# **Fighting Climate Change**

PG&E recognizes that the link between greenhouse gas emissions and the Earth's warming climate is convincing, the potential consequences are serious and the need for action is urgent.

The Carbon Disclosure Project (CDP) named PG&E one of the top ten companies in the S&P 500 for climate change-related disclosure and performance—recognizing PG&E for both the quality of our public reporting and the actions we are taking to reduce greenhouse gas emissions. PG&E also earned a spot on the CDP's Global 500 list. The CDP is an independent organization that maintains the largest global database of corporate climate change information.

Additionally, in a letter to the U.S. Chamber of Commerce, PG&E Corporation Chairman, CEO and President Peter Darbee cited "fundamental differences" over climate change to explain why the company is pulling out of the organization, despite the Chamber's "long history as a positive force for America's businesses and its economy."

## PG&E's ClimateSmart™ Program

PG&E's first-of-its-kind ClimateSmart™ program provides our customers with a voluntary, tax-deductible option to make their home or business energy use carbon neutral. To participate, customers pay a separate amount on their monthly energy bill— about \$5 a month for the typical home. PG&E invests 100 percent of these payments in new, independently verified projects that reduce or remove greenhouse gases from the atmosphere. Learn how you can become part of the ClimateSmart program.



On behalf of enrolled customers, PG&E has announced seven projects for the ClimateSmart program, which will achieve nearly 1.2 metric tons of verified greenhouse gas emission reductions through forestry and dairy and landfill methane capture projects.

## **Understanding and Reporting Our Impact**

As a charter member of the <u>California Climate Action Registry</u>, PG&E was the first investor-owned utility in California to complete a third-party-verified inventory of our carbon dioxide (CO<sub>2</sub>) emissions in 2002. In 2009, PG&E began voluntary reporting to The Climate Registry, a non-profit organization that sets consistent and transparent reporting standards for North American businesses and governments. PG&E is a founding member of The Climate Registry.

PG&E provides its customers with electricity that has among the lowest rates of greenhouse gas emissions in the nation. In fact, PG&E's independently verified  $CO_2$  emissions rate is at least 50 percent below the national average among utilities.

In addition, PG&E has participated in the <u>Carbon Disclosure Project</u> since 2005. PG&E's annual submission provides additional detail on our actions related to climate change and our greenhouse gas emissions profile.

#### **Reducing Our Emissions**

PG&E is an active member of the <u>Sulfur Hexafluoride (SF6) Emission Reduction Partnership</u>, which focuses on reducing emissions of SF6 (approximately 23,900 times as potent as  $CO_2$  on a per ton basis) from transmission and distribution operations. We also support <u>Natural Gas STAR</u>, a program promoting the reduction of methane (at least 21 times as potent as  $CO_2$  on a per ton basis) from natural gas pipeline operations. Since 1998, we have reduced our SF6 emissions rate by nearly 86 percent and our total emissions by 75 percent, and have avoided the release of thousands of tons of methane.

PG&E is also offsetting all of the greenhouse gas emissions associated with the energy used in PG&E's buildings by using shareholder funds to participate in our ClimateSmart program.



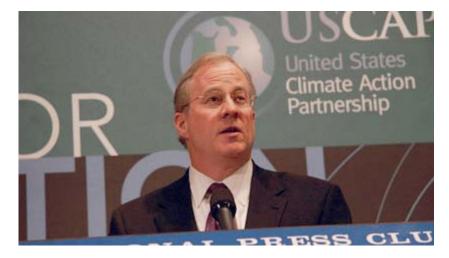
PG&E is actively working to reduce emissions of sulfur hexafluoride, a greenhouse gas.

### **Advancing Responsible Solutions**

An increasing number of California's cities and counties have set aggressive greenhouse gas reduction goals and are conducting inventories of their communities' emissions. PG&E is assisting with these inventories by providing aggregated historic energy consumption data and estimates of the associated greenhouse gas emissions.

Peter Darbee was invited to the United Nations in New York to speak at the 2008 Investor Summit on Climate Risk, a gathering on global warming with 200 of the world's top investment strategists. ( $\underline{video\ footage}$ ) | ( $\underline{remarks}\ (\underline{PDF}, 116\ KB)$ )

At the national level, Peter Darbee participated in the U.S. Senate's Committee on Environment and Public Works hearings on climate change in February (PDF, 42 KB), June (PDF, 57 KB), and November (PDF, 56 KB) of 2007. Steven Kline, PG&E Corporation's Chief Sustainability Officer and Vice President of Corporate Environmental and Federal Affairs, spoke before the U.S. House Select Committee on Energy Independence and Global Warming (PDF, 37 KB) to share our experience and perspective on the role of energy efficiency policies in climate legislation.



Peter Darbee at the launch of the U.S. Climate Action Partnership at the National Press Club in Washington, D.C.

PG&E is a member of the <u>United States Climate Action Partnership</u> (USCAP). The group has developed a set of <u>detailed legislative</u> <u>recommendations</u> for a national, mandatory market-based approach to reduce greenhouse gas emissions that calls for an economy-wide cap on emissions along with a set of complementary policy measures to advance technology, mitigate costs for consumers and businesses and provide opportunities for the nation's workforce.

In addition, we were an original member of the <u>Clean Energy Group</u>, a coalition of environmentally progressive utilities advocating for a national, mandatory, market-based approach to curbing greenhouse gas emissions in the power sector. And PG&E has been an active participant in the <u>Energy Future Coalition's</u> energy efficiency and smart grid task forces, working with a broad coalition of business, labor and environmental groups to identify new directions in energy policy.



Steven Kline, Chief Sustainability Officer and Vice President, Corporate Environmental and Federal Affairs at PG&E Corporation, speaking at the Capitol in support of the Boxer-Lieberman-Warner Climate Security Act of 2008. Also pictured are senators Barbara Boxer (D-CA) and Charles Schumer (D-NY).

In advance of the climate change negotiations in Bali, Indonesia, PG&E joined with major global corporate leaders to launch <u>Combat Climate Change (3C)</u>. This international business initiative brings together more than 50 leading international companies to call on governments to work together to develop a global policy framework to combat climate change.

While we prefer a national approach to addressing climate change, we also recognize how states can act as a catalyst for federal legislation and bringing forth innovative solutions. That is why PG&E was also the first investor-owned utility to support California's enactment of AB 32, which sets a goal of reducing the state's greenhouse gas emissions to 1990 levels by 2020. On November 2, 2010, Californians will vote on Proposition 23, a ballot initiative that seeks to suspend AB 32. PG&E opposes this ballot initiative and will continue working closely with the state legislature, ARB, CPUC, CEC and other concerned stakeholders to ensure the responsible implementation of AB 32.

We also continue to provide extensive input into the <u>Western Climate Initiative's</u> efforts to design a regional cap-and-trade market—as well as emerging federal legislative and U.S. EPA rulemaking activities.

## **News Releases**

2010

Sempervirens Fund and PG&E's ClimateSmart Program Preserve Redwoods, Complete Verification of Lompico Forest Carbon Project, August 30, 2010

PG&E Joins Opposition to Proposition 23, July 6, 2010

PG&E CEO Joins Renowned Climate Expert on Paper Outlining Climate-Related Issues for Leaders, February 25, 2010

2009

PG&E Earns High Rankings for Climate Change Reporting, September 22, 2009

PG&E's ClimateSmart™ Program Makes Its Largest Purchase, July 21, 2009

PG&E's ClimateSmart™ Program Makes Landmark Purchase of Dairy Farm Greenhouse Gas Emission Reductions to Help Fight Climate, June 1, 2009

PG&E Issues Comment on Waxman-Markey Climate Bill Draft, March 31, 2009

More news

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