SmartMeter[®]

SmartMeter Program Overview

December 2008



About Pacific Gas and Electric Company



- Energy Services to about 15 M People:
 - ► 5.0 M Electric Customer Accounts

SmartMeter

- 4.1 M Natural Gas Customer Accts
- 70,000 square miles with diverse topography
- ~20,000 Employees
- Regulated by the California Public Utilities Commission (CPUC)
- CA regulatory structure de-couples profits from energy sales revenue and provides incentives for demand reductions / energy efficiency



Smartmeter Program Acknowledged For Industry Leadership





2008 AMR/AMI initiative of the year in a North American IOU



PG&E's Evolving Customer Commitment

"Doing a good job for our customers will always mean delivering safe, reliable energy supplies. But it also will increasingly mean providing clean energy and giving them the **tools and the know-how to be smarter energy consumers** in a world where we all will be more aware of and engaged in our energy choices."

> Peter Darbee, CEO March 2008



The PG&E SmartMeter Program

- Automated meter reading for all customers
 - ► 10 million meter upgrades
 - A network to collect meter reads remotely and communicate with meters
 - IT systems to manage and store reads, and to make reads available both to PG&E's back-end systems (e.g. billing) and to customers
- Frequent meter reads daily for gas, hourly or 15 minute interval for electric – that enable electric prices that vary by time of day
- Enhanced capabilities over time











Demand Response: A Priority Resource

Energy Efficiency (including Demand Response)

Renewable Energy

Conventional Generation and Transmission Infrastructure

"The most important aspect of the Energy Action Plan was the concept of a 'loading order' for energy resource procurement. In that loading order, we defined energy efficiency as our first priority. Implicit in that priority was also demand response or price-responsive demand." - CPUC Commissioner Peevey

Demand Response Programs



- SmartRate[™] (Residential) / Critical Peak Pricing (CPP)
- Peak Time Rebate
- ► SmartAC[™]

- Demand Bidding
- Capacity Bidding
- Base Interruptible Program



CA Statewide Pricing Pilot - Hourly residential use of electricity on a hot day

Demand response programs motivate customers to shift energy use from peak to nonpeak hours and conserve energy

Demand response programs reduce peak loads, reducing the need to purchase expensive peak energy or build new generation facilities



SmartMeter Dual Network Architecture

Radio Frequency Mesh Electric Network



SmartMeter Timeline – Vision in Action





SmartRate Pricing Plan (mass market CPP) SmartRate CPP



Note: bill protection offered in first complete summer of participation

Customer participation in first SmartDay™events:

Event Day: July 8thEvent Day: July 9thEvent Day: July 10thParticipants: 3,629Participants: 4,076Participants: 4,422Temperature: 107 FTemperature: 107 FTemperature: 111 F



Online Customer Access to Usage Information

- Displays energy usage by billing cycle, month, or week
- Displays hourly electric usage by day
- Ability to overlay temperature
- Customized text (or links) on top and bottom of graph
- SmartRate customers view usage "framed" by peak periods (summer only)
- Customer service reps able to view same graphs online



The data presented in this chart may slightly differ from the data reflected on your bill for several reasons. For example, data collected on your account may include some estimated usage, and this chart may round your energy usage differently.

Hot days bring about a cool way to shift energy and manage costs.

Introducing a voluntary electric pricing plan that allows you to shift your energy usage on up to 15 hottest days of the summer. A little means a lot. Click on the link below or call 1-866-743-0263 to learn more.

SmartRate™Program Info SmartRate™ Events Energy Efficiency Tips

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Advances in AMI Technologies

"We expect PG&E to monitor market place developments so, whenever feasible, it can upgrade its AMI system and offers its customers technology upgrades."

- Advanced Meters
 - Solid-state
 - Integrated remote connect / disconnect switch
 - ► HAN gateway
- Home Area Networks (HAN)
 - Emerging standards
- SmartMeter Upgrade Filing in Progress
 - ▶ \$572 million project cost increase
 - CPUC decision expected in late December 2008 or January 2009





CPUC, July 2006

SmartMeter Electric Information Flows



HAN, Home Energy Management

Customer Premise



- * Subject to CPUC approval of the **SmartMeter** Program Upgrade Filing
- ** Subject to development of such programs



Customer Home Area Network (HAN)

Customers will use energy management systems (EMS) to tie together HVAC, IPenabled appliances and distributed generation into integrated Home Area Networks (HAN)

The **SmartMeter** HAN gateway enables PG&E to communicate with the customer's home area network





Future

SmartMeter: Future Generations





The Future: A Smart Electric System





Balances cost, reliability, and sustainability



SmartMeter Program Highlights

Largest implementation of AMI technology in the U.S. to date

- ► 10 million meters
- ► 5 year deployment: 2006 2011
- Program will pay for itself over time

Three drivers for SmartMeter program deployment

- Improved, more cost-effective customer service
- Broad-based demand response
- A powerful platform for future innovation

SmartMeter[®]

Pictures of Current SmartMeter Technology





SmartMeter Gas Meter Module

Gas meter with SmartMeter Module

Meter Transmitter Unit (MTU) (i.e., SmartMeter gas module)







SmartMeter Gas Network Equipment*



Data Collector Units (DCUs) are typically mounted to streetlights, distribution poles, and transmission towers







* Also used as the **SmartMeter** electric network in some areas



SmartMeter Electric Meter (Solid State)



Solid State Meter



Next Generation SmartMeter Electric Network Equipment

SmartMeter electric network Access Point (AP) mounted on a distribution pole and a streetlight





SmartMeter electric network Relay mounted on a distribution pole

