

PG&E Corporation
Climate Change Policy Framework
May 2006

Our Climate Change Commitment

PG&E is committed to leading by example when it comes to climate change. That means more than just minimizing the greenhouse gas emissions from our operations. It also means maximizing the opportunity we have to lead on efforts to establish responsible policies and programs to address global climate change.

Putting Our Climate Change Commitment into Action

We recognize that climate change threatens to significantly alter the physical environment for this and future generations. We also recognize that the electric and natural gas industry is a significant contributor to greenhouse gas emissions, and, as such, has a responsibility to find solutions and take action.

Consistent with our company values, we will be accountable for all of our own actions as they relate to protecting the environment and we are committed to working together, as a team, to pursue excellence and promote innovation. These values form the basis of who we are and drive our actions everyday. With regard to climate change, this means that we have an obligation to act responsibly and to lead by example. We will do this by:

- maintaining a greenhouse gas emissions profile for our utility's delivery mix that is among the lowest in the nation,
- developing and investing in robust customer energy efficiency programs,
- supporting innovative fleet management practices,
- identifying and pursuing alternative ways to generate, procure and deliver vital energy resources, including renewable energy and clean, distributed technologies,
- being transparent about our emissions sources and certifying our emissions data,
- helping our customers minimize their greenhouse gas emissions footprint, and
- sharing "best practice" policies and programs with others in our industry and encouraging them to take action.

While we have worked cooperatively with local, state, and federal partners to achieve significant greenhouse gas reductions and to avoid emissions, we recognize that voluntary initiatives alone will not be enough. PG&E believes effectively combating global climate change will take sustained and coordinated international action, cooperation, and investment over the long term. In the meantime, however, PG&E believes that it is important for the U.S. to begin to address this issue formally and take a leadership role. We, therefore, support and prefer national regulatory action based on market mechanisms to achieve emission reductions efficiently, economically, and in a way that encourages the next generation of energy technologies and minimizes impacts to the U.S. economy.