

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

April 15, 2005

To all retail providers:

As the recipient of previous letters from the California Energy Commission (Energy Commission), you are probably familiar with the general statutory and regulatory requirements of Senate Bill 1305 (Stats. 1997, ch. 796, §1) and implementing regulations. This letter is to alert your company that the Net System Power (CA POWER MIX) percentages are now available for the 2004 calendar year.

On April 13, 2005, the Energy Commission adopted the 2004 Net System Power mix.

Fuel Type	2004 Net System Power
Eligible Renewable	4.3%
-Biomass & waste	0.2%
-Geothermal	2.8%
-Small hydroelectric	1.1%
-Solar	0.0%
-Wind	0.2%
Coal	28.9%
Large hydroelectric	20.1%
Natural gas	45.0%
Nuclear	1.7%
Other	0.0%
Total	100.00%

The percentages in the Net System Power table are given to the nearest tenth of a percent to increase the accuracy when calculating a product-specific fuel mix, but please note that the percentages should be rounded to the nearest whole percent when appearing in the Power Content Label. All future quarterly and promotional disclosures by your company should reflect these updated percentages for Net System Power until April 15, 2006, at which time a revised Net System Power mix will become available. The complete *2004 Net System Power Calculation Report* is available from the Energy Commission's web site at <http://www.energy.ca.gov/sb1305/documents/>.

These retail disclosures are part of our efforts to establish a program under which entities offering electric services in California disclose accurate, reliable, and simple to understand information on the sources of energy that are used to provide electric services.

The Energy Commission's regulations require the term "CA Power Mix" be used to describe Net System Power in the right-hand column of the Power Content Label. The Energy Commission calculates Net System Power by taking all of the generation consumed by customers in California, which we have termed "Gross System Power," and then subtracting self-generation and retail providers' specific claims of generation. Thus, Net System Power does not represent the fuel mix of ALL the electric generation consumed by California customers.

Retail providers, at their option, may publish the 2004 Gross System Power values below in addition to their Power Content Label. Retailers may also add notes outside the Label that clarify the distinction between the “CA Power Mix” and “Gross System Power.” However, do not utilize the 2004 Gross System Power values in calculating the content of a particular product. Additionally, do not insert the 2004 Gross System Power values in the column entitled, “2004 CA Power Mix.” Please utilize the 2004 Net System Power values for these purposes.

Fuel Type	2004 Gross System Power
Eligible Renewable	10.6%
-Biomass & waste	2.2%
-Geothermal	4.9%
-Small hydroelectric	1.7%
-Solar	0.3%
-Wind	1.5%
Coal	19.8%
Large hydroelectric	14.8%
Natural gas	41.9%
Nuclear	12.9%
Other	<u>0.0%</u>
Total	100.00%

Attached are two sample labels featuring the 2004 Net System Power mix. The top graphic is an example of a label for a company *not making specific purchase claims*. The bottom graphic is an example of a label for a company claiming 50 percent specific purchases (as evidenced in the first footnote) and 50 percent generic purchases (i.e. anything but specific purchases). In this case, the specific purchases are all renewable. For ease in calculating a product-specific fuel mix, the Power Content Label Calculator has been updated to reflect the 2004 Net System Power values. This Excel template can be downloaded from the web site listed above.

As always, Energy Commission staff is available to answer any of your questions. Questions should be directed to Jason J. Orta at (916) 653-5851.

POWER CONTENT LABEL		
ENERGY RESOURCES	PRODUCT NAME* (projected)	2004 CA POWER MIX** (for comparison)
Eligible Renewable	4%	4%
-- Biomass & waste	<1%	<1%
-- Geothermal	3%	3%
-- Small hydroelectric	1%	1%
-- Solar	<1%	<1%
-- Wind	<1%	<1%
Coal	29%	29%
Large Hydroelectric	20%	20%
Natural Gas	45%	45%
Nuclear	2%	2%
Other	0%	0%
TOTAL	100%	100%
<p>* 0% of Product Name is specifically purchased from individual suppliers.</p> <p>** Percentages are estimated annually by the California Energy Commission based on electricity sold to California consumers during the previous year.</p> <p>For specific information about this electricity product, contact Company Name. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or www.energy.ca.gov/consumer.</p>		

POWER CONTENT LABEL		
ENERGY RESOURCES	PRODUCT NAME* (projected)	2004 CA POWER MIX** (for comparison)
Eligible Renewable	52%	4%
-- Biomass & waste	-	0%
-- Geothermal	-	3%
-- Small hydroelectric	-	1%
-- Solar	-	0%
-- Wind	-	<1%
Coal	14%	29%
Large Hydroelectric	10%	20%
Natural Gas	22%	45%
Nuclear	1%	2%
Other	<1%	0%
TOTAL	100%	100%
<p>* 50% of Product Name is specifically purchased from individual suppliers.</p> <p>** Percentages are estimated annually by the California Energy Commission based on electricity sold to California consumers during the previous year.</p> <p>For specific information about this electricity product, contact Company Name. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or www.energy.ca.gov/consumer.</p>		