



FOR IMMEDIATE RELEASE

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CONTACT: PG&E News Department (415) 973-5930

**PG&E PROPOSES PROGRAM TO GIVE CUSTOMERS AN OPPORTUNITY TO HELP
THE ENVIRONMENT BY REDUCING GREENHOUSE GAS EMISSIONS**

Voluntary Climate Protection Program First-of-its-Kind in the Nation for Utility Customers

SAN FRANCISCO – Pacific Gas and Electric Company has submitted a proposal to the California Public Utilities Commission (CPUC) for a new and innovative environmental program that will allow interested customers to contribute toward a cleaner California. This voluntary program would be available to most of PG&E's residential and business customers.

Through the Climate Protection Program, customers can choose to sign up and pay a small premium on their monthly utility bill which will fund independent environmental projects aimed at removing carbon dioxide from the air. The use of electricity and natural gas creates greenhouse gas emissions. The structure of the program is designed to make participating customers "climate neutral" by creating enough projects to equal the greenhouse gas emissions of their collective energy usage. Carbon dioxide is a chemical compound found in the earth's atmosphere and is the most common greenhouse gas. The emission of greenhouse gases may cause climate change impacts that disrupt existing weather patterns and have a significant impact on the physical environment.

"Through this first-of-its-kind demonstration project, we look forward to giving our customers the opportunity to help remove greenhouse gases from the atmosphere while also improving California forests and habitat," said Thomas E. Bottorff, PG&E's senior vice president of regulatory relations. "PG&E customers are already helping reduce greenhouse gas emissions by participating in our energy efficiency and conservation programs and we're pleased to propose another option toward helping the environment."

Forest restoration and conservation projects, commonly referred to as forest sequestration, will be the first projects implemented with the premiums paid by enrolled customers. Trees naturally remove carbon dioxide from the atmosphere and can help fight climate change by storing carbon in their trunks, roots, and branches. These projects will also benefit wildlife and water quality by protecting and restoring native forests.

The program's projects will all be based in California and selected through competitive bidding with stringent criteria under protocols developed by an independent non-profit organization,

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the California Climate Action Registry. Greenhouse gas reduction projects under PG&E's program will also be overseen by an external advisory group consisting of a wide range of community groups, businesses and non-profit conservation agencies. The program will be reviewed by independent auditors and PG&E will regularly report program results to the CPUC, as well as all participating customers.

The monthly premium, for the average residential customer who chooses to enroll, would be an increase of about three percent per month. The typical residential customer using 540 kWh of electricity and 45 therms of natural gas would pay approximately \$4.31 each month. The premium is based on the energy use of participating customers, using a proposed rate of \$0.00254 per kilowatt hour for electricity and \$0.0653 per therm of natural gas.

PG&E anticipates its Climate Protection Program fund will receive approximately \$20 million by the end of the three-year demonstration, with a goal of removing at least two million tons of carbon dioxide from the air. This reduction would be the equivalent of taking 350,000 cars off the road for one year.

"This program is an important addition to PG&E's energy efficiency programs and will further empower customers to help fight global warming," said Devra Wang, Natural Resources Defense Council's California director of energy programs. "By proposing this program, PG&E continues its leadership among utilities nationwide in addressing global warming."

Federal, state and local government entities are increasingly focused on climate change. PG&E supports federal regulation of greenhouse gas emissions and California's leadership on global warming.

Pacific Gas and Electric Company already delivers some of the cleanest energy of any large utility in the nation in part because of its portfolio of energy efficiency, renewable energy, gas and other cleaner conventional sources. The Climate Protection Program is designed to supplement, not substitute for, PG&E's existing efforts – both voluntary and mandatory – to address climate change, including increasing its renewable energy sources and expanding energy efficiency programs. Thus this new program enhances the utility's existing and long term commitment to the environment.

With approval from the CPUC, the program could begin as early as 2007. Customers interested in the program can call the utility to be placed on a pre-sign up list.

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