



August 31, 2011

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The Honorable John Perez, Speaker
California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

The Honorable Darrell Steinberg, President Pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 94249-0001

RE: Gas Consumption Surcharge Fund Protection

Dear Honorable Legislative Members:

As you know, Governor Jerry Brown recently approved California's budget bill, which included a provision that allows the Treasurer to divert \$155 million from the Gas Consumption Surcharge Fund to the state's General Fund. This sweep of natural gas funds has already had a significant impact on Investor-Owned Utility gas energy efficiency programs. For example, San Diego Gas & Electric Company has suspended gas energy efficiency appliance rebates and can no longer guarantee that commercial and industrial gas energy efficiency rebates will be available at the time an application is received. If the funds are diverted again next year, we have been told that San Diego Gas & Electric Company may need to shut down its gas energy efficiency programs.

CleanTECH San Diego strongly believes it is imperative to use a legislative vehicle this year to protect the gas energy efficiency funds. Without this protection, green jobs and the attainment of our state's energy efficiency goals are at risk.

If these programs are discontinued, green jobs in San Diego Gas & Electric's territory may be lost. According to Governor Brown's Energy Plan, "Energy efficiency is the cheapest, fastest, and most reliable way to create jobs, save consumers money and cut pollution from the power sector. It is by far cheaper than the cheapest source of energy and has no negative impact on the environment." These jobs must be protected.

In addition, if the state is to reach its zero-net energy building goal, natural gas energy efficiency measures must be put in place alongside electric energy efficiency measures. Most central heating and water heating is powered by natural gas. Without efficient heaters and water heaters, our state's building stock will not achieve maximum energy savings.

CleanTECH San Diego is a nonprofit association focused on accelerating the greater San Diego region's transition to a clean energy economy. We have a broad and diverse membership that includes the private sector such as General Atomics, Bank of America, Sapphire Energy and Kyocera Solar, as well as local governments, nongovernmental agencies and universities and research institutes such as UC San Diego, San Diego State University and the Scripps Institution of Oceanography. We are immensely interested in the economic impacts of the clean technology sector on our region and understand the importance of the Gas Consumption Surcharge Fund to our region's cleantech sector.

I appreciate your consideration. Should you have any questions or need additional information, please do not hesitate to contact me.

Respectfully,

Jason Anderson