

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



June 1, 2006

Advice Letter 2704-G/2786-E
2704-G-A/2796-E-A

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: 2006-2008 energy efficiency compliance filing

Dear Ms de la Torre:

Advice Letter 2704-G/2768-E is effective May 17, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R De la Torre	S Ramaiya
B Lam	
JUN 19 2006	

Records	
Return to _____	File _____
cc to _____	

May 31, 2006

**ENERGY DIVISION DISPOSITION OF PG&E'S AL 2704-G/2786-E
AND AL 2704-G-A/2786-E-A**

SUMMARY

In accordance with Rule 4.7 in Decision (D.) 05-01-032, dated January 13, 2005, Energy Division staff (Staff) prepares this Disposition approving Advice Letter 2704-G/2786-E and supplement Advice Letter 2704-G-A/2786-E-A, effective May 17, 2006 as requested.

Pacific Gas & Electric Company (PG&E) filed Advice Letter (AL) 2704-G/2786-E on February 17, 2006, and supplemental Advice Letter 2704-G-A/2786-E-A on April 17, 2006, in compliance with Commission (D.)05-09-043. Together, these comprise PG&E's compliance filing associated with its 2006-2008 energy efficiency program plans.

No parties protested PG&E's Advice Letter compliance filing. However, several parties filed comments and a response.¹ The comments urged the Commission to consider approval of California Preschool Energy Efficiency (CPEEP) proposal submitted by the Low Income Investment Fund (LIIF). While the response focused primarily on issues relating to the delays in contracting and implementing partnership programs. Staff believes that PG&E followed the criteria approved by the Commission in selecting competitively bid 3rd party programs. If LIIF wants to pursue submitting proposals in the PG&E territory, it can participate in future solicitations that will be conducted by PG&E. With regards to the partnership-related issues raised by the City of San Jose and TURN/DRA, Staff believes that these issues could be more appropriately addressed in Rulemaking (R.)06-04-010.

Staff suspended PG&E's Advice Letter 2704-G/2786-E on March 17, 2006, in order to give PG&E time to respond to comments and time for staff to consider responses and other issues. Staff reviewed the comments and response, PG&E's response to the issues raised in the comments and response, and information

¹ Per D.05-01-032, a response differs from a protest in that a response unconditionally supports the relief requested in the advice letter, and may provide useful information regarding the advice letter.

requested via data requests to PG&E. Staff is sufficiently satisfied with PG&E's responses to the comments and response to approve this advice letter including the supplement, thereby allowing the roll out of PG&E's 2006-2008 portfolio of energy efficiency programs.

Staff also identified two issues in the Advice Letter compliance filing that required clarification from PG&E: benefits-costs calculations and impact on bills. In general, Staff is satisfied with PG&E's clarifications. There remains, however, a difference between Staff's and PG&E's interpretation on the cost inputs to the Total Resource Cost (TRC) cost-effectiveness test in using the formula in the Standard Practice Manual (SPM). PG&E demonstrated to Staff that, under both interpretations of the TRC cost-effectiveness calculations, its 2006-2008 energy efficiency program portfolio is still cost effective.

PG&E has satisfied the requirements of D.05-09-043; therefore, the suspension of PG&E's AL 2704-G/2786-E is removed without prejudice. PG&E's Compliance Filing Advice Letter 2704-G/2786-E and supplemental Advice Letter 2704-G-A/2786-E-A are approved effective May 17, 2006, as PG&E requested.

BACKGROUND

PG&E filed advice letter compliance filing for its 2006-2008 energy efficiency program portfolio per D.05-09-043. Additionally, PG&E filed a Motion to bifurcate its compliance filing since it was still negotiating with its local government and statewide partnerships. The Administrative Law Judge granted the Motion on March 7, 2006 and ruled that PG&E serve and file the supplement compliance filing that focuses on partnership programs.

In D.05-09-043, the Commission adopted the energy efficiency portfolio and program funding levels for program cycle 2006-2008 for PG&E and other investor-owned utilities² In that decision, the Commission authorized -on an interim basis- the utilities to begin implementing their non-competitive bid programs, effective January 1, 2006. This interim authorization remained in

² Namely: Southern California Edison Company, San Diego Gas and Electric Company and Southern California Gas Company.

effect until the Commission approves the final program plans to be submitted during the compliance phase after the competitive bid solicitation process for third party programs is completed.³

In D.05-09-043, the Commission contemplated that the utility compliance filings would describe the competitive solicitation process and results for those components of the portfolio plans put out to bid, as well as the final integrated portfolio including utility-implemented programs, third-party programs (continuing and new) and the local government and statewide partnerships (partnership programs).

In February 2006, PG&E has not yet finalized its negotiations with the local government and statewide partnerships. As a result of the continuing negotiations, PG&E filed on February 17, 2006 a Motion and an Advice Letter. The Advice letter focused mainly on PG&E's competitively bid third-party programs, and the Motion sought an expedited Administrative Law Judge Ruling to bifurcate its 2006-2008 Energy Efficiency Portfolio Compliance Filing Ordered in D.05-09-043. The Administrative Law Judge granted the motion on March 7, 2007 and ruled that PG&E file and serve the supplemental compliance filing that focuses on partnership programs.⁴

Consistent with the requirements of Decisions 05-01-055⁵ and 05-09-053, and the Administrative Law Judge Ruling dated March 7, 2006, PG&E filed a bifurcated compliance filing and submitted Advice Letter (AL) 2704-G/2786-E on February 17, 2006 and Advice Letter 2704-G-A/2786-E-A on April 17, 2006.⁶

³ The non-competitive bid programs comprise of approximately 80% of the portfolio while the third-party programs subject to bid comprise approximately 20% of the portfolio.

⁴ In a telephonic conversation with the Administrative Law Judge, PG&E received permission to file the supplement on April 17, 2006, instead of April 14, to include the Peer Review Group report and PG&E's response thereto.

⁵ In Decision 05-01-055, the Commission adopted the administrative structure for energy efficiency programs for post-2005 and returned to the utilities the functions of selecting the activities and implementers for the portfolio of energy efficiency programs. In Ordering Paragraph 9 of this decision, the Commission also ordered that utilities submit compliance filings for Commission approval of final programs and make public all winning bids.

⁶ Per Decision 05-09-043, the compliance filing may be submitted as an advice letter filing if the Peer Review Group and utility are in agreement on final program plans and bid selection.

The Commission described in D.05-09-043 (Ordering Paragraph 7) the requirements for the 2006-2008 energy efficiency portfolio compliance filing to be filed by utilities.

According to Ordering Paragraph 7 of D.05-09-043, the utilities' compliance filing shall include:

- (a) The results of the competitive bid solicitations and the final program plans.
- (b) Calculations of portfolio cost-effectiveness based on the final program plans, including scenario analysis around key input assumptions as directed by this decision.
- (c) Projections of energy savings and demand reductions that will be achieved by the final portfolio plans, including the scenario analysis directed by this decision.
- (d) Additional program detail to reflect the statewide coordination plans, and a report on the status of the statewide coordination efforts described in this decision. These efforts shall be guided by the following policy goals:
 - (i) Ensure that all firms with a footprint or facilities in multiple service areas should have easy and consistent access to all statewide programs;
 - (ii) Develop consistent rebate levels and participant rules for products promoted in statewide programs for use in negotiating with manufacturers and suppliers;
 - (iii) Leverage private advertising dollars for more savings impact;
 - (iv) Reinforce energy efficiency investments with positive statewide message; and
 - (v) Protect the utilities' abilities to reduce the competition among utility service territories or among programs within the same service territory
- (e) Estimates of the overall bill impacts expected from the portfolios, working with PRG members to develop a consistent estimating methodology across utilities.
- (f) The assessments of the utilities' Peer Review Groups (PRGs)"

The discussion below addresses PG&E's compliance with the above requirements.

NOTICE

Notice of AL 2704-G/2786-E and AL 2704-G-A/2786-E-A was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

COMMENTS/RESPONSES

There were no protests on the compliance filing of PG&E (AL 2704-G/2786-E and supplemental AL 2704-G-A/2786-E-A). However, several parties submitted comments and letters on AL 2704-G/2786-E, and a response on supplemental AL 2704-G-A/2786-E-A was received.

The following parties filed comments on AL 2704-G/2786-E: the California Head Start Association on March 6, 2006, Alameda County Child Care Planning Council on March 9, 2006, and the City of San Jose on March 9, 2006.

The California Head Start Association⁷ urged that PG&E fund the California Preschool Energy Efficiency Program (CPEEP) proposal submitted by the Low Income Investment Fund (LIIF) for the 2006-2008 program cycle. It stated that CPEEP has been approved by SCE and SDG&E in their service territories and that there are economies of scale in implementing the program statewide. The Alameda County Child Care Planning Council asked the Commission to direct PG&E to reconsider its decision to provide support to the CPEEP proposal.

Although LIIF did not submit comments or protests, it sent on February 26, 2006 letters of support for its CPEEP from Mark Leno, Assemblyman, 13th District, and Aaron Peskin, President of the San Francisco Board of Supervisors.

⁷ Filed on behalf of 4,000 state licensed early care and early education centers in PG&E's service area.

PG&E responded to the comments of Alameda County Child Care Planning Council and letters of support on March 16, 2006 and March 7, 2006, respectively. PG&E did not respond to the comments of the California Head Start Association. **In its response, PG&E stated that it fairly evaluated the CPEEP proposal in accordance with the Commission-approved bid evaluation criteria and that PG&E's proposal selection process was reviewed by its independent Peer Review Group.** Further, PG&E explained that Alameda County did not provide any basis to change the outcome of PG&E's third-party selection process. PG&E also stated that its selection criteria approved by the Commission differed from the selection criteria approved for SCE and SDG&E, that both selected CPEEP proposal. PG&E explained that CPEEP was not selected because other competing proposals were a better fit to optimize the energy savings targeted in PG&E's service territory. PG&E clarified that it will be issuing additional solicitation in the 2nd quarter of 2006 and has offered each bidder the opportunity to discuss, in private, how it can improve its bid for subsequent PG&E solicitations.

In its comments, the City of San Jose detailed its concerns and experience of the City of San Jose's Silicon Valley Energy Program (SVEP) in the development of PG&E's local government partnership programs. It is important to note that the advice letter filed by PG&E on February 17, 2006 was mainly focused on third-party programs although it contained placeholder budget information on partnerships. The City of San Jose pointed out the following concerns:

- (1) Lack of PG&E programs' integration within the overall portfolio - the City of San Jose stated that PG&E failed to address the integration and coordination issues between the statewide activities, 3rd party offerings and partnerships in a timely manner.
- (2) Consistent unresponsiveness of PG&E to local government partnership concerns - the City stated that it presented to PG&E the concept of clearly established geographical territories to prevent confusion and to address the perceived duplication of services between Silicon Valley Energy Program (SVEP) direct install services and those of continuing 3rd party programs. In reviewing the 3rd party programs filed by PG&E on February 17, 2006, the City noted that the issue of overlap/duplication has not been addressed by PG&E.
- (3) Lack of clear process for development of programs, and
- (4) Unilateral decision-making on behalf of PG&E for local government program design and budgets - the City stated that it based its SVEP on PG&E's proposed \$20 million budget. Without input from the City -as to program design,

proposed measures, geographic territory, oversight of contracts, quality control, and processing or marketing initiatives—PG&E reduced the budget to \$6.6 million.

In its March 16, 2006 response to the comments of the City of San Jose relating to PG&E's partnership development process, PG&E explained that the City of San Jose misunderstood the timeline for third-party and partnership contract development. PG&E explained that it could not provide the City of San Jose information on third-party programs until after completion of the competitive bid process and after announcement of those selections. Further, PG&E believed that it had worked diligently with the City of San Jose since April 2005 to define the partnership program elements, measure, budgets and goals. PG&E explained that it provided San Jose with specially designated maps to assist in identifying the city's customers and geographic areas to be targeted for direct installations, E3 calculator and access to E3 calculator's consultants, and weekly meetings to update the city on the development of third-party program issues. PG&E, however, acknowledged that it made some unilateral decisions in setting the initial budgets/cost-effectiveness targets and revising the partnership portfolio budget in response to the portfolio integration process. PG&E explained that it made these decisions in its role as the portfolio administrator responsible for the overall success of its energy efficiency portfolio.

PG&E added that it recognized the difficulties experienced in the partnership development process and that the lessons PG&E learned from that experience is now allowing PG&E and the City of San Jose to progress in the negotiations.

On May 8, 2006, The Utility Reform Network (TURN) and Division of Ratepayer Advocates (DRA) filed a joint response to PG&E's supplemental AL 2704-G-A/2786-G-A. According to TURN and DRA, they are recommending the following to ensure that PG&E's ratepayers receive the greatest value for their investment in energy efficiency during the 2006-2008 program cycle:

(1) Submittal of a report by PG&E documenting the start date, ramp-up and full-level operation for all partnerships and third-party programs once all programs have commenced. TURN and DRA stated that they are not confident when PG&E's partnership programs will start delivering energy savings. In its initial compliance filing (AL 2704-G/2786-E filed on February 17, 2006) and in its April 25, 2006 partnership workshop, PG&E indicated different completion dates for approving contracts. Furthermore, PG&E appears to not have considered the

potential delays associated with the differences in government contracting processes, and TURN and DRA understand that the implementation of PG&E's competitively bid 3rd party programs depend upon the completion of contracts, which have unannounced start dates. Since the Commission cannot know when these programs will start, TURN and DRA recommend that the Commission require PG&E to keep it informed of PG&E's implementation progress on its 3rd party and partnership programs.

In its response, PG&E explained that statewide and local government partnerships have made significant progress in the last months. Although the process is not yet completed, PG&E continues to work with each partnership and with the new 3rd parties to ensure that its total portfolio meet the energy savings targets set by the Commission. **Since the Commission is currently requiring monthly and quarterly progress reports on achieving the energy goals, PG&E believes that additional reporting is unnecessary and merely increases administrative costs.** If however, the Commission would like additional reporting on this issue, PG&E stated that the Commission could consider this issue in Phase 4 of the ongoing energy efficiency R.06-04-010.

(2) Suspension of PG&E's fund shifting authority during 2006 for funds unspent due to program start-up delay. Although D.05-09-043 provision permitted fund shifting rules for 2006-2008 energy efficiency program budgets, TURN and DRA stated that PG&E should not be allowed to shift funds away from its partnership or 3rd party programs during 2006 for the sole reason that funds are available due to delays in program start-up.⁸ It is because, TURN and DRA explained, permitting PG&E to shift funds in 2006 would penalize these partnership programs for start-up delays by reducing their opportunities to meet goals. Furthermore, TURN and DRA noted that the suspension of PG&E's fund shifting authority would help mitigate their concern on the use of the budget (\$48 million) that was reduced from the partnerships during PG&E's budget integration; without suspension of the fund shifting authority, the \$48 million would appear to be a slush fund for PG&E's core program rather than merit-based fund that partnerships and delayed third-party programs could hope to

⁸ TURN and DRA, however, believe that program underperformance –not due to implementation delays– would be consistent with D.05-09043 intent and rules on fund shifting.

receive.⁹ Thus, consistent with the D.05-09-043 provision that clarification to the fund shifting rules may be issued as appropriate, TURN and DRA recommend that the Commission issue a ruling suspending PG&E's funding shifting authority during 2006 for funds unspent due to program start-up delays in disposing of PG&E's advice letter compliance filing.

In its reply, PG&E indicated that unspent funds resulting from start-up delay are not yet a problem requiring attention and therefore does not warrant changes, which would be difficult and unnecessarily costly to implement. PG&E added that if the Commission decides to add additional restriction to one or more of the utilities, the Policy Rules already include a process to achieve this.

(3) Limit PG&E's ability to carryover unspent 2006 funds to 2007 when surplus funds result from delayed programs. With the delays in implementing PG&E's partnership and 3rd party programs, TURN and DRA stated that they expect that PG&E will not spend all funds authorized for 2006, resulting in a positive balance.¹⁰ Therefore, consistent with their recommendation above (Item #3), if funds remain in the balancing accounts due to program delays, TURN and DRA recommend that the Commission limit PG&E's authority to spend these surplus funds by either (a) requiring PG&E to use such surplus to offset 2007 incremental energy efficiency requirement resulting in a reduced 2006 budget, or (b) permitting PG&E to augment the 2007 budget. The latter method would preserve the overall 2006-2008 program budgets by increasing the 2007 budget by the 2006 unspent budget due to program delays. However, TURN and DRA noted that they take no position on the relative merits of each approach since there are currently no data available to determine the desirability of maintaining or reducing the 2006-2008 program budgets.

⁹ In its advice letter compliance filing dated February 17, 2006, PG&E indicated that it removed \$48 million from its initial partnership budgets during integration and planned to allocate these funds to programs within its portfolio that demonstrate early success in achieving energy savings.

¹⁰ PG&E tracks energy efficiency funds (gas public purpose funds, electric public goods charge funds, electric procurement energy efficiency funds) in one-way balancing accounts. As established by the Commission, PG&E annually requests to recover incremental revenue requirements associated with energy efficiency budgets. If there are unspent funds in the account, these unspent funds are credited to the next year's authorized budget, thus reducing the amounts to be collected from ratepayers.

PG&E replied that it is expensive and time consuming process to differentiate some unspent funds (if any exist) from other unspent 2006 funds; it is also unclear if the recommendation offers any advantage over the three-year funding cycle and the present funding shifting flexibility. However, if the Commission wishes to change the fund shifting rules, it can establish a process to accomplish this.

(4) Require PG&E to track administrative expenses related to contract negotiations with partners as general portfolio administrative costs rather than as part of partnership budgets. Because of the delay in finalizing partnership contracts, according to TURN and DRA, the cost of partnership negotiations is continuing to accrue in the form of administrative costs that have no actual relationship to actual program implementation. TURN and DRA stated that these types of administrative costs if charged to actual partnership programs – though it is situation beyond the partners’ control– will have a detrimental impact on the overall cost-effectiveness of partnership programs.

Thus, TURN and DRA recommend that the Commission direct PG&E to distinguish its allocation of administrative costs between planning and implementation budgets so that these types of administrative costs incurred during negotiations are not reflected in the determination of the actual program success. And since PG&E stated in its compliance filing dated February 17, 2006 that it would (a) complete “Prospective Partner Scopes of Work and Letters of Agreement” by March 17, 2006, and (b) provide prospective partners draft/sample Contract Language to support the contracting process by March 21, 2006, TURN and DRA further recommend that PG&E not assign to the partnerships any incremental planning administrative costs incurred by PG&E or the partnership from May 1, 2006 (this provides PG&E six additional weeks to incur partnership planning administrative costs).

PG&E stated that it is unclear why the contract negotiations with partnerships should be treated differently from those of other delivery channels, such as contract with 3rd parties or contracts within PG&E’s offerings. PG&E explained that the recommendation would add administrative costs without clear benefit to ratepayers. If the Commission, however, chooses to consider this recommendation, the Commission could do so in Phase 4 of R.06-04-010.

(5) Clarification by the Commission of the intent of the energy efficiency policy rules regarding the relationship between PG&E and its partners and the

role of partnerships in its portfolio. TURN and DRA stated that the Energy Efficiency Policy Manual (Policy Manual) Section II.5 directs that Program Administrators should manage their portfolio of programs to meet or exceed both short- and long-term savings goals established by the Commission to discourage cream-skimming designs or approaches that create lost opportunities. While Section VI.5 provides that future partnership program need to be developed in a way that places the Program Administrator and local government or private partner on more equal footing in terms of program design/planning, information sharing and program implementation. TURN and DRA further explained that PG&E in its June 2005 application seemed to understand the Commission's direction on partnerships; however, it did not yet determine its partnership programs at the time of filing its application. The delays in implementing partnership programs, according to TURN and DRA, could make these programs become non-comprehensive lighting programs that provide only short-run annual savings. TURN and DRA believe that partnerships should be used to pursue long-term energy efficiency goals and minimize lost opportunities and cream-skimming; however, there appears to be confusion on this issue and thus they seek Commission clarification on the policy rules relating to government partnership programs and how these programs are to be utilized in the context of the overall portfolio.

See discussion below for PG&E's response on this issue.

(6) Modify the energy efficiency policy rules to better address partnership-related issues in R.06-04-010. Although the Commission provides some guidance as to the role of partnership programs in the portfolio, TURN and DRA stated that the messages might be somewhat ambiguous. It is because Rule VI.5 states:

"Future partnership programs need to be developed in a manner that places the Program Administrator and local government (or private) on more equal footing, in terms of involvement in program design and planning, information sharing and program implementation..."

"Arrangements should in no way diminish or dilute the responsibility and accountability of Program Administrators to meet the Commission-adopted savings goals."

Therefore, TURN and DRA recommend that via R. 06-04-010, the Commission resolve this ambiguity in expectations and process for government partnership programs to best utilize ratepayer funds in the energy efficiency portfolio design and implementation and so that future funding cycles will not experience the same contracting and implementation delays. TURN and DRA also clarified that they consider the improvement of the partnership process as a statewide issue that should be addressed on a statewide basis, through a Commission-facilitated process.

PG&E believes that the present Policy Rules provide adequate guidance and flexibility to all implementers to succeed in their efforts to meet the Commission's energy savings. PG&E will continue to work with its partners and anticipates that the issues raised by TURN and DRA will fail to become significant issues.

DISCUSSION

Staff reviewed PG&E's complete compliance filing in accordance with Ordering Paragraph 7 of D.05-09-043, and found that PG&E's filing conformed to the Decision.

In its Advice Letter compliance filing, PG&E submitted the results of its competitive bid solicitations and the final program plans, portfolio cost-effectiveness based on the final program plans—including the scenario analyses, and projections of energy savings and demand reductions that will be achieved by the final program plans—including scenario analyses. Additionally, PG&E included the PRG assessment report in its compliance filing. Overall, Staff found that PG&E submitted information described in Ordering Paragraph 7 of Decision 05-09-043. See discussion below on overall bill impacts expected from PG&E's portfolio.

Staff reviewed the comments, response, PG&E's replies to the concerns of parties, and information requested through data requests to PG&E. Staff is sufficiently satisfied with PG&E's replies to comments and response to approve the Advice Letter compliance filing, including the supplemental filing, and thereby allowing the roll out of PG&E's 2006-2008 energy efficiency program portfolio.

With regard to the comments on and letters of support for the California Preschool Energy Efficiency Program (CPEEP) proposal submitted by the Low Income Investment Fund (LIIF), Staff believes that PGE followed the selection criteria approved by the Commission. If LIIF is still interested in pursuing its proposal in the PG&E territory, it still has the opportunity to participate in the forthcoming 2nd quarter 2006 solicitation to be conducted by PG&E.

The City of San Jose and TURN/DRA raised the following partnership issues: lack of clear process, additional reporting, suspension of fund shifting authority, limitation to carryover unspent funds, tracking of administrative expenses, clarification on energy efficiency policy manual. Staff believes these are process and policy related issues that are beyond the scope of the advice letter compliance filing and should not be addressed in this disposition. As both PG&E and TURN/DRA have suggested, the Commission R.06-04-010 proceeding is the appropriate venue for these issues.

With respect to the statewide coordination, PG&E provided status updates on the utilities' statewide coordination efforts. In addition, the PRG made several recommendations with regards to statewide coordination, marketing and outreach, and local government partnerships. To the extent possible, PG&E and its PRG will collaboratively address these issues with other PRGs and utilities. If needed, the Commission will address these issues and other issues as appropriate.

Staff identified two additional issues in the utility's Advice Letter compliance filings that required clarification from PG&E: impact on customers' bills of the 2006-2008 energy efficiency portfolio and cost-effectiveness calculation. In general, Staff is satisfied with the utility's clarifications with respect to these issues, although there still remains a difference in Staff's and PG&E's interpretation regarding the cost inputs to the Total Resource Cost (TRC) cost-effectiveness test following the formula in the Standard Practice Manual.

Staff and its consultant, TecMarket Works (TMW), reviewed PG&E's Advice Letter compliance filing. In its April 4, 2006 data request to PG&E, Staff asked clarification on the interpretation of the Standard Practice Manual in the calculation of cost effectiveness. On April 12, 2006, PG&E responded to these issues in Staff's data request.

Cost effectiveness: Staff's data request to PG&E noted that it was unclear in the Advice Letter compliance filing whether PG&E has properly implemented the Standard Practice Manual (SPM) in calculating cost-effectiveness using the TRC test.¹¹ Staff is concerned that the input values in PG&E's portfolio are not based on a methodology that the Commission ordered. As a result, in some cases, it would be possible for a program or measure that is not cost-effective to appear to be cost-effective.

PG&E responded that it applied the SPM TRC formula using the E3 calculator. According to PG&E, the TRC formula built in the E3 calculator is in accordance with the SPM, July 2002 version and that the gross incremental measure cost is multiplied by the net-to-gross (NTG) factor in the denominator of the TRC formula to calculate the net incremental measure costs (IMC).

Staff conducted an analysis of the calculation of costs in the TRC test to investigate a seeming difference between staff's interpretation of the TRC inputs per the SPM and that calculated by PG&E. Staff's interpretation of the SPM is that all costs incurred to make the activity happen must be fully counted - counted only once, but counted. This did not seem to be consistent with the TRC calculation that was incorporated in the PG&E advice letter compliance filing whereby the utility "netted out" the Incremental Cost. Staff's interpretation of the SPM does not allow for the costs to be "netted out" by multiplying costs by the NTG ratio. It is only appropriate to do so with the benefits, to accurately account for free-ridership. Staff believes that the utilities' calculation would make an expensive program with a high factor of free-ridership look very cost effective.

Staff informally raised the above concern regarding the TRC calculation with Administrative Law Judge Meg Gottstein. In the E3 Avoided Cost 2006 Update Workshop held on March 14 and 15, 2006, ALJ Gottstein instructed staff to conduct additional research. The Commission, as appropriate, will address this issue and the issue noted below, based on Staff's research.

¹¹ This potential problem was first raised by Tec Market Works in PG&E's June 1, 2005 application when the TRC test values were higher than the Program Administration Cost (PAC) test values and when the TRC costs were lower than the PAC costs for certain programs.

Another issue related to the cost inputs used in the TRC test that has recently been brought to Staff's attention pertains to instances when financial incentives provided for certain measures exceed the gross incremental costs of those measures, as usually the case with direct-install type programs. Following the TRC formula in the SPM, the utilities' E3 calculator only captures the gross incremental costs multiplied by the NTG plus program administrative costs in the TRC cost denominator, but not the financial incentives. Thus, to the extent that higher financial incentives are provided relative to the incremental costs of particular measures in a given program, the TRC costs will be lower; hence, the TRC ratio higher than what it would have been if the differences of the financial incentives above gross incremental costs were factored into the TRC cost denominator.

Nevertheless, PG&E provided a cost-effectiveness analysis of its portfolio based on Staff's interpretation of not applying the NTG factor to the Incremental Cost and also adjusting for those instances when financial incentives exceed incremental costs in the TRC test.¹² The results of the analysis are attached as Appendix A. PG&E's scenarios show that the utility's energy efficiency program portfolio is still cost effective with these adjustments. Thus, for planning purposes, Staff is satisfied with the cost-effectiveness analysis.

Impact on Bills: Staff indicated to PG&E that there is no description in its Advice Letter of the methodology used to calculate bill impacts and requested that PG&E provide a description of the costs used in the analysis, as well as the calculation methodology and how this methodology was applied, and the analysis conducted, for each rate class. In its response to Staff's data request, PG&E explained its methodology as described below, which Staff finds satisfactory.

In its response sent to Staff on May 8, 2006, PG&E explained that it used the E3 calculator –which produces a lifetime stream of costs and benefits– for its bill impact analysis. PG&E summarized the net cost and benefits for its entire portfolio into a single set of dollar values for each year covered by the analysis. These were developed for both electric and gas program costs and energy

¹² PG&E's response dated April 19, 2006, to Energy Division's April 12, 2006, data request.

savings. The total net impact of its energy efficiency portfolio was then treated like a rate and bill impact in a rate setting filing. Average rates and bills were set at the same levels as in PG&E's original filing (A.05-06-044) to maintain consistency of presentation. For each year, the impact of portfolio was allotted to customer classes and specific rate schedules for electric and gas. This was calculated in the same way that the revenue requirements for the original filing in A.05-06-044 were presented in June of 2005. Because the energy savings that result from the energy efficiency portfolio cause a reduction in costs on a net basis, the bill impacts were expressed as a reduction from base rates when appropriate.

Staff Conclusions

There are no protests filed on PG&E's compliance filing. In its review of comments to AL 2704-G/2786-E and AL 2704-G-A/2786-E-A, and PG&E's response to the comment issues, Staff is in general satisfied with PG&E's responses. No further actions are necessary pertaining to these comments before this AL, including supplement, become effective. The issues raised in the comments are process and policy related that could be addressed in R.06-04-010. The AL, including the supplement, is approved and effective May 17, 2006 as requested by PG&E.

APPENDIX A

	Scenarios	Portfolio TRC Costs	Portfolio TRC Ratio	Portfolio PAC Costs	Portfolio PAC Ratio
Case 1	As initially submitted in compliance filing (no adjustments) - April 06 Filing	\$1,226,277,084	1.61	\$921,802,045	2.15
Case 2	Adjusted only for no NTG in TRC denominator (gross TRC)	\$1,349,266,666	1.47	\$921,802,045	2.15
Case 3	Adjusted only for sum of difference when incentive > gross IMC in TRC denominator	\$1,273,798,405	1.55	\$921,802,045	2.15
Case 4	Adjusted for both no NTG and sum of difference when incentive > gross IMC in TRC denominator	\$1,396,787,987	1.42	\$921,802,045	2.15



Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

April 17, 2006

Advice 2704-G-A/2786-E-A

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Supplement - Compliance Filing for 2006-2008 Market Integrated Demand-Side Management Portfolio

Pacific Gas and Electric Company (PG&E) hereby submits its final supplement to the compliance filing for the 2006-2008 Market Integrated Demand-Side Management Portfolio as required by Decision (D.) 05-01-055, Ordering Paragraph 9, D.05-09-043, Ordering Paragraph 7, and the “Administrative Law Judge’s Ruling granting Motion of Pacific Gas and Electric Company to Bifurcate its 2006-2008 Energy Efficiency Portfolio Compliance Filing” for the statewide and local government partnerships.

Background

In Advice 2704-G/2786-E, PG&E stated that by April 14, 2006, PG&E would file the final statewide and local governmental partnership descriptions in a supplement. In a telephonic conversation with Administrative Law Judge Gottstein, PG&E received permission to file this supplement on April 17, 2006 in order to include the Peer Review Group report and response. This supplement updates the placeholder information on aggregate budget and energy savings level for statewide and local government partnerships, filed in Advice 2704-G/2786-E and submits the final partnership descriptions, budgets, and energy savings targets.

This filing has several attachments.

Attachment I - Executive Summary

Attachment II - Tables

Attachment III - Partnership Descriptions

Attachment IV – Peer Review Group Report and PG&E Response

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **May 8, 2006**, 21 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective on regular notice, **May 17, 2006**, which is 30 calendar days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A.05-06-004. Address changes for the General Order 96-A service list should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

Handwritten signature of Brian K. Cheng in black ink.

Director, Regulatory Relations

Attachments

cc: Service List A.05-06-004

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Bernard Lam

Phone #: (415) 973-4878

E-mail: bxlc@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2704-G-A/2786-E-A**

Subject of AL: Supplement - Compliance Filing for 2006-2008 Energy Efficiency Portfolio

Keywords (choose from CPUC listing): Compliance, Energy Efficiency

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.05-01-055 and D.05-09-043

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: 5/17/2006

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ Discuss in AL if more space is needed.

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	Douglass & Liddell	Palo Alto Muni Utilities
Accent Energy	Downey, Brand, Seymour & Rohwer	PG&E National Energy Group
Aglet Consumer Alliance	Duke Energy	Pinnacle CNG Company
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Eisesser	Dutcher, John	Praxair, Inc.
Anderson Donovan & Poole P.C.	Dynergy Inc.	Price, Roy
Applied Power Technologies	Ellison Schneider	Product Development Dept
APS Energy Services Co Inc	Energy Law Group LLP	R. M. Hairston & Company
Arter & Hadden LLP	Energy Management Services, LLC	R. W. Beck & Associates
Avista Corp	Enron Energy Services	Recon Research
Barkovich & Yap, Inc.	Exelon Energy Ohio, Inc	Regional Cogeneration Service
BART	Exeter Associates	RMC Lonestar
Bartle Wells Associates	Foster Farms	Sacramento Municipal Utility District
Blue Ridge Gas	Foster, Wheeler, Martinez	SCD Energy Solutions
Bohannon Development Co	Franciscan Mobilehome	Seattle City Light
BP Energy Company	Future Resources Associates, Inc	Sempra
Braun & Associates	G. A. Krause & Assoc	Sempra Energy
C & H Sugar Co.	Gas Transmission Northwest Corporation	Sequoia Union HS Dist
CA Bldg Industry Association	GLJ Energy Publications	SESCO
CA Cotton Ginners & Growers Assoc.	Goodin, MacBride, Squeri, Schlotz &	Sierra Pacific Power Company
CA League of Food Processors	Hanna & Morton	Silicon Valley Power
CA Water Service Group	Heeg, Peggy A.	Smurfit Stone Container Corp
California Energy Commission	Hitachi Global Storage Technologies	Southern California Edison
California Farm Bureau Federation	Hogan Manufacturing, Inc	SPURR
California Gas Acquisition Svcs	House, Lon	St. Paul Assoc
California ISO	Imperial Irrigation District	Stanford University
Calpine	Integrated Utility Consulting Group	Sutherland, Asbill & Brennan
Calpine Corp	International Power Technology	Tabors Caramanis & Associates
Calpine Gilroy Cogen	Interstate Gas Services, Inc.	Tansev and Associates
Cambridge Energy Research Assoc	IUCG/Sunshine Design LLC	Tecogen, Inc
Cameron McKenna	J. R. Wood, Inc	TFS Energy
Cardinal Cogen	JTM, Inc	Transcanada
Cellnet Data Systems	Kaiser Cement Corp	Turlock Irrigation District
Chevron Texaco	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Chevron USA Production Co.	Manatt, Phelps & Phillips	United Cogen Inc.
Childress, David A.	Marcus, David	URM Groups
City of Glendale	Masonite Corporation	Utility Cost Management LLC
City of Healdsburg	Matthew V. Brady & Associates	Utility Resource Network
City of Palo Alto	Maynor, Donald H.	Wellhead Electric Company
City of Redding	McKenzie & Assoc	Western Hub Properties, LLC
CLECA Law Office	McKenzie & Associates	White & Case
Commerce Energy	Meek, Daniel W.	WMA
Constellation New Energy	Mirant California, LLC	
CPUC	Modesto Irrigation Dist	
Cross Border Inc	Morrison & Foerster	
Crossborder Inc	Morse Richard Weisenmiller & Assoc.	
CSC Energy Services	Navigant Consulting	
Davis, Wright, Tremaine LLP	New United Motor Mfg, Inc	
Defense Fuel Support Center	Norris & Wong Associates	
Department of the Army	North Coast Solar Resources	
Department of Water & Power City	Northern California Power Agency	
DGS Natural Gas Services	Office of Energy Assessments	

Final Compliance Filing
2006-2008 Energy Efficiency Portfolio

April 17, 2006



Table of Contents

Attachment I Executive Summary

Attachment II Tables

Attachment III Statewide and Local Government Partnerships Descriptions

Introduction

Association of Bay Area Governments Energy Watch

Association of Monterey Bay Area Governments Energy Watch

Bakersfield and Kern County Energy Watch

California Community Colleges/IOU Energy Efficiency Partnership

California Department of Corrections and Rehabilitation/IOU Energy Partnership

East Bay Energy Watch

Fresno Energy Watch

Local Government Energy Action Resources

Madera Energy Watch

Marin County Energy Watch

Merced/Atwater Energy Watch

Motherlode Energy Watch

Redwood Coast Energy Watch

San Francisco Energy Watch

Santa Barbara County Energy Watch

Silicon Valley Energy Watch

Silicon Valley Leadership Group Energy Watch

Sonoma County Energy Watch

South San Joaquin Energy Watch

Stockton Energy Watch

UC/CSU/IOU Energy Efficiency Partnership

Attachment IV Peer Review Group Report and PG&E's Response

Attachment I
Executive Summary

Executive Summary

I. Introduction

Pacific Gas and Electric Company (PG&E) submitted the original proposal for its 2006-2008 Market Integrated Demand-Side Management Portfolio (Portfolio) on June 1, 2005 (Application 05-06-004). PG&E provided additional program details in a supplemental filing on July 15, 2005. By Decision (D.) 05-09-043, the California Public Utilities Commission (Commission) approved PG&E's proposed Portfolio plans and funding levels as well as the proposed competitive bid evaluation criteria to select new third parties for the Portfolio. D.05-09-043 also gave PG&E interim authorization to begin implementation of its non-competitively bid programs (i.e., its utility programs, continuing third-party programs and local government partnerships) on January 1, 2006 and ordered PG&E to submit a compliance filing detailing final, integrated program plans and third-party bid selection.

PG&E submitted an initial compliance filing on February 17, 2006 describing the energy-saving and the four non-resource programs of the Portfolio. This initial compliance filing also described the competitively bid third parties and their integration into the core programs of the Portfolio. At the same time, PG&E filed a motion requesting bifurcation of the portfolio compliance filing to allow additional time to complete negotiations and finalize agreements with the statewide and local government partnerships. Bifurcation would also avoid unnecessarily delaying approval of the new third-party proposals which were not approved as part of the interim authorization granted in D.05-09-043. On March 7, 2006, Administrative Law Judge (ALJ) Meg Gottstein issued the "Administrative Law Judge's Ruling Granting Motion of Pacific Gas and Electric Company to Bifurcate its 2006-2008 Energy Efficiency Portfolio Compliance Filing" (ALJ Bifurcation Ruling).

In accordance with the ALJ Ruling, PG&E submits this supplemental compliance filing describing the three statewide and eighteen local government partnerships, their respective budgets, and the energy savings associated with each. These partnerships have also been integrated into the ten energy savings programs of the Portfolio where each will contribute to achieving the Commission's energy savings targets.

II. Summary of Statewide and Local Government Partnerships

PG&E began working with local governments in the original 2003 partnership with the City and County of San Francisco, the San Francisco Peak Energy Program. In the 2004-2005 program cycle PG&E expanded on the successful partnership model to include seven partnerships with local governments. In addition, the first statewide partnership was established with the UC/CSU/IOU Energy Efficiency Partnership.

For the 2006-2008 program cycle, the Commission has focused on energy efficiency as the first resource in the loading order and has given each utility administrator specific energy and demand savings targets. As a result, PG&E redesigned its portfolio of programs. The statewide and local government partnerships as well as the competitively bid third party offerings are integral to the Portfolio in order to meet the Commission's energy savings targets. In fact,

PG&E has increased the number of partnerships from nine in 2004-2005 to the present twenty-one for 2006-2008.

In order to ensure that the partnerships selected were the best available for the 2006-2008 market integrated approach, PG&E solicited abstracts for both statewide and local partnerships.¹ PG&E then established teams to evaluate approximately 40 local government abstracts received. Selection criteria for the partnerships included a clear statement of the proposed partnership's goals; measurable, cost-effective energy savings; innovation; the market segments served; partner roles and qualifications; coordination of delivery channels; strategies to create customer equity while maximizing energy savings; potential for DSM integration; and coordination with other organizations.

Prior to the February 17, 2006 compliance filing, PG&E discussed with its Peer Review Group (PRG) the plans for further negotiations with the statewide and local government partnerships and the final integration of the partnerships into the total Portfolio. In the PRG Assessment included in the initial compliance filing, the PRG noted, "In summary, the PRG generally supports the process outlined by PG&E, but awaits PG&E's final integration results. In particular, the PRG supports PG&E's willingness to replace its own programs with partnerships or third-party programs when those delivery channels can deliver the savings more cost-effectively."²

PG&E has now completed the selection process. As a result, PG&E's Portfolio will include 18 partnerships with local governments: seven are renewed from 2004-2005 and eleven are new. In addition, the UC/CSU/IOU partnership from 2004-2005 has been renewed for 2006-2008 and has served as the model for two additional, new statewide partnerships. As part of the integration process, PG&E adjusted the preliminary partnership budgets and goals using a methodology designed to optimize the ability of the integrated Portfolio to meet Commission-established energy savings targets. Successful partnerships that meet their goals early will have potential access to additional funds. This positions the integrated Portfolio to capture additional savings from highly successful strategies no matter which channel is the implementer: third party, partnership or PG&E core program.

The statewide and local government partnerships are now discussing contract language with PG&E. Twelve of the local government partnerships have requested and received some initial funding in order to begin marketing their 2006-2008 activities. Additional details of each partnership are included in the Descriptions section of this compliance filing.

III. Summary of Portfolio Changes

With this compliance filing, PG&E has completed the integration of the programs in the 2006-2008 Market Integrated Demand-Side Management Portfolio. The new, competitively bid third party proposals were included in the February 17 initial compliance filing. This

¹ The February 17, 2006 initial compliance filing describes the process PG&E used to solicit and select the statewide and local government partnerships. (Attachment I, Executive Summary, page 3)

² February, 17, 2006 Compliance Filing, Attachment II, "An Assessment by the Peer Review Group of Pacific Gas and Electric Company's Proposed Compliance Filing," page 53.

compliance filing finalizes the integration of the statewide and local government partnerships. Each of PG&E's 14 programs approved in D.05-09-043 now includes up to three delivery channels to best serve the customers and meet the Commission's targets: third party offerings, statewide and local government partnership strategies, and the PG&E-offered core program. Together, the delivery channels will make the best use of the Commission's authorized funding to reach the most customers and maximize energy savings.

As part of this integration process, PG&E has also set aside \$48 million to provide additional funding to strategies that demonstrate early success in achieving energy savings. PG&E will be able to quickly increase funding to take advantage of market opportunities. This funding will ensure that all strategies, whether implemented by third parties, partnerships, or PG&E core programs, that succeed early will be able to receive additional funds for additional energy savings.

This final integration has been accomplished with no changes to budgets and savings targets of the previously approved PG&E core programs or to the third party proposals submitted in the initial compliance filing. The final Portfolio is designed to meet or exceed the Commission's energy and demand savings targets. It will also provide all interested customers assistance and information on PG&E's interruptible load and self-generation programs.

Attachment II includes updates of all the appropriate tables including the Bill Impact Analysis tables required by D.05-09-043, Ordering Paragraph 7.e. Attachment IV includes the Peer Review Group report and PG&E's response.

IV. PG&E Requests Commission Approval of this Compliance Filing

With this compliance filing, PG&E has provided the Commission with complete plans for the 2006-2008 Market Integrated Demand-Side Management Portfolio. PG&E's core offerings have been available to customers and providing energy savings since January 2006. PG&E anticipates that as soon as the Commission is able to approve both the competitively bid third party proposals included in the February 17 initial compliance filing and the statewide and local government partnerships proposed in this compliance filing, PG&E customers will have the full array of demand-side management options provided to them by the delivery channel that most easily meets their needs.

PG&E requests approval of this compliance filing as it will complete the Portfolio which PG&E has designed to achieve the Commission's energy savings targets.

V. Conclusion

PG&E's 2006-2008 Market Integrated Demand-Side Portfolio has a new and different approach to the traditional energy efficiency implementation in recent years. At the same time, PG&E has worked closely with the other IOUs to ensure that customers have a seamless process for implementing energy efficiency projects throughout the state. This Portfolio should provide a highly cost-effective methodology for providing the energy efficiency mandated by the Energy Action Plans and the recent decisions by the Commission.

Attachment II

Tables

Attachment II: 2006-2008 Program Summary Table

Attachment II - Table 2.1: Program Portfolio

	Portfolio	Mass Markets Total (Res & Nonres)	Agricultural & Food Processing	Schools & Colleges	Retail Stores	Fab, Process & Heavy Industrial Mfg	High Technology Facilities	Medical Facilities	Large Commercial	Hospitality Facilities	Residential New Construction	Education & Training	Codes & Standards	Emerging Technologies	Statewide Marketing & Information Programs
BUDGET															
Administrative Costs	\$ 136,337,200	\$ 62,983,917	\$ 8,715,111	\$ 4,866,371	\$ 6,135,247	\$ 24,267,155	\$ 2,628,589	\$ 2,608,290	\$ 8,736,148	\$ 2,210,684	\$ 4,327,357	\$ 6,947,496	\$ 714,190	\$ 1,196,644	\$ -
Overhead and G&A	\$ 26,777,251	\$ 15,238,099	\$ 1,025,727	\$ 1,058,834	\$ 396,355	\$ 2,416,650	\$ 365,913	\$ 462,321	\$ 1,827,593	\$ 338,301	\$ 697,080	\$ 2,382,685	\$ 200,904	\$ 366,787	\$ -
Other Administrative Costs	\$ 109,559,949	\$ 47,745,818	\$ 7,689,384	\$ 3,807,537	\$ 5,738,891	\$ 21,850,505	\$ 2,262,676	\$ 2,145,969	\$ 6,908,555	\$ 1,872,383	\$ 3,630,277	\$ 4,564,811	\$ 513,286	\$ 829,857	\$ -
Marketing/Outreach	\$ 91,764,285	\$ 42,543,394	\$ 2,120,225	\$ 2,480,563	\$ 821,233	\$ 6,491,703	\$ 353,573	\$ 253,960	\$ 2,701,201	\$ 1,054,434	\$ 3,391,141	\$ 1,012,126	\$ 76,500	\$ 1,494,760	\$ 26,948,382
Direct Implementation	\$ 639,366,759	\$ 300,309,401	\$ 36,687,797	\$ 40,221,658	\$ 13,894,392	\$ 91,090,391	\$ 8,777,641	\$ 18,544,902	\$ 57,157,864	\$ 8,527,979	\$ 18,545,719	\$ 33,194,980	\$ 3,845,064	\$ 8,568,972	\$ -
Total Incentives and Rebates	\$ 416,059,067	\$ 205,402,959	\$ 29,769,074	\$ 30,526,557	\$ 9,906,754	\$ 65,845,383	\$ 7,628,875	\$ 11,012,245	\$ 32,538,332	\$ 7,312,007	\$ 16,116,880	\$ -	\$ -	\$ -	\$ -
User Input Incentive	\$ 416,059,067	\$ 205,402,959	\$ 29,769,074	\$ 30,526,557	\$ 9,906,754	\$ 65,845,383	\$ 7,628,875	\$ 11,012,245	\$ 32,538,332	\$ 7,312,007	\$ 16,116,880	\$ -	\$ -	\$ -	\$ -
Direct Install Rebate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Install Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Install Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Activity	\$ 121,275,152	\$ 39,840,956	\$ 2,131,749	\$ 1,906,747	\$ 3,103,415	\$ 16,814,987	\$ 293,000	\$ 695,565	\$ 13,117,060	\$ 310,613	\$ 709,817	\$ 29,937,207	\$ 3,845,064	\$ 8,568,972	\$ -
Installation	\$ 22,729,566	\$ 21,319,566	\$ 1,410,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hardware & Materials	\$ 39,668,991	\$ 18,659,416	\$ -	\$ 5,495,880	\$ -	\$ 146,483	\$ 718,752	\$ -	\$ 11,107,422	\$ -	\$ 300,000	\$ 3,241,038	\$ -	\$ -	\$ -
Rebate Processing & Inspection	\$ 39,633,984	\$ 15,086,503	\$ 3,376,975	\$ 2,292,473	\$ 884,223	\$ 8,283,538	\$ 137,014	\$ 6,837,092	\$ 395,049	\$ 905,360	\$ 1,419,022	\$ 16,735	\$ -	\$ -	\$ -
EM&V Costs*	\$ 75,021,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget	\$ 942,489,548	\$ 405,857,711	\$ 47,523,134	\$ 47,568,591	\$ 20,850,872	\$ 121,849,249	\$ 11,759,803	\$ 21,407,152	\$ 68,595,302	\$ 11,793,097	\$ 26,264,217	\$ 41,154,602	\$ 4,635,753	\$ 11,260,376	\$ 26,948,382
Costs recovered from other sources	\$ 32,218,011	\$ 11,559,735	\$ 1,494,487	\$ 1,756,147	\$ 1,042,317	\$ 3,006,015	\$ 1,577,201	\$ 1,762,585	\$ 2,234,470	\$ 856,165	\$ 1,131,799	\$ 4,832,167	\$ 435,159	\$ 529,765	\$ -
Budget (plus other costs)	\$ 974,707,559	\$ 417,417,446	\$ 49,017,621	\$ 49,324,738	\$ 21,893,189	\$ 124,855,264	\$ 13,337,004	\$ 23,169,737	\$ 70,829,772	\$ 12,649,263	\$ 27,396,016	\$ 45,986,769	\$ 5,070,912	\$ 11,790,141	\$ 26,948,382
[1] A&G factors used for 2007 and 2008 are the estimated PPP-related A&G expenses included in the electric and gas distribution revenues submitted in PG&E's 2007 General Rate Case. Those factors are not final until the Commission grants approval of the distribution revenues in late 2006. At this time, the estimated A&G costs will generate preliminary TRC results per OP3 of D.05-04-051 which ordered the inclusion of A&G costs recovered in base rates for the cost-effectiveness test.															
PROGRAM IMPACTS															
Program Reductions for Measures installed through 2008															
User Entered kW (kW)	1,047,945	286,766	18,015	574,433	1,418	68,763	4,876	22,628	61,334	-	9,713	-	-	-	-
Net Jul-Sept Peak (kW)	609,956	334,054	22,797	28,892	21,272	69,225	6,532	27,753	73,838	7,577	9,015	-	-	-	-
Net Dec-Feb Peak (kW)	576,640	391,312	17,938	18,350	14,837	68,607	4,845	16,183	40,329	5,535	704	-	-	-	-
Net NCP (kW)	718,505	415,174	26,476	46,819	22,914	75,963	7,738	27,878	76,451	10,073	9,019	-	-	-	-
Net CEC (kW)	652,436	375,319	35,663	27,786	27,330	103,157	9,627	14,899	47,655	8,101	2,898	-	-	-	-
Annual Net kWh	3,005,172,043	1,728,133,316	164,346,861	128,046,826	125,946,107	475,376,401	44,364,927	68,661,112	219,609,296	37,330,060	13,357,136	-	-	-	-
Lifecycle Net kWh	35,603,373,117	16,255,682,341	2,723,632,989	1,962,491,718	1,514,581,592	7,358,484,735	696,498,788	990,155,847	3,347,710,092	525,729,715	228,405,301	-	-	-	-
Annual Net Therms	45,038,765	15,871,657	3,082,952	2,635,794	17,584	18,198,035	25,524	494,605	2,224,825	33,302	2,454,487	-	-	-	-
Lifecycle Net Therms	737,697,357	209,372,386	60,937,668	46,970,454	351,672	334,521,526	319,238	5,661,865	37,274,530	666,045	41,621,972	-	-	-	-
Cost Effectiveness for all measures installed through 2012															
TRC*															
Cost	\$ 1,226,277,084	\$ 565,271,588	\$ 66,761,165	\$ 49,715,263	\$ 27,041,520	\$ 190,719,621	\$ 12,344,446	\$ 22,613,186	\$ 72,237,747	\$ 13,401,618	\$ 41,353,421	\$ 45,986,769	\$ 5,070,912	\$ 11,790,141	\$ 26,948,382
Electric Benefit	\$ 1,655,838,643	\$ 804,286,245	\$ 110,723,665	\$ 91,261,410	\$ 69,297,869	\$ 305,598,978	\$ 30,827,242	\$ 44,993,729	\$ 160,240,672	\$ 24,627,349	\$ 13,981,483	\$ -	\$ -	\$ -	\$ -
Gas Benefit	\$ 322,865,711	\$ 97,240,350	\$ 25,324,602	\$ 20,416,697	\$ 145,641	\$ 141,012,668	\$ 151,530	\$ 2,674,650	\$ 15,998,936	\$ -	\$ 19,900,637	\$ -	\$ -	\$ -	\$ -
Net Benefit (NPV)	\$ 752,427,270	\$ 336,255,007	\$ 69,287,102	\$ 61,962,845	\$ 42,401,989	\$ 255,892,025	\$ 18,634,326	\$ 25,055,193	\$ 104,001,861	\$ 11,225,731	\$ (7,471,301)	\$ (45,986,769)	\$ (5,070,912)	\$ (11,790,141)	\$ (26,948,382)
BC Ratio	1.61	1.59	2.04	2.25	2.57	2.34	2.51	2.11	2.44	1.84	0.82	-	-	-	-
PAC*															
Cost	\$ 921,802,045	\$ 392,416,648	\$ 45,138,857	\$ 45,733,952	\$ 20,642,492	\$ 116,033,588	\$ 12,405,152	\$ 21,655,035	\$ 66,370,093	\$ 11,666,174	\$ 24,922,545	\$ 45,986,769	\$ 5,070,912	\$ 11,790,141	\$ 26,948,382
Electric Benefit	\$ 1,655,838,643	\$ 804,286,245	\$ 110,723,665	\$ 91,261,410	\$ 69,297,869	\$ 305,598,978	\$ 30,827,242	\$ 44,993,729	\$ 160,240,672	\$ 24,627,349	\$ 13,981,483	\$ -	\$ -	\$ -	\$ -
Gas Benefit	\$ 322,865,711	\$ 97,240,350	\$ 25,324,602	\$ 20,416,697	\$ 145,641	\$ 141,012,668	\$ 151,530	\$ 2,674,650	\$ 15,998,936	\$ -	\$ 19,900,637	\$ -	\$ -	\$ -	\$ -
Net Benefit (NPV)	\$ 1,056,902,308	\$ 509,109,946	\$ 90,909,410	\$ 65,944,155	\$ 48,801,017	\$ 330,578,059	\$ 18,573,620	\$ 26,013,344	\$ 109,869,515	\$ 12,961,175	\$ 8,959,575	\$ (45,986,769)	\$ (5,070,912)	\$ (11,790,141)	\$ (26,948,382)
BC Ratio	2.15	2.30	3.01	2.44	3.36	3.85	2.50	2.20	2.66	2.11	1.36	-	-	-	-
Levelized Cost*															
Levelized Cost TRC (\$/kWh)	\$ 0.0498	\$ 0.0474	\$ 0.0414	\$ 0.0406	\$ 0.0307	\$ 0.0365	\$ 0.0324	\$ 0.0393	\$ 0.0361	\$ 0.0456	\$ 0.0195	-	-	-	-
Discounted kWh	20,741,497,800	10,321,964,718	1,414,192,849	1,076,911,991	877,747,328	3,923,331,140	376,764,266	545,879,627	1,799,514,758	292,946,879	112,244,244	-	-	-	-
Discounted Electric TRC Cost	\$ 1,031,950,781	\$ 489,401,541	\$ 58,615,952	\$ 43,721,930	\$ 26,989,159	\$ 143,153,835	\$ 12,212,955	\$ 21,463,359	\$ 64,963,857	\$ 13,355,162	\$ 20,148,839	\$ 38,483,096	\$ 4,243,490	\$ 9,866,341	\$ 22,551,207
Electric Benefit	\$ 1,655,838,643	\$ 804,286,245	\$ 110,723,665	\$ 91,261,410	\$ 69,297,869	\$ 305,598,978	\$ 30,827,242	\$ 44,993,729	\$ 160,240,672	\$ 24,627,349	\$ 13,981,483	\$ -	\$ -	\$ -	\$ -
Levelized Net Benefit TRC (\$/kWh)	\$ 0.0301	\$ 0.0305	\$ 0.0368	\$ 0.0441	\$ 0.0482	\$ 0.0414	\$ 0.0494	\$ 0.0431	\$ 0.0529	\$ 0.0385	\$ (0.0549)	\$ -	\$ -	\$ -	\$ -
Levelized Cost PAC (\$/kWh)	\$ 0.0379	\$ 0.0336	\$ 0.0280	\$ 0.0373	\$ 0.0235	\$ 0.0219	\$ 0.0326	\$ 0.0375	\$ 0.0332	\$ 0.0397	\$ 0.1004	-	-	-	-
Discounted kWh	20,741,497,800	10,321,964,718	1,414,192,849	1,076,911,991	877,747,328	3,923,331,140	376,764,266	545,879,627	1,799,514,758	292,946,879	112,244,244	-	-	-	-
Discounted Electric PAC Cost	\$ 786,780,891	\$ 347,187,793	\$ 39,616,038	\$ 40,145,924	\$ 20,597,166	\$ 85,925,132	\$ 12,274,217	\$ 20,482,258	\$ 59,721,464	\$ 11,635,043	\$ 11,273,663	\$ 38,483,096	\$ 4,243,490	\$ 9,866,341	\$ 22,551,207
Electric Benefit	\$ 1,655,838,643	\$ 804,286,245	\$ 110,723,665	\$ 91,261,410	\$ 69,297,869	\$ 305,598,978	\$ 30,827,242	\$ 44,993,729	\$ 160,240,672	\$ 24,627,349	\$ 13,981,483	\$ -	\$ -	\$ -	\$ -
Levelized Net Benefit PAC (\$/kWh)	\$ 0.0419	\$ 0.0443	\$ 0.0503	\$ 0.0475	\$ 0.0555	\$ 0.0560	\$ 0.0492	\$ 0.0449	\$ 0.0559	\$ 0.0444	\$ 0.0241	\$ -	\$ -	\$ -	\$ -
Levelized Cost TRC (\$/therm)	\$ 0.5137	\$ 0.6488	\$ 0.2789	\$ 0.3114	\$ 0.2487	\$ 0.3114	\$ 0.2881	\$ 0.3381	\$ 0.3826	\$ 0.1459	\$ 1.0655	-	-	-	-
Discounted Therms	378,303,253	116,933,965	29,203,603	24,099,349	168,122	165,073,075	191,323	3,401,139	19,013,200	318,413	19,901,063	-	-	-	-
Discounted Gas TRC Cost	\$ 194,326,303	\$ 75,870,047	\$ 8,145,213	\$ 5,993,333	\$ 52,361	\$ 47,565,786	\$ 131,491	\$ 1,149,827	\$ 7,273,889	\$ 46,457	\$ 21,204,582	\$ 7,503,673	\$ 827,422	\$ 1,923,800	\$ 4,397,175
Gas Benefit	\$ 322,865,711	\$ 97,240,350	\$ 25,324,602	\$ 20,416,697	\$ 145,641	\$ 141,012,668	\$ 151,530	\$ 2,674,650	\$ 15,998,936	\$ -	\$ 19,900,637	\$ -	\$ -	\$ -	\$ -
Levelized Net Benefit TRC (\$/therm)	\$ 0.3398	\$ 0.1828	\$ 0.5883	\$ 0.5985	\$ 0.5548	\$ 0.5661	\$ 0.5661	\$ 0.4483	\$ 0.4589	\$ (0.1459)	\$ (0.0655)	\$ -	\$ -	\$ -	\$ -
Levelized Cost PAC (\$/therm)	\$ 0.3569	\$ 0.3868	\$ 0.1891	\$ 0.2319	\$ 0.2696	\$ 0.1824	\$ 0.6844	\$ 0.3448	\$ 0.3497	\$ 0.1041	\$ 0.6858	-	-	-	-
Discounted Therms	378,303,253	116,933,965	29,203,603	24,099,349	168,122	165,073,075	191,323	3,401,139	19,013,200	318,413	19,901,063	-	-	-	-
Discount															

Attachment II: 2006-2008 Program Summary Table

Attachment II - Summary Table for Executive Summary

Attachment III Table ES-1: Projected Program Impacts By Year

	2006		2007		2008		2009		2010		2011		2012		2013	
	Total	% of 2006 Goal	Total	% of 2007 Goal	Total	% of 2008 Goal	Total	% of 2009 Goal	Total	% of 2010 Goal	Total	% of 2011 Goal	Total	% of 2012 Goal	Total	% of 2013 Goal
Energy Savings – Electricity																
Annual Net Electricity Savings (GWh/yr)	677	82%	1,125	119%	1,261	120%	2	0%	0	0%	0	0%	-4	0%	0	0%
<i>CPUC Electricity Target (GWh/yr)</i>	829	0%	944	0%	1,053	0%	1,067	0%	1,015	0%	1,086	0%	1,173	0%	1,277	0%
Annual Net Peak Demand Savings (MW)	132	73%	223	109%	258	113%	0	0%	0	0%	0	0%	0	0%	0	0%
<i>CPUC Peak Demand Target (MW)</i>	180	0%	205	0%	228	0%	232	0%	220	0%	236	0%	254	0%	278	0%
Annual Net Therm Savings (MTh/yr)	10,147	81%	17,889	120%	19,465	112%	26	0%	0	0%	0	0%	0	0%	0	0%
<i>CPUC Therm Target (MTh/yr)</i>	12,600	0%	14,900	0%	17,400	0%	20,300	0%	21,100	0%	22,000	0%	23,000	0%	25,100	0%

Attachment II - Table ES-2: Portfolio Cost Effectiveness

Costs and Benefits*	2006-08 total
Total costs to billpayers (TRC)	\$ 1,226,277,084
Total savings to billpayers (TRC)	\$ 1,978,704,354
Net benefits to billpayers (TRC)	\$ 752,427,270
TRC Ratio	1.61
PAC Ratio	2.15
Cost per kWh saved (cents / kWh) (PAC)	\$ 0.0379
Cost per therm saved (\$ / therm) (PAC)	\$ 0.3569

* Note: Does not include costs or benefits associated with the low-income energy efficiency programs. Does include EM&V.

Attachment II - Table ES-3: Environmental Benefits

Environmental Benefits	Total
Lifecycle CO2 Emission Reductions (tons)	23,147,975
Lifecycle NOx Emission Reductions (tons)	8,200
Lifecycle SO2 Emission Reductions (tons)	N/A

*Note: Energy savings include savings from low-income energy efficiency programs, whereas costs and benefits are only for standard energy efficiency programs.

Attachment II: 2006-2008 Program Summary Table

Attachment II - Table 1.1: Projected Program Impacts By Year

	2006		2007		2008		2009		2010		2011		2012		2013	
	Total	% of 2006 Goal	Total	% of 2007 Goal	Total	% of 2008 Goal	Total	% of 2009 Goal	Total	% of 2010 Goal	Total	% of 2011 Goal	Total	% of 2012 Goal	Total	% of 2013 Goal
Energy Savings – Electricity																
Annual Net Electricity Savings (GWh/yr)	677	82%	1,125	119%	1,261	120%	2	0%	0	0%	0	0%	-4	0%	0	0%
LIEE (GWh/yr)	19		19		19		0		0		0		0		0	
EE (GWh/yr)	658		1,106		1,243		2		0		0		-4		0	
<i>Annual Net Electricity Goal (GWh/yr)</i>	829		944		1,053		1,067		1,015		1,086		1,173		1,277	
Lifecycle Net Electricity Savings (GWh)																
Annual Net Electricity Savings (GWh)	7,504		13,699		15,182		25		0		0		-81		0	
LIEE (GWh)	242		242		242		0		0		0		0		0	
EE (GWh)	7,262		13,457		14,940		25		0		0		-81		0	
Cumulative Net Electricity Savings (GWh/yr)																
Annual Net Electricity Savings (GWh/yr)	677	82%	1,802	102%	3,063	108%	3,065	79%	3,065	62%	3,065	51%	3,061	43%	56	1%
LIEE (GWh/yr)	19		37		56		56		56		56		56		56	
EE (GWh/yr)	658		1,765		3,007		3,009		3,009		3,009		3,005		0	
<i>Cumulative Net Electricity Goal (GWh/yr)</i>	829		1,773		2,826		3,893		4,908		5,994		7,167		8,444	
Annual Net Peak Demand Savings (MW)																
Annual Net Peak Demand Savings (MW)	132	73%	223	109%	258	113%	0	0%	0	0%	0	0%	0	0%	0	0%
LIEE (MW)	4		4		4		0		0		0		0		0	
EE (MW)	127		219		254		0		0		0		0		0	
<i>Annual Net Peak Demand Goal (MW)</i>	180		205		228		232		220		236		254		278	
Cumulative Net Peak Savings (MW)																
Annual Net Peak Demand Savings (MW)	132	73%	354	92%	613	100%	613	73%	613	58%	613	47%	613	39%	613	33%
LIEE (MW)	4		8		12		12		12		12		12		12	
EE (MW)	127		346		601		601		601		601		601		601	
<i>Cumulative Net Peak Goal (MW)</i>	180		385		613		845		1,065		1,301		1,555		1,833	
Energy Savings – Natural Gas																
Annual Net Therm Savings (MTh/yr)	10,147	81%	17,889	120%	19,465	112%	26	0%	0	0%	0	0%	0	0%	0	0%
LIEE (MTh/yr)	829		829		829		0		0		0		0		0	
EE (MTh/yr)	9,317		17,059		18,636		26		0		0		0		0	
<i>Annual Net Therm Goal (MTh/yr)</i>	12,600		14,900		17,400		20,300		21,100		22,000		23,000		25,100	
Lifecycle Net Therm Savings (MTh)																
Annual Net Therm Savings (MTh)	146,101		295,999		320,081		412		0		0		0		0	
LIEE (MTh)	8,298		8,298		8,298		0		0		0		0		0	
EE (MTh)	137,803		287,700		311,782		412		0		0		0		0	
Cumulative Net Therm Savings (MTh/yr)																
Annual Net Therm Savings (MTh/yr)	10,147	81%	28,035	102%	47,500	106%	47,527	73%	47,527	55%	47,527	44%	47,527	36%	47,527	30%
LIEE (MTh/yr)	829		1,659		2,488		2,488		2,488		2,488		2,488		2,488	
EE (MTh/yr)	9,317		26,377		45,012		45,039		45,039		45,039		45,039		45,039	
<i>Cumulative Net Therm Goal (MTh/yr)</i>	12,600		27,500		44,900		65,200		86,300		108,300		131,300		156,400	
Environmental Benefits*																
Annual CO2 Emission Reductions (tons)	2,006		2,007		2,008		2,009		2,010		2,011		2,012		2,013	
Lifecycle CO2 Emission Reductions (tons)	398,575		686,243		767,389		1,142		0		0		0		0	
Annual NOx Emission Reductions (tons)	4,656,104		8,790,671		9,685,759		15,441		0		0		0		0	
Lifecycle NOx Emission Reductions (tons)	107		206		224		0		0		0		0		0	
Annual SO2 Emission Reductions (tons)	1,596		3,202		3,399		4		0		0		0		0	
Lifecycle SO2 Emission Reductions (tons)	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Annual SO2 Emission Reductions (tons)	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Lifecycle SO2 Emission Reductions (tons)	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	

Attachment II: 2006-2008 Program Summary Table

Attachment II - Table 1.2: Projected Funding By Year [1]

	2006		2007		2008		Total
	Total	% of Total	Total	% of Total	Total	% of Total	
Total EE Program budget	\$282,387,297	30%	\$339,162,049	36%	\$320,940,202	34%	\$942,489,548
PGC Budget	N/A		N/A		N/A		NA
Procurement Budget	N/A		N/A		N/A		NA

[1] PG&E's integrated DSM portfolio combines PGC and procurement funding to approach the potential markets from the customer's perspective.

Budget includes EM&V budget adjusted per D.05-11-011.

Attachment II - Table 1.3: Portfolio Cost Effectiveness

Costs and Benefits*	2006-08 total
Total costs to billpayers (TRC)	\$ 1,226,277,084
Total savings to billpayers (TRC)	\$ 1,978,704,354
Net benefits to billpayers (TRC)	\$ 752,427,270
TRC Ratio	1.61
PAC Ratio	2.15
Cost per kWh saved (cents / kWh) (PAC)	0.0379
Cost per therm saved (\$ / therm) (PAC)	0.3569

* Note: Does not include costs or benefits associated with the low-income energy efficiency programs. Does include EM&V cost.

Attachment II - Table 1.4: Projected Funding and Energy Savings by Sector [2]

	Funding	% of Total	Savings (GWh)	% of Total	Savings (MTh)	% of Total
Residential	\$ 165,735,506	17%	599	20%	6,213	14%
Residential New Construction	\$ 26,264,217	3%	13	0%	2,454	5%
Non-Residential	\$ 562,868,246	58%	2,285	76%	33,908	75%
Non-Residential New Construction	\$ 28,601,158	3%	108	4%	2,464	5%
Other [3]	\$ 191,238,430	20%	0	0%	0	0%
Total Funding	\$ 974,707,557		3,005		45,039	

[2] The projected budgets by Sectors (Res, Non-Res, Res and Non-Res New Construction) are for illustrative purposes only and not an assignment of budgets by customer class.

[3] Includes fundings for EM&V, Education & Training, Emerging Technologies, Codes & Standards, Statewide Marketing Outreach Programs and GRC.

Attachment II - Table 1.5: Projected Funding and Energy Savings by Implementer

	Funding	% of Total	Savings (GWh)	% of Total	Savings (MTh)	% of Total
Utility	\$ 645,037,157	66%	1,883	63%	24,375	54%
Partnership	\$ 123,622,330	13%	407	14%	5,311	12%
Third Party	\$ 206,048,069	21%	716	24%	15,353	34%
Total Funding [3]	\$ 974,707,557		3,005		45,039	

[3] Includes fundings for EM&V, Education & Training, Emerging Technologies, Codes & Standards, Statewide Marketing Outreach Programs and GRC.

Attachment II - Table 1.6: Projected Funding and Savings by Geographical Scope

	Funding	% of Total	Savings (GWh)	% of Total	Savings (MTh)	% of Total
Statewide	\$ 974,707,557	100%	3,005	100%	45,039	100%
Local	N/A		N/A		N/A	
Total Funding [3]	\$ 974,707,556		3,005		45,039	

[3] Includes fundings for EM&V, Education & Training, Emerging Technologies, Codes & Standards, Statewide Marketing Outreach Programs and GRC.

Attachment II: 2006-2008 Program Summary Table

Attachment II - Table 1.7: Projected Savings by End-use [4]

	MW	% of Total	GWh	% of Total	MTh	% of Total
Total	600.96		3,005.17		45,038.76	
Space Cooling/Heating	151.22	25%	337.39	11%	7,914.38	18%
Refrigeration	38.12	6%	292.87	10%	40.55	0%
Water heating	12.48	2%	78.82	3%	7,888.71	18%
Lighting	246.26	41%	1,620.85	54%	198.96	0%
Other	152.87	25%	675.24	22%	28,996.16	64%
Residential	126.79	21%	598.71	20%	6,212.66	14%
Space Cooling/Heating	52.00	9%	35.73	1%	1,138.56	3%
Refrigeration	6.67	1%	42.01	1%	16.33	0%
Water heating	0.46	0%	3.07	0%	3,473.32	8%
Lighting	61.02	10%	492.43	16%	-	0%
Other	6.63	1%	25.47	1%	1,584.45	4%
Nonresidential	447.96	75%	2,284.94	76%	33,908.02	75%
Space Cooling/Heating	83.46	14%	246.82	8%	4,626.30	10%
Refrigeration	26.47	4%	219.80	7%	1.89	0%
Water heating	12.02	2%	75.75	3%	4,411.81	10%
Lighting	179.78	30%	1,092.80	36%	(80.09)	0%
Other	146.24	24%	649.77	22%	24,948.10	55%
Residential New Construction	9.02	2%	13.36	0%	2,454.49	5%
Space Cooling/Heating	8.75	1%	10.97	0%	2,149.52	5%
Refrigeration	0.17	0%	1.09	0%	22.33	0%
Water heating	-	0%	-	0%	3.58	0%
Lighting	0.10	0%	1.29	0%	279.05	1%
Other	-	0%	-	0%	0.01	0%
Nonresidential New Construction	17.19	3%	108.17	4%	2,463.60	5%
Space Cooling/Heating	7.01	1%	43.87	1%	-	0%
Refrigeration	4.81	1%	29.97	1%	-	0%
Water heating	-	0%	-	0%	-	0%
Lighting	5.37	1%	34.33	1%	-	0%
Other	0.00	0%	0.00	0%	2,463.60	5%

[4] Values for Program Year 2006-2008 only.

Attachment II: 2006-2008 Program Summary Table
2006 - 2008 Summary of Energy Saving Programs

	2006-2008 Mass Market (Residential & Non-Residential)	2006-2008 Ag & Food Processess	2006-2008 Schools & Colleges	2006-2008 Retail Stores	2006-2008 Fab Process Heavy Industries	2006-2008 Hi-Tech Facilities	2006-2008 Medical Facilities	2006-2008 Office Buildings (Large Com'l)	2006-2008 Lodging Facilities	2006-2008 Res New Construction	2006-2008 Non-Energy Programs, EM&V, etc.	2006-2008 Energy Saving Programs Total
New & Innovative 3rd Party Programs												
Budget	\$ 31,351,112	\$ 29,205,652	\$ 1,509,375	\$ 11,534,618	\$ 71,815,426	\$ 3,898,611	\$ 5,092,230	\$ 4,457,460	\$ 7,728,676	\$ 6,264,263		\$ 172,857,423
Net Smr Pk (kW)	10,098	14,538	472	12,983	42,282	1,186	1,756	4,728	5,807	531		94,380
Annual Net kWh	61,206,213	92,764,898	3,005,599	68,551,847	305,931,511	10,402,546	11,375,918	14,554,344	23,438,685	2,835,962		594,067,524
Annual Net Therms	6,295,841	348,662	82,207	-	5,887,835	-	494,605	96,000	-	719,781		13,924,930
TRC BC Ratio	2.77	1.65	1.35	3.42	1.94	2.17	2.09	2.28	1.86	0.92		2.03
PAC BC Ratio	2.27	2.49	1.40	3.54	3.37	1.91	1.76	2.11	2.23	1.05		2.78
Levelized Cost PAC (\$/kWh)	\$ 0.041	\$ 0.031	\$ 0.059	\$ 0.023	\$ 0.023	\$ 0.042	\$ 0.050	\$ 0.041	\$ 0.040	\$ 0.121		\$ 0.028
Levelized Cost PAC (\$/therm)	\$ 0.301	\$ 0.426	\$ 0.637		\$ 0.232		\$ 0.316	\$ 0.362		\$ 0.734		\$ 0.294
Existing 3rd Party Programs												
Budget	\$ 17,778,023	\$ 911,811	\$ 3,153,001	\$ 5,648,028	\$ 1,522,395			\$ 1,081,437			\$ 3,095,952	\$ 33,190,648
Net Smr Pk (kW)	10,193	765	660	5,322	463			923				18,325
Annual Net kWh	61,921,908	4,619,639	4,921,952	41,045,290	3,600,000			5,333,336				121,442,126
Annual Net Therms	1,264,382	-	39,246	-	-			124,800				1,428,428
TRC BC Ratio	1.28	1.78	0.97	1.79	1.65			2.93				1.38
PAC BC Ratio	1.54	2.94	0.98	3.64	1.56			4.11				1.81
Levelized Cost PAC (\$/kWh)	\$ 0.052	\$ 0.026	\$ 0.080	\$ 0.021	\$ 0.051			\$ 0.019				\$ 0.042
Levelized Cost PAC (\$/therm)	\$ 0.559		\$ 1.018					\$ 0.197				\$ 0.682
Local Government Partnerships												
Budget	\$ 49,958,308		\$ 33,307,780		\$ 321,947	\$ 3,072,205		\$ 36,202,091			\$ 760,000	\$ 123,622,330
Net Smr Pk (kW)	31,462		23,694		91	1,727		26,936			83,911	83,911
Annual Net kWh	204,412,146		86,407,975		909,360	9,837,400		105,478,073			407,044,954	407,044,954
Annual Net Therms	801,359		2,479,637		-	25,524		2,004,025			5,310,545	5,310,545
TRC BC Ratio	2.40		2.54		2.32	2.93		2.67			2.54	2.54
PAC BC Ratio	2.25		2.76		2.33	2.67		2.87			2.58	2.58
Levelized Cost PAC (\$/kWh)	\$ 0.036		\$ 0.035		\$ 0.036	\$ 0.032		\$ 0.032			\$ 0.034	\$ 0.034
Levelized Cost PAC (\$/therm)	\$ 0.367		\$ 0.193			\$ 0.644		\$ 0.346				\$ 0.274
PG&E Core Programs												
Budget	\$ 285,470,269	\$ 17,405,671	\$ 9,598,434	\$ 3,668,225	\$ 48,189,482	\$ 4,788,988	\$ 5,826,794	\$ 10,687,008	\$ 4,064,421	\$ 19,999,954	\$ 187,382,478	\$ 597,081,724
Net Smr Pk (kW)	266,677	7,494	4,066	2,967	26,390	3,619	3,369	7,294	1,770	8,484		332,130
Annual Net kWh	1,328,593,048	66,962,324	33,711,300	16,348,970	164,935,530	24,124,980	24,958,850	44,306,175	13,891,375	10,521,175		1,728,353,727
Annual Net Therms	7,510,074	2,734,290	34,704	17,584	12,310,200	-	-	33,302	1,734,706			24,374,861
TRC BC Ratio	1.50	2.86	2.21	2.96	3.14	3.28	2.97	2.86	2.17	0.83		1.36
PAC BC Ratio	2.45	4.15	2.54	3.42	4.92	3.75	3.06	3.11	2.37	1.54		1.89
Levelized Cost PAC (\$/kWh)	\$ 0.031	\$ 0.021	\$ 0.031	\$ 0.025	\$ 0.018	\$ 0.021	\$ 0.025	\$ 0.027	\$ 0.032	\$ 0.091		\$ 0.043
Levelized Cost PAC (\$/therm)	\$ 0.427	\$ 0.151	\$ 0.315	\$ 0.257	\$ 0.154			\$ 0.104	\$ 0.630			\$ 0.402
Future Portfolio Programs												
Budget	\$ 21,300,000						\$ 10,488,128	\$ 16,167,305				\$ 47,955,433
Net Smr Pk (kW)	15,624						22,628	33,957				72,210
Annual Net kWh	72,000,000						32,326,344	49,937,368				154,263,712
Annual Net Therms	-						-	-				-
TRC BC Ratio	1.77						2.02	2.01				1.90
PAC BC Ratio	2.35						2.33	2.32				2.33
Levelized Cost PAC (\$/kWh)	\$ 0.034						\$ 0.038	\$ 0.038				\$ 0.036
Levelized Cost PAC (\$/therm)												
PG&E Programs (Integrated)												
Budget [1]	\$ 405,857,712	\$ 47,523,134	\$ 47,568,590	\$ 20,850,872	\$ 121,849,250	\$ 11,759,804	\$ 21,407,152	\$ 68,595,301	\$ 11,793,097	\$ 26,264,217	\$ 191,238,430	\$ 974,707,559
Net Smr Pk (kW)	334,054	22,797	28,892	21,272	69,225	6,532	27,753	73,838	7,577	9,015		600,956
Annual Net kWh	1,728,133,316	164,346,861	128,046,826	125,946,107	475,376,401	44,364,927	68,661,112	219,609,296	37,330,060	13,357,136		3,005,172,043
Annual Net Therms	15,871,657	3,082,952	2,635,794	17,584	18,198,035	25,524	494,605	2,224,825	33,302	2,454,487		45,038,765
TRC BC Ratio	1.59	2.04	2.25	2.57	2.34	2.51	2.11	2.44	1.84	0.82		1.61
PAC BC Ratio	2.30	3.01	2.44	3.36	3.85	2.50	2.20	2.66	2.11	1.36		2.15
Levelized Cost PAC (\$/kWh)	\$ 0.034	\$ 0.028	\$ 0.037	\$ 0.023	\$ 0.022	\$ 0.033	\$ 0.038	\$ 0.033	\$ 0.040	\$ 0.100		\$ 0.0379
Levelized Cost PAC (\$/therm)	\$ 0.387	\$ 0.189	\$ 0.232	\$ 0.270	\$ 0.182	\$ 0.684	\$ 0.345	\$ 0.350	\$ 0.104	\$ 0.686		\$ 0.3569

[1] Budget includes GRC funds and EM&V budget adjusted per D.05-11-011.

ATTACHMENT II: 2006-2008 PARTNERSHIP SUMMARY TABLE

Implementer	Proposed Budget	Net Jul-Sept kW	Net Annual kWh	Net Annual Therms	PAC Ratio	TRC Ratio	PAC Levelized \$/kWh	PAC Levelized \$/therm
ABAG	\$ 6,000,000	4,623	20,022,657	274,888	3.12	3.19	\$ 0.032	\$ 0.288
AMBAG	\$ 6,995,084	5,679	19,689,231	404,350	2.57	2.72	\$ 0.033	\$ 0.304
BAKERSFIELD	\$ 6,695,765	3,887	24,121,724	80,854	1.97	2.44	\$ 0.041	\$ 0.600
CCC/IOU	\$ 11,814,880	6,712	30,704,676	988,985	2.61	2.43	\$ 0.035	\$ 0.173
CDCR	\$ 7,680,000	5,514	25,416,192	448,000	2.31	2.12	\$ 0.032	\$ 0.462
EBEP	\$ 7,565,882	4,567	25,167,870	476,722	2.33	2.08	\$ 0.036	\$ 0.338
FRESNO	\$ 6,483,987	5,009	26,110,456	133,048	2.59	2.96	\$ 0.034	\$ 0.308
FUTURE CHANNELS	\$ 16,817,200	13,793	59,012,269	0	2.53	2.67	\$ 0.034	
LGEAR	\$ 500,000	363	1,583,565	23,328	2.64	2.86	\$ 0.034	\$ 0.270
MADERA	\$ 511,680	378	2,094,896	6,976	2.44	2.84	\$ 0.035	\$ 0.319
MARIN	\$ 2,715,120	899	7,363,097	69,340	1.98	1.59	\$ 0.041	\$ 0.374
MERCED	\$ 574,212	455	2,539,335	7,640	2.70	3.14	\$ 0.033	\$ 0.302
MOTHERLODE	\$ 6,581,863	4,791	25,582,733	126,704	2.61	2.98	\$ 0.036	\$ 0.181
REDWOOD	\$ 1,682,292	783	5,185,275	79,756	1.75	1.40	\$ 0.048	\$ 0.396
SAN FRANCISCO	\$ 7,615,709	4,258	33,695,539	263,477	2.69	2.07	\$ 0.028	\$ 0.378
SOUTH SAN JOAQUIN	\$ 3,519,002	2,252	12,801,920	145,192	2.91	3.16	\$ 0.034	\$ 0.152
SANTA BARBARA	\$ 500,000	363	1,583,565	-	2.34	2.62	\$ 0.037	na
SONOMA	\$ 2,922,644	1,393	8,892,542	150,928	2.29	1.91	\$ 0.038	\$ 0.324
STOCKTON	\$ 2,810,796	2,310	11,389,302	75,896	2.91	3.26	\$ 0.032	\$ 0.287
SVEW	\$ 760,000							
SVLGEW	\$ 6,400,000	3,277	20,859,580	63,810	2.63	2.99	\$ 0.032	\$ 0.414
UC/CSU/IOU	\$ 16,476,217	12,603	43,228,533	1,490,652	2.95	2.68	\$ 0.035	\$ 0.170
Total	\$ 123,622,330	83,911	407,044,954	5,310,545	2.58	2.54	\$ 0.034	\$ 0.274

Scenarios		
Scenario #	Scenario Name	Description
Scenario 1:	Base Case	As Filed in Compliance Filing
Scenario 2:	75% of Current NTG Ratios	Impact on Cost Effectiveness, Energy Savings, and Demand Reductions due to a reduction in the NTG Ratios to 75% of forecasted.
Scenario 3:	50% of Current NTG Case	Impact on Cost Effectiveness, Energy Savings, and Demand Reductions due to a reduction in the NTG Ratios to 50% of forecasted.
Scenario 4:	Breakeven NTG Case	% Reduction in NTG Ratios at which Both TRC and PAC are both 1.0 or greater, and Both kWh and kW goals are Achieved.
Scenario 5:	3rd Parties & Partnerships 75% Impacts	Impact on Cost Effectiveness and Energy Savings due to a reduction in the Impact Forecasts of Third Party & Partnerships to 75% of forecasted. Assumes underused funds not shifted to other programs.
Scenario 6:	3rd Parties & Partnerships 50% Impacts	Impact on Cost Effectiveness and Energy Savings due to a reduction in the Impact Forecasts of Third Party & Partnerships to 50% of forecasted. Assumes underused funds not shifted to other programs.
Scenario 7:	Breakeven 3rd Third Parties and Partnerships Impacts	% Reduction in Impact Forecasts of Third Parties and Partnerships at which Costs = Benefits, kWh Achieved = kWh Goal, and kW Achieved = kW Goal. Assumes underused funds not shifted to other programs.
Scenario 8:	Codes and Standards Case	Impact on Energy Savings and Demand Reduction Including 50% of 2006-2008 C&S Pgms ex ante impacts. Not Applicable to Cost Effectiveness Scenarios per D.05-09-043.
Scenario 9:	75% of Current NTG Ratios and 3rd Parties & Partnerships 75% Impacts	Impact on Cost Effectiveness, Energy Savings, and Demand Reductions due to a reduction in the NTG Ratios to 75% of forecasted and Impact on Cost Effectiveness and Energy Savings due to a reduction in the Impact Forecasts of 3rd Party & Partnership Programs to 75% of forecasted. Assumes underused funds not shifted to other programs.
Scenario 10:	75% of Current NTG Ratios and 3rd Parties & Partnerships 50% Impacts	Impact on Cost Effectiveness, Energy Savings, and Demand Reductions due to a reduction in the NTG Ratios to 75% of forecasted and Impact on Cost Effectiveness and Energy Savings due to a reduction in the Impact Forecasts of 3rd Party & Partnership Programs to 50% of forecasted. Assumes underused funds not shifted to other programs.
Scenario 11:	50% of Current NTG Ratios and 3rd Parties & Partnerships 75% Impacts	Impact on Cost Effectiveness, Energy Savings, and Demand Reductions due to a reduction in the NTG Ratios to 50% of forecasted and Impact on Cost Effectiveness and Energy Savings due to a reduction in the Impact Forecasts of 3rd Party & Partnership Programs to 75% of forecasted. Assumes underused funds not shifted to other programs.
Scenario 12:	50% of Current NTG Ratios and 3rd Parties & Partnerships 50% Impacts	Impact on Cost Effectiveness, Energy Savings, and Demand Reductions due to a reduction in the NTG Ratios to 50% of forecasted and Impact on Cost Effectiveness and Energy Savings due to a reduction in the Impact Forecasts of 3rd Party & Partnership Programs to 50% of forecasted. Assumes underused funds not shifted to other programs.

Scenario Results - Cost-Effectiveness										
Scenario #	Scenario Name	Portfolio Resource Benefits (Rbn) (\$ millions)	Portfolio TRC Costs (\$ millions)	Portfolio TRC Net Benefits (\$ millions)	TRC Ratio	Portfolio PAC Costs (\$ millions)	Portfolio PAC Net Benefits (\$ millions)	PAC Ratio	Change in Current NTG Ratios (%)	Change in Impact Forecasts (%)
		(a)	(b)	(c)=(a)-(b)	(d)=(a)/(b)	(e)	(f)=(a)-(e)	(g)=(a)/(e)		
Scenario 1:	Base Case	\$1,979	\$1,226	\$752	1.61	\$922	\$1,057	2.15	NA	NA
Scenario 2:	75% of Current NTG Ratios	\$1,484	\$1,087	\$397	1.37	\$922	\$562	1.61	75%	NA
Scenario 3:	50% of Current NTG Case	\$989	\$947	\$42	1.04	\$922	\$68	1.07	50%	NA
Scenario 4:	Breakeven NTG Case	\$930	\$930	\$0	1.00	\$922	\$8	1.01	47%	NA
Scenario 5:	3rd Party & Partnerships 75% Impacts	\$1,780	\$1,189	\$591	1.50	\$902	\$878	1.97	NA	75%
Scenario 6:	3rd Party & Partnerships 50% Impacts	\$1,581	\$1,151	\$430	1.37	\$882	\$699	1.79	NA	50%
Scenario 7:	Breakeven 3rd Third Party and Partnerships Impacts	\$1,184	\$1,076	\$108	1.10	\$843	\$342	1.41	NA	0%
Scenario 8:	Codes and Standards Case	NA	NA	NA	NA	NA	NA	NA	NA	NA
Scenario 9:	75% of Current NTG Ratios and 3rd Parties & Partnerships 75% Impacts	\$1,335	\$1,058	\$277	1.26	\$902	\$433	1.48	75%	75%
Scenario 10:	75% of Current NTG Ratios and 3rd Parties & Partnerships 50% Impacts	\$1,186	\$1,030	\$156	1.15	\$882	\$304	1.34	75%	50%
Scenario 11:	50% of Current NTG Ratios and 3rd Parties & Partnerships 75% Impacts	\$890	\$928	(\$38)	0.96	\$902	(\$12)	0.99	50%	75%
Scenario 12:	50% of Current NTG Ratios and 3rd Parties & Partnerships 50% Impacts	\$791	\$909	(\$119)	0.87	\$882	(\$91)	0.90	50%	50%

Scenario Results - Program Impacts										
Scenario #	Scenario Name	Portfolio Energy Savings Through 2008 (GWh)	Portfolio Demand Reductions Through 2008 (MW)	2008 Portfolio Energy Savings Cumulative Goal (GWh)	2008 Portfolio Demand Reduction Cumulative Goal (MW)	% of Portfolio Energy Savings Goal (%)	% of Portfolio Demand Reduction Goal (%)	Change in Current NTG Ratios (%)	Change in Impact Forecasts (%)	
		(a)	(b)	(c)	(d)	(e)=(a)/(c)	(f)=(b)/(d)			
Scenario 1:	Base Case	3,005	601	2,965	541	101%	111%	NA	NA	
Scenario 2:	75% of Current NTG Ratios	2,254	451	2,965	541	76%	83%	75%	NA	
Scenario 3:	50% of Current NTG Case	1,503	300	2,965	541	51%	56%	50%	NA	
Scenario 4:	Breakeven NTG Case	2,965	593	2,965	541	100%	110%	99%	NA	
Scenario 5:	3rd Party & Partnerships 75% Impacts	2,725	552	2,965	541	92%	102%	NA	75%	
Scenario 6:	3rd Party & Partnerships 50% Impacts	2,444	503	2,965	541	82%	93%	NA	50%	
Scenario 7:	Breakeven 3rd Third Party and Partnerships Impacts	2,965	594	2,965	541	100%	110%	NA	96%	
Scenario 8:	Codes and Standards Case [1]	3,135	638	2,965	541	106%	118%	NA	NA	
Scenario 9:	75% of Current NTG Ratios and 3rd Parties & Partnerships 75% Impacts	2,043	414	2,965	541	69%	77%	75%	75%	
Scenario 10:	75% of Current NTG Ratios and 3rd Parties & Partnerships 50% Impacts	1,833	377	2,965	541	62%	70%	75%	50%	
Scenario 11:	50% of Current NTG Ratios and 3rd Parties & Partnerships 75% Impacts	1,362	276	2,965	541	46%	51%	50%	75%	
Scenario 12:	50% of Current NTG Ratios and 3rd Parties & Partnerships 50% Impacts	1,222	251	2,965	541	41%	46%	50%	50%	

[1] Reference: Codes and Standards Program Savings Estimate Rev. Nov. 1, 2005, Table 17: PG&E Service Territory--IOU-Attributable C&S Program Net Savings; prepared by Hescong Mahone Group Inc. for Joint Utilities funded with CaPGC funds.

Pacific Gas & Electric Company

Expected Rate and Bill Impacts		REVISED										
Customer Class	Average Usage	2005 Avg Rate**	2005 Average Bill**	2006 Average Monthly Bill	2006 Net EE Monthly Bill Impact vs 2005 (\$)	2006 Net EE Monthly Bill Impact vs 2005 (%)	2007 Average Monthly Bill	2007 Net EE Monthly Bill Impact vs 2005 (\$)	2007 Net EE Monthly Bill Impact vs 2005 (%)	2008 Average Monthly Bill	2008 Net EE Monthly Bill Impact vs 2005 (\$)	2008 Net EE Monthly Bill Impact vs 2005 (%)
Electric Bundled Residential												
Sch E-1*	540	0.122352	\$66.07	\$66.15	\$0.08	0.12%	\$66.12	\$0.05	0.08%	\$66.10	\$0.03	0.04%
Sch E-1*	840	0.144786	\$121.62	\$122.38	\$0.76	0.63%	\$122.10	\$0.49	0.40%	\$121.90	\$0.28	0.23%
Class Avg	559	0.128698	\$71.95	\$72.30	\$0.36	0.50%	\$72.18	\$0.23	0.32%	\$72.08	\$0.13	0.18%
SLP	1,590	\$0.15046	\$239.22	\$240.24	\$1.02	0.43%	\$239.49	\$0.27	0.11%	\$238.73	-\$0.49	-0.21%
Medium	19,882	\$0.14221	\$2,827.36	\$2,835.47	\$8.11	0.29%	\$2,818.53	-\$8.83	-0.31%	\$2,798.52	-\$28.84	-1.02%
E-19	79,600	\$0.12870	\$10,244.48	\$10,270.85	\$26.37	0.26%	\$10,205.70	-\$38.78	-0.38%	\$10,127.87	-\$116.61	-1.14%
Streetlights	869	\$0.15128	\$131.42	\$131.97	\$0.56	0.42%	\$131.72	\$0.30	0.23%	\$131.50	\$0.08	0.06%
Standby	74,887	\$0.13636	\$10,211.30	\$10,242.94	\$31.64	0.31%	\$10,202.54	-\$8.77	-0.09%	\$10,157.08	-\$54.23	-0.53%
Agriculture	4,064	\$0.11998	\$487.64	\$489.78	\$2.14	0.44%	\$488.82	\$1.18	0.24%	\$488.00	\$0.36	0.07%
E-20	852,504	\$0.10711	\$91,310.71	\$91,488.44	\$177.73	0.19%	\$90,812.91	-\$497.79	-0.55%	\$89,988.15	-\$1,322.55	-1.45%
System	1,214	\$0.13054	\$158.41	\$159.01	\$0.61	0.38%	\$158.40	-\$0.01	-0.01%	\$157.72	-\$0.68	-0.43%

This study is filed in compliance with Ordering Paragraph 7(e) of D. 05-09-043. It presents a comparison of average bills that result from netting together the increased revenue requirement requested in the 2006-2008 energy efficiency program application (i.e., program costs) with the annualized benefits expected to be derived from the program (i.e., benefit). As such, program costs end in 2008, leaving only benefit in subsequent years.

Net program benefits are based on the same E3 cost-benefit calculator outputs presented in the other tables in this filing.

This study has been prepared for both gas and electric rates.

The electric benefit is allocated among bundled customers as an equal percent of current generation revenue, consistent with current practice.

Electric benefits are netted against program costs and average net bills determined for each bundled customer group. Average rates and bills by customer class are included.

PG&E's electric study is provided for bundled customers. Program costs are recovered in electric public purpose program rates and result in higher bundled electric bills.

The allocation of electric public purpose program revenue is the same as presented in Table 7-6 of A. 05-06-004, as revised in PG&E's June 21, 2005 Errata.

Expected Rate and Bill Impacts (Continued)

REVISED

Customer Class	2009 Net			2010 Net			2011 Net			2012 Net			2013 Net		
	2009 Average Monthly Bill	2009 Net EE Monthly Bill Impact vs 2005 (\$)	2009 Net EE Monthly Bill Impact vs 2005 (%)	2010 Average Monthly Bill	2010 Net EE Monthly Bill Impact vs 2005 (\$)	2010 Net EE Monthly Bill Impact vs 2005 (%)	2011 Average Monthly Bill	2011 Net EE Monthly Bill Impact vs 2005 (\$)	2011 Net EE Monthly Bill Impact vs 2005 (%)	2012 Average Monthly Bill	2012 Net EE Monthly Bill Impact vs 2005 (\$)	2012 Net EE Monthly Bill Impact vs 2005 (%)	2013 Average Monthly Bill	2013 Net EE Monthly Bill Impact vs 2005 (\$)	2013 Net EE Monthly Bill Impact vs 2005 (%)
Electric Bundled Residential															
Sch E-1*	\$65.79	-\$0.28	-0.42%	\$65.80	-\$0.27	-0.41%	\$65.81	-\$0.26	-0.39%	\$65.82	-\$0.25	-0.38%	\$65.83	-\$0.24	-0.37%
Sch E-1*	\$118.91	-\$2.71	-2.22%	\$119.02	-\$2.60	-2.14%	\$119.11	-\$2.51	-2.06%	\$119.19	-\$2.43	-2.00%	\$119.25	-\$2.37	-1.95%
Class Avg	\$70.61	-\$1.34	-1.86%	\$70.66	-\$1.29	-1.79%	\$70.70	-\$1.24	-1.73%	\$70.74	-\$1.20	-1.67%	\$70.77	-\$1.17	-1.63%
SLP	\$233.93	-\$5.29	-2.21%	\$234.14	-\$5.08	-2.12%	\$234.32	-\$4.90	-2.05%	\$234.47	-\$4.75	-1.99%	\$234.59	-\$4.63	-1.93%
Medium	\$2,743.30	-\$84.07	-2.97%	\$2,746.64	-\$80.72	-2.86%	\$2,749.42	-\$77.95	-2.76%	\$2,751.80	-\$75.56	-2.67%	\$2,753.78	-\$73.58	-2.60%
E-19	\$9,932.69	-\$311.79	-3.04%	\$9,945.08	-\$299.40	-2.92%	\$9,955.39	-\$289.10	-2.82%	\$9,964.22	-\$280.26	-2.74%	\$9,971.59	-\$272.89	-2.66%
Streetlights	\$129.13	-\$2.29	-1.74%	\$129.22	-\$2.20	-1.67%	\$129.30	-\$2.12	-1.61%	\$129.36	-\$2.06	-1.56%	\$129.42	-\$2.00	-1.52%
Standby	\$9,981.55	-\$229.75	-2.25%	\$9,990.69	-\$220.62	-2.16%	\$9,998.28	-\$213.03	-2.09%	\$10,004.79	-\$206.51	-2.02%	\$10,010.22	-\$201.09	-1.97%
Agriculture	\$478.88	-\$8.76	-1.80%	\$479.23	-\$8.42	-1.73%	\$479.52	-\$8.13	-1.67%	\$479.76	-\$7.88	-1.62%	\$479.97	-\$7.67	-1.57%
E-20	\$88,305.31	-\$3,005.39	-3.29%	\$88,424.78	-\$2,885.93	-3.16%	\$88,524.08	-\$2,786.62	-3.05%	\$88,609.28	-\$2,701.43	-2.96%	\$88,680.26	-\$2,630.45	-2.88%
System	\$154.60	-\$3.81	-2.40%	\$154.75	-\$3.66	-2.31%	\$154.87	-\$3.53	-2.23%	\$154.98	-\$3.42	-2.16%	\$155.07	-\$3.33	-2.10%

Expected Rate and Bill Impacts (Continued)				REVISED									
Customer Class	2014 Net			2015 Net			2016 Net			2017 Net			
	2014 Net	EE		2015 Net	EE		2016 Net	EE		2017 Net	EE		
	EE	Monthly	Monthly										
Average	Monthly	Bill	2015	Monthly	Bill	2016	Monthly	Bill	2017	Monthly	Bill	2017	
Monthly	vs 2005 (\$)	Impact vs 2005 (%)	Monthly	vs 2005 (\$)	Impact vs 2005 (%)	Monthly	vs 2005 (\$)	Impact vs 2005 (%)	Monthly	vs 2005 (\$)	Impact vs 2005 (%)	Monthly	vs 2005 (%)
Electric Bundled Residential													
Sch E-1*	\$65.83	-\$0.25	-0.37%	\$65.82	-\$0.25	-0.37%	\$65.84	-\$0.23	-0.35%	\$65.86	-\$0.21	-0.32%	
Sch E-1*	\$119.23	-\$2.38	-1.96%	\$119.23	-\$2.39	-1.96%	\$119.34	-\$2.27	-1.87%	\$119.54	-\$2.08	-1.71%	
Class Avg	\$70.77	-\$1.18	-1.64%	\$70.76	-\$1.18	-1.64%	\$70.82	-\$1.13	-1.57%	\$70.92	-\$1.03	-1.43%	
SLP	\$234.56	-\$4.65	-1.95%	\$234.55	-\$4.67	-1.95%	\$234.77	-\$4.44	-1.86%	\$235.15	-\$4.07	-1.70%	
Medium	\$2,753.32	-\$74.04	-2.62%	\$2,753.13	-\$74.23	-2.63%	\$2,756.69	-\$70.67	-2.50%	\$2,762.67	-\$64.69	-2.29%	
E-19	\$9,969.88	-\$274.60	-2.68%	\$9,969.18	-\$275.30	-2.69%	\$9,982.37	-\$262.11	-2.56%	\$10,004.55	-\$239.93	-2.34%	
Streetlights	\$129.40	-\$2.01	-1.53%	\$129.40	-\$2.02	-1.54%	\$129.49	-\$1.92	-1.46%	\$129.66	-\$1.76	-1.34%	
Standby	\$10,008.96	-\$202.34	-1.98%	\$10,008.44	-\$202.86	-1.99%	\$10,018.16	-\$193.15	-1.89%	\$10,034.50	-\$176.80	-1.73%	
Agriculture	\$479.92	-\$7.72	-1.58%	\$479.90	-\$7.74	-1.59%	\$480.27	-\$7.37	-1.51%	\$480.90	-\$6.74	-1.38%	
E-20	\$88,663.84	-\$2,646.86	-2.90%	\$88,657.05	-\$2,653.66	-2.91%	\$88,784.15	-\$2,526.55	-2.77%	\$88,997.96	-\$2,312.75	-2.53%	
System	\$155.05	-\$3.35	-2.12%	\$155.04	-\$3.36	-2.12%	\$155.20	-\$3.20	-2.02%	\$155.48	-\$2.93	-1.85%	

Pacific Gas & Electric Company

Expected Rate and Bill Impacts (Alternate Format)

REVISED

Customer Class	Average Usage (kWh/Therm)	2005 Avg Rate**	2005 Average Bill**	2006			2007			2008		
				Average Rate Change	Average Bill Change	% Change vs 2005	Average Rate Change vs 2005	Average Bill Change vs 2005	% Change vs 2005	Average Rate Change vs 2005	Average Bill Change vs 2005	% Change vs 2005
ELECTRIC												
Bundled												
Residential												
Sch E-1*	540	\$0.12235	\$66.07	\$0.00015	\$0.08	0.12%	\$0.00009	\$0.05	0.08%	\$0.00005	\$0.03	0.04%
Sch E-1*	840	\$0.14479	\$121.62	\$0.00091	\$0.76	0.63%	\$0.00058	\$0.49	0.40%	\$0.00033	\$0.28	0.23%
Class Avg	559	\$0.12870	\$71.95	\$0.00064	\$0.36	0.50%	\$0.00041	\$0.23	0.32%	\$0.00024	\$0.13	0.18%
SLP	1,590	\$0.15046	\$239.22	\$0.00064	\$1.02	0.43%	\$0.00017	\$0.27	0.11%	-\$0.00031	-\$0.49	-0.21%
Medium	19,882	\$0.14221	\$2,827.36	\$0.00041	\$8.11	0.29%	-\$0.00044	-\$8.83	-0.31%	-\$0.00145	-\$28.84	-1.02%
E-19	79,600	\$0.12870	\$10,244.48	\$0.00033	\$26.37	0.26%	-\$0.00049	-\$38.78	-0.38%	-\$0.00146	-\$116.61	-1.14%
Streetlights	869	\$0.15128	\$131.42	\$0.00064	\$0.56	0.42%	\$0.00035	\$0.30	0.23%	\$0.00010	\$0.08	0.06%
Standby	74,887	\$0.13636	\$10,211.30	\$0.00042	\$31.64	0.31%	-\$0.00012	-\$8.77	-0.09%	-\$0.00072	-\$54.23	-0.53%
Agriculture	4,064	\$0.11998	\$487.64	\$0.00053	\$2.14	0.44%	\$0.00029	\$1.18	0.24%	\$0.00009	\$0.36	0.07%
E-20	852,504	\$0.10711	\$91,310.71	\$0.00021	\$177.73	0.19%	-\$0.00058	-\$497.79	-0.55%	-\$0.00155	-\$1,322.55	-1.45%
System	1,214	\$0.13054	\$158.41	\$0.00050	\$0.61	0.38%	-\$0.00001	-\$0.01	-0.01%	-\$0.00056	-\$0.68	-0.43%

Expected Rate and Bill Impacts (Alternate Format)						REVISED					
2009		2009 %		2010		2011		2011 %		2012	
Average Rate	Average Bill	Change vs	Rate Change	Average Bill	Change vs	Average Rate	Average Bill	Change vs	Rate Change	Average Bill	Change vs
2005	Change vs 2005	2005	vs 2005	2005	2005	2005	Change vs 2005	2005	vs 2005	2005	Change vs 2005
-\$0.00052	-\$0.28	-0.42%	-\$0.00049	-\$0.27	-0.41%	-\$0.00048	-\$0.26	-0.39%	-\$0.00046	-\$0.25	-0.38%
-\$0.00322	-\$2.71	-2.22%	-\$0.00310	-\$2.60	-2.14%	-\$0.00299	-\$2.51	-2.06%	-\$0.00290	-\$2.43	-2.00%
-\$0.00240	-\$1.34	-1.86%	-\$0.00230	-\$1.29	-1.79%	-\$0.00222	-\$1.24	-1.73%	-\$0.00215	-\$1.20	-1.67%
-\$0.00332	-\$5.29	-2.21%	-\$0.00319	-\$5.08	-2.12%	-\$0.00308	-\$4.90	-2.05%	-\$0.00299	-\$4.75	-1.99%
-\$0.00423	-\$84.07	-2.97%	-\$0.00406	-\$80.72	-2.86%	-\$0.00392	-\$77.95	-2.76%	-\$0.00380	-\$75.56	-2.67%
-\$0.00392	-\$311.79	-3.04%	-\$0.00376	-\$299.40	-2.92%	-\$0.00363	-\$289.10	-2.82%	-\$0.00352	-\$280.26	-2.74%
-\$0.00263	-\$2.29	-1.74%	-\$0.00253	-\$2.20	-1.67%	-\$0.00244	-\$2.12	-1.61%	-\$0.00237	-\$2.06	-1.56%
-\$0.00307	-\$229.75	-2.25%	-\$0.00295	-\$220.62	-2.16%	-\$0.00284	-\$213.03	-2.09%	-\$0.00276	-\$206.51	-2.02%
-\$0.00216	-\$8.76	-1.80%	-\$0.00207	-\$8.42	-1.73%	-\$0.00200	-\$8.13	-1.67%	-\$0.00194	-\$7.88	-1.62%
-\$0.00353	-\$3,005.39	-3.29%	-\$0.00339	-\$2,885.93	-3.16%	-\$0.00327	-\$2,786.62	-3.05%	-\$0.00317	-\$2,701.43	-2.96%
-0.00314	-\$3.81	-2.40%	-\$0.00301	-\$3.66	-2.31%	-\$0.00291	-\$3.53	-2.23%	-\$0.00282	-\$3.42	-2.16%

2013	Expected Rate and Bill Impacts (Alternate Format)						REVISED								
Average Rate	2013 Average Bill	2013 % Change vs 2005	2014 Average Rate	2014 Average Bill	2014 % Change vs 2005	2015 Average Rate	2015 Average Bill	2015 % Change vs 2005	2016 Average Rate	2016 Average Bill	2016 % Change vs 2005	2017 Average Rate	2017 Average Bill	2017 % Change vs 2005	
-\$0.00045	-\$0.24	-0.37%	-\$0.00045	-\$0.25	-0.37%	-\$0.00045	-\$0.25	-0.37%	-\$0.00043	-\$0.23	-0.35%	-\$0.00040	-\$0.21	-0.32%	
-\$0.00282	-\$2.37	-1.95%	-\$0.00284	-\$2.38	-1.96%	-\$0.00285	-\$2.39	-1.96%	-\$0.00271	-\$2.27	-1.87%	-\$0.00248	-\$2.08	-1.71%	
-\$0.00210	-\$1.17	-1.63%	-\$0.00211	-\$1.18	-1.64%	-\$0.00212	-\$1.18	-1.64%	-\$0.00201	-\$1.13	-1.57%	-\$0.00184	-\$1.03	-1.43%	
-\$0.00291	-\$4.63	-1.93%	-\$0.00293	-\$4.65	-1.95%	-\$0.00294	-\$4.67	-1.95%	-\$0.00279	-\$4.44	-1.86%	-\$0.00256	-\$4.07	-1.70%	
-\$0.00370	-\$73.58	-2.60%	-\$0.00372	-\$74.04	-2.62%	-\$0.00373	-\$74.23	-2.63%	-\$0.00355	-\$70.67	-2.50%	-\$0.00325	-\$64.69	-2.29%	
-\$0.00343	-\$272.89	-2.66%	-\$0.00345	-\$274.60	-2.68%	-\$0.00346	-\$275.30	-2.69%	-\$0.00329	-\$262.11	-2.56%	-\$0.00301	-\$239.93	-2.34%	
-\$0.00230	-\$2.00	-1.52%	-\$0.00232	-\$2.01	-1.53%	-\$0.00232	-\$2.02	-1.54%	-\$0.00221	-\$1.92	-1.46%	-\$0.00203	-\$1.76	-1.34%	
-\$0.00269	-\$201.09	-1.97%	-\$0.00270	-\$202.34	-1.98%	-\$0.00271	-\$202.86	-1.99%	-\$0.00258	-\$193.15	-1.89%	-\$0.00236	-\$176.80	-1.73%	
-\$0.00189	-\$7.67	-1.57%	-\$0.00190	-\$7.72	-1.58%	-\$0.00190	-\$7.74	-1.59%	-\$0.00181	-\$7.37	-1.51%	-\$0.00166	-\$6.74	-1.38%	
-\$0.00309	-\$2,630.45	-2.88%	-\$0.00310	-\$2,646.86	-2.90%	-\$0.00311	-\$2,653.66	-2.91%	-\$0.00296	-\$2,526.55	-2.77%	-\$0.00271	-\$2,312.75	-2.53%	
-\$0.00275	-\$3.33	-2.10%	-\$0.00276	-\$3.35	-2.12%	-\$0.00277	-\$3.36	-2.12%	-\$0.00264	-\$3.20	-2.02%	-\$0.00242	-\$2.93	-1.85%	

**PACIFIC GAS AND ELECTRIC COMPANY
GAS DEPARTMENT
ENERGY EFFICIENCY
2006 - 2008 - PROGRAM COSTS, NET OF FORECASTED BENEFITS
ILLUSTRATIVE CLASS AVERAGE RATES (3)**

Customer Class	2005	2006			2007			2008		
	Present Avg Rate Mar. 05	Average Rate	Average Rate Change	2006 % Change vs 2005	Average Rate	Average Rate Change	2007 % Change vs 2005	Average Rate	Average Rate Change	2008 % Change vs 2005
Core Retail - Bundled (1)										
Residential	\$1.117	\$1.122	\$0.004	0.37%	\$1.115	-\$0.002	-0.2%	\$1.112	-\$0.005	-0.4%
Commercial, Small	1.082	\$1.085	\$0.003	0.29%	\$1.080	-\$0.001	-0.1%	\$1.078	-\$0.004	-0.3%
Commercial, Large	0.899	\$0.914	\$0.015	1.63%	\$0.893	-\$0.007	-0.8%	\$0.882	-\$0.018	-2.0%
Core Retail - Transportation Only (2)										
Residential	0.386	\$0.390	\$0.004	1.07%	\$0.384	-\$0.002	-0.5%	\$0.381	-\$0.005	-1.3%
Commercial, Small	0.359	\$0.362	\$0.003	0.87%	\$0.357	-\$0.001	-0.4%	\$0.355	-\$0.004	-1.0%
Commercial, Large	0.201	\$0.216	\$0.015	7.28%	\$0.194	-\$0.007	-3.4%	\$0.184	-\$0.018	-8.8%
Noncore - Transportation Only (2)										
Industrial Distribution	0.120	\$0.121	\$0.001	0.82%	\$0.120	\$0.000	-0.4%	\$0.119	-\$0.001	-1.0%
Industrial Transmission	0.042	\$0.043	\$0.001	1.50%	\$0.042	\$0.000	-0.7%	\$0.042	-\$0.001	-1.8%

(1) Bundled core rates include: i) an illustrative procurement component that recovers intrastate and interstate backbone transmission charges, storage, brokerage fees and an average annual Weighted Average Cost of Gas (WACOG) of \$0.61479 per therm; ii) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and iii) where applicable, a gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC

(2) Transportation Only rates include: i) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and ii) where applicable, a gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC Admin costs. Transportation only customers must arrange for their own gas purchases and transportation to PG&E's citygate/local transmission system.

(3) Rates represent class average. Actual rates will vary depending on the customer's load factor and seasonal usage.

**PACIFIC GAS AND ELECTRIC COMPANY
GAS DEPARTMENT
ENERGY EFFICIENCY
2006 - 2008 - PROGRAM COSTS, NET OF FORECASTED BENEFITS
ILLUSTRATIVE CLASS AVERAGE BILLS (3)**

Customer Class	2005	2006			2007			2008		
	Present Avg Bill Mar. 05	Average Bill	Change vs. 2005	%	Average Bill	Change vs. 2005	%	Average Bill	Change vs. 2005	%
Core Retail - Bundled (1)										
Residential	\$50.28	\$50.47	\$0.19	0.37%	\$50.20	-\$0.09	-0.2%	\$50.06	-\$0.22	-0.4%
Commercial, Small	\$320.54	\$321.46	\$0.92	0.29%	\$320.11	-\$0.43	-0.1%	\$319.42	-\$1.11	-0.3%
Commercial, Large	\$28,861.51	\$29,331.30	\$469.79	1.63%	\$28,644.35	-\$217.17	-0.8%	\$28,294.22	-\$567.29	-2.0%
Core Retail - Transportation Only (2)										
Residential	\$20.44	\$20.66	\$0.22	1.07%	\$20.34	-\$0.10	-0.5%	\$20.18	-\$0.26	-1.3%
Commercial, Small	\$407.83	\$411.38	\$3.54	0.87%	\$406.20	-\$1.64	-0.4%	\$403.56	-\$4.28	-1.0%
Commercial, Large	\$754.65	\$809.56	\$54.91	7.28%	\$729.27	-\$25.38	-3.4%	\$688.35	-\$66.30	-8.8%
Noncore - Transportation Only (2)										
Industrial Distribution	\$5,158.18	\$5,200.74	\$42.55	0.82%	\$5,138.61	-\$19.58	-0.4%	\$5,106.84	-\$51.35	-1.0%
Industrial Transmission	\$14,270.62	\$14,484.17	\$213.55	1.50%	\$14,171.84	-\$98.78	-0.7%	\$14,012.76	-\$257.86	-1.8%

(1) Bundled core bills include: i) an illustrative procurement component that recovers intrastate and interstate backbone transmission charges, storage, brokerage fees and an average annual Weighted Average Cost of Gas (WACOG) of \$0.61479 per therm; ii) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and iii) where applicable, a gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC Admin costs. Actual procurement rate

(2) Transportation Only bills include: i) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and ii) where applicable, a gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC Admin costs. Transportation only customers must arrange for their own gas purchases and transportation to PG&E's citygate/local transmission system.

(3) Bills represent class average. Actual bills will vary depending on the customer's load factor and seasonal usage.

Attachment III

Statewide and Local Government Partnerships Descriptions

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

STATEWIDE AND LOCAL GOVERNMENT PARTNERSHIPS

All of the 2006-2008 statewide and local government partnerships (Partnerships collectively, and SGP and LGP, respectively) share some common elements. However, each has been specifically tailored to the needs and unique characteristics of its County/ies, City/ies and their facilities, residents and businesses. This section is therefore divided into two main parts. The first, "Statewide and Local Government Partnerships," outlines the Partnerships as a whole. Subsequently, each of the Partnerships is described individually.

- 1. Projected Budget:** Current target budget of \$123.6 million for 2006-2008
- 2. Projected Impacts:** Target: First year savings over 2006-2008 83.9 MW, 407,045 GWh, and 5,311 million therms
- 3. Cost-Effectiveness:** The TRC target for partnerships is 2.54 and a PAC is 2.58.
- 4. Descriptors**

Market Sector:	Various
Classification:	Local and Statewide
Status:	Existing and New

5. Statement

PG&E has actively embraced statewide and local government partnerships to promote energy efficiency in recent years. These efforts have been innovative and successful and have led to significant energy savings in local government facilities, local communities, schools, colleges and universities throughout PG&E's service area. In addition to the savings obtained, these partnerships are designed to create a new paradigm for energy offerings in many of these jurisdictions and organizations leading to the infrastructure necessary for long-term, permanent energy savings in local areas.

The 2006-2008 Partnership portion of PG&E's energy efficiency portfolio is innovative in design and comprehensive in scope such that each individual Partnership becomes a part of the larger whole. Although each Partnership is independent, they have some common elements and as a group will strive for continuous improvement and sharing of best practices that add to overall Partnership efficiencies and success. The PG&E partnership portfolio consists of 18 LGPs and three SGPs. Of the 18 LGPs, seven are renewed and 11 new. LGP participants include cities, groups of cities, counties, and other local jurisdictions within PG&E's service area. This demonstrates the success and broad adaptability of the partnerships concepts. In addition, the number of partnerships has more than doubled with 21 partnerships for 2006-2008 as compared to only nine in 2004-2005.

The three SGPs include one continuing and two new partnerships. The University of California/California State University/Investor-Owned Utility (UC/CSU/IOU) Partnership started in 2004 and is continuing through 2008. The California Community College

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

(CCC)/IOU and California Department of Corrections and Rehabilitations (CDRC)/IOU Partnerships are both new for 2006-2008. PG&E will actively coordinate with the three other California investor-owned utilities (IOUs) as well as UC/CSU, CCC and CDCR in the management of the SGPs. The collaborative relationship forged between the UC and CSU systems and the four IOUs during the 2004-2005 UC/CSU/IOU Partnership led in large part to its success and will be continued and enhanced for the new cycle.

PG&E believes these statewide partnerships contribute substantial cost-effective energy savings, help PG&E achieve its energy efficiency portfolio objectives, and serve as models that others will want to emulate.

6. Rationale

The partnerships are market-based, local and statewide energy efficiency efforts for local governments, local communities, the UC and CSU systems, the California Community Colleges, and the state Department of Corrections and Rehabilitation served by PG&E. The partnerships capitalize on the vast resources and expertise of these organizations, as well as those of PG&E, which will lead to successful and cost-effective efforts that meet the objectives of the California Public Utilities Commission (Commission), the goals of the state Energy Action Plan to optimize energy conservation and resource efficiency, and the Governor's Green Building Action Plan goals. The partnerships are designed to focus on projects that serve as alternatives to supply-side resource options through the retrofit and retro-commissioning of existing buildings, to pursue the most cost-effective energy efficiency options, and to deploy new products and services.

For the 2006-2008 Partnerships, PG&E is combining the partnership model with a market-integrated approach to energy efficiency planning. Major markets served include the mass market (residential and small business customers); large commercial; fabrication, processing and industrial; high-tech industry; and schools, colleges and universities. Each partnership will focus on the markets that offer the greatest opportunity for energy savings in their jurisdiction. A market-based approach fits well with cities because local governments are in the best position to understand the needs of local industries, business, and institutions.

This market-integrated approach will blend the benefits of common efforts and strategies from a larger market-integrated demand side management (MI DSM) strategy with the local knowledge of markets and barriers to energy efficiency programs. The need to match customer needs, local programs and statewide strategies has been an ongoing challenge for energy efficiency programs, and MI DSM offers a way to help customers cut through the confusion and allows PG&E to provide a more comprehensive solution to energy efficiency adoption.

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

Selection Process

Approximately 40 proposals for partnerships were considered by PG&E for the 2006-2008 cycle. PG&E established teams to evaluate each of these proposals and used the following criteria - all indices of success - before selecting partnerships for inclusion in the portfolio:

- Clear Statement of Partnership Goals;
- Measurable, Cost-effective Energy Savings;
- Innovation;
- Market Segments Served;
- Partner Roles and Qualifications;
- Coordination of Delivery Channels;
- Strategies to Create Customer Equity while Maximizing Energy Savings;
- Potential for DSM Integration; and
- Leverage with Other Organizations.

For SGPs the success of the 2004-2005 UC/CSU/IOU Partnership demonstrates the great potential for energy savings at other similar statewide educational campuses, large institutions, and state agencies such as correctional facilities. It also serves as the rationale for the continuation of the UC/CSU/IOU partnership and the addition of the CCC/IOU and CDCR/IOU Partnerships, where similar organizations, barriers to energy efficiency implementation, and resources exist.

7. Strategy

PG&E believes considerable energy savings and demand reduction will emanate from multi-year collaborative partnerships between local governments and PG&E as well as statewide organizations and IOUs. These collaborations will leverage the strengths of local and statewide organizations and PG&E to carry the message about demand side management and savings to constituents who are also PG&E customers.

The 2006-2008 partnerships will build on the experiences and successes of the 2004-2005 partnerships. Like those in 2004-2005, the 2006-2008 partnerships will include various elements, operating locally and on a statewide, integrated basis for the UC/CSU//IOU, CCC/IOU, CDRC/IOU Partnerships. For 2006-2008, the primary focus for all the partnerships is energy savings. They will also set the foundation for long-term efforts focused on sustainability and best practices.

2004-2005 PG&E Partnerships which will be continued in for 2006-2008 are as follows:

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

Partnership	Local or Statewide	Major Market Sectors Covered Under Partnerships
San Francisco Energy Watch (formerly SFPEP)	Local	Residential: Single Family (2-4 unit), Multifamily; Nonresidential: Commercial
East Bay Energy Watch (formerly EBEP)	Local	Residential; Nonresidential: Commercial (municipal facilities)
Silicon Valley Energy Watch (SVEP)	Local	Nonresidential: Commercial
Bakersfield and Kern County Energy Watch	Local	Residential; Nonresidential: Commercial (municipal facilities)
Fresno Energy Watch (formerly Fresno Energy Savings Alliance)	Local	Residential; Nonresidential: Commercial (municipal facilities)
Stockton Energy Watch (formerly Stockton Smart Energy Program)	Local	Residential; Nonresidential: Commercial (municipal facilities)
Motherlode Energy Watch (formerly El Dorado Energy Partnership)	Local	Residential; Nonresidential: Commercial (municipal facilities)
UC/CSU/IOU Energy Efficiency Partnership	Statewide	Nonresidential: Commercial (Schools, Colleges & Universities)

The following new Partnerships will be added in 2006-2008:

Association of Bay Area Governments (ABAG) Energy Watch	Local	Nonresidential: Commercial (municipal facilities)
Association of Monterey Bay Area Governments (AMBAG) Energy Watch	Local	Residential; Nonresidential: Commercial (municipal facilities)
Madera Energy Watch	Local	Residential: Multifamily; Nonresidential: Commercial (municipal facilities)
Merced/Atwater Energy Watch	Local	Residential: Multifamily; Nonresidential: Commercial (municipal facilities)
San Joaquin Energy Watch (formerly San Joaquin Intelligence Quotient - SJEIQ)	Local	Residential: Multifamily; Nonresidential: Commercial (municipal facilities)
Santa Barbara County Energy Watch (SBCP)	Local	Residential; Nonresidential: Commercial
Silicon Valley Leadership Group Energy Watch (SVLGEW)	Local	Nonresidential: Commercial, Industrial
Marin County Energy Watch (formerly Marin Public Facilities Energy Management Team – Marin EMT)	Local	Residential; Nonresidential: Commercial (municipal facilities)
Sonoma Energy Watch	Local	Residential; Nonresidential: Commercial (municipal facilities)

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

Redwood Coast Energy Watch	Local	Residential; Nonresidential: Commercial (municipal facilities)
California Community Colleges (CCC/IOU) Energy Efficiency Partnership	Statewide	Nonresidential: Commercial (Schools, Colleges, and Universities)
California Department of Corrections and Rehabilitations(CDCR/IOU) Energy Efficiency Partnership	Statewide	Nonresidential: Commercial (Prisons and Rehabilitation Facilities)
Local Government Energy Action Resources	Local	Various TBD

Profiles for each of the above partnerships are presented in sections below. These profiles include more detailed information on partnership-specific implementation strategies.

Primary overarching partnership implementing strategies include:

- Residential and small business direct installation of energy efficient equipment;
- Energy efficient retrofits;
- Homebuyer information on energy efficiency;
- Codes and standards support;
- Building commissioning;
- Marketing and outreach on partnership and other energy efficiency programs;
- Energy efficiency education and training; and
- Supporting the Governor's Green Building Initiative by leveraging statewide partnerships.

8. Outcomes and Objectives

For the 2006-2008 partnerships, PG&E is expanding its 2004-2005 efforts with partnerships. The partnerships help PG&E reach customers and impact the customers' energy savings decisions by leveraging local knowledge and resources.

The partnerships will work to accomplish both immediate and long-term peak energy and demand savings. The desired outcomes, in addition to cost effective energy savings from partnership activities, are the widespread dissemination of energy efficiency information, efficiency in delivery of partnership offerings, sharing of best practices and educational tools, and a leveraging of local markets and customer knowledge.

Many goals are exclusive to each partner, but accomplishing individual goals also achieves the overarching vision for the partnership effort: the achievement of both immediate and long-term energy and peak demand savings.

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

PG&E Objectives

- Garner greater energy savings than would otherwise be possible through traditional demand-side management (DSM) programs;
- Extend the reach and effectiveness of PG&E's market integrated DSM programs by using local community communication, outreach and education channels to achieve broader penetration of energy efficiency services in the local community;
- Take advantage of existing government infrastructure to effectively implement programs and projects; and
- Engage the partnerships to deliver energy savings and demand reduction both through partnership activities and as channels for PG&E's other energy efficiency and demand reduction programs.

Local Government Objectives

- Provide comprehensive energy efficiency offerings to their local communities and for their municipal facilities;
- Inform their local communities about a wide variety of energy efficiency and demand reduction programs available to them and encourage participation; and
- Test innovative approaches.

Statewide Partnership Objectives (UC/CSU, CCC, and CDRC)

- Achieve immediate, cost-effective energy and demand savings;
- Improve energy-efficient operations and maintenance practices by training campus and other facility energy managers and other staff on initial and continuous commissioning and providing them tools to reduce energy consumption and peak demand;
- Train facility staff and energy managers to identify and implement energy efficiency opportunities; and
- Help achieve objectives of the Governor's Green Building Initiative through a portfolio of energy savings and energy management offerings carefully aligned with specific needs of state agencies and statewide institutions and in keeping with PG&E's market integrated DSM model.

9. Implementation

The 2006-2008 partnerships will utilize and build on the successful implementation strategies employed by the 2004-2005 LGPs and SGPs. These include:

- Coordinate with other energy efficiency programs and, for UC/CSU and CCC, ongoing campus projects;

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

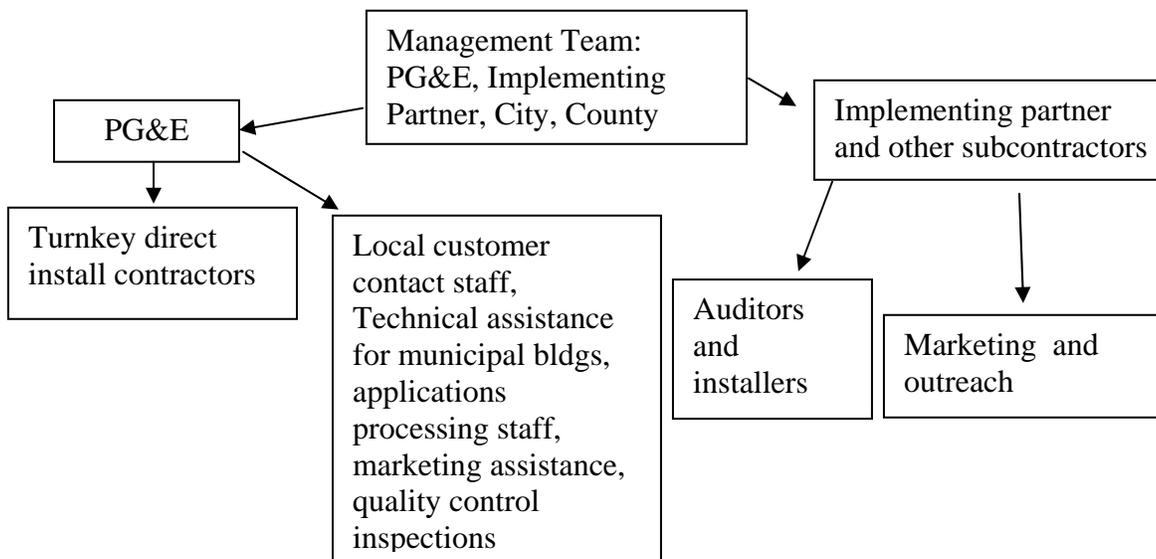
- Implement energy efficient retrofit projects;
- Commission buildings so they operate effectively with optimal energy use; and
- Provide locally based energy efficiency education and training classes to reach a broader audience especially in communities at some distance from PG&E's training centers in San Francisco, San Ramon, and Stockton.

To optimize delivery of PG&E's portfolio of energy efficiency programs, PG&E will establish Local Coordinating Councils to facilitate communication, coordinate roll-out, training, and sharing of experiences and best practices across the partnerships, PG&E's own programs, and those of third parties selected through the Commission-mandated competitive bid process. The Local Coordinating Councils will also allow all participants to explore opportunities to work on joint projects such as niche upstream offerings that need a regional approach.

Specific implementation activities of each partnership and the roles of partners vary. All partners participated in development of energy savings goals, deliverables and milestones, and share a commitment to the achievement of energy savings and demand reduction goals.

Functional Organization Chart

The organizational chart below identifies roles of involved parties.



10. Customer Description

Residents and businesses in the cities and counties with a partnership, the UC/CSU and CCC campus facilities, and the CDRC facilities in PG&E's service area are eligible to receive special services provided through the partnerships. PG&E's core programs and third party offerings are also available to these customers.

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

11. Customer Interface

For the SGPs (UC/CSU, CCC, and CDRC), the 2006-2008 offerings will utilize a similar management and team interface structure that was established for the UC/CSU/IOU partnership for 2004-2005. UC/CSU and the four IOUs collaboratively manage and implement the UC/CSU energy efficiency partnership. Staffs from each utility, UC and CSU, and a consultant administrator are responsible for the partnership's successful execution. The 2006-2008 statewide partnerships will benefit from the significant progress that has been made during the previous cycle in developing processes and communication strategies between the many partner organizations.

All partnerships will interface directly with their internal organizations, constituents, and customers in their jurisdictions. To improve coordination among all energy efficiency program delivery organizations, PG&E plans to establish Local Coordinating Councils to coordinate services that will optimize the efforts of the partnerships, PG&E Account Services, other PG&E delivery channels, third party offerings, and other IOU programs.

In addition, PG&E will work closely with the other IOUs in the implementation of the SGPs and LGPs, such as Bakersfield and Kern County and Santa Barbara County, involving multiple utilities.

12. Energy Measures and Activities

12.1. Measures Information

Measure information for each partnership is provided in the cost-effectiveness calculator. Additional measures may be added or dropped based on market needs.

The partnerships encompass the full range of energy-efficient measures which have been eligible for rebates under deemed savings or calculated savings.

12.2. Energy Savings and Demand Reduction Level Data

Energy savings and demand reduction information for each partnership is contained in the cost-effectiveness calculator for each partnership.

12.3. Non-energy Activities (Audits, Trainings)

Implementation of the various partnerships will involve non-energy activities such as making presentations, attendance at conferences, meetings, community fairs, outreach events, distribution of marketing materials, on-site meetings, and training classes.

The training and education component of the SGPs (UC/CSU, CCC and CDRC) involves training of campus and facility design staff, project managers, energy managers and others on using best energy practices in the construction, retrofit, and monitoring based commissioning of campus buildings and central plant infrastructures. This will continue

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

progress made on the establishment of a statewide approach to training and building operation so that this best energy practices approach can be used for ensuring long-term energy efficiency savings. The training and education component will work hand-in-hand with the first two components—energy retrofits and retro- and continuous commissioning. In addition, students are involved in the UC/CSU partnership.

The training and education component of the LGPs primarily involves locally-based training classes. PG&E's Pacific Energy Center, Energy Training Center at Stockton, and the Food Service Technology Center all have expansive curricula on energy efficiency. These curricula can be delivered locally to participating cities, counties and agencies, and additional classes addressing specific local needs may be developed and offered.

12.4. Subcontractor Activities

Each Partnership anticipates needing subcontractors who will be selected to assist with implementation as necessary. In many cases, local governments have opted to work with an implementing partner.

In the UC/CSU and CCC partnerships, the campus facilities management staff will play a major role in this component with the assistance of subcontractors, particularly with campuses in their commissioning efforts and for implementation of energy efficiency retrofits. A subcontractor will also oversee management and assist with day-to-day administration. This approach was used successfully for the 2004-2005 UC/CSU partnership and may be appropriate for the CDCR partnership.

12.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with its partnership and statewide management staff, will establish and oversee quality assurance measures for the various initiatives, including oversight and verification of subcontractor activities. PG&E will continue the level of due diligence and quality assurance of its present energy efficiency offerings, including a representative percentage of pre-/post-installation confirmation inspections for residential and small business installations, and pre-/post-inspections of all large or specialized projects involving installation of energy-efficient equipment, facility retrofits, building commissioning and new construction projects using a calculated savings approach.

PG&E may enlist the support of its local government partners to conduct pre-/post-installation confirmation inspections for residential and small business installations using building department officials or other qualified local staff. For large or specialized project verification, review and quality assurance, PG&E will enlist the support of independent technical consultants or its own engineers. PG&E will review and quality-check both local government staff and PG&E technical consultant reports and customer applications.

The key measure of success for each partnership will be its ability to meet the energy savings goals within the cost-effectiveness targets established. This impact evaluation will be performed by a Commission-selected contractor. Another measure of the success of

2006-2008 Energy Efficiency Programs All Partnerships/Introduction

each partnership will be based on process evaluations that focus on the efficiency and value of the partnership. The process evaluation may include evaluation of delivery mechanisms, marketing and delivery channels, timelines and customer satisfaction. The research will provide ongoing feedback and corrective guidance regarding implementation through customer behavior and market actor studies, and it will measure indicators of effectiveness. Surveys undertaken as part of the process evaluation are likely to include participating and non-participating customers and trade allies. The evaluation will gather data during the intervention review and conduct quality assurance on the data. Supplemental data will also be collected as needed to carry out the analyses to determine the successfulness of the initiative.

12.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

12.6. Marketing Activities

The partnerships will use a variety of marketing efforts to reach end-use customers. This may include existing IOU infrastructure such as statewide outreach activities, specialized marketing and outreach services, and unique local government resources that will increase the saturation and reach of marketing efforts. The local governments have unique local communication channels including local government mailings, city Web sites, access to local business associations, and tenant and landlord associations. This marketing strategy ensures that more customers will be aware of and participate in both the local aspects of the partnerships (e.g., direct install, energy efficiency seminars, and other activities) as well as core PG&E programs and third party offerings.

The Energy Watch brand being used by the majority of the LGPs will identify the numerous PG&E/local government partnerships.

**2006-2008 Energy Efficiency Programs
Association of Bay Area Governments Energy Watch**

ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG) ENERGY WATCH

1. Projected Partnership Budget

\$6,000,000.

2. Projected Net Partnership Impacts

MWh:	20,023
MW (Summer Peak):	4.623
Therms:	274,888

3. Partnership Cost-effectiveness

TRC:	3.19
PAC:	3.12

4. Partnership Descriptors

Market Sector: Nonresidential: Commercial (Municipal Facilities); Residential:
Multifamily (Senior Facilities)

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

PG&E and the Association of Bay Area Governments (ABAG) will work together on ABAG Energy Watch, which will promote reduced energy use and energy savings targets for local governmental agencies (cities, counties and special districts) in the following counties:

- Alameda
- Contra Costa
- Marin (coordinated with the Marin County Energy Watch)
- Napa
- San Mateo
- Santa Clara
- Solano
- Sonoma (coordinated with the Sonoma County Energy Watch)

ABAG Energy Watch will provide the following general services: energy efficiency retrofits including a small facility direct install element, technical assistance, retro-commissioning, education and training, and energy policy adoption assistance.

The 2006-2008 ABAG Energy Watch will build on the success of the past Local Government Energy Partnership, which by the end of the 2004-05 program cycle had assisted 35 small- and medium-sized local governments in achieving energy and cost

2006-2008 Energy Efficiency Programs

Association of Bay Area Governments Energy Watch

savings by implementing energy efficiency projects in public facilities and helping local governments create community-wide energy savings.

6. Partnership Rationale

ABAG's Energy Watch is designed to help local Bay Area agencies 1) become better informed about the energy efficiency potential within their agencies; 2) obtain the necessary tools and services to develop cost-effective, energy-efficient projects; and 3) access necessary funding, incentives and rebates in order to complete cost-saving projects. This partnership can have a significant impact on the statewide goals set by the Governor's office (Executive Order S-20-04), California Public Utilities Commission (Energy Action Plan), and PG&E's Market Integrated Demand Side Management (DSM) portfolio by helping local governments overcome market barriers and increase the level of energy efficiency.

ABAG Energy Watch will contribute to PG&E's cost-effective portfolio of energy efficiency programs by helping local agencies implement a variety of energy efficiency projects. ABAG Energy Watch will be flexible in targeting services to small local governments that historically have not tapped their energy efficiency potential, provide sustained technical services so that projects actually get built, break down market barriers, and assist local governments to implement projects that would not otherwise happen.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 ABAG Energy Watch are listed below in detail.

- 7.1. Facility Services:** This element provides comprehensive, sustained technical services to help make improvements in public facilities using subcontractors hired by ABAG. Technical services include facility audits, reports identifying recommended energy efficiency improvements, estimates of funding available from the partnership for such improvements, suggestions on sources of funding outside of the partnership, assistance in completing forms requesting funding from the partnership or other sources for those improvements each agency chooses to pursue, facilitation of pre-installation inspections, assistance in identifying qualified contractors, project management of the installation process, facilitation of the post-installation inspections, and summary reports on each installation. Additionally, this element will also offer a service using data tracking to monitor savings and ensure persistence to allow participants and program managers the ability to track and validate the effectiveness and persistence of all services provided under the Facility Services element.
- 7.2. Community Energy Services:** This element will offer assistance to local governments in developing energy policies and programs to generate community-wide energy savings for mass markets and other market sectors.

2006-2008 Energy Efficiency Programs

Association of Bay Area Governments Energy Watch

- 7.3. Energy Efficiency Education and Information Services: PG&E will provide energy workshops designed specifically for local government decision-makers and facility staff. These free training opportunities will offer suggestions on how to reduce energy bills and operate more energy efficiently. Additionally, the partnership will promote relevant workshops and seminars conducted by utilities and other groups.
- 7.4. Energy Efficiency Services and Incentives for Municipal Buildings and Street lighting: Technical consultants will survey major energy-consuming systems within public facilities in order to identify potential energy-saving opportunities. Financial incentives will be available to help support the investment in energy efficiency retrofits at select municipal facilities.
- 7.5. Small Facility Direct Install: This strategy will provide energy efficient retrofit services for selected small public facilities. Energy-efficiency experts will perform free energy audits to help identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers may gain a number of energy-efficient upgrades free of charge.
- 7.6. Retro-Commissioning (RCx) / Monitoring-Based Commissioning (MBCx): This element is a unique local approach to obtaining savings that combines the expertise of the facility management staff, utility and subcontractor expertise, and the installation of energy monitoring and metering equipment when appropriate at the building system level. Through these resources a systematic, comprehensive RCx/MBCx component will be implemented in existing municipal facilities. It will provide a cost-effective approach to achieving optimized operating facilities, save both electric and gas energy, reduce operating cost and improve occupancy comfort.

8. Partnership Outcomes and Objectives

ABAG Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for sustainable, long-term energy management for partner entities.

Specific objectives for ABAG Energy Watch include assisting local governments in achieving energy and cost savings by implementing energy efficiency projects in public facilities and helping local governments create community-wide energy savings.

9. Partnership Customer Description

Customer types targeted by ABAG Energy Watch are local governmental entities (cities, counties and special districts) and senior facilities in the San Francisco Bay Area (see list of targeted counties above).

2006-2008 Energy Efficiency Programs

Association of Bay Area Governments Energy Watch

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from the investor-owned utility (IOU) marketing as well as through innovative outreach efforts.

The ABAG Energy Watch implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

ABAG Energy Watch will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall achievement of the energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

ABAG, in coordination with PG&E, is responsible for implementation of the following Elements:

- Marketing and Outreach;
- Energy Efficiency Retrofits of Municipal Facilities, including street lighting;

2006-2008 Energy Efficiency Programs Association of Bay Area Governments Energy Watch

- Facility Benchmarking and Controls Improvement;
- Technical Assessments;
- Small Municipal and Senior Facilities Direct Install;
- Training and Education;
- Retro-commissioning, including monitoring-based commissioning (MBCx); and
- Community Energy Policy Development

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the ABAG Energy Watch, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings, including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized projects hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

ABAG Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments. In addition, ABAG Energy Watch will work with the IOU partners on an overall Partnership initiative to leverage the Energy Watch brand. The implementer and PG&E will have overall responsibility for ABAG Energy Watch marketing, advertising and outreach through existing implementer and PG&E channels.

2006-2008 Energy Efficiency Programs AMBAG Energy Watch

ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS (AMBAG) ENERGY WATCH

1. Projected Partnership Budget

\$6,995,084

2. Projected Net Partnership Impacts

MWh:	19,689
MW (Summer Peak):	5.679
Therms:	404,350

3. Partnership Cost-effectiveness

TRC:	2.72
PAC:	2.57

4. Partnership Descriptors

Market Sector:	Residential: Single Family, Multifamily; Nonresidential: Commercial; Industrial
----------------	--

Partnership Classification:	New
Partnership Status:	Local

5. Partnership Statement

PG&E, the Association of Monterey Bay Area Governments (AMBAG) and Staples Marketing Communications will work together on the AMBAG Energy Watch, which will promote reduced energy use and energy savings targets for the AMBAG member jurisdictions by providing energy efficiency information and direct installation of energy-efficient equipment free of charge to eligible PG&E customers. Eligible PG&E customers include residential and small business customers located within the designated target areas of Monterey, Santa Cruz and San Benito counties.

6. Partnership Rationale

AMBAG Energy Watch is modeled after PG&E's successful Bakersfield and Kern County Energy Watch partnership and will replicate this success in the AMBAG area. The partnership will serve residential and commercial customers, including the public sector, in the counties of Monterey, Santa Cruz and San Benito and the 18 cities in those counties. Residential and business customers in selected cities and county areas would be offered direct installation of energy-efficient measures, while home buyers and municipalities throughout the area would be offered design assistance and financial incentives for energy efficiency retrofits and new construction projects.

The AMBAG Energy Watch will coordinate its services with other activities provided by the participating cities, counties and PG&E to provide information to customers on all programs for which they might be eligible (e.g., CARE, demand response and community

2006-2008 Energy Efficiency Programs AMBAG Energy Watch

block grant assistance). The marketing and outreach campaign will educate non-residential and residential customers about other energy efficiency programs. The local utility staff will assist customers to benefit from of such programs.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 AMBAG Energy Watch are listed below in detail.

- 7.1. Single Family and Multifamily Residential Direct Install:** Energy efficiency experts will canvass designated neighborhoods (as determined by the local cities and counties) and identify single and multifamily homes that qualify for the installation of a variety of free energy-efficient measures. Residents with single-family homes may also receive a free energy analysis that can help them identify how they are using their energy and ways to save.
- 7.2. Small Hospitality Business Direct Install:** This strategy will provide energy efficiency retrofit services to small customers in the hospitality industry in targeted areas. Energy efficiency experts will contact small hotels and motels, offer to perform free energy audits to help identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers may gain a number of energy-efficient upgrades free of charge.
- 7.3. Energy Efficiency Services and Incentives for Municipal Buildings:** Technical consultants will survey major energy-consuming systems within targeted municipal facilities in order to identify potential energy-saving opportunities. Financial incentives and project management services may be available to help support the investment in energy efficiency retrofits at select municipal facilities. Services are available to existing AMBAG member municipal facilities as well as in the planned, new AMBAG office building in Marina, CA.
- 7.4. Home Buyers Component:** This element will provide specialized services to home buyers which may include an energy audit of the recently purchased home and free energy-efficient measures such as low flow showerheads, faucet aerators, and pipe insulation. Qualifying home buyers will be referred to other programs as appropriate. To reach homebuyers, the marketing contractor will leverage area Realtor[®] association marketing vehicles, participate in home shows and homebuyer fairs, and provide information for use by home loan counselors and HUD/FHA first-time homebuyer classes to generate requests for site visits.
- 7.5. Energy Efficiency Education and Information Services:** PG&E will provide energy clinics and classes designed specifically for residents and businesses throughout Monterey, Santa Cruz and San Benito Counties. Through these free training opportunities, residential and business customers can receive suggestions for reducing energy bills and operating more energy efficiently.

2006-2008 Energy Efficiency Programs AMBAG Energy Watch

8. Partnership Outcomes and Objectives

AMBAG Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for AMBAG Energy Watch include:

- Gaining the ability to provide specialized energy efficiency offerings to partner local communities, businesses, and for their own municipal facilities; and
- Informing partner local communities about the wide variety of energy efficiency and demand reduction offerings available to them and encouraging participation.

9. Partnership Customer Description

Eligible PG&E customers include residential and small business customers located within designated target areas. Customer types targeted by the AMBAG Energy Watch vary depending on the services provided and include:

- Residential – Single Family and Multifamily Residential Direct Install; Home Buyers Component
- Small Business – Small Hospitality Business Direct Install
- Municipal (City and County) – Energy efficiency Services and Incentives for Municipal Buildings

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing, as well as through innovative outreach efforts.

The AMBAG Energy Watch implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

2006-2008 Energy Efficiency Programs AMBAG Energy Watch

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

AMBAG Energy Watch will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall achievement of the partnership's energy goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

AMBAG and Staples Marketing Communications are responsible for assisting PG&E with implementation of the following AMBAG Energy Watch elements:

- Marketing and Outreach;
- Energy Efficiency Retrofit;
- Technical Assessments;
- Single Family Direct Install;
- Multifamily Direct Install;
- Small Hospitality Business Direct Install;
- Training and Education; and
- Homebuyers' Component.

Other contractors will be selected to assist with implementation as necessary for such elements as direct install.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the AMBAG Energy Watch, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings, including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

2006-2008 Energy Efficiency Programs AMBAG Energy Watch

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

AMBAG Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations.

AMBAG Energy Watch will coordinate its services with other activities provided by the participating cities, counties and PG&E to provide information to customers on all programs for which they might be eligible (e.g., CARE, demand response, community block grant assistance). The marketing and outreach campaign will educate nonresidential and residential customers about other energy efficiency programs. The local utility staff will assist customers to benefit from such programs. In addition, AMBAG Energy Watch will work with the IOU) partners on an overall Partnership initiative to leverage the Energy Watch brand.

A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how offerings will be marketed to diverse customer bases. AMBAG and PG&E along with services provided by contractor Staples Marketing Communications will have overall responsibility for AMBAG Energy Watch marketing, advertising and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events.

2006-2008 Energy Efficiency Programs Bakersfield and Kern County Energy Watch

BAKERSFIELD AND KERN COUNTY ENERGY WATCH

1. Projected Partnership Budget

\$6,695,765

2. Projected Net Partnership Impacts

MWh:	24,122
MW (Summer Peak):	3.887
Therms:	80,854

3. Partnership Cost-effectiveness

TRC:	2.44
PAC:	1.97

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial

Partnership Classification: Local
Partnership Status: Existing Renewed

5. Partnership Statement

Bakersfield and Kern County Energy Watch will build on the success of the 2004-2005 program. This partnership is a cooperative effort of Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE) and Southern California Gas Company (SCG). Partnership offerings are available to residents, businesses and municipalities of the City of Bakersfield and Kern County.

6. Partnership Rationale

The partnership will build on its prior achievements in reducing energy use by providing energy efficiency information and direct installation of energy-efficient equipment to homeowners in general and small businesses in targeted areas. The 2006-2008 Bakersfield and Kern County Energy Watch will be enhanced by a new component that offers training to city building inspectors.

7. Partnership Implementation Strategy

PG&E will serve as the lead utility and directly oversee the residential direct install contractors for SCG, SCE and PG&E customer installations, the marketing contractor, and the small business direct install contractor. SCG will directly oversee the municipal building projects and work directly with the county of Kern to identify opportunities. All partners will review marketing materials and outreach efforts.

2006-2008 Energy Efficiency Programs Bakersfield and Kern County Energy Watch

The implementation strategies for the 2006-2008 Bakersfield and Kern County Energy Watch are listed below in detail.

- 7.1. Single Family and Multifamily Residential Direct Install: Energy efficiency experts will canvass designated neighborhoods and identify single and multifamily homes that qualify for the installation of a variety of free energy-efficient measures.
- 7.2. Small Business Direct Install: For small business customers, a selected contractor will canvass targeted areas, as referred by the city of Bakersfield and the county of Kern, to sign up small business customers, arrange for energy audits to be conducted by California Home Energy Efficiency Rating System (CHEERS)-trained auditors, and install screw-in compact fluorescent lamps, occupancy sensors and T5 or T8 lamps as needed to replace inefficient existing equipment and other energy efficiency measures.
- 7.3. Municipal Retrofits: This component will serve municipal buildings in the county of Kern, conduct audits of chosen facilities, and identify project opportunities.
- 7.4. Education and Training: This element will provide locally-based energy efficiency, demand reduction technology and energy-efficient design education and training as appropriate for the geographic and demographic areas served. The component will provide education including 20 energy efficiency training classes at SCE's Agricultural Technology Application Center and PG&E's Pacific Energy Center.
- 7.5. Specialized Marketing and Outreach: A marketing company will be selected to:
 - Develop marketing and advertising plans based on partners' needs and input;
 - Design and produce partnership brochures, radio and television commercials;
 - Staff an outreach booth/table at various local area stores to promote the partnership services;
 - Create, print and store partnership marketing materials;
 - Identify local events which can be used to market the Energy Watch partnership services.

In addition, the selected marketing contractor will employ third-party partners to market partnership offerings. For the residential component, new homebuyers will be reached utilizing marketing and communications vehicles of the real estate community such as banner ads on multiple listing services (MLS) Web-sites. For more detail on marketing activities, see section 11.6 below.

- 7.6. Home Buyers Component: This element will provide specialized services to homebuyers which may include an energy audit of the recently purchased home and free energy-efficient measures such as low flow showerheads, faucet aerators, and pipe insulation. To reach homebuyers the marketing contractor will leverage area Realtor[®] association marketing vehicles, participate in home shows and homebuyer fairs, and provide information for use by home loan counselors and HUD/FHA first-time homebuyer classes to generate requests for site visits.

2006-2008 Energy Efficiency Programs Bakersfield and Kern County Energy Watch

7.7. Energy Audits and Technical Services: This component will offer energy audits to residents and businesses in participating local jurisdictions. Technical services will be offered primarily to government facilities in the targeted geographical areas. Targeted energy audits will identify and develop projects to be implemented through the energy efficiency retrofit offerings. Energy Watch will provide residential and comprehensive commercial (small business) on-site energy audits. In addition, Energy Watch will train city building inspectors to incorporate energy audits into their services.

8. Partnership Outcomes and Objectives

Bakersfield and Kern County Energy Watch will work towards achieving immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities, and set the foundation for sustainability and best practices for the partnership's participating jurisdictions and customers.

Specific objectives for the Bakersfield and Kern County Energy Watch include:

- Gaining the ability to provide specialized energy efficiency offerings to partner local communities, businesses, and for their own municipal facilities;
- Informing partner local communities about the wide variety of energy efficiency and demand reduction offerings available to them and encouraging participation;
- Enhancing current urban renewal projects through the addition of energy efficiency upgrades; and
- Incorporating energy audits as a standard practice for city building inspectors.

9. Partnership Customer Description

Customer types targeted by Bakersfield and Kern County Energy Watch vary depending on the services provided and include:

- Residential – Single Family and Multifamily Residential Direct Install; Home Buyers Component; Technical Services
- Small Business – Small Business Direct Install; Energy Audits and Technical Services
- Municipal (City and County) – Municipal Retrofits

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing as well as through innovative outreach efforts. This partnership features direct interface with

2006-2008 Energy Efficiency Programs Bakersfield and Kern County Energy Watch

customers through canvassing of business areas and scheduling of on-site visits to residences.

The Bakersfield and Kern County Energy Watch implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

Bakersfield and Kern County Energy Watch will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the achievement of the energy goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

Staples Marketing Communications, Inc., is a full-service marketing communications firm with direct experience in conceptualizing, developing and implementing marketing and outreach for residential and commercial energy customers using a combination of targeted communications and third-party interventions. This company was integral to the success of the 2004-2005 partnership efforts and will also help implement the 2006-2008 Bakersfield and Kern County Energy Watch.

The marketing contractor may provide the following services:

2006-2008 Energy Efficiency Programs Bakersfield and Kern County Energy Watch

- Primary responsibility for marketing and outreach, promotion and development of collateral materials.
- In coordination with the Partnership's direct install contractor, Staples Marketing will hire and train staff for on-site residential education and audits (as necessary); and nonresidential canvassing, education and audits. The Partnership will provide management and oversight of all education, audit and installation activities associated with activities.
- The Partnership will coordinate with the PG&E's Education and Training program to deliver residential audits.

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the Bakersfield and Kern County Energy Watch, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings, including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

Bakersfield and Kern County Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations. Bakersfield and Kern County Energy Watch will also work with the IOU partners on an overall Partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed describing how offerings will be marketed to diverse customer bases. A marketing company will be selected to:

- Develop marketing and advertising plans based on partners' needs and input;
- Design and produce partnership brochures, radio and television commercials;

2006-2008 Energy Efficiency Programs Bakersfield and Kern County Energy Watch

- Staff an outreach booth/table at various local area stores to promote the partnership services;
- Create, print and store partnership marketing materials;
- Identify local events which can be used to market the Energy Watch partnership services.

In addition, the selected marketing contractor will employ third-party partners to market the partnership offerings. For the residential component, new homebuyers will be reached utilizing marketing and communications vehicles of the real estate community to reach, such as banner ads on Web-based MLS listings.

Partners within the business community such as the Greater Bakersfield Chamber of Commerce and Hispanic Chamber of Commerce will help educate members about Energy Watch. Targeted business lists will be provided by city and county partners.

In addition, Bakersfield and Kern County Energy Watch will use paid media schedules (TV and radio), as well as an infomercial on K-GOV television channel, to generate residential requests for a site visit.

Local governments will assist the effort through local and city channels by providing access to such channels as bill inserts, local cable television channels, Web sites and local newspapers to distribute information. A specific telephone number and Web site will also be used to disseminate information. The partners will also have in-house personnel who will answer questions and direct customers to the services offered.

**2006-2008 Energy Efficiency Programs
California Community Colleges/IOU Energy Efficiency Partnership**

**CALIFORNIA COMMUNITY COLLEGES/IOU ENERGY EFFICIENCY
PARTNERSHIP (CCC/IOU)**

1. Projected Partnership Budget

\$11,814,880

2. Projected Net Partnership Impacts

MWh:	30,705
MW (Summer Peak):	6.712
Therms:	988,985

3. Partnership Cost-effectiveness

TRC:	2.43
PAC:	2.61

4. Partnership Descriptors

Market Sector: Nonresidential: Commercial (Schools, Colleges, and Universities)

Partnership Classification: Statewide

Partnership Status: New

5. Partnership Statement

CCC/IOU Energy Efficiency Partnership is a partnership between the California Community Colleges (CCC) and the four investor-owned utilities (IOUs). CCC are two-year public educational institutions with 109 colleges statewide organized into 72 districts. It serves more than 2.5 million students and represents the largest system of higher education in the world. PG&E and the other IOUs (Southern California Edison, Southern California Gas Company and San Diego Gas & Electric) will collaborate with the CCC to share energy efficiency best practices and to implement energy efficiency projects for immediate and long-term energy savings and peak demand reduction.

This partnership brings a unique opportunity to deliver cost-effective energy savings while leveraging the CCC's \$13 billion in local bond funding. Through the partnership the campuses will be able to build an infrastructure that facilitates project identification and implementation. It will also allow PG&E and the utilities to focus on the varying needs of the Community Colleges and opportunities to tailor an initiative that will be able to capture even greater energy savings while developing long-term relationship.

The CCC/IOU Partnership will include the implementation of retrofits, new construction, and retro-commissioning (RCx)/monitoring-based commissioning (MBCx) projects. The Partnership will also focus its efforts on training and education, which will leverage existing vocational education programs, while training faculty and staff on best practices, on energy-efficient technology implementation, and energy management.

2006-2008 Energy Efficiency Programs California Community Colleges/IOU Energy Efficiency Partnership

6. Partnership Rationale

The IOUs and the CCC have embraced the opportunity for a 2006-2008 statewide Partnership. CCCC is committed to delivering cost-effective persistent energy savings and is looking to the IOUs for guidance and assistance to ensure success.

The CCC is a large, complex organization with a broad set of goals, stakeholders, processes and constituencies. They are diverse from a geographic, climate, and operational needs standpoint. Unlike the University of California and California State University systems, each district or single campus is autonomous from any single governing body. They are each managed by an elected board of trustees. The Community College System Chancellor's Office provides funding and services but does not have underlying authority over each of the individual districts or campuses.

With the size and statewide diversity of the colleges, there is a considerable opportunity to save energy and operating costs on a scale that is meaningful to the colleges, IOUs and the State of California. This partnership is designed to meet these challenges. Many of the campuses have not had the funding to implement energy projects throughout their campuses. Those that have are due for updated technology. Their stock of existing buildings can benefit from the commissioning process.

There is also a significant opportunity with new construction. Over 70 percent of the 109 campuses within the 72 districts have passed local bonds. These districts have over \$13 billion of funding, statewide, and are focusing on the expansion and modernization of the campuses.

With opportunity come challenges. The colleges have a time and budget constraint that they must work under when delivering their bond funding projects. Some of the energy efficiency opportunities are being value engineered out of the projects because of cost constraints and tight project implementation schedules. This challenge for the colleges presents a great opportunity for the Partnership to capture lost opportunities. The CCC/IOU Energy Efficiency Partnership can provide incremental funding to ensure that those measures are not left out of these projects and that the colleges can leverage this Partnership to create and maintain a sustainable and long-term energy focus.

7. Partnership Implementation Strategy

The new CCC/IOU Partnership will incorporate lessons learned from previous statewide partnerships in the areas of improved delivery efficiency and communication among the stakeholders. The timing for of this Partnership is critical; the CCC is embarking on a major construction cycle and needs technical and financial input from the IOUs to ensure that the resulting new and existing buildings are as energy efficient as possible. There needs to be a major focus on energy-efficient design for modernization and new construction projects. Furthermore, a solid foundation is required to educate community colleges on sustainability and persistent energy opportunities through optimizing performance of existing buildings.

2006-2008 Energy Efficiency Programs

California Community Colleges/IOU Energy Efficiency Partnership

Implementation strategies for 2006-2008 will include energy efficiency retrofit projects at campuses, new construction projects, retro-commissioning (RCx) or monitoring based commissioning (MBCx) projects, and a training and education element. The elements will operate on a statewide, integrated basis providing immediate energy savings and setting the foundation for a long-term program that focuses on the sustainability and best practices.

The implementation strategies for the 2006-2008 CCC/IOU Energy Efficiency Partnership are listed below in detail.

- 7.1** Energy Efficiency Retrofits: The Retrofit projects in this component will be implemented by the CCC. The Partnership has identified potential projects through the project solicitation process, as noted above, and has a distribution of project types that provide valuable planning information to determine incentive levels, incentive payment structure, forecasting of budget for the each element and to establish the implementation strategies and schedules for the proposed projects. The energy efficient measures identified on the project list include both electric and gas measures such as lighting retrofits (T5 technology, light emitting diode (LED) applications, newer 28 watt T-8's), building wide lighting controls, boiler replacements, installation of water heaters, tankless water heaters, HVAC and chiller upgrades/replacements and central plant projects.
- 7.2** New Construction Assistance: New construction projects will focus on sustainability and long-term energy savings opportunities. PG&E will work closely with the CCC to identify new construction projects and use the Partnership to leverage those opportunities and energy savings potential. The Partnership will utilize the growing bond dollars totaling over \$12 billion within the community college system to implement those measures that show persistent energy savings and to capture the lost opportunities in those projects that have been value-engineered due to budget and time constraints.
- 7.3** Retro-Commissioning (RCx) / Monitoring-Based Commissioning (MBCx): This element is a unique approach to obtaining savings that combines the expertise of the community colleges statewide campus facility management staff, utility and subcontractor expertise, and the installation of energy monitoring and metering equipment at the building system level. Through these resources, a systematic, comprehensive RCx/MBCx element will be implemented in existing campus buildings. It will provide a cost-effective approach to achieving optimized operating facilities, save both electric and gas energy, reduce operating cost and improve occupancy comfort.
- 7.4** Energy Efficiency Education and Best Practices Development and Training: The partners will provide education and training for students and facility personnel. The education and training element will develop workshops, in collaboration with other partnerships, to target campus facility and maintenance staff. It will be a venue for those individuals responsible for managing energy use on campuses to share information and experiences related to facility operations, to gain knowledge of

2006-2008 Energy Efficiency Programs

California Community Colleges/IOU Energy Efficiency Partnership

industry best practices in energy efficiency management, and successful energy efficiency project implementation, among other issues.

The other strategy for the education and training element is the utilization of an energy efficiency vocational curriculum that will be offered to campus students to equip them with energy efficiency knowledge which they can apply in the industry. Lastly, this Partnership will seek opportunities to improve project coordination and communication to strengthen the relationships amongst the partners.

The primary vehicles for training and dissemination of information will be a series of training sessions and workshops (covering new construction, building operator training, retrofits, retro-commissioning, and monitoring based commissioning) to be held in Northern and Southern California. The partners will collaborate with the IOUs technology centers to assist with course offerings, curriculum and content development and will utilize the existing material and best-practices documentation developed by other partnerships during the 2004-2005 cycle.

The management structure of the Partnership will be customized to allow for more flexibility in overall administration, in project assessment and implementation and in outreach to campuses within the Community College system. The Partnership will be managed by a management team which consists of representatives from each partner (CCC and the IOUs). Each element will be coordinated through specific project teams for retrofit, new construction, RCx, and education/training. These project teams may involve additional partnership staff such as engineers and tech specialists as well as other CCC staff.

The CCC/IOU Partnership has developed and implemented a project solicitation process to generate a pool of potential projects for the retrofit, new construction, and RCx/MBCx elements. The project submission process has two phases. Phase 1 includes an initial project request (Form 1) sent out to all 109 college campuses to request potential project information. There was a high level of acceptance for the process. An overwhelming response rate of 75 percent was achieved from the campuses statewide. Further outreach efforts are being considered to reach the remaining 25 percent of the non-responsive campuses. The Form 1 exercise provided an initial list of over 900 potential projects with over 40 million kWh in potential savings and over \$60 million in projects.

In the second project phase, a more detailed project request form (Form 2) was distributed to all the participating campuses. Form 2 will provide the Partnership team with enough information to effectively review and perform due diligence on each project application. The process will ensure project compliance with requirements. The implementation plans and project schedules will be finalized upon completion of the Form 2 evaluations and approval of projects. The process of finalizing the inventory and installation of measures will be well documented and passed on for use in the retrofit, new construction, and RCx/MBCx elements.

2006-2008 Energy Efficiency Programs

California Community Colleges/IOU Energy Efficiency Partnership

8. Partnership Outcomes and Objectives

The CCC/IOU Energy Efficiency Partnership will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for sustainable, long-term energy management programs for partner entities.

The CCC/IOU Energy Efficiency Partnership will leverage the ongoing expansion and modernization of community college campuses. Each campus has a master plan in place or in development. With the Partnership, the IOUs can help develop an emphasis on energy efficiency to incorporate into the overall campus plan. It will capitalize on the vast resources and expertise of the community college system and the California IOUs to deliver successful and cost-effective services to meet the objectives set forth by the California Public Utilities Commission (Commission), the goals of the State Energy Action Plan to optimize energy conservation and resource efficiency, and the Governor's Green Building Action Plan goals by assisting campuses with the retrofit and retro-commissioning of existing buildings.

Desired outcomes include:

- An energy efficiency partnership that is designed to efficiently accomplish immediate and long-term energy and peak demand savings goals;
- Improved communication and collaboration among the CCC and four IOUs to delivery energy efficiency offerings;
- Effective dissemination of information to increase awareness and acceptance of energy efficiency practices;
- Improved efficiencies in delivery, sharing of best practices and educational tools, and leveraging of local knowledge;
- Creation of an infrastructure for the permanent adoption of processes at the campus system level; and
- A paradigm shift at the campus energy manager level for energy planning and decision making.

PG&E's objectives for CCC/IOU Energy Efficiency Partnership include:

- Extending the reach and effectiveness of PG&E's integrated demand-side management (IDSM) programs and garnering greater energy savings than would otherwise be possible through traditional methods;
- Positioning the partnership to be strategic partners that help PG&E reach additional customers and impact their energy decisions,
- Leveraging existing organizational infrastructure to effectively implement initiatives and projects;

2006-2008 Energy Efficiency Programs

California Community Colleges/IOU Energy Efficiency Partnership

- Engaging the Partnership to deliver energy savings and demand reduction both through Partnership activities and as channels for PG&E's other energy efficiency and demand reduction programs;
- Leveraging the bond funding available at 70 percent of the CCC campuses to expand the energy savings potential

CCC objectives for CCC/IOU Energy Efficiency Partnership include:

- Achieving immediate, cost-effective energy and demand savings;
- Implementing energy-efficient components in new buildings that are currently being valued engineered out of the project due to funding constraints;
- Developing a successful energy efficiency Partnership that will build momentum and create Partnerships that extend beyond the 2006-2008 program years;
- Improving energy-efficient operations and maintenance practices; and
- Training of CCC energy managers to identify and implement energy-efficient opportunities while leveraging vocational education programs that expand to all Community Colleges.

9. Partnership Customer Description

The community college campuses and administrative offices in the PG&E's service area.

10. Partnership Customer Interface

The 2006-2008 CCC/IOU Energy Efficiency Partnership will utilize a streamlined program management and team interface structure similar to the one established for the UC/CSU/IOU Partnership. Staff from each utility, the Community College Chancellor's Office, the Districts and campuses along with the Foundation for California Community Colleges will be responsible for the successful execution of the Partnership. The Partnership will use a consultant to provide overall program management and provide partner interface and communications functions. The consultant will also coordinate activities with the Foundation for California Community Colleges to perform outreach and disseminate information. The 2006-2008 Partnership will benefit from the significant opportunity within the community colleges and the communication among the many partner organizations.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component.

2006-2008 Energy Efficiency Programs California Community Colleges/IOU Energy Efficiency Partnership

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

CCC/IOU Energy Efficiency Partnership will include non-energy activities such as making presentations; attending conferences, meetings, and outreach events; distributing marketing materials; on-site meetings to develop and deliver workshops, and vocational energy efficiency training classes.

The training and education component of the Partnership involves training campus design staff, project managers, energy managers and others in using best energy practices in the construction, retrofit, and retro-commissioning/monitoring based commissioning of campus buildings and central plant infrastructures.

The Partnership will utilize a statewide approach to training and building operation so that the best energy practices approach can be incorporated into the campuses' standard operating procedures and will ensure long-term energy efficiency savings. The training and education component will work hand-in-hand with the three elements—energy efficiency retrofits, new construction and retro-commissioning/monitoring based commissioning.

11.4. Subcontractor Activities

Subcontractors will be used to assist in administration and management and in each of the three elements.

A consultant will assist in day-to-day coordination and communication among the partners (the colleges and four utilities) as follows:

- Provide staffing to the management team and element-specific implementation teams;
- Assist in identifying project tasks, establishing a schedule of deliverables and responsibilities, helping to ensure successful implementation, and obtaining CCC input and decision-making on key elements;
- Assist in the three elements, especially in facilitating coordination and communications with and among campuses, providing analytical assistance to the IOUs and to the CCC System Office, as needed;

2006-2008 Energy Efficiency Programs

California Community Colleges/IOU Energy Efficiency Partnership

- Provide assistance with successful retention of subcontractors through competitive procurement processes and helping to track and ensure successful implementation based on specific deliverables required by the Commission;
- Track element and project activities and milestones via an interactive Web site;
- Assist the IOUs and CCC in Commission reporting and regulatory communications; and
- For the training and education component, the consultant may assist in development of workshop agendas and materials, identification of experts, facilitation of workshops and training sessions, and preparation of the minutes.

The campuses will hire energy efficiency retrofit subcontractors to install energy-efficient measures for the retrofit component and consultants to assist with RCx/MBCx projects. Campuses may also hire engineering consultants to assist with project development, as needed.

As seen in other 2004-2005 partnerships, the campus facilities management staff will play a major role in this component with the assistance of subcontractors, particularly in campuses in their commissioning efforts. The team will conduct a competitive process to develop a pool of qualified commissioning agents/trainers that will be available to the campuses.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

The CCC/IOU Energy Efficiency Partnership team will establish and oversee quality assurance measures for the partnerships including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as part of implementation.

Sampling and inspection activities will be developed at a later date as part of the detailed evaluation, measurement and verification (EM&V) plan for the CCC/IOU Energy Efficiency Partnership. The Commission-mandated EM&V effort will be completed by independent subcontractors managed by the Commission. If requested, the Partnership will fully cooperate with the EM&V contractor to support the EM&V activities.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

The partnership will perform due diligence and quality assurance for any energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for 25 percent of the small hardware projects, and pre-/post-inspections on 100 percent of the large or specialized hardware projects (installation of energy-efficient equipment, facility retrofits, and building commissioning and new construction).

2006-2008 Energy Efficiency Programs California Community Colleges/IOU Energy Efficiency Partnership

11.6. Marketing Activities

The CCC/IOU Energy Efficiency Partnership has a built-in marketing and communication network among the California Community Colleges System Office, the Foundation for California Community Colleges, the CC districts and the campus energy managers. The Foundation for California Community Colleges will play a key role, as the CCC liaison, in the marketing and outreach efforts to the college campuses. Due to support from the top of the organization, this buy-in opens up communication channels to the whole system.

Partnerships are very visible and provide opportunities to leverage existing CC conferences and meetings to raise awareness among campuses about the Partnership. As an example, in November of 2005, the partnership team used the Community College Facilities Conference (CCFC) to promote the 2006-2008 partnership offerings. Partnership information and the project submission process were presented to CCC facilities directors and managers from campuses throughout the state. With this type of venue, marketing efforts will be minimal and very cost-effective.

**2006-2008 Energy Efficiency Programs
California Department of Corrections and Rehabilitations/IOU Energy
Partnership**

**CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATIONS/IOU
ENERGY PARTNERSHIP (CDCR/IOU ENERGY PARTNERSHIP)**

1. Projected Partnership Budget

\$7,680,000

2. Projected Net Partnership Impacts

MWh:	25,416
MW (Summer Peak):	5.514
Therms:	448,000

3. Partnership Cost-effectiveness

TRC:	2.12
PAC:	2.31

4. Partnership Descriptors

Market Sector: Nonresidential: Prisons and Rehabilitation Facilities

Partnership Classification: Statewide

Partnership Status: New

5. Partnership Statement

PG&E, the California Department of Corrections and Rehabilitation (CDCR) and the other three California investor-owned utilities (IOUs) are collaborating on the CDCR/IOU Energy Partnership, a new energy efficiency partnership to share energy efficiency best practices and to implement energy efficiency projects for immediate and long-term energy savings and peak demand reduction.

Beginning July 1, 2005 the Youth and Adult Correctional Agency (YACA) ceased to exist. YACA consisted of two major departments, the California Youth Authority (CYA) and the Department of Corrections (CDC). These departments merged to form the new California Department of Corrections and Rehabilitation (CDCR). The combined organization will be comprised of 34 adult facilities and 16 parole offices. These facilities will have approximately 37,715,415 square feet of occupied space. There will be an addition of eight youth facilities with approximately 10 million square feet and four camp locations.

Through this transition, PG&E and the other IOUs will collaborate with CDCR to develop an implementation plan and schedule that will minimize the impact of the consolidation. PG&E and the IOUs had numerous meetings with CDCR to determine the strategies and implementation elements of the program. In early 2006, the IOUs will work with CDCR facility staff to identify opportunities for energy efficiency projects by conducting audits at each of the locations and compiling the data to create a pool of projects for implementation. The partnership will perform preliminary investment grade audits on all large energy use

2006-2008 Energy Efficiency Programs

California Department of Corrections and Rehabilitations/IOU Energy Partnership

facilities and will start implementation of projects in the latter part of 2006 and will continue to ramp up in 2007 and 2008.

PG&E, CDCR and the other IOUs are confident that this partnership will be very successful through the three-year period and are committed to expanding in the future.

6. Partnership Rationale

In recent years, the CDC implemented many energy efficiency projects and encouraged energy conservation behavior in all its facilities. Despite the efforts, there are still tremendous opportunities for energy efficiency and demand response projects in the adult facilities and many more potential projects in the former Youth Authority facilities. Many of the facilities have not had the funding to implement comprehensive energy projects. Those that have completed projects in the past are due for updated technology and retrofits. In addition, most of the institutions will be expanding by approximately one million square feet per site to comply with the State mandate for additional treatment centers at each of the facilities.

There is a need for technical and financial input from the IOUs to ensure that the resulting new and existing buildings are as energy efficient as possible. There needs to be a major focus on energy-efficient design of the buildings from the start. There is also a need to educate the institutions on sustainability and persistent energy opportunities and focus on implementation.

There is a major opportunity for the partnership to influence the design and implementation of energy measures into these facilities. CDCR/IOU Energy Partnership will consist of several components, which will include retrofits and retro-commissioning projects. The partnership will also focus on training and education, which will provide information on best practices for energy efficiency management and conservation practice that targets not only the maintenance and operations staff but also the wardens and other end-users at each of the facilities.

This type of partnership has proven to be successful with other statewide and local partnership programs for 2004-2005, and the CDCR has welcomed the opportunity to develop a new partnership with PG&E and the other IOUs. The CDCR is committed to delivering cost-effective, persistent, energy savings and is looking to the IOUs for guidance and assistance to ensure success.

7. Partnership Implementation Strategy

The CDCR/IOU Energy Partnership will leverage the ongoing renovation and expansion of the CDCR institutions. The IOUs can help develop an emphasis on energy efficiency to incorporate into each of the institutions. This partnership capitalizes on the vast resources and expertise of the CDCR, PG&E and the other IOUs to assist in making this a successful

2006-2008 Energy Efficiency Programs

California Department of Corrections and Rehabilitations/IOU Energy Partnership

and cost-effective effort to meet all objectives set forth by the California Public Utilities Commission (Commission).

The new CDCR/IOU partnership will incorporate lessons learned from previous statewide partnerships in the areas of improved delivery efficiency and communication among the stakeholders. The partnership will consider the framework and implementation methodology of the existing statewide and local government partnerships. However, the partnership team will tailor its management structure and implementation plans to best address the needs and uniqueness of the CDCR institutions.

The timing of the CDCR/IOU Partnership is critical; the CDCR is embarking on a major change in their department. They are going to be part of a very large organization that will not only include the Department of Corrections, but it will now include California Youth Authority. The transition will have some impact on the roll out of the partnership. These departments had merged to form the new California Department of Corrections and Rehabilitation (CDCR). Many programs that had separate functions under YACA, including energy management, will consolidated under one organizational entity.

All energy related responsibilities for the juvenile and adult facilities will reside in the Energy Management Section (EMS) of CDCR. Prior to the reorganization, the EMS dealt solely with the adult facilities. The EMS is in the process of evaluating, surveying and gathering energy usage information for the juvenile facilities. The juvenile facilities will be fully integrated into the partnership.

The partnership will assist with energy audit activities for each of the facilities and then develop retrofits, new construction projects, and retro-commissioning on existing buildings to deliver sustainable and persistent results. These elements will operate on a statewide, integrated basis, providing immediate energy savings and setting the foundation for a long-term program focused on sustainability and best practices.

The implementation strategies for the 2006-2008 CDCR/IOU Energy Partnership are listed below in detail.

7.1. Energy Efficiency Retrofits: The Energy Management Section of CDCR will have overall responsibilities for the implementation of retrofit projects. PG&E and the other IOUs will collaborate with CDCR to identify potential projects. Preliminary audits have already provided potential project information. However, the partnership will conduct additional facility assessment to identify projects and provide a project list for implementation. The energy-efficient measures to be implemented may include both electric and gas measures such as lighting retrofits (T5 technology, LED applications, newer 28 watt T-8's), building-wide lighting controls, boiler replacements, installation of water heaters, tankless water heaters, HVAC and chiller upgrades/replacements and central plant projects. Other activities may include assessment and implementation of energy efficient measures for waste water treatment and food service preparation.

2006-2008 Energy Efficiency Programs

California Department of Corrections and Rehabilitations/IOU Energy Partnership

7.2. Retro-Commissioning (RCx) / Monitoring-Based Commissioning (MBCx): This element is a unique approach to obtaining savings that combines the expertise of PG&E with the resources of CDCR facility management staff. CDCR/IOU Energy Partnership will provide additional utility and subcontractor expertise and the installation of energy monitoring and metering equipment at the building system level on an as-needed basis. Through these resources, a systematic, comprehensive RCx/MBCx element will implement projects in existing buildings. It will provide a cost-effective approach to achieving optimized operating facilities, save both electric and gas energy, reduce operating cost and improve occupancy comfort.

8. Partnership Outcomes and Objectives

CDCR/IOU Energy Partnership will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for sustainable, long-term energy management for partner entities.

The desired outcomes of CDCR/IOU Energy Partnership include:

- An energy efficiency partnership designed to efficiently accomplish immediate and long-term energy and peak demand savings goals.
- Improvement in communication and collaboration among PG&E, the CDCR and the other IOUs that effectively delivers energy efficiency programs.
- Effective dissemination of information to increase awareness and acceptance of energy efficiency practices.
- Creation of an infrastructure for the permanent adoption of processes at the facility system level, and
- A paradigm shift at the energy manager level for energy planning and decision-making.

PG&E's objectives for CDCR/IOU Energy Partnership include:

- Extending the reach and effectiveness of PG&E's demand-side management (DSM) programs and garnering greater energy savings than would otherwise be possible through traditional methods;
- Leveraging existing organizational infrastructure to effectively implement programs and projects.

CDCR objectives for CDCR/IOU Energy Partnership include:

- Achieving immediate, cost-effective energy and demand savings;
- Implementing energy efficiency components in new buildings that are currently being valued engineered out of the project due to funding constraints;
- Developing a successful energy efficiency program that will build momentum and create programs that go beyond 2006-2008;
- Improving energy-efficient operations and maintenance practices; and

2006-2008 Energy Efficiency Programs

California Department of Corrections and Rehabilitations/IOU Energy Partnership

- Training of CDCR staff to identify and implement energy-efficient opportunities.

9. Partnership Customer Description

CDCR facilities in the PG&E service area.

10. Partnership Customer Interface

The 2006-2008 CDCR/IOU Energy Partnership will utilize similar management and team interface structure established by partnerships in the previous cycle. PG&E and the other IOUs will collaborate with CDCR to manage and implement the partnership. Staff from each utility and the CDCR Energy Management Section will be responsible for the successful execution of the partnership. The partnership will utilize a consultant to provide overall management and partner interface and communications functions.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from the statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

CDCR/IOU Energy Partnership will include non-energy activities such as: making presentations; attendance at conferences, meetings, and CDCR outreach events; distribution of marketing materials; on-site meetings; develop and deliver workshops and vocational energy efficiency classes.

The training and education component of the partnership involves training of facility design staff, project managers, energy managers and others in using energy best practices in the construction, retrofit, and retro-commissioning/monitoring based commissioning of existing buildings and central plant infrastructures.

2006-2008 Energy Efficiency Programs

California Department of Corrections and Rehabilitations/IOU Energy Partnership

The partnership will utilize a statewide approach to provide training on building operation and energy efficient technology so that the best practices are incorporated into the facility standard operating procedure and will ensure long-term energy efficiency savings. The training and education component will work hand-in-hand with the two of the elements – energy efficient retrofits and retro-commissioning/monitoring based commissioning.

11.4. Subcontractor Activities

Subcontractors will assist in program administration and management and in each of the elements. The consultant will assist, as needed, in the day-to-day coordination and communication among the partners (the CDCR and four IOUs). The tasks include but are not limited to the following:

- Provide staffing to the management team and specific implementation teams.
- Assist in identifying project tasks, establish a schedule of deliverables and responsibilities, help the IOUs to effectively deliver and assist CDCR to ensure successful implementation, and obtain input from the partners and facilitate decision-making on key elements.
- Assist in the three elements, especially in the coordination and facilitation of partnership meetings and provide timely and accurate meeting minutes. The consultant will provide communications between the partnership and the CDCR facilities, as well as providing analytical assistance to the IOUs, and the CDCR EMS.
- Provide assistance to the partnership with successful retention of subcontractors through competitive procurement processes and help to track and ensure successful implementation based on specific deliverables required by the Partnership.
- Assist the IOUs and CDCR in Commission reporting by providing timely and accurate information including element status, project implementation status, and expenditure information.
- Assist in development of workshop agendas and materials, identification of experts, and facilitation of workshops and training sessions.

The CDCR may hire external or internal energy efficiency retrofit subcontractors/staff to install the energy efficient measures for the retrofit component and commissioning agents to assist in the performance of MBCx projects. CDCR may also hire engineering consultants to assist with project development, as needed.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

The CDCR/IOU Energy Partnership team will establish and oversee quality assurance measures for the partnership, including oversight and verification of subcontractor activities.

2006-2008 Energy Efficiency Programs California Department of Corrections and Rehabilitations/IOU Energy Partnership

The Commission-mandated EM&V effort will be completed by an independent subcontracts managed by the Commission. If requested, the partnership will fully collaborate with the EM&V contractor to support the EM&V activities.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

The partnership will continue the level of due diligence and quality assurance by inspecting a representative percentage of pre/post installation confirmation inspections for small hardware projects, and pre/post inspections on all large or specialized hardware projects (installation of energy-efficient equipment, facility retrofits, and building commissioning and new construction projects).

11.6. Marketing Activities

CDCR/IOU Energy Partnership will rely on existing communication networks between the CDCR institutions, EMS, and O&M staff. This combined with the partnership management team structure will facilitate marketing activities through pre-established channels for 2006-2008.

2006-2008 Energy Efficiency Programs East Bay Energy Watch

EAST BAY ENERGY WATCH (EBEW)

1. Projected Partnership Budget

\$7,565,882

2. Projected Net Partnership Impacts

MWh:	25,168
MW (Summer Peak):	4.567
Therms:	476,722

3. Partnership Cost-effectiveness

TRC:	2.08
PAC:	2.33

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial

Partnership Classification: Local

Partnership Status: Revised Existing (formerly East Bay Energy Partners or EBEP)

5. Partnership Statement

PG&E, the Cities of Oakland and Berkeley, the counties of Alameda, Contra Costa and Solano, and Quest will work together on the 2006-2008 East Bay Energy Watch (EBEW). EBEW will promote reduced energy use and energy savings targets by providing energy efficiency information and direct installation of energy-efficient equipment to eligible PG&E customers.

6. Partnership Rationale

The EBEW is a continuation of an existing PG&E partnership. This Partnership builds on the most successful elements of the 2004-2005 program and creates a more integrated portfolio through the addition of new elements, increased coordination with PG&E's core and third party energy efficiency offerings, and more aggressive leveraging of municipal resources.

The EBEW will be providing services to a total population of 2,874,000 or over 20 percent of PG&E's residential customers. EBEW will access over 65,000 non-agricultural businesses in coordination with PG&E's core and third party energy efficiency offerings to assure complete coverage of all business types.

Along with successful past offerings, EBEW expects to work cooperatively with the East Bay Municipal Utilities District (water and wastewater), offer assistance with City conservation ordinances, and use the Berkeley/Oakland Clean Energy Fund (a \$50-\$100M privately placed capital loan program aimed at efficiency and demand response) to cost-

2006-2008 Energy Efficiency Programs East Bay Energy Watch

share energy efficiency improvements. EBEW will include a component to assure demand response, self-generation and longer term efficiency plans are supported as part of the EBEW customer commitment.

7. Partnership Implementation Strategy

For 2006-2008, the EBEW implementation strategies include residential direct install services for targeted areas including audits, conservation education, and rebate assistance to residential clients; EnergyWise Realtor offering home energy efficiency inspections which provide new home buyers with energy efficiency education, easy-to-install energy saving measures such as compact fluorescent lamps (CFLs), and linking customers with appropriate rebates as they make upgrades to their properties; two small business direct install elements specifically designed to overcome market barriers and achieve market penetration of energy-efficient equipment in small and very small businesses; and commissioning of existing nonresidential buildings to provide cost-effective, lasting energy and demand savings.

The implementation strategies for the 2006-2008 EBEW are listed below in detail.

- 7.1.** California Youth Energy Services (CYES): CYES is primarily an information initiative that provides audits, conservation education, and rebate assistance to residential clients. In addition to providing information, CYES will assist eligible clients by installing energy efficiency hardware including CFLs and compact fluorescent torchieres. Other measures such as efficient-flow showerheads and faucet aerators may also be offered in conjunction with East Bay Municipal Utility District (water measures). The component targets owners and renters in single family dwellings, 2-4 plexes, and multifamily units. CYES youth auditors will also conduct site visits to identify site-specific strategies for energy efficiency; each client will receive a customized report assessing energy use patterns and will receive on-going support from an Energy Specialist who will assist with further rebates and measures. The educational component will include rebate assistance, implementation support for behavioral strategies, and information dissemination for other EBEW and applicable offerings.
- 7.2.** Business Energy Services Team (BEST): This strategy is designed to help small-sized businesses save energy and money by providing a no-cost business energy use assessment, a detailed proposal including a list of energy-saving recommendations and rebate offers to reduce equipment costs, installation of approved energy-saving equipment, and more.
- 7.3.** Smart Lights: Smart Lights is specially designed to help small businesses upgrade to energy-efficient lighting. The strategy offers free, start-to-finish technical assistance and substantial subsidies towards installation and equipment costs. Small businesses, small institutional facilities, and common areas of multifamily buildings are eligible. The first step is a free, no obligation assessment of customer lighting needs.

2006-2008 Energy Efficiency Programs East Bay Energy Watch

- 7.4. Building Tune-Up:** Energy analysis experts will perform a free evaluation tailored to help business customers who have large, complex buildings optimize their building's control, heating, ventilation, air conditioning, and lighting systems. Customers will also receive written guidelines to help facilities managers ensure that the energy savings last and funding to help cover the cost to recommission their building's systems.
- 7.5. EnergyWise Realtor:** The EnergyWise Realtor component will help to educate the real estate industry about energy efficiency in addition to achieving cost-effective savings for customers. This component will help EBEW work with realtors toward the eventual adoption of Time of Sale Residential Conservation Ordinance within the next three years. Home inspectors will be trained to provide home energy ratings, energy efficiency rebate information, and participating home buyers will also receive four CFLs.

8. Partnership Outcomes and Objectives

The EBEW will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for the EBEW include:

- Focus on comprehensive, persistent and cost-effective savings through long-term relationships with customers;
- Foster long-term relationships through customer service, superior quality control, and ongoing communication;
- Provide seamless, hassle-free access for customers to appropriate programs (PG&E, third party, and local programs);
- Identify program gaps and work with PG&E to fill those gaps so that more customers are served; and
- Promote market transformation by building supply-chain relationships.

9. Partnership Customer Description

Eligible PG&E customers include residential customers, small, medium and large business customers, and municipal/government customers located within designated targeted areas. Other than the Building Tune-Up Element (where all customers are large business) work for customers above 100 kW will be coordinated with PG&E for approval prior to contact.

Customer types targeted by EBEW vary depending on the services provided and include:

- Residential –CYES, EnergyWise Realtor;
- Small Business –Smart Lights; BEST; and

2006-2008 Energy Efficiency Programs East Bay Energy Watch

- Large Business – Building Tune-Up.

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing as well as through innovative outreach efforts such as the religious institution outreach strategy.

The EBEW implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The E3 cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Both deemed savings measures and calculated savings will be offered to customers.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators provided as part of this submittal. The end-use specific values are based upon the California Energy Commissions Database for Energy Efficiency Resources (DEER). The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach and assumptions in DEER.

11.3. Non-energy Activities (Audits, Trainings)

The EBEW will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall success of the Partnership's energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

Quest will implement the following EBEW elements:

- Marketing and Outreach;
- California Youth Energy Services (residential direct installations);

2006-2008 Energy Efficiency Programs East Bay Energy Watch

- Small Business Calculated Savings (Smartlights and BEST);
- EnergyWise Realtor;
- Building Tune-up; and
- Quality Assurance & Measure Verification.

Other contractors may be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities

PG&E, working with the EBEW, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the EBEW will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

PG&E's Central Inspection will verify that measures are installed and operating and will perform verification activities including post-installation on-site verification, work-in-progress on-site verification, obtaining and reviewing product or contractor invoices and other appropriate verification procedure(s) as determined and made available by PG&E. PG&E may provide additional oversight in the verification process. The implementer's product and installation standards must meet or exceed PG&E's product and installation standards for similar measures.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

The EBEW will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, ethnic-based organizations, and tenant and landlord associations. In addition, the EBEW will work with PG&E on an overall partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed by the EBEW implementer for each implementation strategy as listed above describing how the implementer will market the offerings to diverse customer bases, including and not limited to cultural diversity, language preferences and the needs of senior citizens. The implementer and PG&E will have overall responsibility for EBEW marketing, advertising and outreach through existing implementer and PG&E channels.

2006-2008 Energy Efficiency Programs East Bay Energy Watch

Specific activities/channels may include:

- Display tables and booths at county fairs, street fairs, business conferences and other local events; and
- Participation in workshops, seminars and conferences related to energy efficiency, climate change and green buildings.

2006-2008 Energy Efficiency Programs Fresno Energy Watch

FRESNO ENERGY WATCH (FEW)

1. Projected Partnership Budget

\$6,483,987

2. Projected Net Partnership Impacts

MWh:	26,110
MW (Summer Peak):	5.009
Therms:	133,048

3. Partnership Cost-effectiveness

TRC:	2.96
PAC:	2.59

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial

Partnership Classification: Local

Partnership Status: Revised Existing (formerly Fresno Energy Savings Alliance)

5. Partnership Statement

PG&E, the City of Fresno, and Richard Heath and Associates, Inc. (RHA) will work together on the Fresno Energy Watch (FEW). FEW will promote reduced energy use and energy savings targets for the City of Fresno by providing energy efficiency information and direct installation of energy-efficient equipment free of charge to eligible PG&E customers. Eligible PG&E customers include residential and small business customers located within designated targeted areas.

6. Partnership Rationale

FEW will continue this successful partnership for 2006-2008 to provide energy audits and direct install of energy saving measures to mass market customers, enhanced incentives to municipal facilities, and a targeted information/education component. FEW will continue serving primarily mass market customers within the City of Fresno. FEW will seek out additional opportunities for savings through the installation of measures in municipal facilities beyond retrofits done under the 2004-2005 partnership.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 FEW are listed below in detail.

- 7.1. Single Family and Multifamily Residential Direct Install:** Energy efficiency experts will canvass designated neighborhoods and identify single and multifamily homes that qualify for the installation of a variety of free energy-efficient measures such as

2006-2008 Energy Efficiency Programs Fresno Energy Watch

compact fluorescent lamps, interior and exterior hardwired fluorescent lighting fixtures, water faucet aerators, and low-flow showerheads.

- 7.2. Small Business Direct Install: This strategy will provide energy efficiency retrofit services to small commercial customers in targeted business districts. Energy efficiency experts will contact small businesses, offer to perform free energy audits to help businesses identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers may gain a number of energy-efficient upgrades free of charge.
- 7.3. Energy Efficiency Services and Incentives for Municipal Buildings: Technical consultants will survey major energy-consuming systems within City facilities in order to identify potential energy-saving opportunities. Financial incentives may be available to help support the investment in energy-efficient retrofits at select municipal facilities.
- 7.4. Energy Efficiency Education and Information Services: Local energy efficiency classes will be offered for building professionals who are either designing new commercial buildings (including multifamily housing) or managing existing buildings. Participants will learn about the latest developments in energy-efficient heating, ventilation and air conditioning technology; lighting; windows; hot water systems; and more.
- 7.5. Codes and Standards Support: Title 24 training and educational seminars related to energy codes and standards for existing and future building designs are available. These courses are targeted to designers, engineers, architects and building officials in Fresno.

8. Partnership Outcomes and Objectives

FEW will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for sustainable, long-term energy management programs for partner entities.

Specific objectives for the FEW include:

- Achieving long-term savings and peak demand reduction through the free direct install and municipal components;
- Achieving equity of access to energy efficiency services by targeting marketing messages and by providing free direct install and energy audit services to these customers;
- Overcoming identified market barriers including lack of consumer information, lack of financing for energy efficiency improvements, and lack of a viable and competitive set of providers of energy efficiency services in the market;
- Exploring continuous improvements in codes and standards to increase energy savings in the future through the Codes and Standards element;
- Enabling and educating customers to change energy use and practices; and

2006-2008 Energy Efficiency Programs Fresno Energy Watch

- Marketing and/or encouraging participation in other applicable PG&E rebate programs for installation of energy-efficient equipment not covered under the partnership.

9. Partnership Customer Description

Customer types targeted by the FEW vary depending on the services provided and include:

- Residential – Single Family and Multifamily Direct Install
- Small Business – Small Business Direct Install
- Municipal – Energy Efficiency Services and Incentives

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing as well as through innovative outreach efforts.

The FEW implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

FEW will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall achievement of the energy goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

2006-2008 Energy Efficiency Programs Fresno Energy Watch

11.4. Subcontractor Activities

RHA is responsible for assisting PG&E with implementation of:

- Marketing and Outreach;
- Energy Efficiency Retrofit;
- Single Family Direct Install;
- Multifamily Direct Install; and
- Small Business Direct Install.

RHA will coordinate with vendors, if applicable, to assist customers who may be interested in emerging technologies.

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with FEW, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings, including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

FEW will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how offerings will be marketed to diverse customer bases. The FEW implementer and PG&E will have overall responsibility for FEW marketing, advertising and outreach through existing implementer and PG&E channels.

The FEW implementer will deliver outreach, marketing and training to small business customers within the Enterprise Zone or south of Belmont Avenue within the city limits of Fresno. The FEW Implementer will deliver outreach, marketing and training to single family

2006-2008 Energy Efficiency Programs Fresno Energy Watch

and multifamily customers within the city limits of Fresno. In addition, FEW will work with the IOU partners on an overall Partnership initiative to leverage the Energy Watch brand.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events.

2006-2008 Energy Efficiency Programs Local Government Energy Action Resources

LOCAL GOVERNMENT ENERGY ACTION RESOURCES (LGEAR)

1. Projected Partnership Budget

\$500,000

2. Projected Net Partnership Impacts

MWh:	1,584
MW (Summer Peak):	0.363
Therms:	23,328

3. Partnership Cost-effectiveness

TRC:	2.86
PAC:	2.64

4. Partnership Descriptors

Market Sector: To be determined

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

There is tremendous residential and commercial growth in PG&E's service area as there is in SCE's area. SCE has proposed a Local Government Energy Action Resources (LGEAR) program for those cities that have a pro-active interest in being recognized as a community that practices mindful growth with such environmentally friendly programs as Green Building and ENERGY STAR[®] rated homes. The SCE LGEAR is the new venue for SCE to develop partnerships that will assist jurisdictions to further establish themselves as an energy resource. Participants may want to address energy efficiency in municipal buildings and help implement the Governor's Energy Action Plan.

PG&E is proposing a similar offering.

6. Partnership Rationale

PG&E would like to emulate SCE's innovative program for 2006-2008. As SCE's program description states, it will optimize the opportunities for jurisdictions and their communities to work toward the common goal of achieving short- and long-term energy savings, reduced utility bills, and an enhanced level of comfort in municipal and commercial buildings as well as homes. It will help promote an energy efficiency ethic by increasing awareness and participation in energy efficiency programs and practices as well as provide information on demand response, self generation and energy management assistance (California Alternate Rates for Energy (CARE) and low income energy efficiency). Energy code training may feature strongly. This effort may deliver energy code training and Green Building Action Plan support to all cities in the service area.

2006-2008 Energy Efficiency Programs Local Government Energy Action Resources

PG&E views its LGEAR partnership as a way to allow additional cities and counties develop a partnership with PG&E any time during the 2006-2008 funding cycle, especially if those entities are only interested in one or two elements of a partnership such as energy code training or green buildings.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 LGEAR may include energy education and information, energy audits and savings projects identification, technical support, benchmarking and performance tracking.

LGEAR may also assist participants with Green Building action planning and may work with the State of California to enhance this element. Retrofitting of municipal buildings will further help jurisdictions' objective to comply with the Governor's Green Building Action Plan.

8. Partnership Outcomes and Objectives

LGEAR will optimize the opportunities for jurisdictions and their communities to work toward the common goal of achieving short- and long-term energy savings, reduced utility bills, and an enhanced level of comfort in municipal and commercial buildings as well as homes. It will help promote an energy efficiency ethic by increasing awareness and participation in energy efficiency programs and practices as well as provide information on demand response, self generation and energy management assistance (California Alternate Rates for Energy (CARE) and low income energy efficiency).

9. Partnership Customer Description

Customer types targeted by LGEAR are to be determined.

10. Partnership Customer Interface

Customer interface is to be determined. However, it is anticipated that the LGEAR implementer will coordinate with other energy efficiency programs in PG&E service area including programs implemented by PG&E, other non-investor-owned utilities, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

To be determined

2006-2008 Energy Efficiency Programs Local Government Energy Action Resources

Energy Savings and Demand Reduction Level Data

To be determined

11.2. Non-energy Activities (Audits, Trainings)

It is anticipated that LGEAR participants will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education.

11.3. Subcontractor Activities

Contractors will be selected to assist with implementation as necessary.

11.4. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the LGEAR participant, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.4.1. Expected Number/Percent of Inspections (planned percent of projects)

To be determined

11.5. Marketing Activities

LGEAR participants will coordinate their outreach mechanisms to spread the word about energy efficiency and to connect constituents with energy savings opportunities. It is anticipated that by utilizing their unique outreach methods, cities will be able to reach customers not reached by traditional marketing efforts and deepen penetration of statewide and local energy efficiency offerings. A specific marketing and outreach plan will be developed for each implementation strategy. The implementer and PG&E will have overall responsibility for LGEAR marketing, advertising and outreach through existing implementer and PG&E channels.

2006-2008 Energy Efficiency Programs

Madera Energy Watch

MADERA ENERGY WATCH

1. Projected Partnership Budget

\$511,680

2. Projected Net Partnership Impacts

MWh: 2,095

MW (Summer Peak): 0.378

Therms: 6,976

3. Partnership Cost-effectiveness

TRC: 2.84

PAC: 2.44

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

PG&E, the City of Madera, and Richard Heath and Associates, Inc. (RHA) will work together on the Madera Energy Watch, which will promote reduced energy use and achieve the energy savings targets for the City of Madera by providing energy efficiency information and direct installation of energy efficient equipment free of charge to eligible PG&E customers. Eligible PG&E customers include residential and small business customers located within designated targeted areas.

6. Partnership Rationale

The Madera Energy Watch will serve residential and nonresidential customers in the City of Madera. A majority of those served will represent diverse cultural and language backgrounds, many of whom have traditionally been hard-to-reach. By leveraging local government communications channels and resources, Madera Energy Watch hopes to break through some of the barriers to participation in energy saving activities by these groups. Market segments will include single and multifamily homes, retail stores and restaurants, offices, lodging facilities, medical offices and various small businesses.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 Madera Energy Watch are listed below in detail.

2006-2008 Energy Efficiency Programs Madera Energy Watch

- 7.1. Single Family and Multifamily Residential Direct Install:** Energy efficiency experts will canvass designated neighborhoods and identify single and multifamily homes that qualify for the installation of a variety of free energy-efficient measures.
- 7.2. Small Business Direct Install:** This strategy will provide energy efficiency retrofit services to small commercial customers in targeted business districts. Energy efficiency experts will contact small businesses, offer to perform free energy audits to help businesses identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers may gain a number of energy-efficient upgrades free of charge.
- 7.3. Energy Efficiency Education & Information Services:** Local energy efficiency classes will be offered for building professionals who are either designing new commercial buildings (including multifamily housing) or managing existing buildings. Building professionals include architects, engineers, lighting designers, contractors, energy consultants, energy planners, local government staff involved with building projects or advocacy, electricians, building managers, and facility managers. Participants will learn about the latest developments in energy-efficient heating, ventilation and air conditioning technology; lighting; windows; hot water systems; and more.

8. Partnership Outcomes and Objectives

Madera Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for Madera Energy Watch include:

- Achieving long-term savings and peak demand reduction through free direct install and municipal components;
- Achieving equity of access to energy efficiency services by targeting marketing messages to zip codes that include residential customers (limited income, non-English speaking and renters) and small business customers and by providing free direct install and energy audit services to these customers;
- Overcoming market barriers, including lack of consumer information, lack of financing for energy efficiency improvements, and lack of a viable and competitive set of providers of energy efficiency services in the market;
- Enabling and encouraging customers to make informed decisions to change energy use and practices; and
- Urging customers not targeted by the direct install elements of the partnership to participate in PG&E's rebate programs to encourage installation of energy efficient equipment.

2006-2008 Energy Efficiency Programs Madera Energy Watch

9. Partnership Customer Description

Customer types targeted by Madera Energy Watch vary depending on the services provided and include:

- Residential – Single Family and Multifamily Residential Direct Install
- Small Business – Small Business Direct Install

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing as well as through innovative outreach efforts.

The Madera Energy Watch implementer will coordinate with other energy efficiency offerings in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

Madera Energy Watch will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the achievement of the Partnership's energy goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

RHA is responsible for assisting PG&E with implementation of the following elements:

- Marketing and Outreach;

2006-2008 Energy Efficiency Programs Madera Energy Watch

- Energy Efficiency Retrofit;
- Single Family Direct Install;
- Multifamily Direct Install; and
- Small Business Direct Install.

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with Madera Energy Watch, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection, or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

Madera Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations and tenant and landlord associations. In addition, the Madera Energy Watch will work with the IOU partners on an overall Partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how offerings will be marketed to diverse customer bases. The implementer and PG&E will have overall responsibility for Madera Energy Watch marketing, advertising and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events.

2006-2008 Energy Efficiency Programs Marin County Energy Watch

MARIN COUNTY ENERGY WATCH

1. Projected Partnership Budget

\$2,715,120

2. Projected Net Partnership Impacts

MWh: 7,363
MW (Summer Peak): 0.899
Therms: 69,340

3. Partnership Cost-effectiveness

TRC: 1.59
PAC: 1.98

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial; Nonresidential: Industrial

Partnership Classification: Local

Partnership Status: New (formerly Marin Public Facilities Energy Management
Team – MarinEMT)

5. Partnership Statement

Marin County Energy Watch will continue the Marin Energy Management Team (MarinEMT) initiative that provides comprehensive energy efficiency services to 31 local governments and school districts in Marin County and will extend its services to all other public agencies including water, sanitation, transit and public safety districts. The new Partnership will include several community-wide initiatives and coordinate additional third party programs serving parts of the residential and commercial sectors in Marin. The partnership will collaborate with Marin's water districts to integrate water conservation with energy efficiency programs to provide more comprehensive and cost-effective delivery of services.

Marin County Energy Watch is premised on delivering cost-effective, comprehensive and persistent energy savings through aggregation of smaller local governments, schools and other public agencies that have been difficult to reach with traditional programs. The new community-wide initiative includes components with proven track records in reaching the small business and residential markets as well. The Partnership's overarching goal is to provide a more comprehensive and integrated solution to overcoming local market barriers, addressing each community's needs and capturing all available energy savings.

6. Partnership Rationale

Marin County Energy Watch provides a mix of elements that focus on overcoming the common barriers to obtaining energy savings from smaller hard-to-reach customers across

2006-2008 Energy Efficiency Programs Marin County Energy Watch

multiple market segments. It also leverages existing initiatives, community channels and other assets of the County government to provide better market access, integration, and collaboration.

The Partner's MarinEMT acts as an energy manager for a collaboration of public sector agencies including all local governments, school districts and special districts. MarinEMT leverages and integrates state, utility and private energy efficiency programs, filling resource gaps, and addressing specific barriers as needed to provide as comprehensive and seamless delivery of services as possible. The element specifically addresses the difficulty of reaching smaller public sector institutions. Services include audits, technical assistance, engineering, assistance in financing and obtaining incentives, specifying and managing projects, energy accounting and reporting, procurement, peer meetings, and training workshops.

For existing participants, MarinEMT will focus on providing continuity in the implementation of energy-efficient measures through continued technical, financial, management and administrative assistance and support for peer networking, team building and staff training. The Team will also focus on operation and maintenance, procurement and vendor training. For new participants, the Team will also provide initial assessments, facility benchmarking and audits, set up energy accounting, identify initial and longer term opportunities, and training. MarinEMT identifies not only near-term energy-efficient measures but captures lost opportunities that occur each year at time of equipment purchase and replacement, renovation and new construction. MarinEMT also leverages low-cost financing opportunities available only to the public sector that permit measures to be more comprehensive and result in lower direct costs.

Marin County Energy Watch will work with all providers to capture and integrate customer data and audit information to identify future energy saving opportunities that can be shared with other current and future providers. One example of this will be incorporating water with energy audits that can be used in collaboration with the water districts to implement more cost-effective combined water and energy-efficient measures.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 Marin County Energy Watch are listed below in detail.

- 7.1. Marin Energy Management Team:** The MarinEMT acts as an energy manager for a collaboration of public sector agencies including all local governments, school districts and special districts. MarinEMT leverages and integrates state, utility, and private energy efficiency programs, filling resource gaps, and addressing specific barriers as needed to provide as comprehensive and seamless delivery of services as possible. This component specifically addresses the difficulty of reaching smaller public sector institutions. Services include audits, technical assistance, engineering,

2006-2008 Energy Efficiency Programs Marin County Energy Watch

assistance in financing and obtaining incentives, specifying, and managing projects, energy accounting and reporting, procurement, peer meetings and training workshops.

- 7.2. Small Business Energy Alliance:** The Small Business Energy Alliance (SBEA) provides calculated energy efficiency direct install services to small businesses (defined as any customer on a small commercial rate) that include free energy surveys, efficient lighting, and air conditioner and refrigeration system tune-ups. Marin County Energy Watch will use SBEA's services directly for public sector customers. SBEA receives additional funding from PG&E to provide services directly to small business customers as well. Marin County's Green Business program works with SBEA to help small businesses improve their sustainable practices and become certified as Green Businesses, a valuable marketing tool for businesses.
- 7.3. Building Tune Up (BTU) Plus:** This element implemented by Quest provides comprehensive energy efficiency services including retro-commissioning to large commercial office buildings. This element will be implemented on a limited basis under the partnership.
- 7.4. Single Family and Multifamily Residential Direct Install:** Energy efficiency experts will canvass designated neighborhoods and identify single and multifamily homes that qualify for the installation of a variety of free energy-efficient measures.
- 7.5. California Youth Energy Services (CYES):** Operated by the non-profit Sunrise Energy Center, CYES will provide energy surveys and hardware installation to residential customers (both owners and renters). The element trains and employs local high school and college students as energy specialists to provide the in-home services. This approach develops greater community trust in the program and enables CYES to cost-effectively serve insular or hard-to-reach sectors. By hiring local students, CYES also supports job skill development and prepares young adults for careers in energy efficiency.
- 7.6. Energy Checkup:** Under the market-tested label EnergyWise REALTOR[®], Energy Checkup, run by the North Bay firm Geopraxis, will work with Marin's residential real estate trade associations to target licensed sales agents/brokers and qualified home inspectors active in Marin County. Qualified agents/brokers and home inspectors will receive energy efficiency training and incentives enabling agents to recommend and inspectors to provide time-of-sale energy checkup audits and ratings. The component targets the core participants at the time-of-sale: homebuyers and sellers, home inspectors and real estate professionals.

8. Partnership Outcomes and Objectives

Marin County Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for Marin County Energy Watch include:

2006-2008 Energy Efficiency Programs Marin County Energy Watch

- Delivering cost-effective, comprehensive and persistent energy savings in the public sector through aggregation of smaller local governments, schools and other public agencies that have been difficult to reach with traditional programs;
- Leveraging and integrating PG&E, third-party, state and federal programs to achieve more comprehensive, persistent and cost-effective savings than any single program could provide;
- Identifying and filling the gaps in existing offerings as needed;
- Leveraging Marin County's current Green Building, Green Business, and other public outreach channels to increase participation in energy efficiency programs;
- Helping Marin County work with realtors to improve energy efficiency in the housing stock at time of sale and work toward better codes and standards for existing housing;
- Integrating water conservation programs from the water districts with the Partnership's components to increase market access and lower transaction costs;
- Identifying and integrating demand reduction, demand response and DG opportunities.

9. Partnership Customer Description

Marin County Energy Watch is premised on delivering cost-effective, comprehensive and persistent energy savings to traditionally hard-to-reach market segments. Each program in the Marin County Energy Watch partnership targets different customer segments including:

- Municipal: Local government, special districts and K-12 schools – MarinEMT
- Small Businesses – SBEA
- Large Business– BTU Plus
- Residential: Single and Multifamily – CYES and Energy Checkup

10. Partnership Customer Interface

For the public sector, MarinEMT works directly with public agencies to assess and address their specific needs and build the relationships necessary to serve as their shared energy management resource. MarinEMT created a peer network that facilitates training, information transfer and faster adoption of new energy-efficient measures.

For business and residential customers, each Marin County Energy Watch implementer will coordinate with Marin County, PG&E and other program providers to provide customers with more seamless delivery of energy efficiency services. The partnership will also work with PG&E and other programs to enhance consistency in offerings, minimize duplicative administrative costs and reduce marketing costs.

2006-2008 Energy Efficiency Programs Marin County Energy Watch

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for both deemed and calculated incentives. Both deemed savings and calculated savings measures are used depending on the program element. Generally, all components in the Marin Energy Watch Partnership, including those targeted at Mass Markets such as small business and residential, use calculated savings.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculator. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3 Non-energy Activities (Audits, Trainings)

Marin County Energy Watch will include non-energy activities such as energy audits, technical assistance, marketing and outreach, administration, and training and education. These activities will be targeted to enhance the overall achievement of the energy goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.2. Subcontractor Activities

All Marin County Energy Watch activities will be managed by the County of Marin Community Development Agency and its subcontractors including:

- HMW International, Inc., Strategic Energy Innovations, Kenwood Energy, and Utility Management Systems will work on the MarinEMT. Activities include public agency coordination, outreach and communications, peer networking, team building and training, technical support services (including needs assessment, facility audits and other engineering), energy accounting services, web-based CRM system;
- RLW Analytics will manage the Small Business Energy Alliance;
- QUEST will manage BTU Plus (Retrocommissioning);
- Sunrise Energy Center will manage the California Youth Energy Services; and
- Geopraxis will manage the EnergyWise REALTOR Energy Checkup.

Other contractors will be selected to assist with implementation as necessary.

2006-2008 Energy Efficiency Programs Marin County Energy Watch

11.3. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the Marin County Energy Watch, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.3.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection, or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.4. Marketing Activities

Marin County Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments. In addition, Marin County Energy Watch will work with the investor-owned utility (IOU) partners on an overall Partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed for each implementation strategy listed above describing how offerings will be marketed to diverse customer bases. Marin County and PG&E will have overall responsibility for Marin County Energy Watch marketing, advertising and outreach through existing channels.

2006-2008 Energy Efficiency Programs Merced/Atwater Energy Watch

MERCED/ATWATER ENERGY WATCH

1. Projected Partnership Budget

\$574,212

2. Projected Net Partnership Impacts

MWh: 2,539

MW (Summer Peak): 0.455

Therms: 7,640

3. Partnership Cost-effectiveness

TRC: 3.14

PAC: 2.70

4. Partnership Descriptors

Market Sector: Residential: Single Family' Multifamily; Nonresidential:
Commercial

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

PG&E, the Cities of Merced and Atwater, and Richard Heath and Associates, Inc. (RHA) will work together on Merced/Atwater Energy Watch, which will promote reduced energy use and energy savings targets for the Cities of Merced and Atwater by providing energy efficiency information and direct installation of energy-efficient equipment free of charge to eligible PG&E customers. Eligible PG&E customers include residential and small business customers located within designated targeted areas.

6. Partnership Rationale

Merced/Atwater Energy Watch will serve primarily mass market customers within the City of Merced and City of Atwater city limits. Specific customer types include single and multifamily homes, retail stores/restaurants, lodging facilities, medical and other offices. Target areas or neighborhoods will be further delineated to ensure maximized benefits to all partners.

The Cities of Atwater and Merced are open and responsive to programs that provide energy savings for their residents and have been very interested participants in the PG&E energy efficiency programs. They provide direct access and communications channels and methods for getting the word out and maximizing results. Additionally, Merced/Atwater Energy Watch will work with local vendors and community action organizations to fully leverage local communication and outreach channels.

2006-2008 Energy Efficiency Programs Merced/Atwater Energy Watch

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 Merced/Atwater Energy Watch are listed below in detail.

- 7.1. Single Family and Multifamily Residential Direct Install:** Energy efficiency experts will canvass designated neighborhoods and identify single and multifamily homes that qualify for the installation of a variety of free energy-efficient measures.
- 7.2. Small Business Direct Install:** This strategy will provide energy efficiency retrofit services to small commercial customers in targeted business districts. Energy efficiency experts will contact small businesses, offer to perform free energy audits to help businesses identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers may gain a number of energy-efficient upgrades free of charge.
- 7.3. Energy Efficiency Education and Information Services:** Local energy efficiency classes will be offered for building professionals who are either designing new commercial buildings (including multifamily housing) or managing existing buildings. Building professionals include architects, engineers, lighting designers, contractors, energy consultants, energy planners, local government staff involved with building projects or advocacy, electricians, building managers, and facility managers. Participants will learn about the latest developments in energy-efficient heating, ventilation and air conditioning, technology, lighting, windows, hot water systems and more.
- 7.4. Energy Efficiency Services and Incentives for Municipal Buildings:** Technical consultants will survey major energy-consuming systems within City facilities in order to identify potential energy-saving opportunities. Financial incentives may be available to help support the investment in energy efficiency retrofits at select municipal facilities.

8. Partnership Outcomes and Objectives

Merced/Atwater Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for Merced/Atwater Energy Watch include:

- Providing free direct install of energy measures and information/education;
- Ensuring equity of access to energy efficiency services by targeting marketing messages within census areas and city defined districts;
- Achieving long-term savings and peak demand reduction through free direct install and municipal components;

2006-2008 Energy Efficiency Programs Merced/Atwater Energy Watch

- Overcoming market barriers, including lack of consumer information, lack of financing for energy efficiency improvements, and lack of a viable and competitive set of providers of energy efficiency services in the market;
- Providing education to assist in making informed decisions to change energy use and practices; and
- Promoting other PG&E rebate offerings to initiate installation of other measures identified but not covered under this partnership.

9. Partnership Customer Description

Customer types targeted by Merced/Atwater Energy Watch vary depending on the services provided and include:

- Residential – Single Family and Multifamily Residential Direct Install
- Small Business – Small Business Direct Install
- Municipal - Energy Efficiency Services and Incentives for Municipal Buildings

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing, as well as through innovative outreach efforts.

The Merced/Atwater Energy Watch implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

2006-2008 Energy Efficiency Programs Merced/Atwater Energy Watch

11.3. Non-energy Activities (Audits, Trainings)

Merced/Atwater Energy Watch will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall success of the program's energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

RHA is responsible for assisting PG&E with implementation of the following elements:

- Marketing and Outreach;
- Energy Efficiency Services and Incentives for Municipal Buildings;
- Single Family Direct Install;
- Multifamily Direct Install; and
- Small Business Direct Install.

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with Merced/Atwater Energy Watch, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

Merced/Atwater Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations. In addition, Merced/Atwater Energy Watch will work with the investor-owned utility (IOU) partners on an overall Partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will

2006-2008 Energy Efficiency Programs Merced/Atwater Energy Watch

be developed for each implementation strategy as listed above describing how offerings will be marketed to diverse customer bases. The implementer and PG&E will have overall responsibility for Merced/Atwater Energy Watch marketing, advertising and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events.

2006-2008 Energy Efficiency Programs

Motherlode Energy Watch

MOTHERLODE ENERGY WATCH

1. Projected Partnership Budget

\$6,581,863

2. Projected Net Partnership Impacts

MWh:	25,583
MW (Summer Peak):	4.791
Therms:	126,704

3. Partnership Cost-effectiveness

TRC:	2.98
PAC:	2.61

4. Partnership Descriptors

Market Sector: Residential: Multifamily; Nonresidential: Commercial, Municipal

Partnership Classification: Local

Partnership Status: Revised Existing (formerly El Dorado Energy Partnership)

5. Partnership Statement

PG&E, the Counties of Sierra, Nevada, Placer, El Dorado, Amador and Calaveras, and the Cities of Nevada City, Grass Valley, Auburn, Placerville, Jackson and Angeles Camp will work together on Motherlode Energy Watch. The partnership will promote reduced energy use and energy savings targets for partner Cities and Counties by providing energy efficiency information and direct installation of energy-efficient equipment free of charge to eligible PG&E customers. Eligible PG&E customers include multifamily residential and small business customers located within designated targeted areas.

6. Partnership Rationale

Motherlode Energy Watch is an expansion of the successful 2004-2005 El Dorado County Energy Partnership. Motherlode Energy Watch will serve the vast majority of the Sierra Foothill Region. The primary market served by the Partnership is the residential and small business mass market. Mass market customer participation in this area has been less than that in more urban service areas. Other significant market segments include small retail and agriculture due to the large number of wineries, orchard crops such as apples, pears and peaches, and specialty nurseries.

7. Partnership Implementation Strategy

This partnership will coordinate the strengths of the counties and cities within the foothill region and PG&E to overcome energy efficiency market barriers, better serve unique city and county needs and the rural utility customers, and increase participation in PG&E energy efficiency programs.

2006-2008 Energy Efficiency Programs Motherlode Energy Watch

The implementation strategies for the 2006-2008 Motherlode Energy Watch are listed below in detail.

- 7.1.** Multifamily Residential Direct Install: Energy efficiency experts will canvass designated neighborhoods and identify multifamily homes that qualify for the installation of a variety of free energy-efficient measures.
- 7.2.** Small Business Direct Install: This strategy will provide energy efficiency retrofit services to small commercial customers in targeted business districts. Energy efficiency experts will contact small businesses, offer to perform free energy audits to help businesses identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers may gain a number of energy-efficient upgrades free of charge and/or qualify for rebate incentives on applicable energy-efficient equipment.
- 7.3.** Energy Efficiency Services and Incentives for Municipal Buildings: Technical consultants will survey major energy-consuming systems within City and County facilities in order to identify potential energy-saving opportunities. Financial incentives may be available to help support the investment in energy efficiency retrofits at select municipal facilities.
- 7.4.** Energy Efficiency Education and Information Services: PG&E will provide energy clinics and classes designed specifically for residents, community-based organizations and businesses in Partnership communities. Through these free training opportunities, residential and business customers can gain suggestions on how to reduce their energy bills and operate more energy efficiently.
- 7.5.** Codes and Standards Support: Title 24 training and educational seminars related to energy codes and standards for existing and future building designs are available. These courses are targeted to designers, engineers, architects and building officials in Motherlode Energy Watch communities.

8. Partnership Outcomes and Objectives

The Motherlode Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for Motherlode Energy Watch include:

- Overcoming market barriers for mass market customers via direct install energy-efficient retrofits and rebates;
- Developing upstream delivery channels – discount at point of sale of specific measures through expansion of retailer relationships;

2006-2008 Energy Efficiency Programs

Motherlode Energy Watch

- Increasing customer awareness and knowledge via residential and small business energy efficiency information services to include energy clinics, utility bill analysis, on-site energy audits and objective advice for permanent energy savings;
- Increasing customer awareness and knowledge via energy efficiency training tailored for community based organizations;
- Exploring continuous improvements in codes and standards to increase energy savings in the future via the Codes and Standards element;
- Accelerating investment at municipal facilities to reduce summer peak electric demand and winter gas usage via customized energy efficiency management services and financial incentives;
- Promoting the development and implementation of local energy efficiency building codes to encourage greater energy efficiency via targeted training and assistance to county and city staff;
- Expanding outreach efforts to include manufacturer, distributor, retailer and contractor relationships;
- Furnishing technical resources, information and financial services during the design stage to support private new construction within Motherlode Energy Watch communities, municipal buildings or other government facility construction;
- Introducing the latest innovative and promising technologies in energy through community road shows or energy efficiency centers; and
- Developing financing channels through existing financial institutions in the Foothill Region.

9. Partnership Customer Description

Customer types targeted by Motherlode Energy Watch vary depending on the services provided and include:

- Residential –Multifamily Direct Install; Energy Efficiency Education and Information Services
- Small Business – Small Business Direct Install; Energy Efficiency Education and Information Services
- Agricultural - Small Business Direct Install; Energy Efficiency Education and Information Services
- Municipal – Energy Efficiency Services and Incentives for Municipal Buildings

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing as well as through innovative outreach efforts.

2006-2008 Energy Efficiency Programs Motherlode Energy Watch

The Motherlode Energy Watch implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUTs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

Motherlode Energy Watch will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall success of the program's energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

PG&E will contract with the El Dorado Management Group (EMG) to provide implementation support for the partnership. EMG is based in the Sierra Foothill region and assisted with the implementation of the successful 2004-2005 El Dorado County Energy Partnership.

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with Motherlode Energy Watch, will establish and oversee quality assurance measures for its activities, including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail

2006-2008 Energy Efficiency Programs

Motherlode Energy Watch

as a part of implementation. In general, however, PG&E and the partnership will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

Motherlode Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations. In addition, Motherlode Energy Watch will work with the IOU partners on an overall partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how offerings will be marketed to diverse customer bases. The implementer, EMG, and PG&E will have overall responsibility for Motherlode Energy Watch marketing, advertising and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events.

2006-2008 Energy Efficiency Programs Redwood Coast Energy Watch

REDWOOD COAST ENERGY WATCH

1. Projected Partnership Budget

\$1,682,292

2. Projected Net Partnership Impacts

MWh:	5,185
MW (Summer Peak):	0.783
Therms:	79,756

3. Partnership Cost-effectiveness

TRC:	1.40
PAC:	1.75

4. Partnership Descriptors

Market Sector: Residential: Single Family; Nonresidential: Commercial;
Nonresidential: Industrial

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

PG&E and the Redwood Coast Energy Authority (RCEA) will work together on the Redwood Coast Energy Watch, which is intended to serve energy efficiency markets through a locally-driven approach to offering traditional energy efficiency programs in one of the most geographically hard-to-reach regions of the state—Humboldt County.

6. Partnership Rationale

Redwood Coast Energy Watch will deliver energy savings to the overall PG&E portfolio in the most cost-effective manner by achieving a measured higher level of penetration of energy-efficient measures (and resulting savings) by utilizing local staff resources to provide marketing, outreach, information, education and technical assistance activities. Redwood Coast Energy Watch will build on its close working ties with local public agencies and will use many local delivery channels. These relations include contractors, vendors, retailers, Chambers of Commerce, environmental groups and the Schatz Energy Lab/Humboldt State University.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 Redwood Coast Energy Watch are listed below in detail.

7.1. Single Family Residential Direct Install: Energy efficiency teams will perform sweeps in designated low and moderate income neighborhoods to distribute

2006-2008 Energy Efficiency Programs

Redwood Coast Energy Watch

compact fluorescent lamps and information about available energy efficiency programs and incentives. In addition, the Redwood Coast Energy Watch will offer limited direct install measures to single family residential customers participating in the Time-of-Sale Energy Efficiency Pilot. The element also includes the Residential Winter Peak Load Reduction Drive initiative, which will address Humboldt County's winter electricity peak constraints.

- 7.2.** Small Business Direct Install: This strategy will provide turn-key energy efficiency retrofit services to small commercial customers throughout the county. Energy-efficiency experts will contact small-sized businesses, offer to perform free energy audits to help businesses identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers who choose to participate will receive enhanced incentives, financing assistance, and project management support. The element will focus on developing local contractor capacity to implement the projects as well as encouraging these local contractors to educate consumers on the benefits of improving energy efficiency. This program is important for Humboldt County due to the absence of local contractors who focus on implementing energy efficiency upgrades. The Redwood Coast Energy Authority will develop a list of preferred vendors to provide retrofits. The element also includes the Residential Winter Peak Load Reduction Drive initiative, which will address Humboldt County's winter electricity peak constraints.
- 7.3.** Commercial Building Energy Assessments: Technical consultants will survey large commercial facilities to identify energy efficiency opportunities and recommend applicable incentive programs that may help offset the initial investment in energy-efficient measures.
- 7.4.** Redwood Coast Energy Resource Center (RCERC): RCERC is the anchor for all information, education and technical assistance activities for Redwood Coast Energy Watch. It encompasses physical and virtual attributes that enable consumers to receive answers to their energy questions; obtain literature and view demonstrations and displays explaining energy conservation, efficiency, and renewables from a local perspective; access a comprehensive energy resource and tool lending library, attend workshops; and obtain more in-depth, one-on-one consultation to assist with removing barriers to accomplishing their energy efficiency projects. RCERC includes a comprehensive Web site that extends the physical aspects of RCERC for a 24/7 presence in the community as well as providing valuable energy efficiency information to those living in outlying areas of Humboldt County. RCERC's Energy Answerline is a toll-free telephone number which the public can call to have their energy efficiency questions answered within two business days.
- 7.5.** Public Agency Energy Efficiency Facilities: This element builds on the work done by the RCEA in 2003-2005 to offer technical assistance in identifying energy efficiency projects in public agency facilities and seeing these projects through to completion. This includes facility auditing, aggregated procurement, centralized and efficient project management, customized incentives, and assistance with

2006-2008 Energy Efficiency Programs Redwood Coast Energy Watch

project financing. The partnership will offer higher financial incentives than those offered under PG&E's calculated savings program to overcome public agencies financial constraints, which inhibit their ability to invest in cost-effective energy efficient retrofits.

- 7.6. Codes and Standards Support:** This element works to enhance local energy codes and standards that address specific needs in partner communities. Specifically, it will assist with continuing and expanding the current efforts of RCEA in developing a comprehensive Energy Element for Humboldt County General Plan.
- 7.7. Time-of-Sale (TOS) Energy Efficiency Pilot:** Currently, there are about 1,500 homes sold per year in Humboldt County. Over 73 percent of Humboldt's home stock was built before 1980, prior to Title 24 being put in effect. The program will offer, on a pilot basis, voluntary free energy efficiency inspections prior to resale for up to 50 homes sold in the City of Arcata during a two year period. The program will work with California Home Energy Efficiency Rating System (CHEERS) or a similar home energy rating system to use their developed rating system as part of the process. The program will pay for home inspections, which may including duct testing and blower door tests. Such services may be available through a third party or a PG&E core program, in which case customers will be referred to those programs for services. The results of the two year pilot test will be used to determine the feasibility of a future TOS inspection ordinance in Humboldt Country.
- 7.8. Industrial Water Pump Services:** Water pumping is a significant energy use in Humboldt County. Many pumps in water agencies, agricultural applications and commercial processes have not been tested or maintained in decades. Redwood Coast Energy Watch will work with local pump vendors to reestablish a pump testing service or refer customers to third party or PG&E core programs offering that service. The partnership will also promote offerings leading to better availability of premium motors so that premium motors replace burned out motor and to discourage motor rewinding. This element will also identify opportunities for variable frequency drives and high-efficiency pump replacements. This element will primarily apply to public agency water and wastewater treatment facilities, but information and coordination with other available initiatives will be offered to all applicable customers.

8. Partnership Outcomes and Objectives

Redwood Coast Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for Redwood Coast Energy Watch include:

- Serving energy efficiency markets through a locally-driven approach to offering traditional energy efficiency in one of the most geographically hard-to-reach region's of the State—Humboldt County;

2006-2008 Energy Efficiency Programs Redwood Coast Energy Watch

- Assisting RCEA in developing a comprehensive Energy Element for Humboldt County General Plan;
- Overcoming barriers to public agencies' ability to invest in cost-effective energy efficiency retrofits;
- Implementing the Residential Winter Peak Load Reduction Drive initiative to address Humboldt County's winter electricity peak constraints;
- Developing local contractor capacity to implement energy efficiency projects and encouraging these local contractors to educate consumers on the benefits of improving energy efficiency.

9. Partnership Customer Description

Customer types targeted by Redwood Coast Energy Watch vary depending on the services provided and include:

- Residential – Single Family Direct Install; RCEA; Time-of-Sale Energy Efficiency Pilot Program;
- Small Business – Small Business Direct Install; RCEA;
- Large Business – Commercial Building Energy Assessment; RCEA;
- Industrial - Industrial Water Pump Services; RCEA; and
- Municipal - Public Agency Energy Efficiency Facilities; RCEA.

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and IOU marketing as well as through innovative outreach efforts.

The Redwood Coast Energy Watch implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in program offers where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

2006-2008 Energy Efficiency Programs Redwood Coast Energy Watch

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

Redwood Coast Energy Watch will include non-energy activities such as energy audits, marketing and outreach, program administration, and training and education. These activities will be limited and targeted to enhance the overall success of the program's energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

RCEA is responsible for assisting PG&E with the implementation of the following elements:

- Marketing and Outreach;
- Single Family Direct Install;
- Small Business Direct Install;
- Public Agency Energy Efficiency Facilities;
- Commercial Building Energy Assessment; and
- Time-of-Sale Energy Efficiency Pilot Program

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with Redwood Coast Energy Watch, will establish and oversee quality assurance measures for its activities, including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of program implementation. In general, however, PG&E and the partnership will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation

2006-2008 Energy Efficiency Programs Redwood Coast Energy Watch

and a post-installation inspection, or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

Redwood Coast Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations. In addition, Redwood Coast Energy Watch will work with the IOU partners on an overall partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how offerings will be marketed to diverse customer bases. RCEA and PG&E will have overall responsibility for Redwood Coast Energy Watch marketing, advertising and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers;
- Display tables and booths at county fairs, street fairs, business conferences and other local events; and
- The Redwood Coast Energy Resource Center and its materials and Web site.

2006-2008 Energy Efficiency Programs San Francisco Energy Watch

SAN FRANCISCO ENERGY WATCH (SFEW)

1. Projected Partnership Budget

\$7,615,709

2. Projected Net Partnership Impacts

MWh:	33,696
MW (Summer Peak):	4.258
Therms:	263,477

3. Partnership Cost-effectiveness

TRC:	2.07
PAC:	2.69

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial

Partnership Classification: Local

Partnership Status: Revised Existing (formerly San Francisco Peak Energy
Partnership or SF PEP)

5. Partnership Statement

The San Francisco Energy Watch (SFEW) is a continuation of an existing PG&E partnership. This Partnership builds on the successful 2004-2005 partnership, focuses on providing services to mass market customers (residential and small business customers), and requires increased coordination with PG&E's core and third party energy efficiency offerings.

SFEW is a partnership effort to help achieve PG&E's electric and natural gas savings goals for residential and small business customers in San Francisco. The Department of the Environment (SFE) was the lead agency for the City of San Francisco in 2004-2005 and is positioned well to help PG&E on smaller commercial accounts, single family and multifamily residential customers.

6. Partnership Rationale

SFEW will target San Francisco's many small business customers operating general retail, restaurants/food service, and convenience stores. Residential targets will include senior complexes, condominiums, and 2-4 unit flats. SFEW will offer a direct install element to both small commercial and residential multi-unit customers. In addition, a customized calculated savings option element will be offered to some small businesses.

Municipal facilities are not served by PG&E and are not eligible customers for this partnership.

2006-2008 Energy Efficiency Programs San Francisco Energy Watch

San Francisco's climate, business sector profile, and housing stock differ quite dramatically from most areas in PG&E's service area. San Francisco experiences an evening winter peak. Under current avoided costs, winter peak demand reductions have less value to PG&E than summer peak demand reductions. As the California Public Utilities Commission (Commission) reviews and revises avoided costs, the measures offered under SFEW may be modified to take advantage of San Francisco's unique features.

Over 20 percent of San Francisco's housing stock is 2-4 unit buildings. Many are tenant occupied, suffering the split-incentive problem, or are tenancy-in-common properties, where more than one owner is needed to make retrofit decisions. Another large percentage of housing stock in the city consists of small apartment buildings of 30 units or less. To serve these customers, a residential direct install element will be provided under SFEW.

Similarly, SFEW will offer a direct install element for San Francisco small businesses. There are over 3,500 restaurants and nearly 1,500 retail and wholesale food markets in the city—all high energy-consuming customers. Therefore, this element will offer comprehensive measures that include refrigeration; heating, ventilation and air conditioning (HVAC); lighting; and food service equipment. This direct install element may require an investment on the part of the business owner.

Throughout the course of the 2006-2008 program cycle, there may be crosscutting market impacts and opportunities to introduce emerging technologies and/or targeted high potential measures through a customized initiative. SFEW looks at pilots for sector-specific measures such as garage occupancy sensors and outdoor lighting that will reduce winter peak if the Commission modifies avoided costs so that such measures are cost-effective to pursue. Another opportunity for innovative strategies is San Francisco's large energy- and water-intensive hospitality industry. San Francisco Department of the Environment is working closely with the San Francisco Water Department to do joint outreach to hotels and restaurants to combine San Francisco city water rebates with energy efficiency incentives. This work will be developed in consultation with PG&E's Food Service Technology Center. New measures will also be added as developed.

SFEW will also explore new energy efficiency codes and standards and/or special initiatives to move the market in subsequent years.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 SFEW are listed below in detail.

- 7.1 Residential Multifamily and 2-4 Unit Direct Install: SFEW will identify multifamily buildings and owners that qualify for the direct installation of a variety of electric and gas measures. Multifamily targets include senior residences, condominiums, and 2-4 unit buildings. To attain comprehensive savings, this element will offer a bundled package of measures which may involve a required investment by the building owner.

2006-2008 Energy Efficiency Programs San Francisco Energy Watch

Contractors and vendors will be recruited for training and successful candidates integrated into the element. A strict quality control system will be employed and will include post-installation inspections. Training for city building and health inspectors may be included to help them identify potential energy-savings opportunities.

The element will use a variety of marketing strategies to reach building owners, including public records filed with the City, and local property owner, condo, tenants-in-common, and neighborhood associations. SFEW will assist contractors in locating translation support and conducting general outreach and marketing through San Francisco's recycling and toxics reduction programs and through other city agencies such as the Health Department, the Department of Building Inspection, and the City's Water Conservation Program and Green Building Certification Program.

The element will also feature tenant outreach and education. Tenants in buildings that have received energy efficient measures will receive information showing them how to operate and maintain the efficient measures and how the measures will help them live more energy efficiently. Tenants in buildings not receiving the efficient measures will be offered education and the installation of simple efficient measures by a youth employment initiative but only during the summer months.

- 7.2** Small Business Direct Install: This element will use local qualified service providers to perform the installation work. To attain comprehensive savings, this element will offer a bundled package of measures and may require an investment by the building owner. A strict quality control system will assure quality of products and service and will require some pre- and post-installation inspections. SFEW will track and assess information gathered on property types and customer needs to be used for special initiatives or new codes and standards in subsequent years.

SFEW's efforts will focus on comprehensive gas and electric savings for small business customers operating general retail, restaurants/food service, and convenience stores. Generally, these customers will be under 100 kW although customers using more energy may be served on a case-by-case basis after consultation with PG&E's local business customer account staff. The package of measures to be installed will be tailored to San Francisco's specific peak load needs.

A direct marketing strategy of contacting businesses directly through site visits will be used. PG&E and the city of San Francisco will assist contractors in locating translation support since San Francisco has a diverse population that speaks numerous languages. SFEW will conduct general outreach and marketing through local business organizations as well as through San Francisco's water conservation, recycling, and toxics reduction programs, Health Department, and Building Inspection. The 2004-2005 partnership worked successfully with staff from these programs and the Green Business Certification Program, and SFEW will continue to market energy programs through these channels.

2006-2008 Energy Efficiency Programs San Francisco Energy Watch

SFEW will maintain a customer database to help identify opportunities and track actions for demand response, distributed generation, green building, emerging technology, and CO2 reduction. Customers will be informed of incentives and other benefits, and SFEW will facilitate contacts with appropriate entities and assist in any application process.

- 7.3** Small Business Customized Calculated Savings Element: This calculated incentive element offers small business customers financial incentives based on verified energy savings and demand reductions resulting from custom-designed projects. The incentives will be for select measure applications or new technologies with high market potential in San Francisco.

The City of San Francisco staff will identify proposed common retrofit projects and provide supporting documentation regarding feasibility, schedule, costs, projected energy savings and a calculator for the project type.

As this will be a very specialized element, eligible customers will be identified through City and other available databases. Depending on the targeted sectors, SFEW will use all relevant City resources to promote the element.

- 7.4** Audits and Technical Services: In coordination with PG&E's Account Services, San Francisco or its contractors will provide energy audits, technical, and turnkey services to select customers with special focus in the commercial sector on small businesses in the restaurants/food service and hospitality industries. The turnkey services will include providing customers with an estimate of projected savings, assistance in completing rebate applications, and referral of qualified vendors and installers. SFEW will provide quality control through site inspections and customer satisfaction surveys.

SFEW will coordinate these services with the City's Green Business Certification Program and its joint campaign with the Water Department to help the hospitality industry reduce water and energy use.

SFEW may also provide Green Building charettes for new construction projects to complement PG&E's new construction offerings.

In the residential sector, SFEW will work with local qualified contractors to conduct assessments and home performance testing. This may include analyzing homeowners' energy bills and tracking savings if they choose to do energy retrofits based on test results. If a record of savings can be documented, SFEW will submit the results to the Commission's Energy Division to claim energy savings from these activities.

SFEW will also provide home performance testing for residents identified for assistance by other City Departments, including the Mayor's Office of Housing and

2006-2008 Energy Efficiency Programs San Francisco Energy Watch

the Health Department. The Health Department, for example, offers funds for housing retrofits in designated units in need of asthma or lead abatement intervention. For these controlled projects, SFEW will provide energy bill analysis, recommendations on additional measures to install to reduce energy use, perform pre- and post-installation measurements of energy use. The results of these activities will be documented and submitted for energy savings credit, as appropriate.

- 7.5** Codes and Standards: SFEW will develop proposals and draft ordinances for new or updated codes and standards with a description of enforcement methods. This may include technical site assessments, review and analysis of measures to be included in ordinances, estimates of costs and savings, public input, feasibility study, and establishment of enforcement procedures.

SFEW will document savings that may come from new codes and standards and their enforcement. This includes work to develop and institute enforcement protocols and practices that will improve reliability of current and projected savings.

- 7.6** Emerging Technology Pilot Projects: SFEW will explore energy-saving emerging technologies appropriate for small business and residential customers in San Francisco and develop pilot programs if appropriate. SFEW will propose projects, conduct feasibility studies, work with PG&E technical staff to test and monitor measures, design and manage pilot projects, and develop workpapers when needed. Successful pilots may be added to the SFEW offerings in later years.

- 7.7** Energy Efficiency Training and Education: SFEW will work with City of San Francisco departments to recruit participants for PG&E energy efficiency training and education classes from both City employees and from building professionals in the private sector working in San Francisco. City staff will coordinate training recruitment activities among City departments, track participation, and target professionals who can advance Partnership goals, i.e., lead and asthma abatement contractors, homes inspection contractors and real estate agents.

City staff will coordinate their activities with the Pacific Energy Center (PEC) and Education and Training Center—Stockton (ETC) staff including providing input for potential class topics for special San Francisco classes, securing sites for special classes requested by the City, and providing turnkey services for such classes including room setup, attendee registration and evaluations, and clean-up.

8. Partnership Outcomes and Objectives

SFEW will work towards the achievement of both immediate energy savings and comprehensive, long-term energy and peak demand savings. Complementing PG&E's energy savings goals, aggressive energy savings goals for the City and County of San Francisco have been set based on two reports developed by San Francisco's Department of the Environment and other city departments: the *Electricity Resource Plan* (2002) and a

2006-2008 Energy Efficiency Programs San Francisco Energy Watch

subsequent study, the *Climate Action Plan (2004)*. The measures for success are both short- and long-term.

With three-year 2006-2008 Commission funding cycle, SFEW will have annual milestones leading to the three-year savings goals, plus some savings that will occur beyond 2008. Savings goals will grow over the three years. The key measure of success for SFEW will be achieving the energy savings goals set forth within the cost-effectiveness limits. Other measures of success include documented savings resulting from Codes and Standards; early retirement of inefficient equipment; home performance testing results demonstrating energy savings; and energy efficiency improvements done in conjunction with green building and distributed generation projects.

9. Partnership Customer Description

SFEW will target San Francisco's many small business customers operating general retail, restaurants/food service, and convenience stores. Residential targets will include senior complexes, condominiums, and 2-4 unit flats. San Francisco municipal facilities are not served by PG&E and are not eligible customers for this partnership.

Customer types targeted by SFEW vary depending on the services provided and include:

- Residential – Multifamily and 2-4 unit Direct Install;
- Small Business - Small Business Direct Install; Small Business Customized Calculated Savings

10. Partnership Customer Interface

Customers will interact with SFEW staff (city and PG&E), contractors, vendors and retail outlets.

The Department of the Environment (SFE) was the lead agency for the City of San Francisco in 2004-2005 and is positioned well to help PG&E on smaller commercial accounts, single family and multifamily residential customers.

The SFEW implementer(s) will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in program offers where applicable, and minimize administrative and marketing costs.

2006-2008 Energy Efficiency Programs San Francisco Energy Watch

11. Energy Measures and Partnership Activities

11.1. Measures Information

A cost-effectiveness calculator contains end-use summary measures for the calculated incentive component element. Other deemed savings measures may also be offered as appropriate.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators.

11.3. Non-energy Activities (Audits, Trainings)

SFEW will include non-energy activities such as energy assessments, marketing and outreach, program administration, and training and education. These activities will be limited and targeted to enhance the overall success of the partnership's energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

The Department of the Environment (SFE) was the lead agency for the City of San Francisco in 2004-2005 and is positioned well to help PG&E on smaller commercial accounts, single family and multifamily residential customers. Local qualified service providers will be recruited to perform the installation work under contractor management.

A direct install element for San Francisco businesses will also be offered and will utilize a contractor to implement it. SFE will refer local qualified service providers to the contractor to perform installation work under contractor management. The small business direct install element will provide turnkey services including site surveys, energy saving estimates, a package of measures including a percentage paid for by the owner, installation, and inspections. SFEW will refer local qualified service providers to the contractor to perform installation work under contractor management. Contractors and vendors will be recruited for training and successful candidates integrated into the initiative. A strict quality control system will be employed and will require post-installation inspections.

Other contractors will be selected to assist with the implementation of the partnership as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of program implementation. In general,

2006-2008 Energy Efficiency Programs San Francisco Energy Watch

however, PG&E and its partners will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

SFEW will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of the City in their existing relationships with residents and businesses in San Francisco, who are all City water and solid waste removal customers. Outreach to schools and through numerous religious and ethnic-based organizations, neighborhood and professional associations, and tenant and landlord organizations may also be used. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how partnership offerings will be marketed to diverse customer bases. The Energy Watch brand will be used to identify this local government/PG&E partnership.

Specific activities/channels may include:

- Local newspapers, radio and television;
- Display tables, booths and presentations at street fairs, business conferences and other local and statewide events; and
- Emerging technologies demonstrations at customer sites in San Francisco.

2006-2008 Energy Efficiency Programs Santa Barbara County Energy Watch

SANTA BARBARA COUNTY ENERGY WATCH

1. Projected Partnership Budget

\$500,000

2. Projected Net Partnership Impacts

MWh: 1,584

MW (Summer Peak): 0.363

3. Partnership Cost-effectiveness

TRC: 2.62

PAC: 2.34

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily, Mobile Homes;
Nonresidential: Commercial, Industrial, Agricultural;

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

PG&E joins Southern California Edison (SCE) in supporting the SCE-proposed Santa Barbara County Energy Watch. PG&E primarily provides electric service in the County of Santa Barbara; PG&E does not serve the City of Santa Barbara. PG&E will provide limited funding and services to assure that any customer receiving PG&E electric service is offered the full range of energy efficiency options suitable for that customer.

Santa Barbara County Energy Watch is a new residential and nonresidential partnership between the Southern California Edison (SCE) and the County of Santa Barbara which includes the cities of Santa Barbara, Goleta, and Carpinteria. The Partnership will assist and facilitate residents and businesses and other city and county government officials in understanding, managing, and reducing their energy use and costs, and position the partners as leaders in the region in energy management practices. The partnership will provide retro-commissioning (RCx), Green Building Initiative Executive Order Compliance Assistance, energy and best practices education for facilities managers, design consultation as well as energy analysis of new construction and renovation project plans. Analysis of city facilities will be conducted to identify demand reduction projects with energy-efficient measures and alternatives to optimize the energy and environmental performance of a new building design or extensive retrofit projects in the partner facilities.

Santa Barbara County Energy Watch will deliver information regarding demand response, self-generation and low income programs, co-sponsor Agricultural Technology Application Center (AgTAC) and Customer Technology Application Center (CTAC) classes. In addition, cities are now more than ever interested in energy efficiency as they develop

2006-2008 Energy Efficiency Programs Santa Barbara County Energy Watch

strategies to implement the Governor's Executive Order S-20-04, (The Green Building Action Plan). The partnership can be instrumental in identifying retrofit opportunities in Santa Barbara municipal buildings and distributing comprehensive energy information as well as supporting county and cities' efforts to transition their communities to the new energy codes. Depending on need assessment, PG&E may pursue a direct install for targeted mass market customers.

6. Partnership Rationale

Santa Barbara County Energy Watch will optimize the opportunities for local governments in the Santa Barbara area and their communities to work toward the common goal of achieving short- and long-term energy savings, reduced utility bills, and an enhanced level of comfort in municipal and commercial buildings as well as homes. The partnership will help promote an energy efficiency ethic by increasing awareness and participation in energy efficiency, demand response, self-generation, California Energy Commission (CEC), Department of Energy (DOE), Environmental Protection Agency (EPA) and energy management assistance (low income and California Alternative Rates for Energy (CARE)) programs. Energy code training will feature strongly in the partnership.

Local government economic redevelopment and similarly designated areas are specifically designed to increase community prosperity and represent a vital source of energy savings across a diverse residential and business market sector that has had lower participation in energy efficiency programs. These customers represent significant energy savings and demand reduction potential.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 Santa Barbara County Energy Watch are listed below in detail. PG&E will provide limited funding and services to assure that any customer receiving PG&E electric service is offered the full range of energy efficiency options suitable for that customer. SCE will be the lead investor-owned utility (IOU) for the following elements.

- 7.1. Green Building Initiative Executive Order Compliance:** Leadership in Energy and Environmental Design (LEED) certification and implementing the Governor's Executive Order S-20-04, The Green Building Action Plan.
- 7.2. Energy Audits and Technical Assistance:** Santa Barbara County Energy Watch will facilitate access to services provided by the IOUs to support local government investments in energy efficiency retrofits, renovation, new construction and retro commissioning of municipal buildings. Technical assistance will be provided by the relevant energy efficiency programs, for example, Savings by Design, where applicable. IOUs will provide planning and project management support to help with coordination and implementation of energy efficiency projects.
- 7.3. Energy Efficiency Training:** Energy code training and other energy efficiency training targeted to meet Santa Barbara's needs. Training may be targeted to building

2006-2008 Energy Efficiency Programs Santa Barbara County Energy Watch

professionals, energy managers and local government facility managers. This training will be developed and delivered by existing energy programs and will help Santa Barbara communities transition to the new energy codes.

- 7.4. Energy Information: This element will provide information on energy efficiency programs and services, demand response, self-generation, low income, CEC, DOE and other energy assistance programs, such as gas and water efficiency resources to be distributed to government, businesses and residents.
- 7.5. Energy Efficiency Rebates/Incentives: This element will act to revitalize communities and create awareness of energy efficiency and increased participation in energy efficiency rebate and incentive programs. Specific sub-elements to be determined by SCE.
- 7.6. Municipal Retrofits: Cities identifying municipal building retrofit opportunities will enter into agreement with the relevant IOU programs to secure incentives for the projects. SCE partnership representatives will perform energy audits and assist the City with implementation. Savings will be tracked and credited to the Santa Barbara Partnership.

8. Partnership Outcomes and Objectives

The Santa Barbara County Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for sustainable, long-term energy management for partner entities.

Specific objectives for the Santa Barbara County Energy Watch include:

- Providing specialized energy efficiency offerings to the Santa Barbara communities, businesses, and municipal facilities;
- Leveraging their communication infrastructure to inform their local communities about the wide variety of energy efficiency and demand reduction offerings available to them and encourage participation;
- Identifying opportunities for municipal building retrofits, new construction and increase participation in energy efficiency programs;
- Significantly increasing the marketing of energy information, education and IOU incentive programs to all market segments in the Santa Barbara, enabling and encouraging customers to make informed decisions to change energy use and practices;
- Increasing small business participation in the installation of energy-efficient equipment;
- Identifying retrofit opportunities in municipal facilities; and
- Leveraging the city's institutional strengths and communication infrastructure to identify and respond to the specific needs of constituents.

2006-2008 Energy Efficiency Programs Santa Barbara County Energy Watch

9. Partnership Customer Description

Santa Barbara County Energy Watch will target the County of Santa Barbara. All SCE customer segments, residential and non-residential, that can be positively influenced by the partnership to harvest greater energy efficiency than would otherwise be possible through traditional marketing and outreach efforts, will benefit from the initiative. Low income customers, multifamily residences, small businesses and customers with primary languages other than English could be better served by partnership activities.

PG&E primarily provides electric service in the County of Santa Barbara; PG&E does not serve the City of Santa Barbara. PG&E will provide limited funding and services to assure that any customer receiving PG&E electric service is offered the full range of energy efficiency options suitable for that customer.

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and IOU marketing as well as through innovative outreach efforts.

The Santa Barbara County Energy Watch implementer will coordinate with other energy efficiency programs in the service area including programs implemented by IOUs, non-IOUs and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

In the case of cities, SCE partnership personnel will initiate person to person contact with appropriate city staff or elected official. Customers benefiting from partnership through funneling efforts will be subject to the customer interface feature of the respective program.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from statewide programs such as Savings By Design. The achieved energy savings and demand

2006-2008 Energy Efficiency Programs Santa Barbara County Energy Watch

reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

Santa Barbara County Energy Watch will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall achievement of the energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

Santa Barbara County Energy Watch will coordinate with various organizations and competitively select subcontractors to help deliver its various activities/elements as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the Santa Barbara County Energy Watch, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings, including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

Santa Barbara County Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations. In addition, the Santa Barbara County Energy Watch will work with the IOU partners on an overall Partnership initiative to leverage the Energy Watch brand.

A general energy awareness campaign will be conducted targeting residents and businesses to increase awareness of energy efficiency savings and the importance of energy

2006-2008 Energy Efficiency Programs Santa Barbara County Energy Watch

conservation in maintaining a healthy environment, reducing costs, and creating other economic benefits. Santa Barbara County Energy Watch representatives will work with appropriate city officials to plan and implement community outreach events.

Events could include CFL change-outs or other measures for public housing units, refrigerator and freezer recycling sweeps, small business hard-to-reach retro-fit sweeps, mobile home direct installations and re-lamping initiatives as well as the home energy surveys. Santa Barbara County and member cities will use their communication channels, where possible, to conduct outreach to business and residential customers, community-based organizations, building officials and energy efficiency contractors.

Marketing is addressed through direct mail, ENewsletter, program literature, fact sheets, face-to-face meetings, customer education and outreach events, welcome packages for new home owners, web links and selected media advertising.

2006-2008 Energy Efficiency Programs Silicon Valley Energy Watch

SILICON VALLEY ENERGY WATCH (SVEW)

1. Projected Partnership Budget

\$760,000

2. Projected Net Partnership Impacts

MWh: n/a

MW (Summer Peak): n/a

Therms: n/a

3. Partnership Cost-effectiveness

TRC: n/a

PAC: n/a

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial,

Partnership Classification: Local

Partnership Status: Revised Existing (formerly Silicon Valley Energy Program or
SVEP)

5. Partnership Statement

Silicon Valley Energy Watch (SVEW) is a continuation of an existing PG&E local government partnership. This collaborative effort between the City of San José and PG&E proposes to build on the most successful elements of the 2004-2005 program to become a more comprehensive source of energy information and training and deliver significant energy savings through project facilitation.

The 2006-2008 SVEW can be instrumental throughout Santa Clara County in distributing comprehensive energy information as well as providing support for cities as they transition their communities to new energy codes and standards.

6. Partnership Rationale

The City of San José and PG&E will work together with all targeted parties to continue successes realized in the 2004-2005 partnership and optimize the opportunities for the Santa Clara County local governments and their communities to work toward the common goal of achieving short- and long-term energy savings and reduced utility bills.

The SVEW Partnership will help promote an energy efficiency ethic by increasing awareness and participation in energy efficiency and demand response programs. Energy code training will also feature strongly in the Partnership. Cities are now more than ever interested in energy efficiency as they develop strategies to implement the Governor's Executive Order S-20-04 (the Green Building Action Plan) and Executive Order S-3-05

2006-2008 Energy Efficiency Programs Silicon Valley Energy Watch

(Climate Change Action Plan). Local government's economic and redevelopment activities are designed to increase community prosperity and represent a vital source of energy savings across Silicon Valley's diverse residential and business market sectors.

The desired outcomes of this Partnership are:

- Short and long-term energy savings and demand reductions for residents, small businesses and local government organizations in Santa Clara County; and
- An energy efficiency ethic resulting from the deliver of energy information to all sectors of the communities, training and education for local government facility managers, energy managers and other staff in the use of best practices for identifying and implementing energy efficiency opportunities in their facilities and communities.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 SVEW are listed below in detail.

- 7.1. Energy-Efficiency Educational Outreach and Classes: PG&E and the City of San José's Energy/Green Building Program will offer training classes at Silicon Valley locations. Classes are tailored for South Bay municipalities, architects, designers, lighting professionals, HVAC engineers, building owners, and facility managers. Classes focus on how to design, implement, purchase, and install energy-efficient features and equipment for long-term energy savings. Outreach activities will also be coordinated at various community events in order to reach all aspects of the community—residential and business.
- 7.2. Codes and Standards Support: SVEW seeks to collaborate and coordinate with interested Silicon Valley cities to gather ideas and develop plans for adopting local energy codes and standards that address specific needs in partner communities.

8. Partnership Outcomes and Objectives

SVEW will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for the SVEW include:

- Significantly increase the marketing of energy information, education and investor-owned utility (IOU) incentive offerings to all market segments in Santa Clara County to enable and encourage customers to make informed decisions on energy use and practices;
- Increase customer participation in the installation of energy-efficient equipment;
- Provide seamless, hassle-free access for customers to appropriate programs (PG&E, third party, and local government programs);

2006-2008 Energy Efficiency Programs Silicon Valley Energy Watch

- Identify program gaps and work with PG&E to fill those gaps so that more customers are served; and
- Promote market transformation by building supply-chain relationships.

9. Partnership Customer Description

Customer types targeted by SVEW through outreach and training are:

- Residential;
- Small Business; and
- Architects/Builders.

10. Partnership Customer Interface

Customers will interact with SVEW staff (City and PG&E) contractors, vendors and retail outlets. They will receive information from mass media and IOU marketing as well as through innovative outreach efforts.

The SVEW implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, statewide marketing programs, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

This is an information- and outreach-only initiative. Activities include seminars, workshops and community outreach events.

11.2. Energy Savings and Demand Reduction Level Data

This is an information-only initiative.

11.3. Non-energy Activities (Audits, Trainings)

SVEW will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education.

11.4. Subcontractor Activities

Other contractors may be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the SVEW, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of

2006-2008 Energy Efficiency Programs Silicon Valley Energy Watch

implementation. In general, however, PG&E and the partnership will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.6. Marketing Activities

SVEW will use both existing utility infrastructures such as statewide outreach, rebate processing and outreach opportunities that will increase the saturation and reach of marketing efforts. SVEW will also utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including but not limited to local government mailings, economic development, land use, community based religious and ethnic-based organizations, and tenant and landlord associations. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how program offerings will be marketed to diverse customer bases. The City of San Jose and PG&E will have overall responsibility for SVEW marketing, advertising and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events.
- Professional seminars in conjunction with the Pacific Energy Center and Energy Training Center.

2006-2008 Energy Efficiency Programs Silicon Valley Leadership Group Energy Watch

SILICON VALLEY LEADERSHIP GROUP ENERGY WATCH (SVLGEW)

1. Projected Partnership Budget

\$6,400,000

2. Projected Net Partnership Impacts

MWh: 20,859

MW (Summer Peak): 3.277

Therms: 63,810

3. Partnership Cost-effectiveness

TRC: 2.99

PAC: 2.63

4. Partnership Descriptors

Market Sector: Nonresidential: Commercial

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

PG&E and the Silicon Valley Leadership Group (SVLG) will work together on the SVLG Energy Watch Partnership (SVLGEW). SVLGEW will promote reduced energy use and energy savings targets for the SVLG members by providing energy efficiency information, commercial building energy assessments, energy-efficient equipment and energy system metering and monitoring equipment to eligible PG&E customers. Eligible PG&E customers include small, medium and large business customers that are members of SVLG and Sustainable Silicon Valley (SSV).

6. Partnership Rationale

SVLGEW expands beyond current initiatives by integrating continuous monitoring based commissioning (MBCx) with the installation of energy monitoring and metering equipment at the building and system level to provide continuous MBCx and to support demand response. In addition, peak demand and energy reduction opportunities will be captured by providing technical assistance and financial incentives to encourage capital investments in energy efficiency. The Partnership is modeled after the SVLG MBCx pilot program funded in 2005-2006 and successful MBCx element offered through the UC/CSU partnership funded in 2005.

Success of the partnership will be ensured by the inclusion of Sustainable Silicon Valley (SSV), a collaborative focused on reducing greenhouse gas (GHG) emissions for the Silicon Valley. SSV's task will be to develop Climate Action Plans for each of their members to use energy efficiency to meet their GHG reduction commitments. This approach is unique and serves to reduce yet one more barrier to energy efficiency. Further,

2006-2008 Energy Efficiency Programs Silicon Valley Leadership Group Energy Watch

the inclusion of summer peak demand reduction with retro-commissioning and retrofits provides a truly integrated approach that should leave few lost opportunities.

Central monitoring and data acquisition systems will be procured and installed to give facilities management staff the tools to reduce energy consumption and peak demand by having consolidated energy information at the building system level. This aspect will incorporate a facility needs assessment where hardware needs will be investigated, such as sub-metering selected buildings and locating monitoring points on major energy usage areas. Software needs, such as databases to display and archive system and building performance, will also be considered. Monitoring systems may be permanently installed and used by facilities management staff to perform facility demand reduction and retro- and continuous commissioning. In order to ensure sustainable, ongoing energy savings, SVLGEW will establish an initiative to continuously commission the buildings, using monitoring systems to ensure ongoing efficient operations. Ultimately, SVLG and SSV members will have both the trained staff and the permanent monitoring systems to continue to commission the buildings over time, thereby ensuring persistent energy savings.

Demand reduction strategies will be developed for each of the participating properties. The demand-reduction strategies will focus on the critical peak-pricing model, i.e., voluntary reduction as opposed to automated reduction. Partnership staff will develop baseline load shapes, including 10-day and 3-day profiles consistent with the Demand Response Program evaluation. On demand-reduction event days, partnership staff will work with properties to implement their strategy. The impacts on demand reduction days will be estimated and catalogued in an effort to project demand-response potential for SVLGEW. The intent of SVLGEW is to reduce peak demand permanently and not just on the specific days called for demand response. The goal of 3.277 MW summer peak reduction refers to permanent demand reduction.

7. Partnership Implementation Strategy

One of the keys to success for SVLGEW is a well organized management process, founded on clear delineation of responsibilities, definitive understanding of available resources and schedule, respect for other members' skills and experience, and most important, clear and continuous communication among all project members. SVLGEW is comprised of a number of nationally recognized experts in energy efficiency program design, implementation and evaluation. The combined experience this team brings to the initiative is unparalleled. The task of project management is made significantly easier by bringing together such a group of experienced entities that have worked on numerous projects with each other over the past decade. Furthermore, as the vast majority of our team members are based in the Bay Area, face-to-face communication, a crucial element to successful project management, will be more easily facilitated.

The implementation strategies for the 2006-2008 SVLGEW are listed below in detail.

7.1. Monitoring Based Commissioning (MBCx): Pioneered with the UC/CSU/IOU Partnership in 2004-2005, the MBCx element is a unique approach to obtaining

2006-2008 Energy Efficiency Programs Silicon Valley Leadership Group Energy Watch

savings that combines the expertise of the various facility management staff, additional utility and subcontractor expertise, and the installation of energy monitoring and metering equipment at a building's sub-meter and system level. Unlike past retro-commissioning efforts, MBCx goes beyond a one-time review of operations and equipment installation and a few training workshops. It requires that organizations that participate install sufficient equipment to insure an extensive and comprehensive built-in measurement and verification capability. Additionally, this element will be combined with energy efficiency education and training to become a continuous commissioning effort that becomes institutionalized at each participating institution. In this way, savings will be sustained well beyond those from the more typical and limited retro-commissioning. PG&E has funded an MBCx pilot program in 2005 for SVLG members to gain site-specific experience in the high tech sector. MBCx will also use the participating organizations' facilities management staff or outside experts to identify new cost-effective retrofit opportunities efficiently and at low cost. MBCx is available for buildings larger than 100,000 square foot area.

- 7.2. Commercial Building Energy Assessments: PG&E's technical consultants will provide specialized energy audits to small, medium and large commercial customers. Technical consultants will survey commercial facilities to identify energy efficiency and peak demand reduction opportunities and recommend applicable incentive that may help offset the initial investment in energy-efficient measures.
- 7.3. Energy Efficient Retrofits: SVLG, SSV and their eligible member organizations will have overall responsibilities for the implementation of retrofit projects. PG&E will collaborate with SVLG to identify potential projects. Preliminary audits have already provided potential project information. However, the partnership will conduct additional facility assessment to identify projects and provide a project list for implementation. The energy-efficient measures to be implemented may include both electric and gas measures such as lighting retrofits (T5 technology, light emitting diode (LED) applications, newer 28 watt T-8's), building wide lighting controls, boiler replacements, installation of water heaters, tankless water heaters, heating, ventilation and air conditioning (HVAC) and chiller upgrades/replacements and central plant projects. Other activities may include assessment and implementation of measures for waste water treatment operation and food service preparation.

8. Partnership Outcomes and Objectives

SVLGEW will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Demand reduction strategies will be developed for each of the participating properties. The demand-reduction strategies will focus on the critical peak-pricing model, i.e., voluntary reduction as opposed to automated reduction. Partnership staff will develop baseline load

2006-2008 Energy Efficiency Programs Silicon Valley Leadership Group Energy Watch

shapes, including 10-day and 3-day profiles consist with the Peak Demand Reduction Program evaluation. On demand-reduction event days, Partnership staff will work with properties to implement their strategy. The impacts on demand reduction days will be estimated and catalogued in an effort to project demand-response potential for SVLGEW.

Specific objectives for the SVLGEW include:

- SVLG and SSV members will have both the trained staff and the permanent monitoring systems to continue to commission the buildings over time, thereby ensuring persistent energy savings;
- Achieving immediate, cost-effective energy and demand savings through retrofit and retro-commissioning projects;
- Focus on comprehensive, persistent and cost-effective savings through long-term relationships with customers;
- Foster long-term relationships through customer service, superior quality control, and on-going communication;
- Provide seamless, hassle-free access for customers to appropriate programs and offerings (PG&E, third party, and local government partnerships); and
- Identify gaps and work with PG&E to fill those gaps so that all SVLG and SSV members are served.

9. Partnership Customer Description

Eligible PG&E customers include small, medium and large -size business customers that are members of SVLG and SSV.

Customer types targeted by SVLGEW vary depending on the services provided and include:

- Small Business –Commercial Building Energy Assessments; Energy Efficiency Retrofits;
- Medium Business – Commercial Building Energy Assessments; Energy Efficiency Retrofits, Monitoring Based Commissioning; and
- Large Business – Commercial Building Energy Assessments; Energy Efficiency Retrofits, Monitoring Based Commissioning

10. Partnership Customer Interface

Customers will interact with contractors, vendors and consultants. They will receive information from IOU marketing, as well as through innovative outreach efforts.

The SVLGEW implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs and local

2006-2008 Energy Efficiency Programs Silicon Valley Leadership Group Energy Watch

government partnerships to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

SVLGEW will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall success of the Partnership's energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

SVLG is responsible for the implementation of:

- Marketing and Outreach;
- Technical Audits;
- Energy Efficiency Retrofit; and
- Monitoring Based Commissioning (MBCx).

Other contractors may be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the SVLGEW, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a

2006-2008 Energy Efficiency Programs Silicon Valley Leadership Group Energy Watch

representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

100 percent of projects for customers larger than 200 kW customer load using calculated savings will have a pre-installation and a post-installation inspection.

11.6. Marketing Activities

SVLGEW will use both existing utility infrastructures such as statewide outreach and rebate processing that will increase the saturation and reach of marketing efforts. SVLGEW will utilize a variety of marketing efforts to reach end-use customers. In addition, SVLGEW will work with PG&E on an overall partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how offerings will be marketed to all eligible SVLG and SSV member companies.

SVLG and PG&E will have overall responsibility for SVLGEW marketing and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Business Partnership Promotions: Meetings with targeted business owners/managers to discuss benefits of energy efficiency and provide information regarding SVLGEW and other PG&E energy efficiency programs. SVLG may consider aggregation of small business members; and
- SVLG and SSV member meetings and e-mail correspondence.

2006-2008 Energy Efficiency Programs Sonoma County Energy Watch

SONOMA COUNTY ENERGY WATCH (SCEW)

1. Projected Partnership Budget

\$2,922,644

2. Projected Net Partnership Impacts

MWh:	8,893
MW (Summer Peak):	1.393
Therms:	150,928

3. Partnership Cost-effectiveness

TRC:	1.91
PAC:	2.29

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial, Industrial, Agricultural

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

PG&E, Sonoma County, GeoPraxis, Inc. and Quest will work together on the Sonoma County Energy Watch (SCEW), a new, innovative partnership which provides the opportunity to realize significant energy savings by leveraging a whole community's public commitment to reduce greenhouse gas (GHG) emissions.

6. Partnership Rationale

Inspired by the Climate Protection Campaign (CPC) in August 2002, Sonoma became the first county in the nation where 100 percent of its municipalities—the county and all nine cities—signed a resolution to measure and reduce their GHG emissions. Energy efficiency is the first and most cost-effective source for such reductions, obligating this community's strong motivation and the unique opportunity for PG&E.

Working closely with the Climate Protection Campaign, SCEW will focus first on reducing emissions from internal operations of municipalities such as buildings and secondarily on emissions from all sectors in the municipal jurisdictions.

SCEW will be modified as needed to reflect availability of services from existing third parties and other offerings. SCEW will address most market sectors including residential, agricultural process, schools/colleges, retail stores, food manufacturing and processing, fabrication industries, medical facilities, office buildings, process industries, lodging

2006-2008 Energy Efficiency Programs Sonoma County Energy Watch

facilities, and high technology facilities. For the remaining sectors (heavy industry and transportation) interested parties will be directed to the appropriate PG&E program.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 SCEW are listed below in detail.

- 7.1 California Water Process Optimization Program (Energy Efficiency Retrofits in Wastewater and Water Treatment Facilities):** Technical consultants will survey County wastewater and water treatment facilities in order to identify potential energy-saving opportunities. Financial incentives may be available to help support the investment in energy-efficiency retrofits at select municipal and private facilities.
- 7.2 Building Tune Up Plus:** Energy analysis experts will perform a free evaluation tailored to help business customers who have larger, complex buildings optimize their building's control, heating, ventilation, air conditioning and lighting systems. Customers will also receive written guidelines to help facilities managers ensure that the energy savings last and funding to help cover the cost to recommission their building's systems. Facilities may then use SCEW staff or contractor to perform the measure installation in a turn key manner or use their own staff or contractor.
- 7.3 EnergyWise™ REALTOR:** EnergyCheckup, a service of GeoPraxis, Inc., will implement the EnergyWise REALTOR. This highly innovative energy efficiency resource acquisition and information campaign will be targeted to active real estate agents practicing in Sonoma County. It provides a series of realtor training sessions to increase awareness of combined building inspections and energy retrofit audits, and training to home inspectors in energy efficiency audits, an audit tool and appropriate instruction.

8. Partnership Outcomes and Objectives

SCEW will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for sustainable, long-term energy management for partner entities.

Additional objectives for SCEW include:

- Using energy efficiency to reduce GHG emissions from internal operations of municipalities; and
- Using energy efficiency to reduce GHG emissions from all sectors in the municipal jurisdictions.

9. Partnership Customer Description

Customer types targeted by SCEW vary depending on the services provided and include:

- Residential - EnergyWise REALTOR
- Medium Business –Building Tune Up Plus

2006-2008 Energy Efficiency Programs Sonoma County Energy Watch

- Large Business –Building Tune Up Plus
- Municipal – California Water Process Optimization Program
- Agricultural - California Water Process Optimization Program
- Industrial – California Water Process Optimization Program

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing as well as through innovative outreach efforts.

The SCEW implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUTs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in program offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

SCEW will include non-energy activities such as energy audits, marketing and outreach, program administration, and training and education. These activities will be limited and targeted to enhance the overall achievement of the energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

2006-2008 Energy Efficiency Programs Sonoma County Energy Watch

11.4. Subcontractor Activities

GeoPraxis, Inc is responsible for assisting PG&E with the implementation of the EnergyWise REALTOR element.

Quest is responsible for assisting PG&E with the implementation of the California Water Process Optimization Program and Building Tune Up Plus.

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the SCEW, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

SCEW will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings and religious and ethnic-based organizations. In addition, the SCEW will work with the IOU partners on an overall Partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how offerings will be marketed to diverse customer bases. The implementer and PG&E will have overall responsibility for SCEW marketing, advertising and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Local radio and television; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events.

2006-2008 Energy Efficiency Programs South San Joaquin (SSJ) Energy Watch

SOUTH SAN JOAQUIN (SSJ) ENERGY WATCH

1. Projected Partnership Budget

\$3,519,002

2. Projected Net Partnership Impacts

MWh:	12,802
MW (Summer Peak):	2.252
Therms:	145,192

3. Partnership Cost-effectiveness

TRC:	3.16
PAC:	2.91

4. Partnership Descriptors

Market Sector: Residential: Single Family, Multifamily; Nonresidential:
Commercial, Industrial

Partnership Classification: Local

Partnership Status: New

5. Partnership Statement

PG&E, Intergy Corporation, San Joaquin County, and the Cities of Lathrop, Manteca and Tracy will work together on the 2006-2008 South San Joaquin (SSJ) Energy Watch. The key objectives of SSJ Energy Watch are to capitalize on the infrastructure set up by the 2004-2005 San Joaquin partnership and promote reduction in energy use by providing targeted energy efficiency information and the installation of energy-efficient equipment to eligible municipal facilities, business, and residential PG&E customers.

6. Partnership Rationale

SSJ Energy Watch is based on the successful 2004-2005 San Joaquin Comprehensive Energy Efficiency Program (also known as the San Joaquin Energy IQ program (SJEIQ)), a partnership between San Joaquin County, City of Manteca, City of Tracy, the Tracy/Manteca/Lathrop Chambers of Commerce, and Intergy. The 2004-2005 SJEIQ, in coordination with the key partners, successfully created an infrastructure through outreach, audits, and networking for implementation of energy and demand reduction retrofit projects at the local level and in keeping with unique community needs.

The primary focus of SSJ Energy Watch will be on outreach, energy efficiency assessments (with a goal of 50 percent conversion to retrofits), coordination of delivery channels, demand response (coordinated with the PG&E integrated audit offering), and an expansion of the infrastructure created in the 2004-2005 partnership to effect long-term energy efficiency savings.

2006-2008 Energy Efficiency Programs South San Joaquin (SSJ) Energy Watch

SSJ Energy Watch will target mass markets, retail, food service/restaurants, office, process industry, lodging and municipal facilities. The mass market represents diverse cultural and language backgrounds including single and multifamily homes, retail stores and restaurants, offices, lodging facilities, medical offices and various small businesses. SSJ Energy Watch will reach out to and provide its services to mass market customers within San Joaquin County, the cities, and the Chambers of Tracy, Manteca and Lathrop designated areas to be determined as part of the detailed partnership planning.

Through careful planning between partners, SSJ Energy Watch will work to maximize the benefits available through the various parts of the PG&E portfolio, while taking care not to overlap or miss other opportunities which may present themselves through other non-PG&E programs. Working closely with local PG&E representatives, SSJ Energy Watch will identify the best avenues or promotional opportunities and how SSJ Energy Watch might work with San Joaquin County, the cities, and the Chambers of Tracy, Manteca and Lathrop to provide every opportunity for participation and energy savings.

7. Partnership Implementation Strategy

The implementation strategies for the 2006-2008 SSJ Energy Watch are listed below in detail.

- 7.1. Municipal and Institutional (Publicly-funded) Building Energy Assessments and Retrofits:** Technical consultants will survey major energy-consuming systems within municipal and institutional (publicly-funded) facilities in order to identify potential energy-saving opportunities. Financial incentives and project management assistance may be available to help support the investment in energy efficient retrofits at select municipal facilities.
- 7.2. Energy Efficiency Education & Information Services:** This element will provide energy clinics and classes designed specifically for participating City planners such as facility managers, public works personnel, and building inspectors, Chamber of Commerce executives and County personnel. Through these free training opportunities, participants can gain suggestions on how to reduce their energy bills, operate more energy efficiently and participate in programs available to the local area.
- 7.3. Realtor Time of Sale Element:** This element will help to educate the real estate industry about energy efficiency in addition to achieving cost-effective savings for customers. Home inspectors will be trained to provide home energy ratings, and participating home buyers will also receive four CFLs.
- 7.4. New Construction Outreach and Education:** San Joaquin County is expected to experience tremendous growth in the residential new construction arena in the next five years. There exists a unique opportunity to ensure that energy efficiency technologies are incorporated in these new construction activities. This component will be targeted to the new construction sector as an educational outreach activity for developers and county/city personnel. The primary objective will be to encourage

2006-2008 Energy Efficiency Programs South San Joaquin (SSJ) Energy Watch

- local city planners to leverage their relationship with the developers in ensuring that energy efficiency technologies are incorporated in the new homes. Specific activities include seminars and educational materials on new advances with energy-efficient technologies that could be utilized in new construction and existing and new programs being offered by PG&E and third parties that are relevant to new construction.
- 7.5. Codes and Standards Support:** SSJ Energy Watch will work with City planning departments to revise and create codes and standards encouraging/requiring energy efficiency beyond Title 24.
 - 7.6. Small Business Education:** As the Partnership is highly localized, business training and education will focus on the specific needs of the local business. Specifically, this process will include coordinating businesses targeted for education with San Joaquin WorkNet. San Joaquin WorkNet helps local businesses by helping them start a business, apply for business loans, hire additional employees, expand their business, and hand-hold them through permit processes. Visits by Partnership staff to businesses will be coordinated and scheduled leveraging WorkNet. A prime goal of this element is to help local businesses contact the Direct Installer to complete installations, and participation in the services offered by the Direct Installer will be encouraged.
 - 7.7. Small Business Direct Install:** This strategy will provide energy efficiency retrofit services to small commercial customers in targeted business districts. Energy efficiency experts will contact small businesses, offer to perform free energy audits to help businesses identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers may gain a number of energy-efficient upgrades free of charge.
 - 7.8. Multifamily Residential Direct Install:** Energy efficiency experts will canvass designated neighborhoods and identify multifamily homes that qualify for the installation of a variety of free energy-efficient measures.

8. Partnership Outcomes and Objectives

SSJ Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

The key objectives of SSJ Energy Watch are to capitalize on the infrastructure set up by the 2004-05 SJEIQ partnership and deliver cost-effective energy and demand savings. The 2004-2005 SJEIQ, in coordination with the key partners, successfully created an infrastructure through outreach, audits, and networking for implementation of energy and demand reduction retrofit projects at the local level and in keeping with unique community needs.

Specific objectives for SSJ Energy Watch include:

2006-2008 Energy Efficiency Programs South San Joaquin (SSJ) Energy Watch

- Providing free direct install and energy audit services to designated mass market customers, and encourage/educate about energy use and practices;
- Promoting energy efficiency in new construction via education and codes and standards support;
- Offering municipal components to this Partnership to assist in long-term, cost-effective savings; and
- Urging customers in instances where measures not covered by the Partnership are present, to participate in PG&E's other rebate opportunities.

9. Partnership Customer Description

Customer types targeted by SSJ Energy Watch vary depending on the services provided and include:

- Residential – Multifamily Residential Direct Install
- Small Business – Small Business Direct Install; Small Business Education
- Municipal – Municipal and Institutional (Publicly-funded) Building Energy Assessments and Retrofits

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and IOU marketing as well as through innovative outreach efforts.

The SSJ Energy Watch implementer will coordinate with other energy efficiency offerings in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in offerings where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

2006-2008 Energy Efficiency Programs South San Joaquin (SSJ) Energy Watch

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

SSJ Energy Watch will include non-energy activities such as energy audits, marketing and outreach, administration, and training and education. These activities will be limited and targeted to enhance the overall success of the program's energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

Intergy Corporation will be responsible for assisting PG&E with implementation of the following elements:

- Municipal and publicly-funded facility assessments and implementation closely coordinated with the cities and County to implement cost-effective energy and demand saving projects;
- Residential and nonresidential new construction elements that will leverage codes, standards, city planning and permitting processes to influence and encourage developers and builders to install highly efficient and innovative technologies;
- Marketing and outreach to enhance awareness levels across the targeted sectors and highlight the advantages of pursuing an integrated demand reduction strategy including demand response. Outreach will include specific activities targeted to the residential and nonresidential new construction markets in San Joaquin County;
- Residential Time of Sale element targeting the window of opportunity during the sale and transfer of residential property; and
- Small Business Education element, including assessment and coordination with the direct installer for measure installation.

PG&E will contract directly with a direct installer for multifamily and small business direct install elements.

Other contractors will be selected to assist with implementation as necessary.

2006-2008 Energy Efficiency Programs South San Joaquin (SSJ) Energy Watch

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with the SSJ Energy Watch, will establish and oversee quality assurance measures for its activities, including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general, however, PG&E and the partnership will continue the level of due diligence and quality assurance of its present energy efficiency offerings including a representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

SSJ Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations. In addition, SSJ Energy Watch will work with the investor-owned utility partners on an overall partnership initiative to leverage the Energy Watch brand. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how offerings will be marketed to diverse customer bases. Intergy and PG&E will have overall responsibility for SSJ Energy Watch marketing, advertising and outreach through existing implementer and PG&E channels.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events.

2006-2008 Energy Efficiency Programs Stockton Energy Watch

STOCKTON ENERGY WATCH

1. Projected Partnership Budget

\$2,810,796

2. Projected Net Partnership Impacts

MWh: 11,389

MW (Summer Peak): 2.310

Therms: 75,896

3. Partnership Cost-effectiveness

TRC: 3.26

PAC: 2.91

4. Partnership Descriptors

Market Sector: Residential: Multifamily; Nonresidential: Commercial

Partnership Classification: Local

Partnership Status: Revised Existing (formerly Stockton Smart Energy)

5. Partnership Statement

PG&E, the City of Stockton, and Richard Heath and Associates, Inc. (RHA) will work together on the Stockton Energy Watch. This partnership will promote reduced energy use and energy savings targets for the City of Stockton by providing energy efficiency information and direct installation of energy-efficient equipment free of charge to eligible PG&E customers. Eligible PG&E customers include residential and small business customers located within designated targeted areas.

6. Partnership Rationale

Stockton Energy Watch will continue this successful partnership for 2006-2008 to provide energy assessments, education, and direct installation of energy-saving measures to mass market customers, enhanced incentives for municipal facilities, and a targeted information/education program. The revised partnership will promote reduced energy use by providing energy efficiency information and direct installation of energy-efficient equipment free of charge to eligible PG&E customers within Stockton's selected target areas, designated as economic development areas.

Stockton Energy Watch will:

- Provide free assessments and energy audit services to mass market customers and encourage/educate about energy use and practices and direct installation;
- Offer municipal components of this program to assist in long-term, cost-effective savings; and

2006-2008 Energy Efficiency Programs Stockton Energy Watch

- Urge customers in instances where measures not covered by the partnership are present to participate in PG&E's other rebate program opportunities.

The mass market represents diverse cultural and language backgrounds including single and multifamily homes, retail stores and restaurants, offices, lodging facilities, medical offices and various small businesses. Stockton Energy Watch will continue reaching out to and providing its services to mass market customers within the City of Stockton's designated areas, while working with city partners to identify additional neighborhoods for targeting. Stockton Energy Watch will include county facilities within city limits when feasible.

7. Partnership Implementation Strategy

Through careful planning between partners, Stockton Energy Watch will work to maximize the benefits available through the various parts of the PG&E portfolio while taking care not to overlap or miss other opportunities which may present themselves through other non-PG&E programs. Working closely with local PG&E representatives, Stockton Energy Watch will identify the best avenues or promotional opportunities, analyze the assigned vs. non-assigned accounts and how PG&E might work with the city of Stockton to provide every opportunity for participation and energy savings.

The implementation strategies for the 2006-2008 Stockton Energy Watch are listed below in detail.

- 7.1. Single Family and Multifamily Residential Direct Install: Energy efficiency experts will canvass designated neighborhoods and identify single and multifamily homes that qualify for the installation of a variety of free energy-efficient measures. Residents with single-family homes may also receive a free energy analysis that can help them identify how they are using their energy and ways to save.
- 7.2. Small Business Direct Install: This strategy will provide energy efficiency retrofit services to small commercial customers in targeted business districts. Energy efficiency experts will contact small businesses, offer to perform free energy audits to help businesses identify energy-saving opportunities and provide information regarding energy-efficient equipment. Qualifying customers may gain a number of energy-efficient upgrades free of charge.
- 7.3. Energy Efficiency Services and Incentives for Municipal Buildings: Technical consultants will survey major energy-consuming systems within City facilities in order to identify potential energy-saving opportunities. Financial incentives may be available to help support the investment in energy efficiency retrofits at select municipal facilities.
- 7.4. Energy efficiency Education & Information Services: Local energy efficiency classes will be offered for building professionals who are either designing new commercial buildings (including multifamily housing) or managing existing buildings. Participants will learn about the latest developments in energy-efficient

2006-2008 Energy Efficiency Programs Stockton Energy Watch

heating, ventilation and air conditioning, technology, lighting, windows, hot water systems and more.

- 7.5. Codes and Standards Support:** Title 24 training and educational seminars related to energy codes and standards for existing and future building designs are available. These courses are targeted to designers, engineers, architects and building officials in Stockton.

8. Partnership Outcomes and Objectives

Stockton Energy Watch will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management programs for partner entities.

Specific objectives for Stockton Energy Watch include:

- Achieving long-term savings and peak demand reduction through the free direct install and municipal components;
- Achieving equity of access to energy efficiency services by targeting marketing messages, and by providing free direct install and energy audit services to these customers;
- Overcoming identified market barriers, including lack of consumer information, lack of financing for energy efficiency improvements, and lack of a viable and competitive set of providers of energy efficiency services in the market;
- Exploring continuous improvements in codes and standards to increase energy savings in the future through the Codes and Standards element;
- Enabling and educating customers to change energy use and practices; and
- Marketing and/or encouraging participation in other applicable PG&E rebate programs for installation of energy-efficient equipment not covered under the partnership.

9. Partnership Customer Description

Customer types targeted by Stockton Energy Watch vary depending on the services provided and include:

- Residential – Single Family and Multifamily Direct Install
- Small Business – Small Business Direct Install
- Municipal - Energy Efficiency Services and Incentives for Municipal Buildings

10. Partnership Customer Interface

Customers will interact with contractors, vendors and retail outlets. They will receive information from mass media and investor-owned utility (IOU) marketing as well as through innovative outreach efforts.

2006-2008 Energy Efficiency Programs Stockton Energy Watch

The Stockton Energy Watch implementer will coordinate with other energy efficiency programs in PG&E's service area including programs implemented by PG&E, other non-IOUs, and local government partnerships, as well as programs targeting low-income customers, to enhance consistency in program offers where applicable, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing budgets.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

Stockton Energy Watch will include non-energy activities such as energy audits, marketing and outreach, program administration, and training and education. These activities will be limited and targeted to enhance the overall success of the program's energy impact goals and stated objectives. See Section 7 on Partnership Implementation Strategy for more detail on specific activities.

11.4. Subcontractor Activities

RHA is responsible for assisting PG&E with implementation of:

- Marketing and Outreach;
- Energy Efficiency Retrofit;
- Multifamily Direct Install; and
- Small Business Direct Install.

Other contractors will be selected to assist with implementation as necessary.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

PG&E, working with Stockton Energy Watch, will establish and oversee quality assurance measures for its activities including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of program implementation. In general, however, PG&E and the LGPs will continue the level of due diligence and quality assurance of its present energy efficiency offerings, including a

2006-2008 Energy Efficiency Programs Stockton Energy Watch

representative percentage of pre-/post-installation confirmation inspections for small hardware projects, and pre-/post-inspections on all large or specialized hardware projects.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

Approximately 10 percent of all residential and small business installations will be inspected. 100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection or whatever inspection rate is required under PG&E's core programs for calculated savings.

11.6. Marketing Activities

Stockton Energy Watch will utilize a variety of marketing efforts to reach end-use customers and will leverage the unique local communication channels of local governments including local government mailings, religious and ethnic-based organizations, and tenant and landlord associations. A specific marketing and outreach plan will be developed for each implementation strategy as listed above describing how program offerings will be marketed to diverse customer bases. RHA and PG&E will have overall responsibility for Stockton Energy Watch marketing, advertising and outreach through existing implementer and PG&E channels.

The implementer will deliver outreach, marketing and training targeted to small business customers within the Airport Corridor, Downtown, Miracle Mile and Magnolia Districts of the City of Stockton. RHA will deliver multifamily residential outreach, marketing and training targeted to customers in the Kentfield, University of Pacific, Airport Corridor and Magnolia Districts of the City of Stockton. In addition, Stockton Energy Watch will work with the IOU partners on an overall Partnership initiative to leverage the Energy Watch brand.

Specific activities/channels may include:

- Local radio and television;
- Display tables at home improvement centers; and
- Display tables and booths at county fairs, street fairs, business conferences and other local events;

2006-2008 Energy Efficiency Programs UC/CSU/IOU Energy Efficiency Partnership

UC/CSU/IOU ENERGY EFFICIENCY PARTNERSHIP

1. Projected Partnership Budget

\$16,476,217

2. MWh: 43,229
MW (Summer Peak): 12.603
Therms: 1,490,652

3. Partnership Cost-effectiveness

TRC: 2.68
PAC: 2.95

4. Partnership Descriptors

Market Sector: Nonresidential: Commercial (State Schools, Colleges & Universities)

Partnership Classification: Statewide
Partnership Status: Existing Renewed

5. Partnership Statement

The University of California, California State University (UC/CSU), PG&E and other investor-owned utilities (IOUs) Energy Efficiency Partnership (UC/CSU/IOU Energy Partnership) was designed to achieve immediate, long-term peak energy and demand savings and establish a permanent framework for sustainable, comprehensive energy management programs. The existing statewide nonresidential partnership will continue in 2006-2008. It will continue to offer incentives for retrofit projects, monitoring based commissioning, and education and training for campus project and energy managers.

The participating IOUs for the 2006-2008 Energy Efficiency Partnership are Southern California Edison (SCE), Southern California Gas Company (SCG), San Diego Gas & Electric Company (SDG&E), and PG&E.

6. Partnership Rationale

PG&E and the other IOUs face the challenge of implementing cost-effective energy efficiency programs that will result in immediate, long-term peak energy and demand savings in their service areas. The UC and CSU systems consume vast quantities of energy and, as a combined entity, make up a significant portion of both the electric and natural gas load in California. They are large, complex organizations with a broad set of goals, stakeholders, processes and constituencies. They are diverse from a geographic, climate, and operational needs standpoint. But with this size and diversity also comes a considerable opportunity to save energy and costs on a scale that is meaningful to the IOUs and to

2006-2008 Energy Efficiency Programs UC/CSU/IOU Energy Efficiency Partnership

California. The UC/CSU/IOU Energy Efficiency Partnership is designed to meet these challenges.

With the 2004-2005 UC/CSU/IOU Partnership, PG&E and the other California IOUs embraced a statewide partnership concept in energy efficiency programs. This effort was innovative, very successful, and led to significant energy savings at the campuses throughout PG&E's service area. In addition to the savings achieved, this partnership helped create a new paradigm for energy management at the campus level, which has contributed to the infrastructure necessary for long-term, permanent energy savings.

PG&E and the other IOUs have implemented the Partnership with the goal of extending the reach and effectiveness of traditional utility programs by using the UC and CSU system communication and outreach channels to achieve broad penetration of energy efficiency services in the local campuses. PG&E would like to engage the UC and CSU systems to be strategic partners that help reach campus end-use customers through partnership activities and as channels for the IOUs' other energy efficiency and demand reduction programs. The University systems also have corollary programs such as the Green Campus Program, Chancellor's Advisory Committees on Sustainability and active and engaged students that will form the basis of future approaches to energy and energy efficiency.

The statewide partnership concept was pioneered during the 2004-2005 cycle by the four IOUs and the UC and CSU systems and was very successful in achieving these goals. The 10 UC campuses and 23 CSU campuses are poised to deliver energy savings of almost 26 million kWh, 3.4 MW peak demand, and 1.3 million therms with a total budget of \$15 million when all projects funded through the 2004-2005 partnership are completed. This energy performance exceeded the goals set out by the program. The UC/CSU/IOU Energy Efficiency Partnership will build on this success and emulate these strategies for the 2006-2008 cycle.

The new initiative will also address a backlog of cost-effective projects that were identified in the previous cycle but could not be completed because of budget limitations. The previous 2004-2005 partnership not only provided a comprehensive energy efficiency program for UC/CSU, but also established a model for statewide IOU partnerships. Based on this success, and the success of the 2004-2005 Local Government Partnerships, the UC/CSU/IOU Partnership will be renewed, with two new statewide programs for the California Community Colleges (CCC) and the California Department of Corrections and Rehabilitation (CDCR) added. This demonstrates the success and broad adaptability of the statewide partnership concept.

7. Partnership Implementation Strategy

Implementation strategies for the 2006-2008 UC/CSU/IOU Energy Efficiency Partnership include energy efficiency retrofit projects, monitoring based commissioning (MBCx) projects, and a training and education element, and are listed below in detail.

2006-2008 Energy Efficiency Programs UC/CSU/IOU Energy Efficiency Partnership

- 7.1** Energy Efficiency Retrofits: Energy efficiency retrofit projects will provide cost-effective energy savings during the 2006-2008 implementation cycle. The 2004-2005 partnership has identified a significant backlog of projects that are ready for immediate implementation. This will occur in the first quarter of 2006 concurrent with new project development work. This backlog and the momentum of the projects will eliminate the typical start-up delays and result in very efficient implementation. This inventory will be reviewed and finalized during the initial stages to develop an implementation plan and schedule. The process of finalizing the inventory and installation of measures will be well documented and passed on for use in the monitoring based commissioning element and the development of best practices and training and education in the third element of the partnership.
- 7.2** Monitoring Based Commissioning (MBCx): Pioneered with the UC/CSU/IOU Partnership in 2004-2006, the MBCx element is a unique approach to obtaining savings that combines the expertise of the various facility management staff, additional utility and subcontractor expertise, and the installation of energy monitoring and metering equipment at a building and system level. Unlike past retro-commissioning efforts, MBCx goes beyond a one-time review of operations and equipment installation and a few training workshops. It requires that organizations that participate install permanent metering equipment to insure an extensive and comprehensive built-in measurement and verification capability. Additionally, this element will be combined with energy efficiency education and training to become a continuous commissioning effort that becomes institutionalized at each participating institution. In this way, savings will be sustained well beyond those from the more typical and limited retro-commissioning. MBCx will also use the participating organizations' facilities management staff or outside experts to identify new cost-effective retrofit opportunities efficiently and at low cost.
- 7.3** Energy Efficiency Education and Best Practices Development: This element will continue the comprehensive energy education and information exchange among the UC/CSU campus energy managers, project managers, and facility staff and with the IOUs that began with the 2004-2005 cycle. This element provides a venue for those individuals responsible for managing energy use on campuses to share information and experiences related to facility operations, best practices, and successful retrofit projects, among other issues. This is an information and education element that develops and shares best practice operating methods and technologies applicable to university campus facilities. The primary vehicle for training and dissemination of information will be a series of training sessions and workshops (covering new construction, building operator training, retrofits, retro-commissioning, and monitoring based commissioning) held in Northern and Southern California. Course offerings, curriculum and content will be based on extensive material and best-practices documentation developed during the 2004-2005 cycle.

2006-2008 Energy Efficiency Programs UC/CSU/IOU Energy Efficiency Partnership

8. Partnership Outcomes and Objectives

The UC/CSU/IOU Partnership will work towards the achievement of immediate, long-term energy and peak demand savings and the establishment of a permanent framework for a sustainable, long-term energy management for partner entities.

Additional desired outcomes include the widespread dissemination of energy efficiency information, greater efficiencies in delivery, sharing of best practices and educational tools, leveraging of local knowledge, and encouraging an infrastructure for the permanent adoption of processes at the campus and university system level. A paradigm shift is desired at the campus energy manager level and higher for energy planning and decision-making to be incorporated into the way the campuses approach all aspects of facility design, construction and operations.

The 2006-2008 partnership will leverage the experience gained during the 2004-2005 partnership to improve delivery and increase participation. Specific objectives for the UC/CSU/IOU Partnership include:

- Improving outreach to campuses for a more effective targeting of training and education;
- Funding levels that encourage campus projects with a higher energy savings and demand reduction potential without compromising the long-term sustainability of the partnership nor the long-term goals of the Universities;
- Capitalizing on the infrastructure built during startup of the 2004-2005 partnership to reduce administrative costs and improve cost-effectiveness; and
- Continuing improvement of new components such as Monitoring Based Commissioning that PG&E can roll out to other customers in the future to leverage additional savings.

PG&E's objectives for the UC/CSU/IOU Partnership include:

- Positioning the partnership as a strategic relationship to help PG&E reach additional customers and impact their energy decisions by demonstrating successful implementation of a comprehensive approach to achieving energy management goals;
- Taking advantage of existing organizational infrastructure to effectively implement other programs and projects at the statewide level such as the Green Schools initiative; and
- Engaging the partnership to deliver energy savings and demand reduction both through partnership activities and as channels for PG&E's other energy efficiency and demand reduction programs.

2006-2008 Energy Efficiency Programs UC/CSU/IOU Energy Efficiency Partnership

UC/CSU objectives for the Partnership include:

- Achieving immediate, cost-effective energy and demand savings;
- Continuing the success of the 2004-2005 partnership and utilize the momentum to implement the backlog of projects and identify new projects for 2006-2008;
- Improving energy-efficient new design, construction, operations and maintenance practices at the campuses; and
- Training of UC/CSU staff to integrate energy efficiency programs and practices into all aspects of campus design, construction and operations activities.

9. Partnership Customer Description

Eligible customers include the five University of California and 12 California State University campuses in PG&E's service area. This also includes their respective administrative offices.

10. Partnership Customer Interface

The 2006-2008 Partnership will utilize the same management and team interface structure that was established during the previous cycle. UC/CSU, PG&E and the IOUs have formed a partnership to manage and implement the UC/CSU Energy Efficiency Partnership. Staff from each IOU and from both the UC and CSU will be responsible for the successful execution.

Similar to 2004-2005, the partnership will utilize a consultant to provide overall management and partner interface and communications functions.

The 2006-2008 partnership will benefit from the significant progress that has been made during the previous cycle in developing processes and improving communication between the many partner organizations.

11. Energy Measures and Partnership Activities

11.1. Measures Information

The cost-effectiveness calculator contains end-use summary measures for the calculated incentive component. Traditional deemed savings elements are provided in the cost-effectiveness calculator for the Mass Market program. Incentive levels for the targeted market programs were developed to reflect current market conditions.

11.2. Energy Savings and Demand Reduction Level Data

As noted in section 11.1 above, measure-specific energy savings and demand reduction level data are contained in the cost-effectiveness calculators. The end-use specific values provided in the Large Commercial program calculator are based upon historic values from

2006-2008 Energy Efficiency Programs UC/CSU/IOU Energy Efficiency Partnership

statewide programs such as Savings By Design. The achieved energy savings and demand reduction levels will be calculated for each project employing the calculated savings approach.

11.3. Non-energy Activities (Audits, Trainings)

The UC/CSU/IOU Energy Efficiency Partnership will include non-energy activities such as presentations at industry and association conferences, organizing of statewide campus Energy and Sustainability conferences, attendance at other energy conferences and meetings and through sponsorship of Green Campus education programs. The Partnership will also continue the progress made with the establishment of a statewide approach to training and building operation to facilitate long-term energy efficiency savings.

The training and education component of the Partnership involves training of campus design staff, project managers, energy managers and others in using best energy practices in the construction, retrofit, and monitoring based commissioning of campus buildings and central plant infrastructures.

In addition, the Green Campus program activities were implemented by The Alliance to Save Energy as part of the 2004-2005 non-IOU program offering. The Green Campus pilot program was designed to educate and to train students, faculty, and staff of selected campuses on the value of energy efficiency and to encourage behavior that will contribute to implementation of energy efficiency measures and conservation practices. The Partnership has incorporated the Green Campus program as part of its Education and Training element due to its synergy with the strategies of the Partnership.

11.4. Subcontractor Activities

Subcontractors will be used to assist in administration and management, and in each of the three elements. This approach was used successfully in the previous cycle.

An administrative consultant will assist in day-to-day coordination and communication among the partners (the UC/CSU and four IOUs) as follows:

- Provide staffing to the management and executive team and specific implementation teams;
- Assist in identifying project tasks, establishing a schedule of deliverables and responsibilities, helping the IOUs to effectively deliver the Partnership and assist UC/CSU to ensure successful implementation, and obtain inputs from the partners and facilitate decision-making on key elements;
- Assist in the three elements, especially in the coordination and facilitation of partnership meetings and provide timely and accurate meeting minutes. The consultant will provide communications between the Partnership and the campuses, as well as providing analytical assistance to the IOUs, UC Office of the President and the CSU Chancellor's Office as needed;

2006-2008 Energy Efficiency Programs UC/CSU/IOU Energy Efficiency Partnership

- Provide assistance to the Partnership with successful retention of subcontractors through competitive procurement processes, and help to track and ensure successful implementation based on specific deliverables required by the Partnership;
- Assist the IOUs and UC/CSU in California Public Utilities Commission (Commission) reporting by providing timely and accurate information including element status, project implementation status, and element expenditure information; and
- Assist in development of workshop agendas and materials, identification of experts, and facilitation of workshops and training sessions.

The campuses will hire energy efficiency retrofit subcontractors to install the energy efficiency measures for the retrofit component, and commissioning agents to assist in the performance of MBCx projects. Campuses may also hire engineering consultants to assist with project development, as needed. The partnership team will conduct a competitive process to develop a pool of qualified commissioning agents/trainers that will be available to the campuses.

11.5. Quality Assurance and Evaluation Activities (including EM&V)

The UC/CSU/IOU team will establish and oversee quality assurance measures for the partnership, including oversight and verification of subcontractor activities. These procedures and the associated reporting will be developed in more detail as a part of implementation. In general however, the partnership will continue the level of due diligence and quality assurance of the present IOU energy efficiency offerings, including a representative percentage of pre/post installation confirmation inspections for small hardware projects, and pre/post inspections on all large or specialized projects hardware projects (installation of energy-efficient equipment, facility retrofits, and building commissioning and new construction projects).

The sampling and inspection activities will be developed at a later date as part of detailed EM&V plan for the UC/CSU/IOU Energy Efficiency Partnership. The Commission-mandated EM&V effort will be completed by independent subcontracts managed by the Commission. If requested, the Partnership will fully collaborate with the EM&V contractor to support the EM&V activities.

11.5.1. *Expected Number/Percent of Inspections (planned percent of projects)*

100 percent of projects using calculated savings will have a pre-installation and a post-installation inspection.

11.6. Marketing Activities

The UC/CSU/IOU Partnership is fortunate to have a built-in marketing and communication network between the UC Office of the President, the CSU Chancellors Office, and the campus energy managers. This buy-in from the top opens up communications channels to the whole system. Combined with the existing management structure from the 2004-2005

2006-2008 Energy Efficiency Programs UC/CSU/IOU Energy Efficiency Partnership

partnership, this will facilitate marketing activities through pre-established channels for 2006-2008. Due to support from the top of the organization, partnerships are very visible and provide opportunities to leverage existing UC and CSU conferences and meetings to raise awareness among campuses. In 2004-2005 this was accomplished via the UC Sustainability Conference and the CSU Facilities Conference. As such, marketing efforts are minimal and cost-effective.

Attachment IV

Peer Review Group Report and PG&E's Response

**Supplemental Assessment by the Peer Review Group of
Pacific Gas & Electric Company's
Proposed Phase 2 Compliance Filing**

Submitted to the California Public Utilities Commission

Prepared by
Pacific Gas & Electric Company Peer Review Group:
Audrey Chang, Natural Resources Defense Council
Cynthia Mitchell, Consultant for The Utility Reform Network
Michael Messenger, California Energy Commission
Cheryl Cox, Division of Ratepayer Advocates, CPUC
Nora Gatchalian, Energy Division, CPUC

April 14, 2006

I. INTRODUCTION

On February 17, 2006, Pacific Gas and Electric Company (PG&E) submitted its Compliance Filing, an advice letter describing the process and results of its third-party competitive solicitation and its own IOU programs it intends to implement. On the same day, PG&E filed a motion seeking Commission authorization to bifurcate its 2006-2008 Energy Efficiency Portfolio Compliance Filing into two phases, the first of which would be the Compliance Filing advice letter filed concurrently with this motion (Compliance Filing – Phase 1). PG&E explained that the second Compliance Filing (Compliance Filing – Phase 2) would incorporate the final partnership strategies, budgets, and savings into the 2006-2008 portfolio. On March 7, 2006, ALJ Gottstein granted PG&E’s bifurcation request and ordered that the second phase of its Compliance Filing be submitted to the Commission by April 14, 2006.

This document reflects the assessment by PG&E’s Peer Review Group (PRG) of PG&E’s Compliance Filing – Phase 2 and the issues left unresolved from its February 17, 2006 Compliance Filing – Phase 1. In this assessment, we solely review the current status of the Local Government Partnership (LGP) programs. As of this writing, the PRG has not received from PG&E the overall bill impacts expected from its final 2006-2008 energy efficiency portfolio. Thus, this document does not include a discussion on overall bill impacts. Instead, attached is a table that demonstrates changes to PG&E’s overall portfolio from its previous submissions to the Commission. However, due to limited time, we are unable to make an assessment of these changes. (See Attachment A.)

II. GOVERNMENT PARTNERSHIP PROGRAMS

A. Background

In reviewing PG&E’s final portfolio elements for its Compliance Filing – Phase 1, the PRG determined that PG&E had yet to finalize basic agreements of understanding with any of its LGPs and that implementation plans for the partnership programs were not clearly articulated. The PRG attached to the Compliance Filing – Phase 1 advice letter our review and assessment of PG&E’s progress to develop Government Partnerships (state and local) and noted that: ¹

¹ PRG report, Section 4, page 36.

“Due to a variety of reasons PG&E has had some difficulties locking down agreements with any of its local government partners; it has recently taken steps to resolve these issues. PG&E appears to be making a good faith effort to work with its government partners to negotiate and resolve issues in an attempt to commence 2006-08 partnership programs as soon as possible.”

In order to not hold up implementation of third party energy efficiency programs, which the PRG had deemed ready to roll-out, the PRG decided not to recommend an application process and instead agreed to support a bifurcation of the compliance filing based upon the understanding that PG&E would work with their government partners over the next two months to finalize comprehensive and effective programs.

Since that time, the PRG has continued to monitor PG&E’s progress in finalizing details and getting the LGP programs up and running in a timely manner in order to take advantage of available energy savings in 2006. As part of this process, PG&E has supplied the PRG with documents such as LGP letters of agreement, Scopes of Work (SOW), and biweekly summaries of accomplishments.

B. Discussion

The PRG has reviewed the documentation provided by PG&E, supplied feedback, and articulated concerns during the two months since the Compliance Filing – Phase 1 on February 17. In the interest of finalizing the PG&E portfolio with effective government partnership programs, the PRG’s review of the Compliance Filing - Phase 2 addresses the following issues:

- (1) the value of bifurcation of the compliance filing;
- (2) assurance that good government programs are implemented in the short-term; and
- (3) improvement of the government partnership process in the long-term.

The PRG offers the following findings and recommendations regarding each of these issues.

1. The Value of Bifurcation of the Compliance Filing

The PRG evaluated the change in accomplishments since February 17 to determine whether progress had been made since the initial compliance filing. In January 2006, PG&E had sent letters or emails of agreement to the LGPs, although at that time it was unclear whether the LGPs had signed off on these letters as well. Since that time, PG&E reduced the initial proposed budgets and savings goals for all of its LGP partnerships and opened new discussions to begin renegotiating new scopes of work based on these reduced budgets. As part of these new partnership negotiations, PG&E has now received signed one-page Letters of Agreement from all but one of the LGPs, outlining basic terms of budget, savings targets, and scope of work. Using these Letters of Agreement as the foundation for contract discussions, negotiations are currently in process between PG&E and each of the LGPs to finalize a program contract. No contracts have been finalized to date. It is unknown how long it will take to finalize contracts and begin implementation given the variables in negotiation time, individual local governments' public review process, and schedule for ramp-up.

While PG&E has been working diligently since February 17 to finalize LGP negotiations, it is clear that PG&E's decision to reduce the proposed budget and scope of work for each partnership has led to delays in finalizing government partnership programs. The result of new negotiations during the interim two-month bifurcation period is that PG&E now has letters of agreement which have been signed-off on by all but one of the LGPs. To date, contract negotiations are in process and the PRG is concerned that there are no firm schedules for commencement of implementation for any partnership program. We provide recommendations below for how stakeholders can work together to implement a more successful government partnership process in the future.

2. Short-term Implementation Issues for Partnership Programs

The PRG continues to have the following short-term concerns for government partnership programs and makes the following recommendations.

a. Bridge Funding

Due to the delay in finalizing contracts with the LGPs, it is the PRG's understanding that any gaps in funding could impact continuing 2004-05 partnerships (or previous third-party programs converting to partnerships) by putting them at risk of losing program infrastructure, such as staff or facilities. While PG&E has made offers of interim marketing and outreach dollars of \$20,000 to each LGP that signs-off on a Letter of Agreement, it is not clear if PG&E has made a comprehensive assessment of actual need to determine how prolonged negotiations will impact LGPs. The PRG has previously requested and continues to recommend that PG&E make a detailed survey of all LGPs to determine current program financial status and at what point a delayed start in 2006-08 programs will result in lost program resources or infrastructure.

b. Accrual of Administrative Costs

With each day of delay in finalizing contracts, the cost of negotiations is continuing to accrue in the form of administrative costs. These costs will impact the overall cost-effectiveness of LGP programs. PG&E should make a distinction in its allocation of administrative costs between planning and implementation budgets so that these types of administrative costs incurred during negotiations are not reflected in the determination of the actual program success.

b. Comprehensive Programs

LGP partnership programs should continue to be comprehensive as they are currently described (that is, they will continue to target a wide range of energy efficiency measures). These programs should not be converted into single end-use lighting programs in order to compensate for the late program start in order to achieve short-term savings goals.

c. Coordination of LGP Programs with other PG&E Programs

In order to optimize savings from IOU, third party, and LGP programs, PG&E should provide a schedule and a plan for how coordination of program implementation and customer offerings will occur.

d. Partnership Programs should Roll-out as they are Ready

PG&E should not wait for all LGP contracts to be signed before ramping-up and implementing LGP programs that are ready to roll-out. This will allow the portfolio to obtain the optimal benefit of energy savings in 2006, as well as to give priority to regional coordination between LGP, IOU and 3rd party programs.²

3. Long-term Issues for Partnership Programs

The PRG, PAG, IOUs and Partnership programs should work together to improve the partnership process in order to avoid repeating the same issues and problems in the future. The lack of clear definition of the elements and roles for a successful partnership, as well as the lack of a clear process to achieve a final government partnership program, has created ill-will between the utilities and the LGPs. The result has been prolonged and costly negotiations. We recommend the following to aid in the development of a more streamlined partnership program development and contracting process in the future:

a. Lessons Learned

A sub-working group from the stakeholders identified above should be established to collaborate and to articulate a list of lessons learned.

b. The working group should further articulate and utilize the following:

- A definition of a government partnership program;
- Roles and responsibilities of the IOUs and LGPs as partners;
- A development process more comparable to (in terms of clarity and public process) and coordinated with the third party process; and

² The PRG members all agree that PG&E should continue to work with LGPs to complete the negotiation process as soon as possible. CEC, however, recommends that a July 2006 deadline for contract negotiations and getting all contracts signed.

- Development of a partnership planning and implementation schedule that should commence no later than January 2008 for the 2009-11 funding round with clear milestones that is more timely to accommodate the commencement of the funding round and will set a foundation for future funding rounds.

c. PAG Report to the Commission

The September 2006 PAG report to the Commission should contain a section on Government Partnership programs that expresses the findings of the working group, discusses lessons learned, and contains ideas for improving the government partnership program going forward.

III. CONCLUSION

The key issue for the PRG is the short-term concern regarding that which is unknown. Currently, the PRG cannot ascertain when or if the contracts for some local government programs will be finalized or whether they have sufficient IOU support and resources -- in terms of coordination and comprehensiveness -- to be successful contributors of energy savings to the portfolio. This concern is most acute for PG&E's 2006 energy savings goals. Due to the lack of a defined LGP negotiation process, the PRG does not have the supporting documentation necessary to make this sort of assessment now. The PRG will not have that information until the details of LGP program scopes of work and coordination have been articulated when contracts are finalized.

**Attachment A:
PG&E Program Filings Compared (Three year outcomes)**

Note: This information is as provided by PG&E on April 13, 2006. The PRG has not made an assessment of these changes, but includes this information here since similar information was included in the PRG reports from the other IOUs.

	6/1/2005 Program Filing*	2/17/2006 Compliance Filing**	4/14/2006 Compliance Filing (draft)
MW	562	574	613
GWH	3,020	3,059	3,063
Million Therms	51.8	51.8	48.3
TRC	1.74	1.64	1.61
Elec. Lev. Cost	3.4 cents/kWh	3.7 cents/kWh	3.8 cents/kWh

* Attachment II, Table 1.1, Table 1.3; ** Attachment III, Table 1.1, Table 1.3

June 1, 2005 Program Filing proposed overall portfolio savings and budgets. Budgets approved by D. 05-09-043, which also ordered Compliance Filings after third-party solicitations and portfolio completion.

February 17, 2006 Compliance Filing presented detailed plans for core utility programs and first round of third-party solicitation. Did not include complete portfolio as partnership budgets and savings were not yet complete.

April 14, 2006 Compliance Filing will include complete portfolio (core utility programs, third-party programs, partnerships).

PG&E's Response to Supplemental Assessment by the Peer Review Group of PG&E's Phase 2 Compliance Filing

PG&E received its Peer Review Group's (PRG) "Supplemental Assessment by the Peer Review Group of Pacific Gas & Electric Company's Proposed Phase 2 Compliance Filing" (PRG Assessment) on Friday, April 14. The PRG Assessment focuses almost exclusively on the development of PG&E's local government, nongovernmental and statewide partnership activities. By this Response, PG&E responds to the PRG Assessment and its recommendation. PG&E acknowledges the work and thoughtfulness its PRG has invested in its assessment, particularly given the rapid evolution of PG&E's partnership activities. PG&E supports some of the recommendations and provides a cautionary note on others. Overall, PG&E appreciates the diligence with which its PRG has worked to provide useful advice and input while avoiding the pitfalls of advocacy on behalf of specific market interests.

The PRG Assessment divides its recommendations on PG&E partnership activities into several categories: value of bifurcation, short-term issues, and long-term issues. PG&E comments on each of these in turn.

Value of Bifurcation:

The PRG suggests that a lack of firm schedules for the completion of partnership contracts may cast some doubt on the value of bifurcation. The purpose of bifurcation was to provide the Commission the earliest possible opportunity to review PG&E's new third-party contracts while simultaneously allowing continued contract negotiations with partnerships. The Commission has now had two months to undertake review of the proposed third-party contracts, providing it with an understanding of that portion of the portfolio earlier than if PG&E's compliance filing not been bifurcated. The value in bifurcation comes not in the pace of the partnership development (partnership activities were authorized in D. 05-09-043) but in the ability to avoid unnecessarily delaying approval of the new third-party activities.

The PRG acknowledges that PG&E and its partners have each finalized letters of agreement. Moreover, PG&E has provided all partners with all components of draft contract materials updated to reflect the Commission's updated efficiency policies¹. Contract negotiations are proceeding rapidly. PG&E anticipates the rapid completion of those contract negotiations.

Short-Term Issues:

Second, the PRG Assessment makes a series of recommendations for short-term partnership implementation. The PRG recommends that PG&E assess the lost opportunities that prolonged negotiations may cause. PG&E prefers to continue to complete contract negotiations as rapidly as possible, as only then will savings begin and the issues raised by the PRG become moot. It

¹ The present policy framework for post-2005 ratepayer funded energy efficiency was established through several CPUC decisions, most notably D. 05-04-041.

has provided initial marketing funding (which the PRG terms “bridge funding”) when a letter of agreement confirmed a reasonable expectation that a contract would be developed. PG&E is puzzled regarding why the PRG does not want all costs, including administrative or contract negotiation costs, to count in the assessment of portfolio success, as the Company believes the Commission will count these costs in its final assessment. PG&E has not required partnerships to eliminate comprehensiveness but provide a balance which includes measurable savings providing resource value. PG&E assures its PRG that partners can implement as soon as contracts are signed, and that it is developing coordination mechanisms among partnerships, third parties (whose contracts are also being negotiated) and IOU delivery channels.

Long-Term Issues:

PG&E’s PRG also makes a number of longer-term recommendations. PG&E has already initiated one of these in what may become regular opportunities for dialogue between its partners and itself². Through those meetings “lessons” for the future can be identified, roles and responsibilities discussed, and clearer processes considered. PG&E expects that these discussions will occur within the context of the Commission’s current policies on energy efficiency. It seems premature to anticipate the Commission’s activities in preparing for the 2009-2011 funding round; certainly improved partnership development can be part of that process³. But for now the focus of activities should be attaining the savings targets the Commission has set. Whether the 2006 PAG report is an appropriate vehicle for considering partnership issues can be discussed with the Commission and the statewide PAG.

Conclusion:

The PRG Assessment closes by expressing concern over the lack of a well-developed negotiation process and recommends that one be developed. PG&E followed the process, identified in its February 17, 2006 compliance filing (Attachment IV, Section B, page 3-4). At that stage, it made business sense to reach agreement on the letters of agreement and provide draft contract material in a scheduled manner. Serious negotiations are now underway on schedules consistent with each partner’s ability to proceed. PG&E anticipates that contracts could be completed beginning in May, depending on each partner’s ability complete negotiations on a schedule consistent with each partners individual situation.

PG&E appreciates that the partnership development process which has moved rapidly since February may still be a concern to the PRG. PG&E expects that this rapid process will pay off in terms of the quickest feasible completion of partnership contracts. PG&E plans to continue to inform and work with its PRG on a biweekly basis until partnership contracting is complete. It believes this continuing open commitment will provide a sound foundation for its on-going relationship with its PRG.

² PG&E notes that some partners have expressed a preference for fewer meetings, once contracts are complete and implementation has begun.

³ One issue which is arising both in the context of partnerships and other delivery channels is the utilities’ ability to commit funds to be expended in 2009 or after. A lack of clarity on this issue could result in lost opportunities especially in markets with very long lead times, such as hospital retrofit/construction.