of issues related to general purpose lights. PG&E is a member of the AB 1109 Task Force, and holds the chairmanship of the education subcommittee.

In 2006, DTSC established the Take It Back program, which is designed to provide free, local, and convenient ways for California residents to recycle everyday

household hazardous wastes, such as fluorescent lamps. The Task Force aims to make recycling sustainable and emphasizes the importance of dual and simultaneous messaging around environmental protection and energy efficiency to ensure that Californians understand the importance and value of using fluorescent lamps to reduce energy use and also the necessity to appropriately recycle these lamps to protect the environment and public health.

In 2007 and early 2008, PG&E implemented shareholder funded FLR pilot programs that supported 1) education and outreach and 2) support for infrastructure to recycle lamps in two counties (Tehama and Santa Clara). The two pilot counties provided important feedback on program design in rural and urban environments. In Tehama County, PG&E partnered with Tehama County, DTSC, Wal-Mart, and Waste Management to sponsor a Take It Back Partnership event to promote and facilitate proper recycling of fluorescent lamps in March 2008. This one-day event resulted in the collection of approximately 550 fluorescent tubes and 50 compact fluorescent light bulbs (CFLs). The event was preceded by an eight-week advertising campaign that explained the importance of recycling spent fluorescent lamps. In Santa Clara County, PG&E partnered with and leveraged several existing FLR collection centers by focusing on outreach and education to make residents aware that the collection centers existed and to explain the importance of using them. In this pilot, over 6,000 CFLs were collected between January and April of 2008.

As an active member of the AB 1109 Task Force, PG&E coordinates information with the other members of the Task Force, including the other electric IOUs and local governments that have implemented FLR programs. PG&E's primary representative on the Task Force was the primary architect of PG&E's pilot FLR programs. PG&E's pilot design incorporated information and strategies from the Task Force. PG&E's pilot is helping other Task Force members design programs.

Supplemental Information

Budget for the 2008 program

The budget is provided in the table below.

Program Components	Proposed Budget	Program Component Description
Education, Marketing, and Outreach	\$ 450,000	Develop educational print and/or radio ads about recycling fluorescent lamps targeting up to 8 communities
Recycling Kits	\$100,000	Provide funding to local government to purchase recycling kits. (Up to 8 communities)
Administration	\$ 50,000	Program development and management
Total	\$600,000	

The pilot programs will primarily focus on education and outreach and will inform residents:

- a) that fluorescent lamps should never be placed in the trash because of the potential health hazards caused by such improper disposal,
- b) where they can take their spent fluorescent lamps while a statewide plan is being developed for standard disposal practices; and
- c) about safe clean up procedures that must be taken for broken fluorescent lamps, including references to resources that contain information on proper cleanup procedures for broken lamps, such as websites maintained by PG&E, EPA, and local governments.

A smaller portion of the funds will be provided to the local government partners to purchase recycling kits and to pay for disposal. These kits range from small lined containers capable of holding several CFLs to large lined boxes that can hold approximately 100 lamps. The cost of the kits ranges from approximately \$10 to \$100 each and includes the kit itself as well as transportation and recycling costs.

Selection of local governments with whom to partner

PG&E's Advice Letter states that it will partner with three to four local governments, and expand to up to eight locales if there is sufficient demand. PG&E will consider expanding the program to more than 8 local partners if funding and interest permit. The specific partners have not yet been identified. Based on interest expressed already by local governments, including counties, PG&E will choose a mix of geographic and urban/rural areas to obtain the greatest information possible about FLR program design. Where Local Government Partnerships (LGPs) exist, PG&E would prefer to implement the pilot through these partnerships. PG&E will also choose some governments that do not have existing LGPs, because these governments tend to be in more rural areas with more limited recycling infrastructure. As the program expands in the 2009-2011 cycle, the existing infrastructure of the LGPs will continue to be an important vehicle for FLR activities.

Proposed FLR pilot design to test strategies

PG&E intends to design the pilots to further test FLR strategies for education/outreach and infrastructure that have been developed through both the Task Force and through the programs in Tehama and Santa Clara County. Existing information already suggests that different approaches may be needed for successful programs in rural areas and urban areas. PG&E plans to work with each local government to develop a program to fit its specific needs and to leverage retailers' participation in recycling efforts.

For outreach and education, the message delivered in each pilot will be consistent with the AB 1109 Task Force goals. The message will address the importance of energy efficiency, environmental protection, and consumer safety when handling fluorescent lamps. PG&E's pilot will provide resources for the education and outreach activities and will test different approaches which will include point-of-sale, if possible, and may also include internet, print, radio, television, etc. PG&E will coordinate with the local government partners as well as local retailers to identify collection stations for special collection events if there are no existing collection stations.

Different strategies for infrastructure of recycling may include: limited duration collection events at limited locations; widespread advertisement of existing collection centers; mail-in recycling kits; or additional strategies or combinations of strategies. Where local government partners do not have staff and/or resources to collect lamps from the public and arrange for recycling, PG&E and local government partners can choose to either work together to facilitate retailer or other interested party participation for lamp management or to provide direct mail-in recycling kits to residents.

Pilot results will inform future FLR recycling activities

PG&E will share the results of these pilots with the AB 1109 Task Force. PG&E will provide data regarding the pilots to the Task Force to help California understand the best methods to encourage recycling in different types of counties in California. The data will be used to shape other local efforts and future statewide programs. PG&E will also use the results of the pilots to refine FLR program design for the 2009-2011 period.

Additional details: recycling kits and public awareness elements

Recycling kits consist of sealable plastic bags and plastic-lined containers for used lamps that are sent to recyclers when full. The kits vary in size from those with the capacity to hold several lamps to those that can hold up to 100 lamps. The smaller kits are intended for to be used by consumers and the larger kits are intended to be used by lamp collection centers. Costs range from about \$10 each for the consumer kits to about \$100 each for the collection center kits. The cost of each kit includes the kit itself as well as transportation and recycling charges.

The education and outreach elements of PG&E's pilots will be consistent and flexible, always communicating the dual message of energy efficiency and environmental protection. If PG&E plans to deliver any new advertisements or communications regarding CFLs, those communications will also communicate the dual message of energy efficiency and environmental protection. PG&E will strive to ensure that these messages are also delivered through Flex Your Power. The education and outreach will leverage any existing education programs that local

governments may have developed. It will raise public awareness about the proper and safest clean up procedures for broken CFLs as advised by the EPA. The program will include references to resources that contain information on proper cleanup procedures for broken lamps, such as websites maintained by PG&E, EPA, and local governments.

Consistency and Coordination with the California Lighting Efficiency and Toxics Reduction Act (AB1109)

PG&E's efforts have been and will continue to be coordinated with the AB1109 Task Force. As described above, Task Force activities and information have been integral to development of the pilot programs and the pilot results will be incorporated into the work of the AB1109 Task Force findings. PG&E is also coordinating its efforts with information disseminated by the DTSC, to ensure the delivery of a consistent message.

Coordination with FLR efforts of Electric Utilities throughout California

PG&E is already coordinating with other electric utilities throughout California through the AB1109 Task Force, which includes Southern California Edison and San Diego Gas and Electric as well as the Sacramento Municipal Utility District. PG&E fully supports a statewide FLR program and intends for the implementation of the PG&E pilot program to inform the ultimate implementation of a statewide plan.

PG&E, along with the other IOUs, will submit its 2009-2011 energy efficiency application to the Commission on June 23, 2008. The Commission will be able to compare these applications with the September 2008 Task Force report and provide comprehensive direction for the 2009-2011 program cycle at that time.

To further coordination, PG&E recommends that the AB 1109 Task Force and the energy efficiency statewide marketing outreach teams coordinate to develop a consistent message for the 2009-2011 cycle.

Leadership role in reducing the mercury content in fluorescent lamps manufactured for the California market.

While this comment is beyond the scope of the FLR program proposed in the Advice Letter, PG&E is actively pursuing reduced mercury content for CFLs. First, PG&E uses the national Energy Star specification for lamps and the 2009 specification will require 5 mg or less for mercury content in CFLs. Second, In October 2007, PG&E initiated a statewide utility group to develop a specification for a "super CFL" which addresses remaining consumer issues associated with CFLs, such as color, dimming, and mercury. Members of the group include Southern California Edison, Sacramento Municipal Utility District, and the

California Lighting Technology Center, with input from a senior scientist from the Natural Resources Defense Council. The draft specification includes mercury content of 2 mg. The working group is expecting these “super CFLs” to be introduced in California in mid-2009.

Conclusion

Advice Letter 3257-E’s proposed recycling program will reduce mercury emissions associated with the improper disposal of fluorescent lamps by promoting or creating recycling opportunities in several communities prior to the implementation of a statewide program. The program will also inform future statewide recycling programs. PG&E respectfully requests the Commission approve Advice 3257-E as proposed.

Shortened Protest Period – 5 Days

Because this advice filing offers additional information about the CFL Recycling program and does not change PG&E’s original request, PG&E hereby requests a shortened protest period of 5 days. Protests to this supplement are due on May 27, 2008.¹ Protests should be mailed to:

CPUC - Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Protests also should be sent by e-mail and facsimile to Mr. Honesto Gatchalian, Energy Division, as shown above, and by U.S. mail to Mr. Gatchalian at the above address.

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:

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

¹ The 5th day falls on a weekend. PG&E hereby moves this date to the next business day.

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice letter be approved effective May 27, 2008.

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.05-06-006. 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. Advice letter filings can also be accessed electronically at:

<http://www.pge.tariffs>

Very truly yours,



Vice President - Regulatory Relations

cc: Sean Gallagher, Director, CPUC Energy Division
Pamela Wellner, Energy Division
Hayley Goodson, The Utility Reform Network
Diana L. Lee, Division of Ratepayer Advocates

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) #: 3257-E-A

Tier: [2]

Subject of AL: Modification of Existing Mass Market Program to Offer Limited Marketing Campaign of Fluorescent Lamp Recycling

Keywords: demand side management

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:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

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:

No. of tariff sheets: N/A

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:

Service affected and changes proposed:

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 Ave., San Francisco, CA 94102

jn@cpuc.ca.gov and 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

**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
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Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
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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
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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	