

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



November 18, 2014

**Advice Letters:** 3441-G/4328-E  
3441-G-A/4328-E-A  
3441-G-B/4328-E-B

Meredith Allen  
Senior Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

**SUBJECT: IMPLEMENTATION OF ENERGY EFFICIENCY (EE) FINANCE PROGRAM  
ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT IN COMPLIANCE  
WITH D.13-09-044**

Dear Ms. Allen:

Advice Letters 3441-G/4328-E, 3441-G-A/4328-E-A, and 3441-G-B/4328-E-B are approved as supplemented; effective November 14, 2014, per Resolution E-4663 Ordering Paragraphs approved June 26, 2014.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Director, Energy Division

July 28, 2014

**Advice 3441-G-A/4328-E-A**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Supplement: Revisions to Energy Efficiency Finance Program  
Energy Financing Line Item Charge (EFLIC) Pilot in Compliance with  
Decision 13-09-044 and Resolution E-4663**

Pacific Gas and Electric Company (PG&E) hereby submits this supplemental Tier 2 Advice Letter (AL) in compliance with Resolution E-4663 (Resolution), for approval by the California Public Utilities Commission (Commission or CPUC) to implement the Energy Efficiency (EE) Finance Program, Energy Financing Line Item Charge (EFLIC) pilot program, approved in Decision (D.) 13-09-044, the *Decision Implementing 2013-2014 Energy Efficiency Financing Pilot Programs* (Finance Decision).<sup>1</sup>

This supplemental AL complies with Ordering Paragraph (OP) 2 of Resolution E-4663 approved on June 26, 2014, to file an updated EFLIC program implementation plan (PIP) in redline and clean versions within 30 days of the approval of the Resolution.<sup>2</sup> PG&E is also submitting revised tariff sheets for approval in compliance with the Resolution at pp. 15-17. This supplemental AL replaces the EFLIC PIP and tariff sheets that PG&E originally filed in AL 3441-G/4328-E on December 19, 2013.

The affected tariff sheets are listed on Attachment 1, and include new revised gas and electric EFLIC Rate Schedules - *Energy Financing Line Item Charge (EFLIC) Pilot*, revised gas and electric Rule 9 – *Rendering and Payment of Bills*, and new revised gas and electric Form No. 79-1156 - *Authorization To Add Loan Charges To Utility Bill (Residential)*. The revised clean version of PG&E's EFLIC PIP is provided in Attachment 2. The redline version is provided in Attachment 3. Once the advice letter is approved, the final EFLIC PIP will be uploaded to the Commission's EE Stats webpage at:

<http://eestats.cpuc.ca.gov/Views/Documents.aspx?ReportType=PIP>

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<sup>1</sup> Due to the timing of the decision, the financing pilots and associated funds were authorized through calendar year 2015. See D.13-09-044, Ordering Paragraph 20.

<sup>2</sup> July 28, 2014 is the next business day associated with the 30-day filing requirement.

## **Background**

PG&E, Southern California Gas Company (SCG), San Diego Gas and Electric Company (SDG&E), Southern California Edison Company (SCE) (together the “Investor Owned Utilities”, or “IOUs”) were ordered in the Finance Decision to perform a number of compliance-related activities to implement seven energy efficiency (EE) finance pilot programs (pilots), including the EFLIC pilot program to be implemented by PG&E. These activities are sequenced in a manner to allow the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to assume the role of the California Hub for Energy Efficiency Financing (CHEEF) and establish regulations for the pilots.

The Finance Decision authorized the EFLIC pilot program as a “pre-development” pilot of On Bill Repayment (OBR) to be implemented by PG&E. On December 19, 2013, PG&E filed AL 3441-G/4328-E seeking approval of its EFLIP PIP, and new and revised tariff sheets, to implement the EFLIC pilot program in compliance with the Finance Decision.<sup>3</sup>

On June 26, 2014, the Commission issued Resolution E-4663 approving PG&E’s EFLIC AL with modification to the PIP and select tariff sheets as discussed at pp. 15-17. OP 2 ordered PG&E to file an updated EFLIC PIP in redline and clean versions within 30 days of the approval of the Resolution, and further instructed the IOUs to not make any “unrelated changes” to the PIPs. OP 3 expressed that future changes to the PIPs should first be approved by Commission staff (Staff).

During the AL review period PG&E conferred with Staff regarding the necessary EFLIC PIP and tariff changes. PG&E submitted its proposed revisions to AL 3441-G/4328-E on May 21, 2014, and further PIP revisions on July 24, 2014, for Staff review.

## **Role of CAEATFA as Finance Pilot Programs CHEEF**

On July 18, 2014, the Commission entered into a Memorandum of Agreement (MOA) with CAEATFA to establish CAEATFA as the CHEEF to administer the finance pilots. The role of the CHEEF is to structure the pilot credit enhancements (CEs); develop broad terms and conditions for financial products offered through the pilot programs; coordinate and track the deal flow between qualified financial institutions, IOUs, and customers; protect the integrity of ratepayer funds held as CEs; provide transparency; and ensure program compliance.

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<sup>3</sup> Resolution E-4663 also approved with modifications two Joint IOU ALs, PG&E 3433-G/4320-E, *et. al.*, filed November 19, 2013, and PG&E 3439-G/4327-E, *et. al.*, filed December 19, 2013. SCG is filing a Joint IOU compliance AL on behalf of the IOUs on July 28, 2014, to modify the PIPs filed in these Joint IOU ALs in further compliance with OP 2 of Resolution G-4663.

CAEATFA will develop regulations for EFLIC and the other finance pilots. Because the pilot regulations will be developed after the PIPs are processed, the IOUs consulted with CAEATFA during the course of developing the PIPs to ensure that the framework of each pilot does not overstep the authority of CAEATFA to institute regulations. These circumstances were communicated to Staff during the PIP consultation process consistent with the program implementation process in the Finance Decision.<sup>4</sup>

### **EFLIC Program Clarifications**

A summary of compliance requirements associated with the PIPs and the EFLIC pilot was provided in AL 3441-G/4328-E. PG&E's revisions made to the originally filed EFLIC PIP and tariff sheets in compliance with the Resolution are summarized below:

<b>Revision Description</b>	<b>Location of Change</b>
<b>Attachment 1 – Tariff Revisions</b>	
EFLIC Gas and Electric Schedules: clarify the priority for applying a customer partial payment. (Resolution p. 16)	EFLIC Gas and Electric Schedules Sheet 3
EFLIC Gas and Electric Schedules: clarify that a customer should contact the Commission Consumer Affairs Branch only if the dispute cannot be resolved with the financial institution or PG&E. (Resolution p. 16)	EFLIC Gas and Electric Schedules Sheet 5
Authorization to Add Loan Charges to Utility Bill (Residential) Form 79-1156: clarify partial payment language and clarify that if a customer attempts to prepay their loan charges to PG&E, rather than through the lender, the payment will be handled as an overpayment of energy charges. (Resolution p. 17)	Form 79-1156, Page 1
No changes from version filed in AL 3441-G/4328-E	Gas and Electric Rule 9
<b>Attachment 2 – EFLIC PIP</b>	
Add clarifying language that PG&E will work with CHF and CAEATFA to ensure terms and conditions are as similar as possible. (Resolution p. 16)	Page 4 Section 9.a
Add clarifying language that indicates how PG&E will transfer the EFLIC pilot to the CHEEF. (Resolution p. 16)	Page 4 Section 9.a
Clarify the type of activities included in direct implementation. (Resolution p. 16; and p. 15 at	Page 2 Footnote 2

<sup>4</sup> D.13-09-044, Appendix G – Preliminary Implementation Plan.

Revision Description	Location of Change
4.1.2)	
Update PIP timelines to reflect the current schedule for implementing the EFLIC pilot. (Resolution p. 15 at 4.1.1)	Page 6 & 7 Table 4
Table 6: change top row program component to "customer application process." (Resolution p. 16)	Page 8 Table 6
Attachment 1 of PIP: clarify that the Energy Division will be doing the baseline studies. (Staff request)	Page 23, Attachment 1, Section iii
Edits to reflect Staff's disposition of workpapers and Data Working Group report. (Resolution p. 15 at 4.1.3 and 4.1.4)	Page 1 Section 7
Other edits to be consistent with the Single Family Loan Program (SFLP) and other statewide PIPs. (Staff request)	Page 5 Table 2 Page 6 Table 3 Page 12 Section 10.j Page 18 Section 11.d Page 19 Section 12.f Page 21, data protocols reference Page 23, Attachment 1, Section ii Page 24, Attachment 1, Section iv
Revised marketing section to reflect text from Appendix A of the Resolution (Resolution p. 15 at 4.1.2)	Page 11, Section 10.h
Revised Quality Assurance text to align with Statewide PIP language. (Staff request)	Page 12, Section 10.k

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than August 18, 2014, which is 21 days<sup>5</sup> after the date of this filing. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

<sup>5</sup> The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

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

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

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

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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

### **Effective Date**

PG&E requests that this Tier 2 advice letter become effective on regular notice, August 27, 2014, which is 30 calendar days after the date of filing.

### **Notice**

In accordance with General Order 96-B, Section IV, 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.12-07-001, et. al. and R.13-11-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

Handwritten signature of Brian Cherry in black ink, with the initials 'KHC' written to the right of the signature.

Vice President, Regulatory Relations

Attachment 1: Tariff Revisions

Attachment 2: EFLIC Pilot PIP – clean version

Attachment 3: EFLIC Pilot PIP – redline version

cc: Service List A.12-07-001, *et. al.* and R.13-11-005

# 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 M)**

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Kingsley Cheng

Phone #: (415) 973-5265

E-mail: k2c0@pge.com and PGETariffs@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) #: **3441-G-A/4328-E-A**

Tier: **2**

Subject of AL: **Supplement: Revisions to Energy Efficiency Finance Program Energy Financing Line Item Charge (EFLIC) Pilot in Compliance with Decision 13-09-044 and Resolution E-4663**

Keywords (choose from CPUC listing): Compliance, Agreements, Forms, Rules, Conditions of Service

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: E-4663

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 AL: \_\_\_\_\_

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **August 27, 2014**

No. of tariff sheets: **22**

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: **New Electric Schedule EFLIC (Energy Financing Line Item Charge (EFLIC) Pilot), New Gas Schedule G-EFLIC (Energy Financing Line Item Charge (EFLIC) Pilot), Gas and Electric Rule 9, and New Gas and Electric Sample Form 79-1156**

Service affected and changes proposed: **New Electric Schedule EFLIC (Energy Financing Line Item Charge (EFLIC) Pilot), New Gas Schedule G-EFLIC (Energy Financing Line Item Charge (EFLIC) Pilot)**

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

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 days<sup>1</sup> after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**California Public Utilities Commission**  
**Energy Division**  
**EDTariffUnit**  
**505 Van Ness Ave., 4<sup>th</sup> Flr.**  
**San Francisco, CA 94102**  
**E-mail: EDTariffUnit@cpuc.ca.gov**

**Pacific Gas and Electric Company**  
**Attn: Brian K. Cherry**  
**Vice President, Regulatory Relations**  
**77 Beale Street, Mail Code B10C**  
**P.O. Box 770000**  
**San Francisco, CA 94177**  
**E-mail: PGETariffs@pge.com**

<sup>1</sup> The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
31376-G	GAS SCHEDULE G-EFLIC ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT Sheet 1	
31377-G	GAS SCHEDULE G-EFLIC ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT Sheet 2	
31378-G	GAS SCHEDULE G-EFLIC ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT Sheet 3	
31379-G	GAS SCHEDULE G-EFLIC ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT Sheet 4	
31380-G	GAS SCHEDULE G-EFLIC ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT Sheet 5	
31381-G	GAS RULE NO. 9 RENDERING AND PAYMENT OF BILLS Sheet 3	27941-G
31382-G	GAS SAMPLE FORM 79-1156 AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential) Sheet 1	
31383-G	GAS TABLE OF CONTENTS Sheet 1	31338-G
31384-G	GAS TABLE OF CONTENTS Sheet 2	31339-G
31385-G	GAS TABLE OF CONTENTS Sheet 6	31336-G*
31386-G	GAS TABLE OF CONTENTS Sheet 12	30774-G



**GAS SCHEDULE G-EFLIC**  
**ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT**

Sheet 1

**APPLICABILITY:** This Rate Schedule is applicable to gas service to Residential Customers who meet the eligibility criteria specified in Section CUSTOMER ELIGIBILITY below, and receive service under a PG&E gas rate Schedule. (N)

The Energy Financing Line-Item Charge (EFLIC) Pilot facilitates repayment of loans from Participating Lenders to Customers through the Customer's Energy Statement (Bill). The loans between residential Customers and Participating Lenders are used to finance the installation of energy efficiency improvements. Only payments on Eligible Loans from Participating Lenders may be incorporated into a Customer's Bill.

EFLIC is available for loans funded and closed by the lender through the EE Finance Pilots Single Family Loan Program (SFLP), on or before December 31, 2015 or as otherwise directed by the California Public Utilities Commission (CPUC). PG&E will bill for these funded and closed loans for the duration of the original loan term. PG&E's may cease billing Customer for Loan Charges before the final loan payment is due to the Participating Lender, as discussed in Section BILLING AND PAYMENT OF LOAN CHARGES below.

**DEFINITIONS:** The definitions of capitalized terms used in this Rate Schedule are either defined in this Rate Schedule, in Gas Rule 1 Definitions, or in EFLIC Guidelines, as defined below. Unless otherwise stated, all references to "Customer" in this Rate Schedule will refer to PG&E Customers who have elected to participate in EFLIC.

**California Hub for Energy Efficiency Financing (CHEEF):** a central enabling entity through which energy users, financial institutions, energy efficiency providers, and utilities can participate in a pilot to help finance the installation of Qualified Measures. The CHEEF may act through agents and third-party-service providers.

**Energy Finance Line Item Charge (EFLIC):** A process whereby charges for a Loan Agreement are included in a Customer's Bill, to be paid to PG&E with the Utility Charges. Loan Charge payments will be forwarded to the Participating Lender.

**EFLIC Guidelines:** Requirements for participation in EFLIC will be established in the EFLIC Program Implementation Plan approved by the CPUC.

**Eligible Loan:** A contractual financial arrangement from a Participating Lender to a Customer for an energy efficiency upgrade in the Single Family Loan Program (SFLP) for which PG&E is collecting the payments on the Bill. EFLIC is a payment option under SFLP.

**Loan Agreement:** A written agreement between a Customer and a Participating Lender to finance Customer's purchase and installation of Qualified Measures at a Customer Premise owned and occupied by Customer. The named person(s) on the loan must also be the named person(s) on the PG&E Bill on which the loan will be repaid.

**Loan Charge:** Amounts due during a billing period from a Customer to a Participating Lender for an Eligible Loan, including principal and any interest, late fees, late payments, and any other fees as calculated by the Participating Lender pursuant to the Loan Agreement. (N)

(Continued)







**GAS SCHEDULE G-EFLIC**  
**ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT**

Sheet 4

BILLING AND  
 PAYMENT OF  
 LOAN CHARGES:  
 (cont'd.)

- |     |  |  |
|-----|--|--|
| 7.  | Customer Bankruptcy: If a Customer files a petition for bankruptcy protection under the United States Bankruptcy Code, PG&E, upon notice, shall remove all Loan Charges from the Bill. The Participating Lender shall be fully responsible for collecting all further amounts due under the Loan Agreement from the Customer.  | (N)<br> <br> <br> <br>                               |
| 8.  | Security Deposit: If Customer has or is required to provide a security deposit to establish or re-establish credit with PG&E in order to connect or reconnect service, the Loan Charges will not be included in the calculation of the security deposit pursuant to Rule 6. The Security Deposit and interest earned on the deposit, if any, will not apply to delinquent or current Loan Charges and Participating Lender will have no claim on or interest in the Security Deposit and interest earned on the deposit, if any.   | <br> <br> <br> <br> <br> <br> <br>                   |
| 9.  | Prepayment of Loan or Loan Charges: PG&E is not responsible for collecting, receiving or remitting any amounts to be attributable to prepayment of Customer's Eligible Loan or Loan Charges. If, in accordance with the Loan Agreement, the Customer elects to pay some or all of the outstanding Eligible Loan balance independent of the Loan Charge, the Customer must send such payment directly to the Participating Lender, rather than to PG&E. Any such repayments paid directly to PG&E may, at PG&E's sole discretion, be applied to subsequent PG&E Charges and Loan Charges and PG&E shall have no obligation to credit such prepayments exclusively to subsequent Loan Charges. | <br> <br> <br> <br> <br> <br> <br> <br> <br>         |
| 10. | In the event the Customer ceases to be the PG&E Customer of record at the Premises where the Qualified Measures funded by proceeds from the Eligible Loan are installed, PG&E will have no further obligation to collect the Loan Charges and will discontinue billing for Loan Charges. The obligation to pay the Loan Charge may not be transferred or assigned to the subsequent occupant of the Premise and the Customer remains obligated to pay the Eligible Loan.   | <br> <br> <br> <br> <br> <br> <br>                   |
| 11. | Bill Impacts: Loan Charges may increase the amount of the Bill. The Loan Charges may or may not be offset in whole or in part by a reduction in Customer's energy usage resulting from the installation of Qualified Measures and Customer shall not be entitled to claim any reduction in Loan Charges based on the extent to which Qualified Measures achieve their anticipated benefits. The Loan Charges must be paid by Customer whether or not the Qualified Measures result in a reduction in Customer's energy usage or Bill savings. Utility disclaims any warranty including warranty of merchantability or fitness for a particular purpose regarding any Qualified Measures.     | <br> <br> <br> <br> <br> <br> <br> <br> <br>         |
| 12. | Loan Disclosures: Nothing in this Rate Schedule shall relieve Participating Lenders from any obligation by law to make disclosures or to provide periodic statements or other information to Customers with respect to Eligible Loans. PG&E assumes no responsibility with respect to such disclosures and reporting by virtue of providing billing services pursuant to this Rate Schedule.   | <br> <br> <br> <br> <br> <br> <br> <br> <br> <br>(N) |

(Continued)





**GAS RULE NO. 9**  
 RENDERING AND PAYMENT OF BILLS

Sheet 3

**E. BILLS DUE ON PRESENTATION**

Bills for gas service are due and payable upon presentation. Payments shall be received at the address imprinted on the payment stub attached to PG&E's bill, a business office of PG&E, or by an authorized agent of PG&E. Payments shall be made using the following options:

1. Cash, check, money order, or
2. Electronic data interchange (EDI) for commercial customers or recurring automatic bank debit (Wherein the customer requests the automatic monthly withdrawal of payment for utility services from a designated checking/banking account), or
3. Debit card, at the option of PG&E, prepaid purchase card (PG&E Gift Card), or an electronic funds transfer the customer initiates through a third party (A transfer or transaction fee over and above the PG&E bill amount may be charged to the customer by a third-party vendor for these services), or
4. Debit card, credit card, or PG&E Gift Card payment(s) where the customer initiates through a third party (A transfer or transaction fee over and above the PG&E bill amount may be charged to the customer by a third-party vendor for these services). These services are available through a third party operated pay-by-phone service, authorized bill payment kiosk, authorized gift card merchant or PG&E online. PG&E Gift Cards may be used for a one-time payment through an authorized gift card merchant. The debit card and credit card options include a one-time payment option through authorized bill payment kiosks, and both a one-time payment and a recurring billing payment option through a pay-by-phone service or PG&E online. The recurring payment option is contingent upon the PG&E customer submitting and maintaining a valid email address and expressly agreeing via email to the suppression of all future paper bills in a manner consistent with the requirements of Rule 9 (L), or
5. By other means mutually agreeable to PG&E and the customer.

If a Customer makes only partial payment on a bill, the partial payment received will be allocated among the following components of the bill in proportion to the amount owed on each or as otherwise specified in PG&E tariffs (utility users taxes will be treated in accordance with current utility procedures and are not subject to this section). The bill components include PG&E Charges, energy-related charges, and other applicable products and services charges. Customer failure to pay any of the components set forth herein, except residential customer third-party products and services, or as otherwise specified in PG&E tariffs, will be subject to service termination as set forth in Rule 11. (T)

(Continued)



**GAS SAMPLE FORM 79-1156** Sheet 1  
AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential)

Please Refer to Attached  
**Sample Form**

## **AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential)**

You have applied for, or have received, a loan to finance energy efficiency improvements to your residence under the Single Family Loan Program, approved by the California Public Utilities Commission. The loan is being made by the financial institution described below. By signing this agreement, you give your consent to allow PG&E to include monthly loan repayment charges in your monthly utility bill, pursuant to PG&E's Energy Financing Line Item Charge (EFLIC) Gas and Electric Rate Schedules, and you agree to pay those charges, on the terms described below.

In this document:

**"You"** means you, the customer(s) signing this authorization.

**"Lender"** means the financial institution shown as the Lender in the Account Information section below.

**"Service Address(es)"** means the property or properties serviced by PG&E as shown in the Account Information section below.

**"Loan Charges"** means any and all principal, interest and other charges and fees payable by you in connection with your loan, as determined by Lender, including fees for late or deficient payments.

- 1. Authorization to Bill Loan Charges.** You authorize PG&E to include Loan Charges in your PG&E utility bills for the Service Address(es) until further notice. The Lender will determine the amount of the Loan Charge that is to be included in each bill, and PG&E will include that amount in your utility bill. PG&E does not verify the Loan Charges and other information provided by the Lender. The Loan Charges may increase or decrease from month to month based on the terms of the loan, the inclusion of late charges and interest, in accordance with the loan terms, and variations in the periods of time covered by each PG&E billing cycle.
- 2. Payment.** You agree to pay the Loan Charges along with the other charges in your utility bill by the due date for payment of the utility bill. All payments should be made to PG&E. PG&E will forward your Loan Charge payments to the Lender. If a funding account for the PG&E payment is a credit card or checking account, PG&E will not forward your payment of Loan Charges to the Lender unless that account has sufficient available credit to pay the full amount of the energy charges and the Loan Charges. If your funding account closes or is restricted for any reason, all pending payments to the Lender associated with the account will be cancelled and it is your sole responsibility to make all pending and future payments to the Lender.
- 3. Partial Payments.** Partial payment applies to the components of the bill in accordance with existing Rules. Payments will be applied to past due Loan Charges prior to current charges. If you make a partial payment on your utility bill, the partial payment will be applied to the following components of the utility bill in the order listed: (a) Utility charges, which include utility service and credit establishment charges; (b) Energy-related charges, which include charges based on energy consumption and tariff schedules; (c) Other applicable products and services charges, which include all other services billed by the Utility such as Loan Charges.

If you do not pay the Loan Charges in full, PG&E may elect to stop billing you for Loan Charges in which case the Lender will be responsible for collecting any unpaid Loan Charges and future loan payments from you. The Lender will notify you if PG&E ceases to include Loan Charges in your utility bill. Please note that if PG&E stops billing you for Loan Charges before the Loan is paid in full, you are still responsible for making loan payments directly to the Lender. Late payments may be subject to reporting to credit agencies by the Lender.

If you pay less than the total amount of your utility bill for two months, your Loan Charges may be removed from your utility bill. However, you are still responsible for paying any additional amounts due directly to your Lender.

- 4. Overpayments & Prepayments.** If you attempt to prepay Loan Charges directly to PG&E, amounts remitted in excess of what is due will be handled as an overpayment of energy charges and will be applied to amounts due in the future to PG&E. Overpayments will not be applied to future Loan Charges. If you want to prepay Loan Charges subject to lender terms and conditions, you must work directly with your Lender.
- 5. Billing Inquiries and Disputes.** If you have any questions about your loan or the Loan Charges, including any concerns that you may have been incorrectly charged, please contact the Lender at the number shown in the Account Information section below. Any disputes about your loan or the Loan Charges must be resolved between you and the Lender in

# AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential)

accordance with your loan documentation and applicable law. PG&E will not be involved in resolving such disputes. Questions about the energy charges on your utility bill should be directed to PG&E at the number shown on the bill.

- 6. **Jurisdiction.** This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.
- 7. **Authorization to Release Information.** You authorize PG&E to disclose the following information about your account to the Lender to facilitate the loan repayment procedures described above: billing and payment history relating to your Loan Charges. Additional forms to authorize the releases of this information will be required.
- 8. **PG&E not Liable for Efficiency Improvements and Loan Process.** PG&E is not involved in the energy efficiency improvements to your residence, the assessment of potential benefits and costs associated with the improvements, or Lender's loan procedures. You acknowledge that PG&E does not accept any responsibility for the improvements, the anticipated energy efficiencies or other benefits, or for any aspect of the loan process. Utility also disclaims any warranty including the warranty of merchantability or fitness for a particular purpose regarding any improvements. Any questions or claims regarding those matters should be directed to the Lender or to the installation contractor.

### ACCOUNT INFORMATION

*(Please Print or Type)*

#### CUSTOMER DETAILS<sup>1</sup>

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

#### LENDER AND LOAN INFORMATION

Name of Lender: \_\_\_\_\_

Address: \_\_\_\_\_

Lender's contact number: \_\_\_\_\_

Loan Number: \_\_\_\_\_

Principal amount of Loan: \_\_\_\_\_

*[other identifying information]* \_\_\_\_\_

<sup>1</sup> If there is more than one customer of record for a Service Address, all customers must complete and sign this form.

# AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential)

**SERVICE ADDRESSES INCLUDED IN THIS AUTHORIZATION:**

- |    |                 |      |                     |
|----|-----------------|------|---------------------|
| 1. | SERVICE ADDRESS | CITY | PG&E ACCOUNT NUMBER |
| 2. | SERVICE ADDRESS | CITY | PG&E ACCOUNT NUMBER |
| 3. | SERVICE ADDRESS | CITY | PG&E ACCOUNT NUMBER |

**By signing below, You hereby authorize PG&E to add Loan Charges to Your utility bills for the Service Address(es) shown above.**

<p style="text-align: center;">AUTHORIZED CUSTOMER SIGNATURE</p> <p>Executed this _____ day of _____</p> <p style="text-align: center; margin-left: 100px;">MONTH      YEAR</p>	<p style="text-align: center;">TELEPHONE NUMBER</p> <p>at _____.</p> <p style="text-align: center;">CITY AND STATE WHERE EXECUTED</p>
---	---

<p style="text-align: center;">ADDITIONAL AUTHORIZED CUSTOMER SIGNATURE</p> <p>Executed this _____ day of _____</p> <p style="text-align: center; margin-left: 100px;">MONTH      YEAR</p>	<p style="text-align: center;">TELEPHONE NUMBER</p> <p>at _____.</p> <p style="text-align: center;">CITY AND STATE WHERE EXECUTED</p>
--	---

**LENDER APPROVAL**

Lender confirms that the Account Information shown above accords with Lender's records.

<p>SIGNATURE</p>	<p style="text-align: center;">TELEPHONE NUMBER</p>
<p>COMPANY</p>	
<p>Executed this _____ day of _____</p> <p style="text-align: center; margin-left: 100px;">MONTH      YEAR</p>	



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**ELECTRIC SCHEDULE EFLIC**  
**ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT**

Sheet 1

**APPLICABILITY:** This Rate Schedule is applicable to electric service to Residential Customers who meet the eligibility criteria specified in Section CUSTOMER ELIGIBILITY below, and receive service under a PG&E electric rate Schedule. (N)

The Energy Financing Line-Item Charge (EFLIC) Pilot facilitates repayment of loans from Participating Lenders to Customers through the Customer's Energy Statement (Bill). The loans between residential Customers and Participating Lenders are used to finance the installation of energy efficiency improvements. Only payments on Eligible Loans from Participating Lenders may be incorporated into a Customer's Bill.

EFLIC is available for loans funded and closed by the lender through the EE Finance Pilots Single Family Loan Program (SFLP), on or before December 31, 2015 or as otherwise directed by the California Public Utilities Commission (CPUC). PG&E will bill for these funded and closed loans for the duration of the original loan term. PG&E may cease billing Customer for Loan Charges before the final loan payment is due to the Participating Lender, as discussed in Section BILLING AND PAYMENT OF LOAN CHARGES below.

**DEFINITIONS:** The definitions of capitalized terms used in this Rate Schedule are either defined in this Rate Schedule, in Electric Rule 1 Definitions, or in EFLIC Guidelines, as defined below. Unless otherwise stated, all references to "Customer" in this Rate Schedule will refer to PG&E Customers who have elected to participate in EFLIC.

**California Hub for Energy Efficiency Financing (CHEEF):** a central enabling entity through which energy users, financial institutions, energy efficiency providers, and utilities can participate in a pilot to help finance the installation of Qualified Measures. The CHEEF may act through agents and third-party-service providers.

**Energy Finance Line Item Charge (EFLIC):** A process whereby charges for a Loan Agreement are included in a Customer's Bill, to be paid to PG&E with the Utility Charges. Loan Charge payments will be forwarded to the Participating Lender.

**EFLIC Guidelines:** Requirements for participation in EFLIC will be established in the EFLIC Program Implementation Plan approved by the CPUC.

**Eligible Loan:** A contractual financial arrangement from a Participating Lender to a Customer for an energy efficiency upgrade in the Single Family Loan Program (SFLP) for which PG&E is collecting the payments on the Bill. EFLIC is a payment option under SFLP.

**Loan Agreement:** A written agreement between a Customer and a Participating Lender to finance Customer's purchase and installation of Qualified Measures at a Customer Premise owned and occupied by Customer. The named person(s) on the loan must also be the named person(s) on the PG&E Bill on which the loan will be repaid.

**Loan Charge:** Amounts due during a billing period from a Customer to a Participating Lender for an Eligible Loan, including principal and any interest, late fees, late payments, and any other fees as calculated by the Participating Lender pursuant to the Loan Agreement. (N)

(Continued)





**ELECTRIC SCHEDULE EFLIC**  
**ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT**

Sheet 3

BILLING AND  
 PAYMENT OF  
 LOAN CHARGES:  
 (cont'd.)

2. PG&E will include or remove Loan Charges on the Bill pursuant to instructions received from the CHEEF. Participating Lenders shall inform the CHEEF if the Customer has initiated a dispute resolution process under the terms of the Eligible Loan. The CHEEF may instruct PG&E to remove Loan Charges from the Bill pending the resolution of any dispute between a Customer and Participating Lender. A Customer may also be removed from the pilot by the CHEEF or PG&E if the Customer fails to pay in full the entire amount due on the Bill for two or more payments. If PG&E receives instructions from the CHEEF to remove Loan Charges, PG&E will remove such charges from the Bill no later than the second billing cycle after such instructions are received. All collection and enforcement action with respect to an Eligible Loan shall be and remain the responsibility of the Participating Lender. If a Customer is removed from the pilot, PG&E will discontinue billing for Loan Charges. Responsibility for the collection of these delinquent charges shall be upon the Participating Lender. (N)
3. Customer shall pay the Loan Charges along with all other charges on the Bill and in accordance with the payment terms applicable to the Bill. All payments shall be made to PG&E. PG&E will apply payment amounts according to payment prioritization rules, as described below, and forward allocated Loan Charge payments received to the CHEEF or its designee.
4. If PG&E does not issue Customer a Bill because of either voluntary or involuntary termination of PG&E service, PG&E shall notify the CHEEF within 30 days of service disconnection. On and after such notification, PG&E will have no further responsibility for collecting and remitting Loan Charges.
5. Partial Payment: Utility's billing system applies partial payment to the components of the bill in accordance with existing Rules. Payments will be applied to past due EFLIC Charges prior to current charges.  
  
 If a Customer makes only partial payment on a Bill, the partial payment will be applied to the following components of the Bill according to the order listed below:
  - a) Utility charges, which include utility service and credit establishment charges.
  - b) Energy-related charges, which include charges based on energy consumption and tariff schedules.
  - c) Other applicable products and services charges, which include all other services billed by the Utility such as Loan charges.
6. Declaration of Event of Default Under Loan Agreement: If the Participating Lender elects to declare an event of default under the Loan Agreement and demands immediate repayment of the entire principal and interest amounts outstanding (acceleration of loan repayment), the Participating Lender must immediately inform the CHEEF of such an election. The CHEEF shall instruct PG&E to remove all Loan Charges from the Bill. The Participating Lender shall be fully responsible for collecting all further amounts due under the Loan Agreement from the Customer. (N)

(Continued)



**ELECTRIC SCHEDULE EFLIC**  
**ENERGY FINANCING LINE ITEM CHARGE (EFLIC) PILOT**

Sheet 4

BILLING AND  
 PAYMENT OF  
 LOAN CHARGES:  
 (cont'd.)

- 7. Customer Bankruptcy: If a Customer files a petition for bankruptcy protection under the United States Bankruptcy Code, PG&E, upon notice, shall remove all Loan Charges from the Bill. The Participating Lender shall be fully responsible for collecting all further amounts due under the Loan Agreement from the Customer. (N)
- 8. Security Deposit: If Customer has or is required to provide a security deposit to establish or re-establish credit with PG&E in order to connect or reconnect service, the Loan Charges will not be included in the calculation of the security deposit pursuant to Rule 6. The Security Deposit and interest earned on the deposit, if any, will not apply to delinquent or current Loan Charges and Participating Lender will have no claim on or interest in the Security Deposit and interest earned on the deposit, if any.
- 9. Prepayment of Loan or Loan Charges: PG&E is not responsible for collecting, receiving or remitting any amounts to be attributable to prepayment of Customer's Eligible Loan or Loan Charges. If, in accordance with the Loan Agreement, the Customer elects to pay some or all of the outstanding Eligible Loan balance independent of the Loan Charge, the Customer must send such payment directly to the Participating Lender, rather than to PG&E. Any such repayments paid directly to PG&E may, at PG&E's sole discretion, be applied to subsequent PG&E Charges and Loan Charges and PG&E shall have no obligation to credit such prepayments exclusively to subsequent Loan Charges.
- 10. In the event the Customer ceases to be the PG&E Customer of record at the Premises where the Qualified Measures funded by proceeds from the Eligible Loan are installed, PG&E will have no further obligation to collect the Loan Charges and will discontinue billing for Loan Charges. The obligation to pay the Loan Charge may not be transferred or assigned to the subsequent occupant of the Premise and the Customer remains obligated to pay the Eligible Loan.
- 11. Bill Impacts: Loan Charges may increase the amount of the Bill. The Loan Charges may or may not be offset in whole or in part by a reduction in Customer's energy usage resulting from the installation of Qualified Measures and Customer shall not be entitled to claim any reduction in Loan Charges based on the extent to which Qualified Measures achieve their anticipated benefits. The Loan Charges must be paid by Customer whether or not the Qualified Measures result in a reduction in Customer's energy usage or Bill savings. Utility disclaims any warranty including warranty of merchantability or fitness for a particular purpose regarding any Qualified Measures.
- 12. Loan Disclosures: Nothing in this Rate Schedule shall relieve Participating Lenders from any obligation by law to make disclosures or to provide periodic statements or other information to Customers with respect to Eligible Loans. PG&E assumes no responsibility with respect to such disclosures and reporting by virtue of providing billing services pursuant to this Rate Schedule. (N)

(Continued)





**ELECTRIC RULE NO. 9**  
**RENDERING AND PAYMENT OF BILLS**

Sheet 3

**E. BILLS DUE ON PRESENTATION**

Bills for electric service are due and payable upon presentation. Payments shall be received at the address imprinted on the payment stub attached to PG&E's bill, a business office of PG&E, or by an authorized agent of PG&E. Payments shall be made using the following options:

1. Cash, check, money order, or
2. Electronic data interchange (EDI) for commercial customers or recurring automatic bank debit (Wherein the customer requests the automatic monthly withdrawal of payment for utility services from a designated checking/banking account), or
3. Debit card, at the option of PG&E, prepaid purchase card (PG&E Gift Card), or an electronic funds transfer the customer initiates through a third party (A transfer or transaction fee over and above the PG&E bill amount may be charged to the customer by a third-party vendor for these services), or
4. Debit card, credit card, or PG&E Gift Card payment(s) where the customer initiates through a third party (A transfer or transaction fee over and above the PG&E bill amount may be charged to the customer by a third-party vendor for these services). These services are available through a third party operated pay-by-phone service, authorized bill payment kiosk, authorized gift card merchant or PG&E online. PG&E Gift Cards may be used for a one-time payment through an authorized gift card merchant. The debit card and credit card options include a one-time payment option through authorized bill payment kiosks, and both a one-time payment and a recurring billing payment option through a pay-by-phone service or PG&E online. The recurring payment option is contingent upon the PG&E customer submitting and maintaining a valid email address and expressly agreeing via email to the suppression of all future paper bills in a manner consistent with the requirements of Rule 9 (L), or
5. By other means mutually agreeable to PG&E and the customer.

If a Customer makes only partial payment on a bill, the partial payment received will be allocated among the following components of the bill in proportion to the amount owed on each or as otherwise specified in PG&E tariffs (utility users taxes will be treated in accordance with current utility procedures and are not subject to this section). The bill components include PG&E charges, CTC charges, and other energy-related charges. Customer failure to pay any of the components set forth herein, except residential customer third-party products and services, or as otherwise specified in PG&E tariffs, will be subject to service termination as set forth in Rule 11. (T)

(Continued)



**ELECTRIC SAMPLE FORM 79-1156** Sheet 1  
AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential)

Please Refer to Attached  
**Sample Form**

## **AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential)**

You have applied for, or have received, a loan to finance energy efficiency improvements to your residence under the Single Family Loan Program, approved by the California Public Utilities Commission. The loan is being made by the financial institution described below. By signing this agreement, you give your consent to allow PG&E to include monthly loan repayment charges in your monthly utility bill, pursuant to PG&E's Energy Financing Line Item Charge (EFLIC) Gas and Electric Rate Schedules, and you agree to pay those charges, on the terms described below.

In this document:

**"You"** means you, the customer(s) signing this authorization.

**"Lender"** means the financial institution shown as the Lender in the Account Information section below.

**"Service Address(es)"** means the property or properties serviced by PG&E as shown in the Account Information section below.

**"Loan Charges"** means any and all principal, interest and other charges and fees payable by you in connection with your loan, as determined by Lender, including fees for late or deficient payments.

- 1. Authorization to Bill Loan Charges.** You authorize PG&E to include Loan Charges in your PG&E utility bills for the Service Address(es) until further notice. The Lender will determine the amount of the Loan Charge that is to be included in each bill, and PG&E will include that amount in your utility bill. PG&E does not verify the Loan Charges and other information provided by the Lender. The Loan Charges may increase or decrease from month to month based on the terms of the loan, the inclusion of late charges and interest, in accordance with the loan terms, and variations in the periods of time covered by each PG&E billing cycle.
- 2. Payment.** You agree to pay the Loan Charges along with the other charges in your utility bill by the due date for payment of the utility bill. All payments should be made to PG&E. PG&E will forward your Loan Charge payments to the Lender. If a funding account for the PG&E payment is a credit card or checking account, PG&E will not forward your payment of Loan Charges to the Lender unless that account has sufficient available credit to pay the full amount of the energy charges and the Loan Charges. If your funding account closes or is restricted for any reason, all pending payments to the Lender associated with the account will be cancelled and it is your sole responsibility to make all pending and future payments to the Lender.
- 3. Partial Payments.** Partial payment applies to the components of the bill in accordance with existing Rules. Payments will be applied to past due Loan Charges prior to current charges. If you make a partial payment on your utility bill, the partial payment will be applied to the following components of the utility bill in the order listed: (a) Utility charges, which include utility service and credit establishment charges; (b) Energy-related charges, which include charges based on energy consumption and tariff schedules; (c) Other applicable products and services charges, which include all other services billed by the Utility such as Loan Charges.

If you do not pay the Loan Charges in full, PG&E may elect to stop billing you for Loan Charges in which case the Lender will be responsible for collecting any unpaid Loan Charges and future loan payments from you. The Lender will notify you if PG&E ceases to include Loan Charges in your utility bill. Please note that if PG&E stops billing you for Loan Charges before the Loan is paid in full, you are still responsible for making loan payments directly to the Lender. Late payments may be subject to reporting to credit agencies by the Lender.

If you pay less than the total amount of your utility bill for two months, your Loan Charges may be removed from your utility bill. However, you are still responsible for paying any additional amounts due directly to your Lender.

- 4. Overpayments & Prepayments.** If you attempt to prepay Loan Charges directly to PG&E, amounts remitted in excess of what is due will be handled as an overpayment of energy charges and will be applied to amounts due in the future to PG&E. Overpayments will not be applied to future Loan Charges. If you want to prepay Loan Charges subject to lender terms and conditions, you must work directly with your Lender.
- 5. Billing Inquiries and Disputes.** If you have any questions about your loan or the Loan Charges, including any concerns that you may have been incorrectly charged, please contact the Lender at the number shown in the Account Information section below. Any disputes about your loan or the Loan Charges must be resolved between you and the Lender in

# AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential)

accordance with your loan documentation and applicable law. PG&E will not be involved in resolving such disputes. Questions about the energy charges on your utility bill should be directed to PG&E at the number shown on the bill.

- 6. **Jurisdiction.** This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.
- 7. **Authorization to Release Information.** You authorize PG&E to disclose the following information about your account to the Lender to facilitate the loan repayment procedures described above: billing and payment history relating to your Loan Charges. Additional forms to authorize the releases of this information will be required.
- 8. **PG&E not Liable for Efficiency Improvements and Loan Process.** PG&E is not involved in the energy efficiency improvements to your residence, the assessment of potential benefits and costs associated with the improvements, or Lender's loan procedures. You acknowledge that PG&E does not accept any responsibility for the improvements, the anticipated energy efficiencies or other benefits, or for any aspect of the loan process. Utility also disclaims any warranty including the warranty of merchantability or fitness for a particular purpose regarding any improvements. Any questions or claims regarding those matters should be directed to the Lender or to the installation contractor.

### ACCOUNT INFORMATION

*(Please Print or Type)*

#### CUSTOMER DETAILS<sup>1</sup>

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

#### LENDER AND LOAN INFORMATION

Name of Lender: \_\_\_\_\_

Address: \_\_\_\_\_

Lender's contact number: \_\_\_\_\_

Loan Number: \_\_\_\_\_

Principal amount of Loan: \_\_\_\_\_

*[other identifying information]* \_\_\_\_\_

<sup>1</sup> If there is more than one customer of record for a Service Address, all customers must complete and sign this form.

# AUTHORIZATION TO ADD LOAN CHARGES TO UTILITY BILL (Residential)

**SERVICE ADDRESSES INCLUDED IN THIS AUTHORIZATION:**

- |    |                 |      |                     |
|----|-----------------|------|---------------------|
| 1. | SERVICE ADDRESS | CITY | PG&E ACCOUNT NUMBER |
| 2. | SERVICE ADDRESS | CITY | PG&E ACCOUNT NUMBER |
| 3. | SERVICE ADDRESS | CITY | PG&E ACCOUNT NUMBER |

**By signing below, You hereby authorize PG&E to add Loan Charges to Your utility bills for the Service Address(es) shown above.**

AUTHORIZED CUSTOMER SIGNATURE	TELEPHONE NUMBER
Executed this _____ day of _____	at _____.
MONTH      YEAR	CITY AND STATE WHERE EXECUTED

ADDITIONAL AUTHORIZED CUSTOMER SIGNATURE	TELEPHONE NUMBER
Executed this _____ day of _____	at _____.
MONTH      YEAR	CITY AND STATE WHERE EXECUTED

**LENDER APPROVAL**

Lender confirms that the Account Information shown above accords with Lender's records.

SIGNATURE	TELEPHONE NUMBER
COMPANY	
Executed this _____ day of _____	
MONTH      YEAR	



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**Attachment 2:**

Energy Finance Line-Item Charge Pilot  
Program Implementation Plan (Clean)

**2013 – 2015 Energy Efficiency Programs  
Statewide Finance Pilot\_Sub-Program  
Program Implementation Plan**

- 1) **Sub-Program Name:** Energy Financing Line-Item Charge
- 2) **Sub-Program ID number:**
  - a. PG&E: PGE 210932
- 3) **Type of Sub-Program:**  Core  Third Party  Partnership  Pilot
- 4) **Market sector or segment that this sub-program is designed to serve:**
  - a.  Residential
    - i. Including Low Income?  Yes  No;
    - ii. Including Moderate Income?  Yes  No.
    - iii. Including or specifically Multifamily buildings  Yes  No.
    - iv. Including or specifically Rental units?  Yes  No.
  - b.  Commercial (List applicable NAIC codes: \_\_\_\_\_)
  - c.  Industrial (List applicable NAIC codes: \_\_\_\_\_)
  - d.  Agricultural (List applicable NAIC codes: \_\_\_\_\_)
- 5) **Is this sub-program primarily a:**
  - a. Non-resource program  Yes  No
  - b. Resource acquisition program  Yes  No
  - c. Market Transformation Program  Yes  No
- 6) **Indicate the primary intervention strategies:**
  - a. Upstream  Yes  No
  - b. Midstream  Yes  No
  - c. Downstream  Yes  No
  - d. Direct Install  Yes  No.
  - e. Non Resource  Yes  No
- 7) **Projected Sub-program Total Resource Cost (TRC) and Program Administrator Cost (PAC)**  
TRC \_\_\_\_ PAC \_\_\_\_

TRC and PAC analyses are subject to the development, submission, and final California Public Utilities Commission (CPUC) disposition of the workpaper which will contain the methodology for claiming incremental energy savings for Finance Pilot Programs. A workpaper was submitted by the California Investor Owned Utilities (IOUs) in compliance with CPUC Decision (D.)13-09-044, however the CPUC determined sufficient information was not yet available to estimate the proposed energy savings. The CPUC has thus decided to evaluate the energy savings on an *ex post* basis. The Pilot's TRC and PAC will be studied during the pilot period and assessed *ex post*.

8) Projected Sub-Program Budget

Table 1. Projected Sub-Program Budget, by Calendar Year<sup>1</sup>

Sub-Program	Program Year			
	2013	2014	2015	Total
Admin/General Overhead (\$)	\$5,000	\$65,000	\$30,000	\$100,000
Direct Implementation (\$)²	\$45,000	\$585,000	\$270,000	\$900,000
Credit Enhancements (\$)	\$0	\$0	\$0	\$0
Marketing & Outreach (\$)³	\$0	\$0	\$0	\$0
Total IOU Budget	\$50,000	\$650,000	\$300,000	\$1,000,000

9) Sub-Program Description, Objectives and Theory

a. Program Description

The Energy Financing Line-Item Charge (EFLIC) is a sub-pilot of the Single Family Loan Program (SFLP) pilot and will be operated only in PG&E service territory. The primary purpose of this sub-pilot is to test the attractiveness of an on-bill repayment option and its impact on loan performance of Residential SFLP loans. The EFLIC pilot will be offered only by PG&E during the 2013 – 2015 program cycle.

The goal of offering EFLIC is to evaluate whether an IOU can offer a mechanism for financial institutions to charge residential customers for energy efficiency loans on their utility bills in a manner that does not expose the IOU to unmanageable consumer lending regulation. EFLIC will test the following:

- Does EFLIC offer improved security to financial institutions (FIs) to the extent that customers pay their utility bill on a regular basis?
- Does EFLIC provide new ways to integrate expanded access to capital to energy efficiency (EE) financing programs?

<sup>1</sup> Pursuant to the Decision, \$1 million was allocated to Pacific Gas & Electric Company (PG&E) to implement the EFLIC. Once the Master Servicer is fully functional, the \$25 million available for credit enhancement funds under the Single Family Loan Program will be available to cover the costs of implementing EFLIC for SFLP customers.

<sup>2</sup> Per the Energy Efficiency Policy Manual version 5.0, "Direct implementation costs are defined as 'costs associated with activities that are a direct interface with the customer or program participant or recipient (e.g., contractor receiving training).'" This may include activities such as: billing analyst support with direct interaction with lenders/servicers; training of lender/servicers to utilize EFLIC functionality; EFLIC specific IT (lender setup, any necessary system updates); IT license fees (e.g. access to GXS third party interface services); program management time on planning, design and project management, including working with multiple stakeholders to design program parameters.

<sup>3</sup> See Section 10h for further information regarding the Marketing & Outreach category, in particular with respect to coordination with Statewide ME&O. Due to the nature of EFLIC linking with SFLP, ME&O EFLIC efforts should be integrated.

- Does EFLIC help drive demand for energy improvements, to the extent that aligning loan repayment with energy savings overcomes consumer reluctance to invest in energy improvements?

EFLIC differs from non-residential On-Bill Repayment (OBR) in a number of key ways. EFLIC does not include a provision for shut-off in the event of non-payment. EFLIC is also not designed to encourage transferability of the loan to subsequent building occupants.

EFLIC will be governed by three main documents. The terms and conditions of EFLIC as described in this EFLIC PIP, PG&E's gas and electric EFLIC Rate Schedule, and the program regulations enacted by the California Advanced Energy and Alternative Transportation Financing Agency (CAEATFA) acting as the California Hub for Energy Efficiency Finance (CHEEF). The Rate Schedule will focus on customer issues, while the CHEEF regulations will include the specific guidelines for financial institutions.

As an early release pilot, there will be two phases of EFLIC. PG&E proposed working with the California Homebuyer's Fund (CHF) to implement the first phase of the pilot. EFLIC will be transferred to the CHEEF once the Master Servicer is under contract.

**Phase 1 Testing.** In a controlled environment, PG&E will test the functionality of EFLIC to identify and resolve any billing process issues and determine business requirements to be communicated to lenders. This phase will include a small number of participants and will be designed to allow PG&E and the implementation partner to test the process and identify potential issues. The experience gathered from this Phase will allow for the development of more comprehensive business requirements for the full scale pilot, as well as ensure that the underlying information technology (IT) systems functionality is operating appropriately.

**Phase 1 EFLIC offering through CHF.** A key component of EFLIC relies on having a Master Servicer in place through the CHEEF. PG&E plans to operate EFLIC as suggested with a pre-development pilot, working with CHF until the CHEEF and the Master Servicer are in place. PG&E proposed partnering with CHF because of its current role administering the loan loss reserve for PG&E under the American Reinvestment and Recovery Act (ARRA) Continuation Program (ARRA Program). CHF also provides other services to the ARRA Program lenders such as verifying that energy efficiency projects meet utility eligibility requirements. CHF's intermediary role between lenders and the utility provides a viable avenue for operating Phase 1 of EFLIC and could yield valuable lessons that can be applied to the CHEEF's future management of EFLIC.

**Differences between the CHF and CHEEF EFLIC offering.** The EFLIC offering through CHF is envisioned to mirror the larger offering through the CHEEF, such

that all lenders will have access to “similar terms and conditions” as specified by Decision 13-09-044 (p. 37).

There are however, some differences between the CHF and CHEEF EFLIC offerings. First, the CHEEF EFLIC offering must be linked to the Single Family Loan Program (SFLP). Since the SFLP is not anticipated to launch until the third quarter of 2014, the CHF EFLIC would be suited for using the existing ARRA Program loan loss reserve. PG&E will work with CHF and CAEATFA to ensure that the terms and conditions are as similar as possible. Details on the existing ARRA Continuation program can be found in the Pacific Gas and Electric Company 2013-2014 Energy Efficiency Portfolio Statewide Program Implementation Plan PGE2109 – Finance Program, dated April 23, 2013.

**Phase 2 CHEEF EFLIC offering.** The second phase of EFLIC is full implementation by CAEATFA as the acting CHEEF entity and its designated Master Servicer. At this time, the EFLIC will be linked to the SFLP. Financial Institutions wishing to participate in EFLIC must be participants of the SFLP and sign up for the program through the CHEEF.

**Transition of the program from CHF to CHEEF.** As required by Decision 13-09-044, EFLIC must be transferred to CAEATFA (p. 37). As part of its pre-development pilot work with CHF, PG&E will develop knowledge on processes needed to implement EFLIC. This knowledge will be captured in the form of an implementation guide and transferred to the CHEEF. This transfer of knowledge should help in making the CHEEF EFLIC launch smoother and faster by incorporating all the lessons learned from the CHF EFLIC pre-development pilot.

**Table 2. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year<sup>4</sup>**

	Program Years			Total
	2013	2014	2015	
<b>Sub-program Name</b>				
GWh	N/A	TBD	TBD	TBD
Peak MW	N/A	TBD	TBD	TBD
Therms (millions)	N/A	TBD	TBD	TBD

\* N/A = "not applicable." TBD = "to be determined." Per the CPUC disposition regarding the Financing Program workpaper, energy savings will be determined on an *ex post* basis.

**b) Program Non-Energy Objectives:**

- EFLIC will test the convenience of repayment through the utility bill, potentially provide useful data on residential utility bill loan repayment as alternative underwriting criteria, and advance the Commission's goals of leveraging private capital with ratepayer funds to expand access to EE financing in the Single Family residential sector.
- EFLIC could increase knowledge on business requirements on the compatibility of consumer lending with established utility billing practices.
- Improve customer satisfaction driven by an increase in capital for energy efficiency projects helping customers overcome the "first cost" key barrier.
- Improve the credibility of energy efficiency investments and provide economic benefits to the state via increased loan volume through a financing program supported by both Financial Institutions as well as the IOUs.

**c) Cost Effectiveness/Market Need:**

Since the finance pilots have energy and demand objectives, the methods contained in the Standard Practice Manual will be used to determine cost effectiveness.

<sup>4</sup> Individual utility specific information to be provided in this table

d) Measure Savings/Work Papers:

Table 3: Work paper Status

See Section 7 above.

#	Work paper Number/Measure Name	Approved	Pending Approval	Submitted but Awaiting Review
1	PGECOALL110	NO		X

10) Program Implementation Details

a) Timelines:

Table 4: Sub-Program Milestones and Timeline

Test Phase

Milestone	Dates
Run live test phase	April 2014 – December 2014

CHF EFLIC Phase

Milestone	Dates
Finalize EFLIC and Customer agreements	April 2014 – July 2014
PG&E Internal IT setup and Call Center planning	April 2014 – July 2014
Customer billing	Dependent on when first loan is issued
Launch Call Center Support	August-September 2014
PG&E transfers program to CHEEF	October 2014

**CHEEF EFLIC Phase**

Milestone	Dates
Finalize EFLIC and Customer agreements	Oct / Nov 2014
PG&E Internal IT setup and Call Center planning	Oct / Nov 2014
Outreach and recruitment of FIs	On-going
Rulemaking process to revise Single Family Loan Program regulations to incorporate EFLIC	Oct / Nov 2014
Master Servicer becomes operational (IOU IT changes complete)**	December 2014
Knowledge transfer of CHF pilot to Master Servicer / CHEEF program.	Beginning in October 2014
Outreach to potential customers, including low/moderate income component – in conjunction with SFLP ME&O	On-going
Customer billing	Dependent on when first loan is issued
Launch Call Center Support	December 2014

\*\* This timeline assumes program development concurrently with IT systems. In the event development activities cannot be done concurrent with IT system development, the schedule would change with first funding occurring in mid-2015.

**b) Geographic Scope:**

EFLIC is a sub-pilot of the SFLP pilot. The SFLP will operate in CEC Climate Zones 1, 2, 3, 4, 5, 11, 12, 13, 16. In general, EFLIC is available in PG&E service territory subject to lender availability.

**Table 5: Geographic Regions Where the Program Will Operate**

Geographic Region	PG&E
CEC Climate Zone 1	X
CEC Climate Zone 2	X
CEC Climate Zone 3	X
CEC Climate Zone 4	X
CEC Climate Zone 5	X
CEC Climate Zone 6	
CEC Climate Zone 7	
CEC Climate Zone 8	
CEC Climate Zone 9	
CEC Climate Zone 10	
CEC Climate Zone 11	X
CEC Climate Zone 12	X
CEC Climate Zone 13	X
CEC Climate Zone 14	
CEC Climate Zone 15	
CEC Climate Zone 16	X

c) **Program Administration**

The CHEEF will assume program administration when the Master Servicer is in place

As CHEEF, CAEATFA will develop regulations to provide specific details on the credit enhancement structure and other requirements for program participation. CAEATFA will also subcontract with a Trustee bank to facilitate the transfer of credit enhancement funds to Financial Institutions participating in the pilot.

In coordination with CAEATFA, PG&E will train and educate the contractors, and local governments to help promote and explain the pilot offerings to potential customers.

**Table 6: Program Administration of Program Components**

Program Name	Program Component	Implemented by IOU Staff? (X = Yes)	Implemented by contractors to be selected by competitive bid process	Implemented by contractors (Contractors will need to sign up to be a qualified contractor under a given financing program)	Implemented by other entity [CAEATFA] (X = Yes)
EFLIC	Program Customer Application Process		X (Master Servicer)	X – Making customers aware of program and potentially submitting application materials to participating financial institutions	CAEATFA
EFLIC	IOU Incentive Program Participant	X			CAEATFA
EFLIC	IOU Incentive Program Non-Participants				
EFLIC	Credit Review			X (participating financial institutions - enrolled through CAEATFA regulations)	
EFLIC	Loan Origination			X (participating financial institutions - enrolled through CAEATFA regulations)	
EFLIC	Loan Payments	X	X (Master Servicer)	X (participating financial institutions - enrolled through CAEATFA regulations)	
EFLIC	Credit Enhancements <sup>5</sup>	n/a	n/a	n/a	n/a
EFLIC	Marketing, Education, & Outreach (ME&O)	X		X (contractors and participating financial institutions - enrolled through CAEATFA regulations, CCSE)	X (CAEATFA to coordinate outreach efforts for contractors and financial institutions)
EFLIC	Evaluation, Measurement, & Verification (EM&V)	X			

<sup>5</sup> Once the pilot is transferred to the Master Servicer, EFLIC customers will have access to credit enhancements provided through the SFLP. For information on the administration of the SFLP, see the SFLP PIP.

ME&O will be done in coordination with the Energy Upgrade California statewide marketing campaign.

**d) Program Eligibility Requirements:**

EFLIC is a sub-pilot of the SFLP pilot program. In order to be eligible for the EFLIC billing option, the loan must be a qualifying loan under the SFLP program. Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan, Section 10.d. (including Tables 7, 8 and 9) for SFLP loan requirements.

**Customer Incremental Requirements:** Although EFLIC is a sub-pilot of the SFLP pilot program, there are incremental requirements due to the on-bill nature of the sub-pilot. Given that EFLIC allows a residential loan customer to repay his/her loan via the utility bill, the person(s) named on the loan obligation must also be the utility account holder(s). In order to participate in EFLIC, customers will be required to execute an agreement with PG&E and submit a copy of the agreement to the FI providing financing for the customer's project. The EFLIC Rate Schedule, which will be filed by advice letter and approved by the Commission, will provide additional details on customer requirements and interaction.

**Financial Institution Requirements:** Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan for the SFLP. There are requirements to participate in the SFLP. A financial institution participating in SFLP may also elect to participate in EFLIC. Additional eligibility requirements for FIs participating in EFLIC will be included in the EFLIC lender agreement, which will be finalized through CAEATFA's public process for developing program regulations.

Minimum qualifications for FIs are they: a) possess all required state and federal licenses, b) be in good standing with regulators, and c) have capability of interfacing with the Master Servicer to transmit data required for the EFLIC Pilot and d) be willing to execute an EFLIC agreement that conforms to pilot program requirements, CE protocols, and data collection and sharing requirements.

Given that the EFLIC program is additive to the SFLP program, there are three possible scenarios under which a financial institution participates in the SFLP and EFLIC pilots:

- SFLP only lender
- SFLP + EFLIC lender, with option for a consumer to participate in EFLIC. In this situation, a lender may want to provide an SFLP offering with EFLIC as an added option for a customer taking a loan. This option may be selected to give borrowers flexibility, where EFLIC could be seen as a convenience to the borrower.

- SFLP + EFLIC lender, whereby the loan offering also requires EFLIC. This option may be selected by lenders to simplify administration. By offering a SFLP offering tied to the EFLIC, the lender may potentially avoid administrative and other costs associated with managing two options.

**e) Program Partners:**

**a. Program coordination partners:**

Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan, Section 10.e. (including Table 10) for the Single Family Loan Program for a description of program coordination partners.

**f) Measures and incentive levels:**

Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan, Section 10.f. (including Table 11) for the Single Family Loan Program for a description of eligible measures and incentive levels.

**g) Additional Services:**

The Pilot will include a series of additional services. These additional services, where related to marketing and outreach, will be coordinated with Statewide ME&O.

As an on bill sub-pilot, EFLIC contains unique features that may require incremental education and training beyond the SFLP education and training.

- Consumer education and training: When signing up for the EFLIC option, a customer will sign an EFLIC agreement, giving consent to place a 3<sup>rd</sup> party charge on his/her utility bill. The agreement will provide details on program participation to the customer. Additional educational materials will also be developed as needed.
- Contractor education and training: Contractor education may include assisting contractors in understanding the EFLIC option and how it could benefit customers.
- Lender education and training: Lender education will include assisting lenders in understanding the EFLIC option. The EFLIC option is likely a departure from normal collection practices for most lenders. Any lenders participating in the EFLIC sub-pilot must receive education and training on how to interface with the Master Servicer, who is the entity that will interface with PG&E.
- Call center support: Call center support will be available for customers that call the utility about loan charges on their bill related to the program.

**h) Sub-Program Specific Marketing and Outreach:**

In order to accomplish the statewide integrated approach to promoting the finance pilots envisioned by D.13-09-044, the California Center for Sustainable Energy (CCSE) will create one integrated statewide, multi-sector marketing, education and outreach (ME&O) plan. CCSE is also the coordinator of the statewide ME&O effort under the Energy Upgrade California brand. The finance pilot ME&O plan will identify roles, actors including IOUs, and allocate the marketing budget accordingly.

CCSE will oversee the implementation of the plan. Concurrent to its development of the ME&O plan, CCSE will develop the contractor training and outreach. CCSE will perform any other roles the plan assigns it.

Based on the timeline below, CCSE will convene and lead a "go-to-market" working group comprised of CAEATFA and IOUs in order to develop and finalize the plan. The plan will take a market facilitation approach that at a minimum leverages channels of customer service including contractors and lenders, as well as IOU customer data segmentation, and existing ME&O of appropriate IOU programs.

In order to develop the plan, CCSE will draw on existing market research, the experience of program administrators, and as needed lead research that examines barriers to pilot participation and how to overcome them. CCSE may convene sector and pilot specific financing strategic partner advisory groups.

Major elements of the plan are likely to include contractor outreach and training, including development of educational information and tools for contractors and consumers, and ongoing support to contractors and financial institutions through a variety of channels including cooperative marketing campaigns.

As envisioned by the Finance Decision, the plan will integrate financing education and awareness messaging into the existing statewide Energy Upgrade California marketing, education and outreach, and capitalize on those synergies.

**CCSE Timeline for Finance ME&O Plan & Concurrent Activities**

<b>Activity</b>	<b>Estimated Timing</b>
Contract for work to commence	July 2014
Convene working group to collaborate on plan	July 2014 + ongoing
Solicit and conduct additional research needed	July-September 2014
Develop contractor training and outreach	August-September 2014
Complete first draft ME&O implementation plan	September 1, 2014
Complete final draft ME&O implementation plan and File Tier 1 Advice Letter	October 2014
Lead implementation of ME&O plan	Q4 2014 + all 2015

**i) Sub-Program Specific Training:**

See Section 10.g. above for description of training including engaging FIs, contractors, and other market participants and borrowers.

**j) Sub-Program Software and/or Additional Tools:**

Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan for the Single Family Loan Program for software and tools related to the SFLP Loan.

Additional software or tools may be required if participating FIs need to implement changes to facilitate electronic exchange of data with the Master Servicer. There are existing solutions commercially available. PG&E currently uses a vendor for various exchanges with other partners.

- o Lenders participating must have capability to interface with the Master Servicer to transmit data.
- o The Master Servicer must have capability to interface with PG&E, using a vendor or other viable and cost conscious solutions.

Consumers will have the ability to compare the energy savings from their Energy Efficiency projects to their loan repayments. Existing tools such as MyEnergy could potentially be utilized by customers to facilitate this review.

There will not be any additional audit requirements directly from the financing program for projects that participate in a CPUC-approved program(s). CAEATFA will address audit requirements for projects not participating in a CPUC-approved incentive program during its rulemaking process.

**Table 7: Program Related Audits**

Levels at Which Program Related Audits Are Rebated or Funded	Who Receives the Rebate/Funding (Customer or Contractor)
N/A – Residential programs do not provide rebates for audits	N/A

**k) Sub-Program Quality Assurance Provisions:**

Quality Assurance of all projects participating in the Financing Pilots will be driven by the relevant rebate/incentive program requirements. CAEATFA will address quality assurance requirements for projects not participating in a CPUC-approved incentive program during its rulemaking process. Pursuant to D.13-09-044 (p. 79), the borrower or financial institution is responsible for the QA/QC of non-energy measures.

**Table 8: Quality Assurance Provisions**

QA Requirements	QA Sampling Rate (Indicate Pre/Post Sample)	QA Personnel Certification Requirements
QA requirements are dependent on the associated IOU incentive program, and/or regulations that may be developed by CAEATFA.	Dependent on program / measure.	Dependent on program / measure.

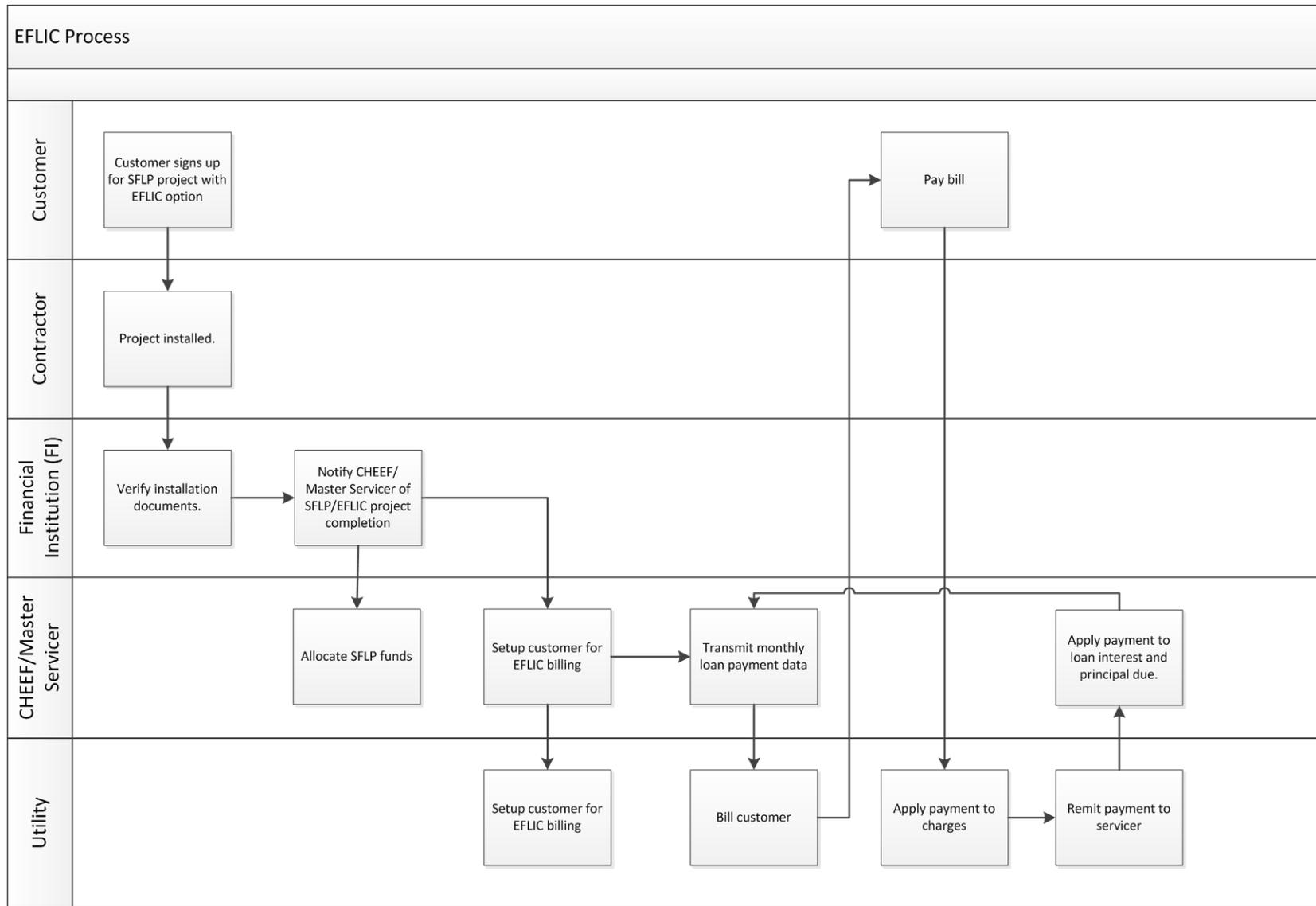
**l) Sub-program Delivery Method and Measure Installation /Marketing or Training:**

The following sequence illustrates how this program will be delivered to customers.

1. Financial institutions participating in SFLP will determine if it will offer customers the EFLIC option.
2. Customer elects EFLIC when signing up for a loan with a SFLP. Customer agreement form is provided to customer by bank with other loan documentation
3. Contractor installs project and notifies lender.
4. Lender verifies project installation.
5. In addition to notifying CHEEF to allocate SFLP funds, Lender informs servicer of customer election to participate in EFLIC.
6. Servicer sets up customer in its systems for EFLIC and transmits enrollment to PG&E
7. Servicer transmits monthly data to PG&E systems
8. PG&E sends customer monthly bill for collection process

**m) Sub-program Process Flow Chart:**

The flowchart below illustrates the process flow for how the loan pilot is expected to operate. Specific details of how the program will operate will vary in actual implementation. Note that the process flow is designed to be as easy as possible from the perspective of the customer, the contractor and the FI. The priority is to develop programs that function with sufficient oversight to be able to assure compliance with Commission decision orders while also keeping the program as simple as possible, in order to stimulate maximum participation.



n) **Cross-cutting Sub-program and Non-IOU Partner Coordination:**

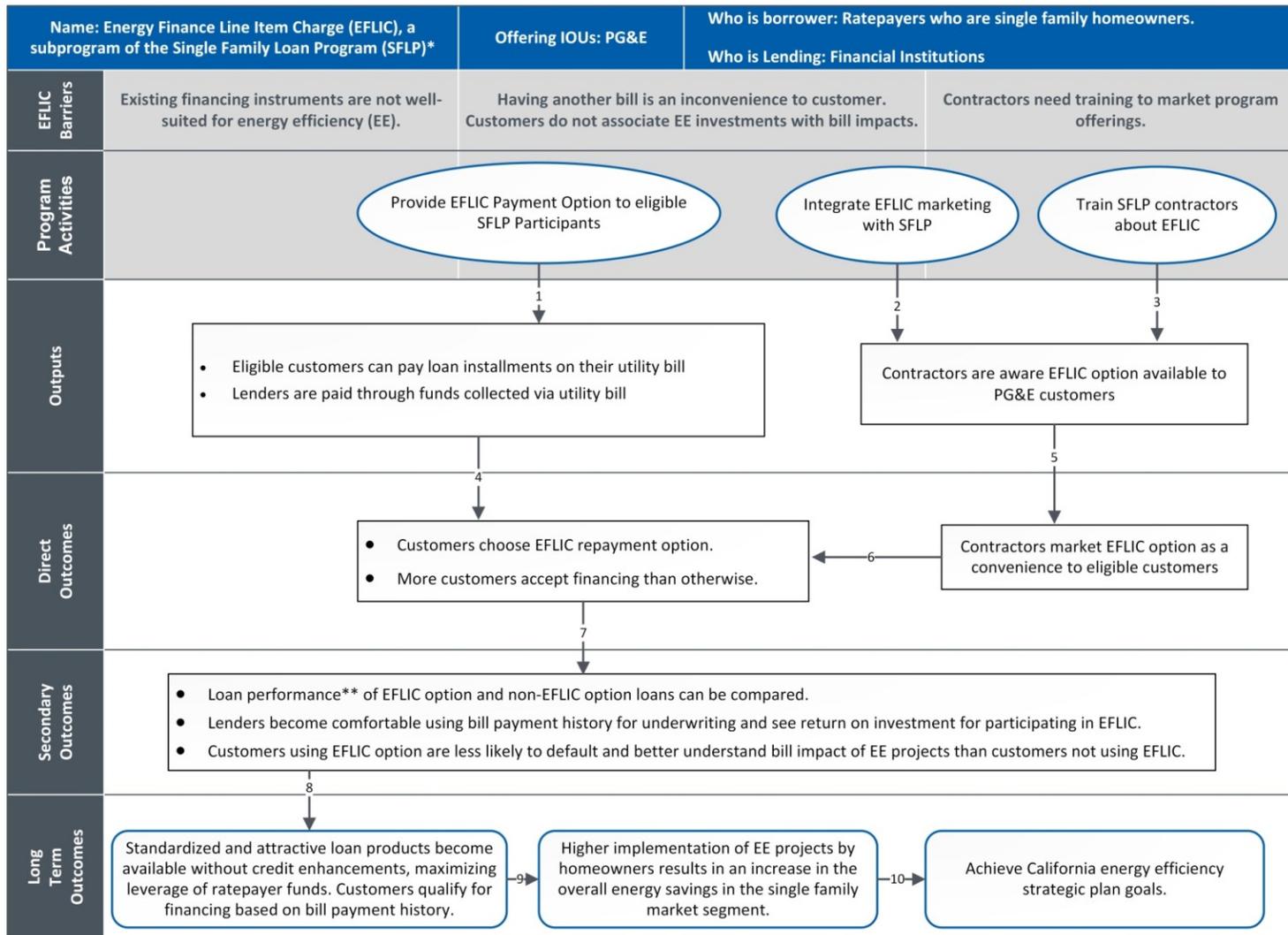
The Single Family Loan Program with EFLIC will coordinate with all residential rebate/incentive programs, as well as the Statewide ME&O Program.

**Table 9: Cross-cutting Sub-program and Non-IOU Partner Coordination**

EFLIC		
Other IOU Sub-program Name	Coordination Mechanism	Expected Frequency
Statewide Residential Programs	Meetings	As needed
<b>Coordination Partners Outside CPUC</b>		
Contractors	Finance Pilot ME&O	Quarterly
CAEATFA	Finance Pilot ME&O	Quarterly
Financial Institutions	Finance Pilot ME&O	Quarterly

Note: "Mechanisms" refers to communication methods (i.e. quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc.) or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc.)

o) Logic Model:



SFLP = Single Family Loan Pilot    EE = Energy Efficiency    \*See separate SFLP logic model.  
 \*\* Collecting EE financing performance data is an important function of the California Hub for Energy Efficiency Financing (CHEEF)

11) Additional Sub-Program Information

a) Advancing Strategic Plan Goals and Objectives:

As underscored by the California Long Term Energy Efficiency Strategic Plan (the “Strategic Plan”), innovative financing is a major EE strategy for California’s single family sector. A key strategy in the Strategic Plan’s Residential and Low Income section is “5. **Financing:** Work with the financial community to develop innovative and affordable financing options for [EE] buildings and retrofits” (p. 2-12), a goal that is directly advanced by this sub-program. Furthermore, this sub-program makes important contributions to the Strategic Plan’s call to:

- Identify “needed tools, instruments, and information necessary to attract greater participation of capital markets in funding efficiency transactions” (p. 2-16),
- “[D]evelop financial products and programs...to encourage demand for energy efficiency building products, home systems and appliances” (strategy #2-4, p. 2-21),
- “Investigate the feasibility of [EE] lending products”(p. 2-21), and
- Use EE financing to meet closely related goals, namely HVAC and lighting efficiency.

**b) Integration**

**i. Integrated/coordinated Demand Side Management:**

- See SFLP

**Table 16: Non-EE Sub-Program Information**

N/A

**ii. Integration across resource types**

See SFLP

**Table 10: Non-EE Sub-Program Information**

Sub-Program Name		
Non-EE Sub-Program	Budget	Rationale and General Approach for Integrating Across Resource Types
N/A		

**c) Leveraging of Resources:**

- See Sub-Program Specific Marketing and Outreach

**d) Knowledge Transfer:**

Best practices will be identified and shared through frequent communication between the statewide IOUs, CAEATFA, and other stakeholders. Additionally, the statewide IOUs and the consultants engaged to help with the financing pilot programs will monitor developments in other EE Financing programs nation-wide and outside of the U.S. PG&E will also work with industry experts on a quarterly basis to ensure that program partners provide feedback concerning best practices and lessons learned.

Commission Decision (D.)13-09-044 also requires CAEATFA, with assistance from the Southern California Gas Company, to submit quarterly reports on the pilot program uptake. These quarterly reports will aid in evaluating the pilots to determine any necessary program or budgetary changes.

Additionally, D.13-09-044 instructed that a mid-point review of the implementation of the EE financing programs would be held in January or February of 2015. The Commission's Energy Division will convene a workshop to review program performance to date. The IOUs and CAEATFA will bring recommendations for the \$9.3 million held in reserve as a basis for discussion at the workshop. Due to delays experienced since the time of the decision, the timing of the mid-point review may be subject to change.

**12) Additional information as required by Commission decision or ruling or as needed:**

Decision 09-09-047, pp. 48 – 49 provides instruction regarding information to be submitted for pilot programs. The following addresses the 10 criteria required for pilot programs.

- a. **A specific statement of the concern, gap, or problem that the pilot seeks to address and the likelihood that the issue can be addressed cost-effectively through utility programs.**

The pilot seeks to test the attractiveness of on-bill repayment and its impact on residential loan performance.

**The areas of concern for the pilot are:**

- *Financial institutions may not participate in large numbers.*

To mitigate this concern, the IOUs reached out to financial institutions at the very early developmental stages of the program to build a program that will be attractive to them.

- *Customers may not use the pilot offering.*

This pilot includes a marketing (refer to section 10.h) and outreach campaign that is integrated with existing rebate/incentive programs and contractor networks.

- *Consumer lending is heavily regulated and poses operating risks.*

This pilot will ensure that operational excellence is assured prior to offering this program more broadly.

- b. **Whether and how the pilot will address a Strategic Plan goal or strategy and market transformation.**

The EFLIC is associated with the SFLP, which significantly addresses numerous Strategic Plan goals and strategies. As detailed above in Section 11 A., EE financing is a

very important pillar of the Strategic Plan's approach, specifically including the Single Family residential sector.

Additionally, the Strategic Plan describes five "policy tools" for Market Transformation, the first of which explains that "*Customer Incentives* including...innovative or discounted financing...are the 'carrots' that help *pull* consumers into choosing the efficient option." (p. 1-5).

**c. Specific goals, objectives and end points for the project.**

The EFLIC seeks to test if:

- There is improved security to financial institutions to the extent that customers pay their utility bill on a regular basis;
- New ways to integrate expanded access to capital to EE financing programs;
- If demand for energy improvements increases, to the extent that aligning loan
- Repayment with energy savings overcomes consumer reluctance to invest in energy improvements.

**d. New and innovative design, partnerships, concepts or measure mixes that have not yet been tested or employed.**

The pilot relies on utilizing the utility bill as a conduit for residential loan repayment for third party loans.

**e. A clear budget and timeframe to complete the project and obtain results within a portfolio cycle - pilot projects should not be continuations of programs from previous portfolios.**

See Table 1

**f. Information on relevant baselines metrics or a plan to develop baseline information against which the project outcomes can be measured.**

The Statewide Research Roadmap specifies the mechanism for which energy and demand savings will be determined for the Finance Pilots. The Commission's Energy Division staff is responsible for impact studies, which may involve research on appropriate baselines. In addition, the IOUs are conducting research to develop various requirements of the Pilots including logic models, Program Performance Metrics and related design parameters.

**g. Program performance metrics.**

**Table 11. EFLIC Program Performance Metrics**

Short-term <u>Program</u> PPMs:	Measurement Approach	Data Source
<b>PPM 1: Lender participation in EFLIC</b> <ul style="list-style-type: none"> <li>• Number of SFLP Lenders</li> <li>• Number of SFLP Lenders who support EFLIC as an option</li> <li>• Number of SFLP Lenders who require EFLIC</li> </ul>	The SFLP’s lender tracking should also flag each lender’s EFLIC status: <ul style="list-style-type: none"> <li>• EFLIC optional</li> <li>• EFLIC required</li> <li>• EFLIC not supported</li> </ul> From this information, the program manager can report on this PPM.	PG&E and CHEEF
<b>PPM 2: Customer participation in EFLIC</b> <ul style="list-style-type: none"> <li>• Number of customers who borrow from lenders who support EFLIC as an option</li> <li>• Number of customers who elect to use the EFLIC payment option</li> </ul>	The EFLIC participant database should include the lender providing the loan. Combining this information with the lender tracking information, the program manager can determine how many customers who were given the choice to use EFLIC decided to use it.	PG&E and CHEEF

**h. Methodologies to test the cost-effectiveness of the project.**

Since the finance pilots have energy and demand objectives, the methods contained in the Standard Practice Manual will be used to determine cost effectiveness. The EM&V studies will provide major inputs for final cost effectiveness calculations.

**i. A proposed EM&V plan.**

The Statewide Research Roadmap specifies the mechanism for which energy and demand savings will be determined for the Finance Pilots. The Research Roadmap is a detailed plan which describes each of the studies being conducted on the financing pilots by each of the IOUs. Included in the plan are allocated budgets, key research questions and information needs of the program managers and other stakeholders. In addition, the IOUs are conducting research to develop various requirements of the Pilots including logic models, Program Performance Metrics and related design parameters.

**j. A concrete strategy to identify and disseminate best practices and lessons learned from the pilot to all California utilities and to transfer those practices to resource programs, as well as a schedule and plan to expand the pilot to utility and hopefully statewide usage.**

See Section 11.d.

**Decision 13-09-044, Fast-Track / OBR PIPs**

- The single credit enhancement pool for each pilot program made available to all Financial Institutions is to draw down from on a first-come-first-served basis (pp. 23 – 24).

This requirement will apply to the Single Family Loan Program Pilot and will be further addressed in CAEATFA's regulations.

- Up to \$10 million from EE funds allocated as necessary costs are documented and invoiced to fund marketing, education, and outreach (ME&O) plans customized for the authorized EE finance pilots, as follows: (1) up to \$8 million to be expended in coordination with the statewide ME&O plans under consideration in Application 12-08-007, et al., and (2) up to \$2 million to the CHEEF to perform non-duplicative ME&O for contractors and financial institutions (Ordering Paragraph 1.vi.).

See Table 1.

- CPUC requires an estimate of bill impacts of the EE project to be financed be presented by the contractor to the customer at the time they are making the commitment to the project to insure an informed decision (p. 81).

See Section 10.d.ii. for the contractor requirements for this pilot program.

- ME&O plans shall include training for all pilot programs, including engaging FIs, contractors, and other market participants and borrowers (p. 84).

See Section 10.h. for the ME&O plan for this pilot program.

- The PIP should establish appropriate program reporting by FIs and marketing steps, particularly with experienced community-based organizations, designed to achieve this goal (p. 33).

See Section 10.h. for marketing steps.

- CAEATFA/SoCalGas reference the data protocols (from the final report) in the pilot PIPs since the data fields could differ by pilot (D.13-09-044, Appendix D).

Pursuant to D.13-09-044, the data protocols subject to the WG report were submitted in a final report and approved by the Commission with an effective date of December 16, 2013. This PIP incorporates by reference the data protocols associated with residential pilots from the current report. The report is available in SoCalGas Advice Letter (AL) 4579, SDG&E AL 2557-E / 2252-G, PG&E AL 3440-G / 4330-E, and SCE AL 29980E. Please also refer to the regulations established by CAEATFA regarding data collection and reporting to implement the WG report. Contractors and FIs should refer to the CHEEF, the selected Master Servicer, and / or the Data Manager regarding any related requirements.

**Decision 13-09-044, EFLIC PIP (Only)**

- The EFLIC differs from non-residential OBR in significant ways. The primary differences are that it does not result in utility disconnection for failure to pay the debt charges, nor does it involve an allocation of partial customer payments between utility energy bills and energy improvement finance charges. The loan obligation does not transfer to subsequent owners or occupants. (p. 35-36).

This is addressed in the EFLIC Rate Schedule.

- Therefore, the Commission finds it reasonable to authorize the EFLIC subpilot program for implementation as an early release pilot by PG&E. Once the Master Servicer is online, the program shall be transferred to CAEATFA and borrowers will have access to CEs through the SFLP. (p. 37)

This is addressed in Section 9a.

- The EFLIC program, in both stages, shall include a component for outreach to low and moderate income homeowners. (p. 38)

This is addressed in Section 10h.

- Transition to CAEATFA, including opening the program to other FIs under similar terms and conditions, and linkage to the SFLP shall be addressed in the 90-day PIP. (p. 38)

This is addressed in Section 9a.

## ATTACHMENT 1

### Program Non-Energy Objectives

For New or Substantially changed programs and sub-programs, provide the following information for Program Non-Energy Objectives and follow the format used for the previous cycle Program Performance Metrics found in Resolution E-4385.

- i. **List the primary SMART<sup>6</sup> non-energy objectives of the program.** These should correspond to key methods identified above to overcome the market barriers, areas of concern or gaps, and to the outputs and short, mid- and long-term non-energy outcomes identified in the logic model requested below.

The SFLP will evaluate its influence on the market actors that support single family loans. This includes examining the number of educated and trained contractors that are participating in the program, in addition to FIs and other market actors. This pilot will also evaluate processing time for receiving a loan (from start to finish) as well as loan values based on EE work. The pilot participation results will offer useful perspectives on the effectiveness of these pilot approaches, best practices, and lessons learned, and expected benefits of expanding the pilot to become a full-scale program.

This pilot introduces a mechanism to test and compare two types of single family financing products: indirect financing and direct loans. Training will be conducted to educate both FI's and contractors on overcoming financing barriers.

- ii. **For each SMART objective, identify the quantitative targets, direction or percent of change that you hope to achieve during the program cycle.<sup>7</sup>**

The IOUs do not establish quantitative targets for this Pilot.

- iii. **For each proposed SMART objective, describe any relevant baseline data on current market conditions that you have assembled or plan to assemble and the sources.**

Each IOU will look at past program participation rates of other similar programs, current market conditions, current economic conditions, available work-paper/studies, baseline data, and customer mix and penetration. Energy Division will be doing the baseline studies.

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<sup>6</sup> A SMART objective is one that is **S**pecific (i.e. quantitative and quantifiable generally, in terms of the results to be achieved), **M**easurable, **A**mbitious, **R**ealistic, and **T**ime-bound.

<sup>7</sup> Please also add any new program objectives and quantitative targets for statewide programs to the portfolio PPM/MTI reporting template.

- iv. **Quantitative program targets (PPMs):** If not already provided above, indicate estimates of the number of measure units, buildings, etc. projected to be treated by the sub-program.

The IOUs will analyze the data collected during the 2013-2015 pilot period to better assess future projections for PPMs (refer to 11.g) as pilots are converted into statewide programs. The IOUs do not project quantitative program targets for this Pilot.

**Attachment 3:**

Energy Finance Line-Item Charge Pilot  
Program Implementation Plan (Redline)

**2013 – 2015 Energy Efficiency Programs  
Statewide Finance Pilot Sub-Program  
Program Implementation Plan**

- 1) Sub-Program Name: Energy Financing Line-Item Charge
- 2) Sub-Program ID number:
  - a. PG&E: PGE 210932
- 3) Type of Sub-Program:  Core  Third Party  Partnership  Pilot
- 4) Market sector or segment that this sub-program is designed to serve:
  - a.  Residential
    - i. Including Low Income?  Yes  No;
    - ii. Including Moderate Income?  Yes  No.
    - iii. Including or specifically Multifamily buildings  Yes  No.
    - iv. Including or specifically Rental units?  Yes  No.
  - b.  Commercial (List applicable NAIC codes: \_\_\_\_\_)
  - c.  Industrial (List applicable NAIC codes: \_\_\_\_\_)
  - d.  Agricultural (List applicable NAIC codes: \_\_\_\_\_)
- 5) Is this sub-program primarily a:
  - a. Non-resource program  Yes  No
  - b. Resource acquisition program  Yes  No
  - c. Market Transformation Program  Yes  No
- 6) Indicate the primary intervention strategies:
  - a. Upstream  Yes  No
  - b. Midstream  Yes  No
  - c. Downstream  Yes  No
  - d. Direct Install  Yes  No.
  - e. Non Resource  Yes  No
- 7) Projected Sub-program Total Resource Cost (TRC) and Program Administrator Cost (PAC)  
TRC \_\_\_\_ PAC \_\_\_\_

TRC and PAC analyses are subject to the development, submission, and final California Public Utilities Commission (CPUC) disposition of the workpaper which will contain the methodology for claiming incremental energy savings for Finance Pilot Programs. A workpaper was submitted by the California Investor Owned Utilities (IOUs) in compliance with CPUC Decision (D.)13-09-044, however the CPUC determined sufficient information was not yet available to estimate the proposed energy savings. The CPUC has thus decided to evaluate the energy savings on an ex post basis. The Pilot's TRC and PAC will be studied during the pilot period and assessed ex post. TRC and PAC analyses are subject to the development, submission, and final California Public Utilities Commission (CPUC) disposition of the work paper submitted pursuant to D.13-09-044. The work paper contains the methodology for claiming incremental energy savings for Finance Pilot

~~Programs. The Pilot's TRG and PAC will be studied during the pilot period and assessed ex post.~~

8) Projected Sub-Program Budget

Table 1. Projected Sub-Program Budget, by Calendar Year<sup>1</sup>

Sub-Program	Program Year			
	2013	2014	2015	Total
Admin/General Overhead (\$)	\$5,000	\$65,000	\$30,000	\$100,000
Direct Implementation (\$)²	\$45,000	\$585,000	\$270,000	\$900,000
Credit Enhancements (\$)	\$0	\$0	\$0	\$0
Marketing & Outreach (\$)³	\$0	\$0	\$0	\$0
Total IOU Budget	\$50,000	\$650,000	\$300,000	\$1,000,000

9) Sub-Program Description, Objectives and Theory

a. Program Description

The Energy Financing Line-Item Charge (EFLIC) is a sub-pilot of the Single Family Loan Program (SFLP) pilot and will be operated only in PG&E service territory. The primary purpose of this sub-pilot is to test the attractiveness of an on-bill repayment option and its impact on loan performance of Residential SFLP loans. The EFLIC pilot will be offered only by PG&E during the 2013 – 2015 program cycle.

The goal of offering EFLIC is to evaluate whether an IOU can offer a mechanism for financial institutions to charge residential customers for energy efficiency loans on their utility bills in a manner that does not expose the IOU to unmanageable consumer lending regulation. EFLIC will test the following:

<sup>1</sup> Pursuant to the Decision, \$1 million was allocated to Pacific Gas & Electric Company (PG&E) to implement the EFLIC. Once the Master Servicer is fully functional, the \$25 million available for credit enhancement funds under the Single Family Loan Program will be available to cover the costs of implementing EFLIC for SFLP customers.

<sup>2</sup> Per the Energy Efficiency Policy Manual version 5.0, "Direct implementation costs are defined as 'costs associated with activities that are a direct interface with the customer or program participant or recipient (e.g., contractor receiving training).'" This may include activities such as: billing analyst support with direct interaction with lenders/servicers; training of lender/servicers to utilize EFLIC functionality; EFLIC specific IT (lender setup, any necessary system updates); IT license fees (e.g. access to GXIS third party interface services); -program management time on planning, design and project management, including— working with multiple stakeholders to design program parameters.

<sup>3</sup> See Section 10h for further information regarding the Marketing & Outreach category, in particular with respect to coordination with Statewide ME&O. Due to the nature of EFLIC linking with SFLP, ME&O EFLIC efforts should be integrated.

- Does EFLIC offer improved security to financial institutions (FIs) to the extent that customers pay their utility bill on a regular basis?
- Does EFLIC provide new ways to integrate expanded access to capital to energy efficiency (EE) financing programs?
- Does EFLIC help drive demand for energy improvements, to the extent that aligning loan repayment with energy savings overcomes consumer reluctance to invest in energy improvements?

EFLIC differs from non-residential On-Bill Repayment (OBR) in a number of key ways. EFLIC does not include a provision for shut-off in the event of non-payment. EFLIC is also not designed to encourage transferability of the loan to subsequent building occupants.

EFLIC will be governed by three main documents. The terms and conditions of EFLIC as described in in this EFLIC PIP, PG&E's gas and electric EFLIC Rate Schedule, and the program regulations enacted by the California Advanced Energy and Alternative Transportation Financing Agency (CAEATFA) acting as the California Hub for Energy Efficiency Finance (CHEEF). The Rate Schedule will focus on customer issues, while the CHEEF regulations will include the specific guidelines for financial institutions.

As an early release pilot, there will be two phases of EFLIC. PG&E proposed working with the California Homebuyer's Fund (CHF) to implement the first phase of the pilot. EFLIC will be transferred to the CHEEF once the Master Servicer is under contract.

**Phase 1 Testing.** In a controlled environment, PG&E will test the functionality of EFLIC to identify and resolve any billing process issues and determine business requirements to be communicated to lenders. This phase will include a small number of participants and will be designed to allow PG&E and the implementation partner to test the process and identify potential issues. The experience gathered from this Phase will allow for the development of more comprehensive business requirements for the full scale pilot, as well as ensure that the underlying information technology (IT) systems functionality is operating appropriately.

**Phase 1 EFLIC offering through CHF.** A key component of EFLIC relies on having a Master Servicer in place through the CHEEF. PG&E plans to operate EFLIC as suggested with a pre-development pilot, working with CHF until the CHEEF and the Master Servicer are in place. PG&E proposed partnering with CHF because of its current role administering the loan loss reserve for PG&E under the American Reinvestment and Recovery Act (ARRA) Continuation Program (ARRA Program). CHF also provides other services to the ARRA Program lenders such as verifying that energy efficiency projects meet utility eligibility requirements. CHF's intermediary role between lenders and the utility

provides a viable avenue for operating Phase 1 of EFLIC and could yield valuable lessons that can be applied to the CHEEF's future management of EFLIC.

**Differences between the CHF and CHEEF EFLIC offering.** The EFLIC offering through CHF is envisioned to mirror the larger offering through the CHEEF, such that all lenders will have access to "similar terms and conditions" as specified by Decision 13-09-044 (p. 37).

There are however, some differences between the CHF and CHEEF EFLIC offerings. First, the CHEEF EFLIC offering must be linked to the Single Family Loan Program (SFLP). Since the SFLP is not anticipated to launch until the first third quarter of 2014, the CHF EFLIC would be suited for using the existing ARRA Program loan loss reserve. PG&E will work with CHF and CAEATFA to ensure that the programs terms and conditions are as similar as possible. Details on the existing ARRA Continuation program can be found in the Pacific Gas and Electric Company 2013-2014 Energy Efficiency Portfolio Statewide Program Implementation Plan PGE2109 – Finance Program, dated April 23, 2013.

**Phase 2 CHEEF EFLIC offering.** The second phase of EFLIC is full implementation by CAEATFA as the acting CHEEF entity and its designated Master Servicer. At this time, the EFLIC will be linked to the SFLP. Financial Institutions wishing to participate in EFLIC must be participants of the SFLP and sign up for the program through the CHEEF.

**Transition of the program from CHF to CHEEF.** As required by Decision 13-09-044, EFLIC must be transferred to CAEATFA (p. 37). ~~In order to execute on this requirement, PG&E will work with all involved parties, CHF, any lender(s) that CHF signs up, and the CHEEF to define and administer the transfer.~~

~~It should be noted that this complex program would involve commercial and contractual relationships. As such, any launch of an early phase to the pilot is sensitive to timing with respect to when agreements can be reached, when and how the program will be transferred, and the willingness of participants, particularly lenders, to invest in administrative costs in negotiating and setting up these pilots.~~

~~Availability of the EFLIC sub-pilot could be limited by availability of the specified implementation funds. The cost to process loans on the customer utility bill is currently unknown and better visibility will be obtained as the sub-pilot progresses. In order to avoid a situation where the funds are exhausted and the sub-pilot exceeds its budget, participation will be tracked and reported quarterly as noted in the Decision (p. 91). As part of its pre-development pilot work with CHF, PG&E will develop knowledge on processes needed to implement EFLIC. This knowledge will be captured in the form of an implementation guide and transferred to the CHEEF. This transfer of knowledge should help in making the CHEEF EFLIC launch smoother and faster by incorporating all the lessons learned from the CHF EFLIC pre-development pilot.~~



Table 2. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year<sup>4</sup>

Sub-program Name	Program Years			Total
	2013	2014	2015	
GWh	N/A	TBD	TBD	TBD
Peak MW	N/A	TBD	TBD	TBD
Therms (millions)	N/A	TBD	TBD	TBD

\* N/A = "not applicable." TBD = "to be determined." Per the CPUC disposition regarding the Financing Program workpaper, energy savings will be determined on an *ex post* basis.\* N/A = "not applicable." TBD = "to be determined." Savings for 2013–2015 will be subject to the disposition of the work paper submitted to the Commission for review.

b) Program Non-Energy Objectives:

- EFLIC will test the convenience of repayment through the utility bill, potentially provide useful data on residential utility bill loan repayment as alternative underwriting criteria, and advance the Commission’s goals of leveraging private capital with ratepayer funds to expand access to EE financing in the Single Family residential sector.
- EFLIC could increase knowledge on business requirements on the compatibility of consumer lending with established utility billing practices.
- Improve customer satisfaction driven by an increase in capital for energy efficiency projects helping customers overcome the "first cost" key barrier.
- Improve the credibility of energy efficiency investments and provide economic benefits to the state via increased loan volume through a financing program supported by both Financial Institutions as well as the IOUs.

c) Cost Effectiveness/Market Need:

Since the finance pilots have energy and demand objectives, the methods contained in the Standard Practice Manual will be used to determine cost effectiveness.

<sup>4</sup> Individual utility specific information to be provided in this table

d) Measure Savings/Work Papers:

Table 3: Work paper Status

See Section 7 above.

#	Work paper Number/Measure Name	Approved	Pending Approval	Submitted but Awaiting Review
1	PGECOALL110	<u>NO</u>		X

~~The IOUs submitted a work paper according to the process directed in D.13-09-044 containing a proposed methodology for claiming energy savings for financing pilot programs. Energy savings and demand impacts will be evaluated during the pilot period and assessed ex post.~~

10) Program Implementation Details

a) Timelines:

Table 4: Sub-Program Milestones and Timeline

Test Phase

Milestone	Dates
Run live test phase	<del>Jan 2014 – June 2014</del> <u>April 2014 – December 2014</u>
<del>End test phase</del>	<del>June 2014</del>

CHF EFLIC Phase

Milestone	Dates
Finalize EFLIC and Customer agreements	<del>Nov 2013 – Jan 2014</del> <u>April 2014 – June 2014</u>
PG&E Internal IT setup and Call Center planning	<del>April 2014 – June 2014</del> <u>Nov 2013 – Jan 2014</u>
<del>Outreach to potential customers, including low/moderate income component</del>	<del>Mar 2014</del> <u>September 2014 – on going</u>
Customer billing	<u>Dependent on when first loan is issued</u> <del>Mar 2014</del>
Launch Call Center Support	<u>August-September 2014</u> <del>Mar 2014</del>
PG&E transfers program to CHEEF	<u>October 2014 – June 2015</u> <del>May 2014</del>

**CHEEF EFLIC Phase**

Milestone	Dates
Finalize EFLIC and Customer agreements	<del>Oct / Nov 2014</del> <del>Jan 2014</del> <del>45</del> <del>June 2014</del> <del>5</del>
PG&E Internal IT setup and Call Center planning	<del>Oct / Nov 2014</del> <del>March 2014</del> <del>45</del> <del>June 2014</del> <del>5</del>
Outreach and recruitment of FIs	On-going
Rulemaking process to revise Single Family Loan Program regulations to incorporate EFLIC	<del>May</del> <del>Oct / Nov</del> <del>June 2015</del> <del>44</del>
Master Servicer becomes operational (IOU IT changes complete)**	<del>July</del> <del>ne 2015</del> <del>4</del> <del>December 2014</del>
<del>Knowledge Transfer of CHF pilot to Master Servicer / CHEEF program. SFLP with EFLIC option launches</del>	<del>Beginning in July 2014</del> <del>October 2014</del> <del>—</del> <del>June 2015</del>
Outreach to potential customers, including low/moderate income component – in conjunction with SFLP ME&O	<del>June/July 2015</del> <del>—</del> <del>o</del> <del>On-going</del> <del>4</del>
Customer billing	<del>June/July 2014</del> <del>Dependent on when first loan is issued</del>
Launch Call Center Support	<del>June/July 2014</del> <del>2015</del> <del>December 2014</del>
<del>Mid-Term CPUC Pilot Review</del>	<del>January / February 2015</del>

\*\* This timeline assumes program development concurrently with IT systems. In the event development activities cannot be done concurrent with IT system development, the schedule would change with first funding occurring in mid-2015.

**b) Geographic Scope:**

EFLIC is a sub-pilot of the SFLP pilot. The SFLP will operate in CEC Climate Zones 1, 2, 3, 4, 5, 11, 12, 13, 16. In general, EFLIC is available in PG&E service territory subject to lender availability.

**Table 5: Geographic Regions Where the Program Will Operate**

Geographic Region	PG&E
CEC Climate Zone 1	X
CEC Climate Zone 2	X
CEC Climate Zone 3	X
CEC Climate Zone 4	X
CEC Climate Zone 5	X
CEC Climate Zone 6	
CEC Climate Zone 7	
CEC Climate Zone 8	
CEC Climate Zone 9	
CEC Climate Zone 10	
CEC Climate Zone 11	X
CEC Climate Zone 12	X
CEC Climate Zone 13	X

CEC Climate Zone 14	
CEC Climate Zone 15	
CEC Climate Zone 16	X

c) Program Administration

The CHEEF will assume program administration when the Master Servicer is in place

As CHEEF, CAEATFA will develop regulations to provide specific details on the credit enhancement structure and other requirements for program participation. CAEATFA will also subcontract with a Trustee bank to facilitate the transfer of credit enhancement funds to Financial Institutions participating in the pilot.

In coordination with CAEATFA, PG&E will train and educate the contractors, and local governments to help promote and explain the pilot offerings to potential customers.

Table 6: Program Administration of Program Components

Program Name	Program Component	Implemented by IOU Staff? (X = Yes)	Implemented by contractors to be selected by competitive bid process	Implemented by contractors <del>NOT selected by competitive bid process (list prime contractor and sub-contractor names (Contractors will need to sign up to be a qualified contractor under a given financing program))</del>	Implemented by other entity [CAEATFA] (X = Yes)
EFLIC	Program <del>Customer Application Process = Making customers aware of program and potentially submitting application materials</del>		X (Master Servicer)	X – <del>Making customers aware of program and potentially submitting application materials to participating financial institutions</del>	CAEATFA
EFLIC	IOU Incentive Program Participant	X			CAEATFA
EFLIC	IOU Incentive Program Non-Participants				
EFLIC	Credit Review			X (participating financial institutions - enrolled through CAEATFA regulations)	
EFLIC	Loan Origination			X (participating financial institutions - enrolled through CAEATFA regulations)	
EFLIC	Loan Payments	X	X (Master Servicer)	X (participating financial institutions - enrolled through CAEATFA regulations)	
EFLIC	Credit Enhancements <sup>5</sup>	n/a	n/a	n/a	n/a

<sup>5</sup> Once the pilot is transferred to the Master Servicer, EFLIC customers will have access to credit enhancements provided through the SFLP. For information on the administration of the SFLP, see the SFLP PIP.

EFLIC	Marketing, Education, & Outreach (ME&O)	X		X (contractors and participating financial institutions - enrolled through CAEATFA regulations, CCSE)	X (CAEATFA to coordinate outreach efforts for contractors and financial institutions)
EFLIC	Evaluation, Measurement, & Verification (EM&V)	X			

ME&O will be done in coordination with the Energy Upgrade California statewide marketing campaign.

**d) Program Eligibility Requirements:**

EFLIC is a sub-pilot of the SFLP pilot program. In order to be eligible for the EFLIC billing option, the loan must be a qualifying loan under the SFLP program. Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan, Section 10.d. (including Tables 7, 8 and 9) for SFLP loan requirements.

**Customer Incremental Requirements:** Although EFLIC is a sub-pilot of the SFLP pilot program, there are incremental requirements due to the on-bill nature of the sub-pilot. Given that EFLIC allows a residential loan customer to repay his/her loan via the utility bill, the person(s) named on the loan obligation must also be the utility account holder(s). In order to participate in EFLIC, customers will be required to execute an agreement with PG&E and submit a copy of the agreement to the FI providing financing for the customer’s project. The EFLIC Rate Schedule, which will be filed by advice letter and approved by the Commission, will provide additional details on customer requirements and interaction.

**Financial Institution Requirements:** Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan for the SFLP. There are requirements to participate in the SFLP. A financial institution participating in SFLP may also elect to participate in EFLIC. Additional eligibility requirements for FIs participating in EFLIC will be included in the EFLIC lender agreement, which will be finalized through CAEATFA’s public process for developing program regulations.

Minimum qualifications for FIs are they: a) possess all required state and federal licenses, b) be in good standing with regulators, and c) have capability of interfacing with the Master Servicer to transmit data required for the EFLIC Pilot and d) be willing to execute an EFLIC agreement that conforms to pilot program requirements, CE protocols, and data collection and sharing requirements.

Given that the EFLIC program is additive to the SFLP program, there are three possible scenarios under which a financial institution participates in the SFLP and EFLIC pilots:

- SFLP only lender
- SFLP + EFLIC lender, with option for a consumer to participate in EFLIC. In this situation, a lender may want to provide an SFLP offering with EFLIC as an added option for a customer taking a loan. This option may be selected to give borrowers flexibility, where EFLIC could be seen as a convenience to the borrower.
- SFLP + EFLIC lender, whereby the loan offering also requires EFLIC. This option may be selected by lenders to simplify administration. By offering a SFLP offering tied to the EFLIC, the lender may potentially avoid administrative and other costs associated with managing two options.

e) **Program Partners:**

a. **Program coordination partners:**

Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan, Section 10.e. (including Table 10) for the Single Family Loan Program for a description of program coordination partners.

f) **Measures and incentive levels:**

Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan, Section 10.f. (including Table 11) for the Single Family Loan Program for a description of eligible measures and incentive levels.

g) **Additional Services:**

The Pilot will include a series of additional services. These additional services, where related to marketing and outreach, will be coordinated with Statewide ME&O.

As an on bill sub-pilot, EFLIC contains unique features that may require incremental education and training beyond the SFLP education and training.

- Consumer education and training: When signing up for the EFLIC option, a customer will sign an EFLIC agreement, giving consent to place a 3<sup>rd</sup> party charge on his/her utility bill. The agreement will provide details on program participation to the customer. Additional educational materials will also be developed as needed.
- Contractor education and training: Contractor education may include assisting contractors in understanding the EFLIC option and how it could benefit customers.
- Lender education and training: Lender education will include assisting lenders in understanding the EFLIC option. The EFLIC option is likely a departure from normal collection practices for most lenders. Any lenders participating in the EFLIC sub-pilot must

receive education and training on how to interface with the Master Servicer, who is the entity that will interface with PG&E.

- Call center support: Call center support will be available for customers that call the utility about loan charges on their bill related to the program.

#### h) Sub-Program Specific Marketing and Outreach:

~~Marketing, education, and outreach efforts for SFLP will incorporate EFLIC. Additionally, specific ME&O efforts will highlight the benefits of the EFLIC program including the ability for customers to repay loans on their utility bills.~~

~~Finance marketing and outreach activities will be coordinated with the Statewide ME&O in order to maximize customer engagement and opportunity.~~

~~Ordering Paragraph 1.a.vi. of D.13-09-044 states the following:~~

~~"Up to \$10 million from EE funds allocated as necessary costs are documented and invoiced to fund marketing, education, and outreach (ME&O) plans customized for the authorized EE finance pilots, as follows: (1) up to \$8 million to be expended in coordination with the statewide ME&O plans under consideration in Application 12-08-007, et al., and (2) up to \$2 million to the CHEEF to perform non-duplicative ME&O for contractors and financial institutions"~~

~~ME&O targets/objectives for this program include:~~

- ~~Consumer~~
  - ~~Target: Customers interested in EE projects or who have high bills~~
  - ~~Objective: Educate and encourage customers to act on EE projects because financing is now available~~
  
  - ~~Target: Low to Mid income customer~~
  - ~~Objective: Educate and encourage customers on the benefits of financing and the long term benefits of EE projects (i.e., home comfort, utility bill savings, home value)~~
- ~~Contractor/Retailer~~
  - ~~Objective: Train, educate, and offer marketing support for contractors on the benefits of financing, the options available and how to integrate the product into sales process~~
- ~~Lender~~
  - ~~Objective: Train, educate, and offer marketing support for financial institutions and lenders on EFLIC and associated customer benefits.~~

- ~~Real Estate Professionals:~~
  - ~~Objective: Train and educate real estate professionals on the Pilot and how it can benefit customers. With respect to pilots with an on bill feature, education should carefully inform stakeholders on the differences between pilots in features such as transferability, shut-off for nonpayment, and bill neutrality~~
  
- ~~Internal Operations (Call center and utility employees support)~~
  - ~~Objective: Provide internal support for general external questions/concerns that arise surrounding the program.~~

~~In order to maximize customer engagement and gain participation we plan to use the following tactics:~~

- ~~High Level Strategy Awareness messaging, through a variety of channels, which drives targets to appropriate utility websites to learn specifics of the program.~~
  - ~~Coordinate with statewide partners to integrate the benefit-oriented financial assistance messaging through appropriate marketing and outreach~~
    - ~~Benefit-oriented financial assistance messaging~~
      - ~~Energy bill discounts (CARE/FERA)~~
      - ~~Energy efficient upgrades (Energy Savings Assistance Program ("ESA"), Middle Income Direct Install Program ("MIDI"), Energy Upgrade California Home Upgrade)~~
      - ~~Ways to Finance (Financing Pilot)~~

#### ~~High Level Tactics~~

- ~~Coordination with CCSE for Energy Upgrade California to ensure coordination with the statewide ME&O effort.~~
- ~~Collaboration with California Department of Community Services and Development to ensure low income customers that are eligible for the Weatherization Assistance Program (WAP) are made aware of the program prior to exploring the financing option. WAP provides additional home improvements at no cost.~~
  
- ~~Mid-Level Strategy Region specific messaging and integration, within appropriate channels, marketing and partners that leverage the financing program to increase target participation.~~
  - ~~Apply IOU customer segmentation to understand the motivations, demographics and psychographics in order to develop and integrate customized messaging/creative~~
  - ~~Create material using customer segmentation to reach out and target low and moderate income customers~~
  - ~~Collaborate with regional retailers to integrate messaging into existing (or new) customer facing marketing~~
  - ~~Coordinate with current appropriate multicultural marketing efforts to incorporate messaging to assist in targeting the hard to reach residential customers~~

- Find opportunities to partner with existing regional solar providers and regional water authority partners to leverage financing messaging and maximize benefits of EE improvements
- Synchronize media and community relations colleagues to integrate, where possible, and find new avenues to “spread the word”
- Review and segment, with intent to act, on current and past customer information which could include, but is not limited to:
  - CARE high usage customers
  - Past ESA Program participants and identify any measures they could benefit from but were not available through the ESA program
  - Past EUC (EUC home upgrade) program decliners
  - High usage customers (non CARE)
  - High bill or bill payment assistance call center contacts
  - Participants in the MIDI pilot program

### Mid Level Tactics

- Direct mail piece targeted towards customer segmentation of those with highest propensity to be in the market for a new appliance and thereby maximize program collaboration between Appliance Recycling, Home Energy Efficiency Rebates and the financing program
- Bill insert targeted towards CARE customers
- Coordination with CCSE for messaging in regards to Energy Upgrade California to ensure coordination with the statewide ME&O effort
- Development of customized marketing piece(s) towards those targeted customers mentioned above:
  - CARE high usage customers
  - Past Energy Savings Assistance Program participants and the measures they might not have received
  - Past EUC (EUC home upgrade) program decliners
  - High usage customers overall
  - Calls to the call center regarding high bills or bill payment help
- Local interaction Strategy — In order to create a personalized discussion, with the customer, about the financing program, capitalize on training and educating in existing partner/outreach relationships and exploring new partnerships as needed.
  - Identify and target appropriate existing CBO's and local governmental partners with education and training related to program eligibility, terms and conditions etc., for SFLP
  - Coordinate SFLP materials with other available financing programs (i.e., Multi-family, Small Business) information to ensure that customers understand the different financing offerings and program requirements. Collaborators will be able to explain the full suite of financing options available to different customers.
  - Select appropriate events in order to convey and educate customers on available options
  - Coordinate, with CAEATFA, the training/education for third party vendors, such as FIs and contractors (both assessment and installation).

- Create opportunities to educate and train existing partners such as regional solar collaborators, the water authority, city and county authorities and retailers on the basics and benefits of the program

#### **Local Customer Interaction Tactics**

- To target the low/mid-income customer, via the ESA Program & Middle Income Direct Install Program, we will collaborate with CAEATFA to train and educate outreach and assessment contractors on the program as well as provide them with materials to educate the customer
- Coordination with CCSE for messaging in regards to Energy Upgrade California to ensure coordination with the statewide ME&O effort
- Leverage relationships with existing EUC home upgrade contractors to develop training and education in order to educate the customer on the benefits of financing a portion of the EE upgrade instead of just refusing to have the work done because of the cost or paying for just half
- Integrate messaging into existing workshops/trainings for contractors
- Leverage retail opportunities such as Home Energy Efficiency Rebate program to integrate messaging into materials;
- Coordinate internal training to educate employees on the financing program
- Collaborate with FI's and CAEATFA to understand the needs to help them "market" the program to potential customers

#### **Timing**

In order to meet the program launch target of end of 1<sup>st</sup> Quarter in 2014, marketing pieces must be developed, coordinated from a statewide level, and ready to give the customer the best experience possible. Marketing will be conducted according to the following schedule if other milestones are met according to the targeted timeline:

—SFLP with Credit Enhancement (CE)

Development and collaboration of messaging, target facing marketing and education/training materials	Dec '13/Jan '14
Coordinate on a strategic approach with SW ME&O through CCSE, the statewide ME&O implementer	Jan./Feb. 14
Development of Financing area within current IOU websites (encompassing the three programs)	End of Jan/Feb
Upon completion of materials, Training and Education provided to partners, contractors, and government partners	Feb
Public Relations and Community relations launch	Late February
Customer Marketing, Education & Outreach Launch	March

In order to accomplish the statewide integrated approach to promoting the finance pilots envisioned by D.13-09-044, the California Center for Sustainable Energy (CCSE) will create one integrated statewide, multi-sector marketing, education and outreach (ME&O) plan. CCSE is also the coordinator of the statewide ME&O effort under the Energy Upgrade California brand. The finance pilot ME&O plan will identify roles, actors including IOUs, and allocate the marketing budget accordingly.

CCSE will oversee the implementation of the plan. Concurrent to its development of the ME&O plan, CCSE will develop the contractor training and outreach. CCSE will perform any other roles the plan assigns it.

Based on the timeline below, CCSE will convene and lead a "go-to-market" working group comprised of CAEATFA and IOUs in order to develop and finalize the plan. The plan will take a market facilitation approach that at a minimum leverages channels of customer service including contractors and lenders, as well as IOU customer data segmentation, and existing ME&O of appropriate IOU programs.

In order to develop the plan, CCSE will draw on existing market research, the experience of program administrators, and as needed lead research that examines barriers to pilot participation and how to overcome them. CCSE may convene sector and pilot specific financing strategic partner advisory groups.

Major elements of the plan are likely to include contractor outreach and training, including development of educational information and tools for contractors and consumers, and ongoing support to contractors and financial institutions through a variety of channels including cooperative marketing campaigns.

As envisioned by the Finance Decision, the plan will integrate financing education and awareness messaging into the existing statewide Energy Upgrade California marketing, education and outreach, and capitalize on those synergies.

CCSE Timeline for Finance ME&O Plan & Concurrent Activities

<u>Activity</u>	<u>Estimated Timing</u>
<u>Contract for work to commence</u>	<u>July 2014</u>
<u>Convene working group to collaborate on plan</u>	<u>July 2014 + ongoing</u>
<u>Solicit and conduct additional research needed</u>	<u>July-September 2014</u>
<u>Develop contractor training and outreach</u>	<u>August-September 2014</u>
<u>Complete first draft ME&amp;O implementation plan</u>	<u>September 1, 2014</u>
<u>Complete final draft ME&amp;O implementation plan and File Tier 1 Advice Letter</u>	<u>October 2014</u>
<u>Lead implementation of ME&amp;O plan</u>	<u>Q4 2014 + all 2015</u>

**i) Sub-Program Specific Training:**

See Section 10.g. above for description of training including engaging FIs, contractors, and other market participants and borrowers.

**j) Sub-Program Software and/or Additional Tools:**

Refer to the 2013 – 2015 Energy Efficiency Programs Statewide Finance Pilot Sub-Program Program Implementation Plan for the Single Family Loan Program for software and tools related to the SFLP Loan.

Additional software or tools may be required if participating FIs need to implement changes to facilitate electronic exchange of data with the Master Servicer. There are existing solutions commercially available. PG&E currently uses a vendor for various exchanges with other partners.

- o Lenders participating must have capability to interface with the Master Servicer to transmit data.
- o The Master Servicer must have capability to interface with PG&E, using a vendor or other viable and cost conscious solutions.

Consumers will have the ability to compare the energy savings from their Energy Efficiency projects to their loan repayments. Existing tools such as MyEnergy could potentially be utilized by customers to facilitate this review.

~~There will not be any additional audit requirements directly from the financing program for projects that participate in a CPUC-approved program(s). CAEATFA will address audit requirements for projects not participating in a CPUC-approved incentive program during its rulemaking process. For instances where projects do not take the rebate / incentive but participates in the financing pilot, the utility will apply any necessary data collection requirements and/or perform the equivalent post installation activities as required by the Commission. These may support the determination of energy savings associated with utility program(s).~~

Table 7: Program Related Audits

<b>Levels at Which Program Related Audits Are Rebated or Funded</b>	<b>Who Receives the Rebate/Funding (Customer or Contractor)</b>
N/A – Residential programs do not provide rebates for audits	N/A

**k) Sub-Program Quality Assurance Provisions:**

~~The Financing Pilots are being offered concurrently with existing EE incentive programs. Therefore,~~ Quality Assurance of all projects participating in the Financing Pilots will be driven by the relevant rebate/incentive program requirements. CAEATFA will address quality assurance requirements for projects not participating in a CPUC-approved incentive program during its rulemaking process. Pursuant to D.13-09-044 (p. 79), the borrower or financial institution is responsible for the QA/QC of non-energy measures.

**Table 8: Quality Assurance Provisions**

<b>QA Requirements</b>	<b>QA Sampling Rate (Indicate Pre/Post Sample)</b>	<b>QA Personnel Certification Requirements</b>
QA requirements are dependent on the associated IOU incentive program, and/or regulations that may be developed by CAEATFA.	Dependent on program / measure.	Dependent on program / measure.

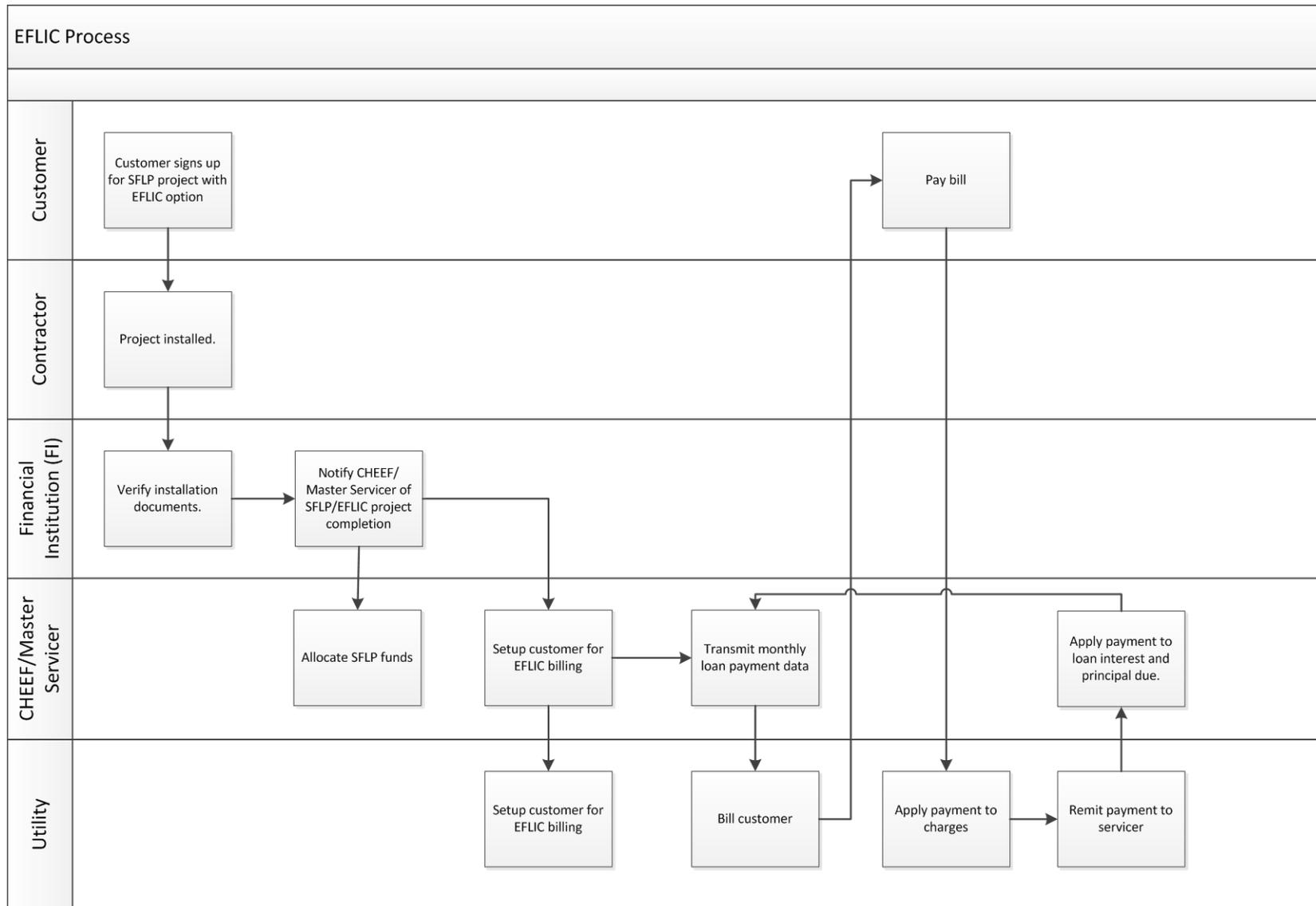
**l) Sub-program Delivery Method and Measure Installation /Marketing or Training:**

The following sequence illustrates how this program will be delivered to customers.

1. Financial institutions participating in SFLP will determine if it will offer customers the EFLIC option.
2. Customer elects EFLIC when signing up for a loan with a SFLP. Customer agreement form is provided to customer by bank with other loan documentation
3. Contractor installs project and notifies lender.
4. Lender verifies project installation.
5. In addition to notifying CHEEF to allocate SFLP funds, Lender informs servicer of customer election to participate in EFLIC.
6. Servicer sets up customer in its systems for EFLIC and transmits enrollment to PG&E
7. Servicer transmits monthly data to PG&E systems
8. PG&E sends customer monthly bill for collection process

**m) Sub-program Process Flow Chart:**

The flowchart below illustrates the process flow for how the loan pilot is expected to operate. Specific details of how the program will operate will vary in actual implementation. Note that the process flow is designed to be as easy as possible from the perspective of the customer, the contractor and the FI. The priority is to develop programs that function with sufficient oversight to be able to assure compliance with Commission decision orders while also keeping the program as simple as possible, in order to stimulate maximum participation.



n) **Cross-cutting Sub-program and Non-IOU Partner Coordination:**

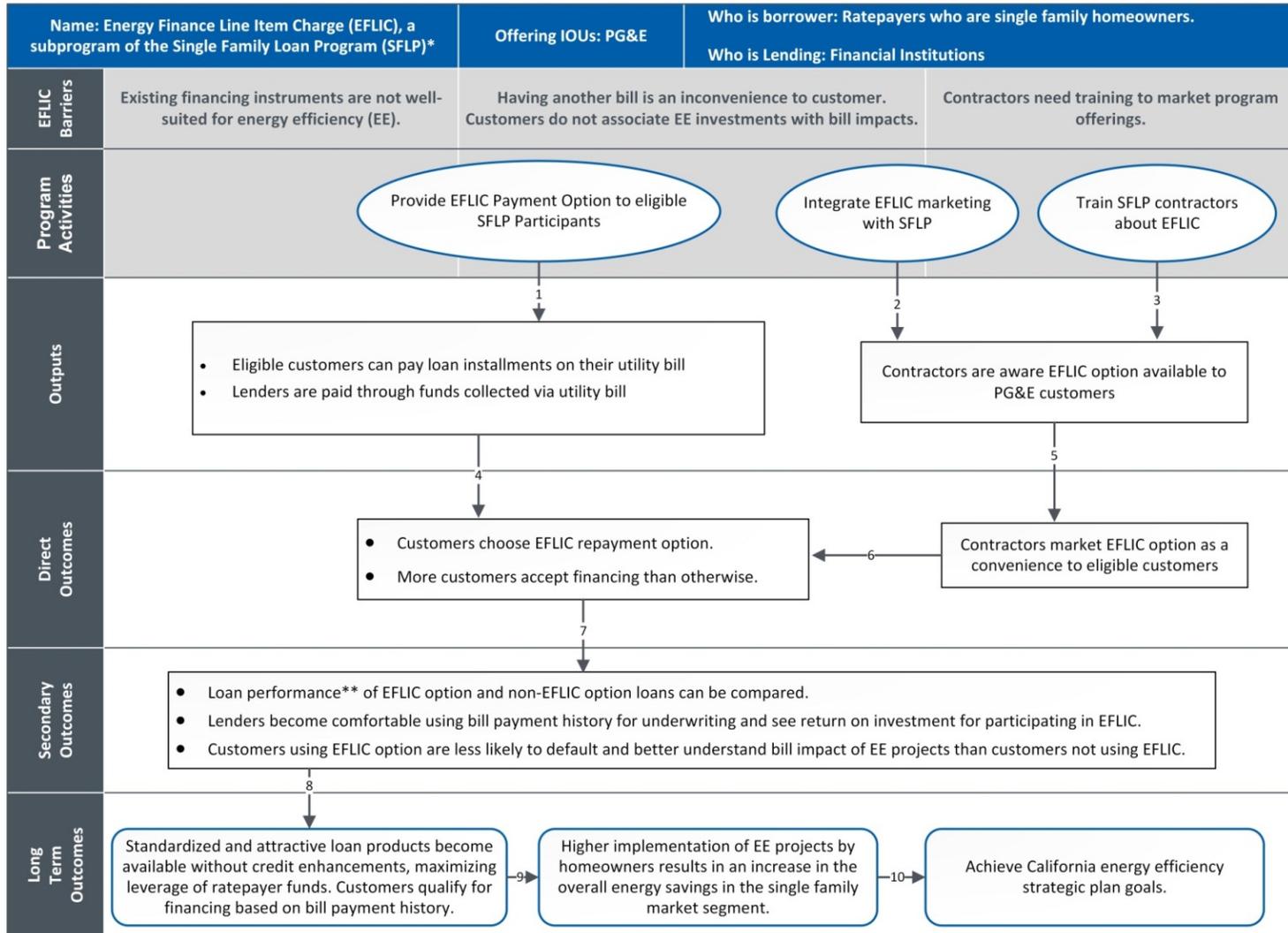
The Single Family Loan Program with EFLIC will coordinate with all residential rebate/incentive programs, as well as the Statewide ME&O Program.

**Table 9: Cross-cutting Sub-program and Non-IOU Partner Coordination**

EFLIC		
Other IOU Sub-program Name	Coordination Mechanism	Expected Frequency
Statewide Residential Programs	Meetings	As needed
<b>Coordination Partners Outside CPUC</b>		
Contractors	Finance Pilot ME&O	Quarterly
CAEATFA	Finance Pilot ME&O	Quarterly
Financial Institutions	Finance Pilot ME&O	Quarterly

Note: "Mechanisms" refers to communication methods (i.e. quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc.) or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc.)

o) Logic Model:



SFLP = Single Family Loan Pilot    EE = Energy Efficiency    \*See separate SFLP logic model.  
 \*\* Collecting EE financing performance data is an important function of the California Hub for Energy Efficiency Financing (CHEEF)

11) Additional Sub-Program Information

a) Advancing Strategic Plan Goals and Objectives:

As underscored by the California Long Term Energy Efficiency Strategic Plan (the “Strategic Plan”), innovative financing is a major EE strategy for California’s single family sector. A key strategy in the Strategic Plan’s Residential and Low Income section is “5. **Financing:** Work with the financial community to develop innovative and affordable financing options for [EE] buildings and retrofits” (p. 2-12), a goal that is directly advanced by this sub-program. Furthermore, this sub-program makes important contributions to the Strategic Plan’s call to:

- Identify “needed tools, instruments, and information necessary to attract greater participation of capital markets in funding efficiency transactions” (p. 2-16),
- “[D]evelop financial products and programs...to encourage demand for energy efficiency building products, home systems and appliances” (strategy #2-4, p. 2-21),
- “Investigate the feasibility of [EE] lending products”(p. 2-21), and
- Use EE financing to meet closely related goals, namely HVAC and lighting efficiency.

**b) Integration**

**i. Integrated/coordinated Demand Side Management:**

- See ~~SFLP Sub-Program Specific Marketing and Outreach~~

Table 16: Non-EE Sub-Program Information

N/A

**ii. Integration across resource types**

[See SFLP](#)

Table 10: Non-EE Sub-Program Information

Sub-Program Name		
Non-EE Sub-Program	Budget	Rationale and General Approach for Integrating Across Resource Types
N/A		

**c) Leveraging of Resources:**

- See Sub-Program Specific Marketing and Outreach

**d) Knowledge Transfer:**

Best practices will be identified and shared through frequent communication between the statewide IOUs, CAEATFA, and other stakeholders. Additionally, the statewide IOUs and the consultants engaged to help with the financing pilot programs will monitor developments in other EE Financing programs nation-wide and outside of the U.S. PG&E will also work with industry experts on a quarterly basis to ensure that program partners provide feedback concerning best practices and lessons learned.

Commission Decision (D.)13-09-044 also requires CAEATFA, with assistance from the Southern California Gas Company, to submit quarterly reports on the pilot program uptake. These quarterly reports will aid in evaluating the pilots to determine any necessary program or budgetary changes.

Additionally, D.13-09-044 instructed that a mid-point review of the implementation of the EE financing programs would be held in January or February of 2015. The Commission's Energy Division will convene a workshop to review program performance to date. The IOUs and CAEATFA will bring recommendations for the \$9.3 million held in reserve as a basis for discussion at the workshop. Due to delays experienced since the time of the decision, the timing of the mid-point review may be subject to change.

**12) Additional information as required by Commission decision or ruling or as needed:**

Decision 09-09-047, pp. 48 – 49 provides instruction regarding information to be submitted for pilot programs. The following addresses the 10 criteria required for pilot programs.

- a. **A specific statement of the concern, gap, or problem that the pilot seeks to address and the likelihood that the issue can be addressed cost-effectively through utility programs.**

The pilot seeks to test the attractiveness of on-bill repayment and its impact on residential loan performance.

**The areas of concern for the pilot are:**

- *Financial institutions may not participate in large numbers.*

To mitigate this concern, the IOUs reached out to financial institutions at the very early developmental stages of the program to build a program that will be attractive to them.

- *Customers may not use the pilot offering.*

This pilot includes a marketing ([refer to section 10.h](#)) and outreach campaign that is integrated with existing rebate/incentive programs and contractor networks.

- *Consumer lending is heavily regulated and poses operating risks.*

This pilot will ensure that operational excellence is assured prior to offering this program more broadly.

- b. **Whether and how the pilot will address a Strategic Plan goal or strategy and market transformation.**

The EFLIC is associated with the SFLP, which significantly addresses numerous Strategic Plan goals and strategies. As detailed above in Section 11 A., EE financing is a

very important pillar of the Strategic Plan's approach, specifically including the Single Family residential sector.

Additionally, the Strategic Plan describes five "policy tools" for Market Transformation, the first of which explains that "*Customer Incentives* including...innovative or discounted financing...are the 'carrots' that help *pull* consumers into choosing the efficient option." (p. 1-5).

**c. Specific goals, objectives and end points for the project.**

The EFLIC seeks to test if:

- There is improved security to financial institutions to the extent that customers pay their utility bill on a regular basis;
- New ways to integrate expanded access to capital to EE financing programs;
- If demand for energy improvements increases, to the extent that aligning loan
- Repayment with energy savings overcomes consumer reluctance to invest in energy improvements.

**d. New and innovative design, partnerships, concepts or measure mixes that have not yet been tested or employed.**

The pilot relies on utilizing the utility bill as a conduit for residential loan repayment for third party loans.

**e. A clear budget and timeframe to complete the project and obtain results within a portfolio cycle - pilot projects should not be continuations of programs from previous portfolios.**

See Table 1

**f. Information on relevant baselines metrics or a plan to develop baseline information against which the project outcomes can be measured.**

The Statewide Research Roadmap specifies the mechanism for which energy and demand savings will be determined for the Finance Pilots. The Commission's Energy Division staff is responsible for impact studies, which may involve research on appropriate baselines. In addition, the IOUs are conducting research to develop various requirements of the Pilots including logic models, Program Performance Metrics and related design parameters.  
~~The Statewide Research Roadmap specifies the mechanism for which energy and demand savings will be determined for the Finance Pilots. In addition, the IOUs are conducting research to develop various requirements of the Pilots including logic models, Program Performance Metrics and related design parameters.~~

g. Program performance metrics.

Table 11. EFLIC Program Performance Metrics

Short-term Program PPMs:	Measurement Approach	Data Source
<b>PPM 1: Lender participation in EFLIC</b> <ul style="list-style-type: none"> <li>• Number of SFLP Lenders</li> <li>• Number of SFLP Lenders who support EFLIC as an option</li> <li>• Number of SFLP Lenders who require EFLIC</li> </ul>	The SFLP’s lender tracking should also flag each lender’s EFLIC status: <ul style="list-style-type: none"> <li>• EFLIC optional</li> <li>• EFLIC required</li> <li>• EFLIC not supported</li> </ul> From this information, the program manager can report on this PPM.	PG&E and CHEEF
<b>PPM 2: Customer participation in EFLIC</b> <ul style="list-style-type: none"> <li>• Number of customers who borrow from lenders who support EFLIC as an option</li> <li>• Number of customers who elect to use the EFLIC payment option</li> </ul>	The EFLIC participant database should include the lender providing the loan. Combining this information with the lender tracking information, the program manager can determine how many customers who were given the choice to use EFLIC decided to use it.	PG&E and CHEEF

h. Methodologies to test the cost-effectiveness of the project.

Since the finance pilots have energy and demand objectives, the methods contained in the Standard Practice Manual will be used to determine cost effectiveness. The EM&V studies will provide major inputs for final cost effectiveness calculations.

i. A proposed EM&V plan.

The Statewide Research Roadmap specifies the mechanism for which energy and demand savings will be determined for the Finance Pilots. The Research Roadmap is a detailed plan which describes each of the studies being conducted on the financing pilots by each of the IOUs. Included in the plan are allocated budgets, key research questions and information needs of the program managers and other stakeholders. In addition, the IOUs are conducting research to develop various requirements of the Pilots including logic models, Program Performance Metrics and related design parameters.

j. A concrete strategy to identify and disseminate best practices and lessons learned from the pilot to all California utilities and to transfer those practices to resource programs, as well as a schedule and plan to expand the pilot to utility and hopefully statewide usage.

See Section 11.d.

**Decision 13-09-044, Fast-Track / OBR PIPs**

- The single credit enhancement pool for each pilot program made available to all Financial Institutions is to draw down from on a first-come-first-served basis (pp. 23 – 24).

This requirement will apply to the Single Family Loan Program Pilot and will be further addressed in CAEATFA's regulations.

- Up to \$10 million from EE funds allocated as necessary costs are documented and invoiced to fund marketing, education, and outreach (ME&O) plans customized for the authorized EE finance pilots, as follows: (1) up to \$8 million to be expended in coordination with the statewide ME&O plans under consideration in Application 12-08-007, et al., and (2) up to \$2 million to the CHEEF to perform non-duplicative ME&O for contractors and financial institutions (Ordering Paragraph 1.vi.).

See Table 1.

- CPUC requires an estimate of bill impacts of the EE project to be financed be presented by the contractor to the customer at the time they are making the commitment to the project to insure an informed decision (p. 81).

See Section 10.d.ii. for the contractor requirements for this pilot program.

- ME&O plans shall include training for all pilot programs, including engaging FIs, contractors, and other market participants and borrowers (p. 84).

See Section 10.h. for the ME&O plan for this pilot program.

- The PIP should establish appropriate program reporting by FIs and marketing steps, particularly with experienced community-based organizations, designed to achieve this goal (p. 33).

See Section 10.h. for marketing steps.

- CAEATFA/SoCalGas reference the data protocols (from the final report) in the pilot PIPs since the data fields could differ by pilot (D.13-09-044, Appendix D).

Pursuant to D.13-09-044, the data protocols subject to the WG report were submitted in a final report and approved by the Commission with an effective date of December 16, 2013. This PIP incorporates by reference the data protocols associated with residential pilots from the current report. The report is available in SoCalGas Advice Letter (AL) 4579, SDG&E AL 2557-E / 2252-G, PG&E AL 3440-G / 4330-E, and SCE AL 29980E. Please also refer to the regulations established by CAEATFA regarding data collection and reporting to implement the WG report. Contractors and FIs should refer to the CHEEF, the selected Master Servicer, and / or the Data Manager regarding any related requirements.~~Pursuant to D.13-09-044, the data protocols subject to the data Working~~

~~Group (WG) report are to be submitted to the Commission. This PIP incorporates by reference the data protocols associated with residential pilots from the current report. The report is available at the following website: CalEEFinance.com. Please also refer to the regulations established by CAEATFA regarding data collection and reporting to implement the WG report. Contractors and FIs should refer to the CHEEF, the selected Master Servicer, and / or the Data Manager regarding any related requirements~~

### Decision 13-09-044, EFLIC PIP (Only)

- The EFLIC differs from non-residential OBR in significant ways. The primary differences are that it does not result in utility disconnection for failure to pay the debt charges, nor does it involve an allocation of partial customer payments between utility energy bills and energy improvement finance charges. The loan obligation does not transfer to subsequent owners or occupants. (p. 35-36).

This is addressed in the EFLIC Rate Schedule.

- Therefore, the Commission finds it reasonable to authorize the EFLIC subpilot program for implementation as an early release pilot by PG&E. Once the Master Servicer is online, the program shall be transferred to CAEATFA and borrowers will have access to CEs through the SFLP. (p. 37)

This is addressed in Section 9a.

- The EFLIC program, in both stages, shall include a component for outreach to low and moderate income homeowners. (p. 38)

This is addressed in Section 10h.

- Transition to CAEATFA, including opening the program to other FIs under similar terms and conditions, and linkage to the SFLP shall be addressed in the 90-day PIP. (p. 38)

This is addressed in Section 9a.

## ATTACHMENT 1

### Program Non-Energy Objectives

For New or Substantially changed programs and sub-programs, provide the following information for Program Non-Energy Objectives and follow the format used for the previous cycle Program Performance Metrics found in Resolution E-4385.

- i. **List the primary SMART<sup>6</sup> non-energy objectives of the program.** These should correspond to key methods identified above to overcome the market barriers, areas of concern or gaps, and to the outputs and short, mid- and long-term non-energy outcomes identified in the logic model requested below.

The SFLP will evaluate its influence on the market actors that support single family loans. This includes examining the number of educated and trained contractors that are participating in the program, in addition to FIs and other market actors. This pilot will also evaluate processing time for receiving a loan (from start to finish) as well as loan values based on EE work. The pilot participation results will offer useful perspectives on the effectiveness of these pilot approaches, best practices, and lessons learned, and expected benefits of expanding the pilot to become a full-scale program.

This pilot introduces a mechanism to test and compare two types of single family financing products: indirect financing and direct loans. Training will be conducted to educate both FI's and contractors on overcoming financing barriers.

- ii. **For each SMART objective, identify the quantitative targets, direction or percent of change that you hope to achieve during the program cycle.<sup>7</sup>**

~~The IOUs do not establish quantitative targets for this Pilot. The IOUs will work to determine the baseline for existing participation within the statewide financing programs. This will allow for the IOUs to measure incremental single family loan participation. The IOU's will analyze the data collected during the 2013-2015 pilot period to better assess future projections for non-energy objectives if the pilots are converted into "mainstream" programs. As such, the IOUs do not establish targets at this time.~~

- iii. **For each proposed SMART objective, describe any relevant baseline data on current market conditions that you have assembled or plan to assemble and the sources.**

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<sup>6</sup> A SMART objective is one that is **S**pecific (i.e. quantitative and quantifiable generally, in terms of the results to be achieved), **M**easurable, **A**mbitious, **R**ealistic, and **T**ime-bound.

<sup>7</sup> Please also add any new program objectives and quantitative targets for statewide programs to the portfolio PPM/MTI reporting template.

~~Each IOU will look at past program participation rates of other similar programs, current market conditions, current economic conditions, available work-paper/studies, baseline data, and customer mix and penetration. Energy Division will be doing the baseline studies. The utilities will develop meaningful baseline and market transformation concepts and metrics for programs that do not currently have them, and then propose to design and administer studies to gather and track consistent, reliable and valid baseline and market effects data.~~

~~Each IOU will look at past program participation rates of other similar programs, current market conditions, current economic conditions, available work-paper/studies, baseline data, and customer mix and penetration.~~

- iv. **Quantitative program targets (PPMs):** If not already provided above, indicate estimates of the number of measure units, buildings, etc. projected to be treated by the sub-program.

~~The IOUs will analyze the data collected during the 2013-2015 pilot period to better assess future projections for PPMs (refer to 11.g) as pilots are converted into statewide programs. The IOUs do not project quantitative program targets for this Pilot. On June 3, 2013, the IOUs filed Advice Letter (AL) 3389-G/4234-E which advised the Commission that the IOUs are working to assess financing utilization in the EE portfolio and developing PPM recommendations. The pilot metrics shown above were designed to meet criteria defined by the CPUC as fulfilling the EE Strategic Plan, portfolio development, and program specific evaluation efforts. The IOUs will analyze the data collected during the 2013-2015 pilot period to better assess future projections for these PPMs as pilots are converted into statewide programs.~~

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Douglass & Liddell	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Downey & Brand	OnGrid Solar
Anderson & Poole	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
BART	G. A. Krause & Assoc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	GenOn Energy, Inc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
California Cotton Ginners & Growers Assn	Green Power Institute	SDG&E and SoCalGas
California Energy Commission	Hanna & Morton	SPURR
California Public Utilities Commission	In House Energy	San Francisco Public Utilities Commission
California State Association of Counties	International Power Technology	Seattle City Light
Calpine	Intestate Gas Services, Inc.	Sempra Utilities
Casner, Steve	K&L Gates LLP	SoCalGas
Cenergy Power	Kelly Group	Southern California Edison Company
Center for Biological Diversity	Linde	Spark Energy
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
City of San Jose	Los Angeles Dept of Water & Power	Sunshine Design
Clean Power	MRW & Associates	Tecogen, Inc.
Coast Economic Consulting	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Commercial Energy	Marin Energy Authority	TransCanada
Cool Earth Solar, Inc.	McKenna Long & Aldridge LLP	Utility Cost Management
County of Tehama - Department of Public Works	McKenzie & Associates	Utility Power Solutions
Crossborder Energy	Modesto Irrigation District	Utility Specialists
Davis Wright Tremaine LLP	Morgan Stanley	Verizon
Day Carter Murphy	NLine Energy, Inc.	Water and Energy Consulting
Defense Energy Support Center	NRG Solar	Wellhead Electric Company
Dept of General Services	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Division of Ratepayer Advocates	North America Power Partners	