STATE OF CALIFORNIA ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Brian K. Cherry, Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale St.
San Francisco, CA 94177

February 21, 2008

Dear Mr. Cherry,

The Energy Division approves of PG&E's 2008 California Solar Initiative Interim Marketing and Outreach (M&O) plan with minor modifications identified below. PG&E submitted its plan pursuant to Decision (D.) 07-05-047 on December 3, 2007. The Energy Division requests that PG&E defer the proposed $170,000 2008 direct mail expense until pertinent messaging and target segments are identified, and results of the Q1 2008 campaign tracking reports are reviewed.

The Decision grants Program Administrators an annual budget of $500,000 and allows them to request a 20% budget increase, or an additional $100,000, with a detailed justification to Energy Division why additional marketing expenses are required. PG&E's request for additional funds is rejected at this time because the proposed expenses are outside the scope of activities approved by D.07-05-047.

The Energy Division recommends that PG&E consider including PV system maintenance information in its messaging to CSI users, pursuant to the CEC's *Guidelines for California's Solar Electric Incentive Programs Pursuant to Senate Bill 1.* Staff suggests that PG&E can find an appropriate time and delivery for this type of messaging, such as residential solar workshops and installer trainings, but it is not necessary to use this messaging in all M&O activities.

Pursuant to D. 07-05-047, M&O expenses are to be separated from other administrative expenses and submitted semiannually. To assist the PAs in developing a common methodology for M&O expense reporting, Staff will develop and discuss a suggested reporting format in a future data request.

In accordance with D. 07-05-047, please submit an update to PG&E's Interim Marketing and Outreach Plan by June 3, 2008. This update may include a summary of completed activities and performance tracking reports. As with past M&O materials, please refer to the attachment to this letter for important information regarding approval procedure for marketing materials.

Please see the attached directions for submitting M&O materials for Energy Division review and approval.

Sincerely,

for SHG

Sean Gallagher
Director, Energy Division

Enc. Appendix A: CSI Approval Procedure for Interim Marketing and Outreach Materials