

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 12, 2015

Advice Letters 3520-G/4510-E, 3520-G-A/4510-E-A and 3520-G-B/4510-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: California Solar Initiative - Thermal Program Market Facilitation
2015 Plan**

Dear Ms. Allen:

Advice Letters 3520-G/4510-E, 3520-G-A/4510-E-A and 3520-G-B/4510-E-B are effective as of December 3, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division

November 3, 2014

Advice 3520-G-A/4510-E-A
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Supplemental: California Solar Initiative – Thermal Program
Market Facilitation 2015 Plan**

Purpose

In compliance with Decision (D.) 10-01-022, *Decision Establishing the California Solar Initiative Thermal Program to Provide Solar Water Heating Incentives*, Pacific Gas and Electric Company (PG&E) hereby submits this California Solar Initiative Thermal Program Market Facilitation 2015 Plan. This supplement incorporates and revises the October 1, 2014 filing and provides PG&E's complete proposal for its 2015 CSI Thermal Marketing including additional details on the proposed marketing, education and outreach tactics and activities for 2015.

Background

On January 21, 2010, the California Public Utilities Commission (Commission or CPUC) approved D.10-01-022. In Ordering Paragraph (OP) 13.b of this Decision, the Commission directed PG&E and the Program Administrators (PAs), to "separately submit an Advice Letter with proposed California Solar Initiative Thermal market facilitation budgets and activities for each calendar year, which addresses the activities identified in Appendix A, no later than October 1 of the preceding year."

PG&E's local market facilitation plan and budget for 2015 are detailed in Attachment 1 of this supplemental filing.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than November 24, 2014, which is 21 days¹ after the date of this filing. Protests must be submitted to:

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

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

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

The protest 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:

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

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).

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

Effective Date

PG&E requests that this Tier 2 advice filing become effective on regular notice, December 3, 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 Rulemaking (R.) 12-11-005. 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>

/S/

Meredith Allen
Senior Director, Regulatory Relations

Attachment 1 - PG&E Local Market Facilitation Plan

cc: Service List R.12-11-005

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

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: **3520-G-A/4510-E-A**

Tier: 2

Subject of AL: **Supplemental: California Solar Initiative – Thermal Program Market Facilitation 2015 Plan**

Keywords (choose from CPUC listing): Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.10-01-022

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: **December 3, 2014**

No. of tariff sheets: N/A

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

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 days¹ 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., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Meredith Allen

Senior Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

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

Attachment 1:

**California Solar Initiative – Thermal Program
2015 Market Facilitation Plan
Pacific Gas and Electric Company
November 3, 2014
Supplemental Advice Letter 3520-G-A/4510-E-A**

Background:

On January 21, 2010, the California Public Utilities Commission (Commission) approved D.10-01-022, (Decision), establishing the California Solar Initiative Thermal Program (CSI Thermal) to provide Solar Water Heating (SWH) incentives. In Ordering Paragraph (OP) 6 of this Decision, the Commission directed Pacific Gas and Electric Company (PG&E) as well as the other Program Administrators (PAs), by April 1, 2010, to each file a separate advice letter, “that includes: a) a detailed estimate of its program budget for the first year of program implementation, indicating direct and indirect expenses, labor and non-labor, for incentives, administration, market facilitation, and measurement and evaluation; and b) its proposed market facilitation strategic plan and detailed budget for the first two years of program implementation.”

OP 13.b directs the PAs to “Separately submit an Advice Letter with proposed California Solar Initiative Thermal market facilitation budgets and activities for each calendar year, which addresses the activities identified in Appendix A, no later than October 1 of the preceding year”.

In accordance with OP 6, the Statewide Market Facilitation Plan, running from July 1, 2011, to June 30, 2013, was approved by Energy Division effective September 30, 2011. The concurrent Local Market Facilitation Plans for each of the four PAs were also approved by Energy Division effective September 30, 2011.

On September 28, 2012, Energy Division Staff approved the PA’s proposal that given certain time lapses during the planning of the Statewide Campaign, the PAs filed plans to cover the remaining six months of 2013 on April 1, 2013. Annual local market facilitation plans from each PA would henceforth be due on October 1 of the preceding year in accordance with D.10-01-022.

On September 24, 2014, PG&E and CSE filed a joint extension request for submission of the 2015 CSI Thermal Market Facilitation Plans and Budgets. On October 1st, PG&E filed a preliminary local market facilitation plan. The plan herewith in is submitted as a supplement to the previous filing. This supplement incorporates and revises the October 1, 2014 filing and provides PG&E’s complete proposal for its 2015 CSI Thermal Marketing including additional details on the proposed marketing, education and outreach tactics and activities for 2015.

Statewide Market Facilitation Plan

The 2014 statewide campaign was executed in cooperation with all PAs (Center for Sustainable Energy, Pacific Gas & Electric Company, Southern California Edison and Southern California Gas) with Southern California Gas as the lead administrator. On August 21, 2014, the PAs jointly decided to not commit funds toward a collaborative statewide media plan for 2015, and to instead provide each PA an opportunity to concentrate on local marketing efforts. This shift in approach will enable each individual PA the opportunity to leverage the foundation of the statewide campaign, including creative assets. In addition, it will enable the PAs to take a more concentrated and targeted approach to increasing program awareness and encouraging adoption of Solar Water Heating on a local level. The PAs will continue to communicate on a monthly basis in 2015 to discuss updates, share best practices and pursue coordinated activities on an as-needed basis.

Local Market Facilitation Plan

A. Goals and Objectives:

PG&E's 2015 Local Market Facilitation Plan for the CSI Thermal Program will be a continuation of the goals and objectives outlined in the 2014 marketing plan. PG&E will continue to focus on driving adoption of the solar water heating (SWH) technologies and increasing participation in the CSI Thermal Program by

(1) Increasing understanding of SWH and its applicability among the target audience.

(2) Generating engagement as well as educating customers about the benefits of SWH— environmental and financial benefits including the CSI Thermal rebates.

(3) Providing qualified prospects with the opportunity to connect with eligible contractors to facilitate SWH projects.

B. Strategies:

In support of the goals outlined above, PG&E proposes marketing and outreach tactics centered on several strategic objectives:

- Leverage customer data to target the prospects most likely to benefit from solar water heating.
- Develop clear and easy to understand messaging that ties the value proposition of solar water heating with customer drivers and motivators.
- Establish a relationship that facilitates an ongoing conversation with customers and guides them through the customer decision making process.
- Optimize the customer experience by providing relevant information and assisting customers by seamlessly bridging the gap to contractors.
- Support the contractor base through continued education and access to tools and resources.

C. Target Markets:

In 2014, PG&E conducted market analysis to determine the prospects most likely to benefit from solar water heating within each customer class. This data will continue to be used to identify the target audience for the 2015 local CSI Thermal Market Facilitation efforts as outlined below:

The specific customer segments that PG&E will be targeting within each target market are:

- Residential customers
 - Single-family homeowners with
 - Certain customer characteristics of those likely to be interested (e.g. environmentally conscious, etc.)
 - High gas bills during non-winter months
 - Eligible low-income homeowners
- Multifamily
 - Property owners with
 - Central water heating system for multiple units or common area
 - Community swimming pool
- Business customers
 - Commercial, industrial and agricultural customers with
 - Heavy hot water usage and/or potential to benefit from new end uses (heating, cooling, pools)
 - High gas bills

D. Local Tactics and Budget:

Both the 2014 statewide and local marketing campaigns are currently in market, and are being evaluated to determine the most effective and efficient tactics in order to serve as the foundation for 2015 outreach efforts. The plan is to build on the successes and leverage lessons learned from this year's marketing activities, therefore the local tactics will be further refined after completion of the current campaigns to form a more comprehensive and strategic tactical plan for 2015. Similar to 2014, PG&E's overall strategy will be to deploy communications and outreach to the targeted customer segments and utilize a variety of channels for deploying the message with the main objective of driving adoption of solar water heating and participation in the CSI Thermal Program.

Tactics

Research

In 2014, PG&E conducted market analysis to determine the prospects most likely to benefit from solar water heating within each customer class. PG&E would like to further refine this targeting model in 2015. Additionally, PG&E would like to perform creative and messaging research to test the effectiveness of its communications before launching in 2015. This will help confirm the creative and messaging that resonates best with different market segments and

ensures the value proposition for solar water heating is being delivered in an effective and compelling manner that will motivate customers to take further action.

Integrated Marketing

By integrating and bundling key programs and initiatives under a single campaign, PG&E will continue to demonstrate the benefits of PG&E programs and services through a holistic approach to energy management. Including solar water heating messaging not only provides a comprehensive solution that promotes the broad array of programs for customers, it also educates and engages them which ultimately leads to increased participation. This is specifically important for solar water heating as the loading order guides customers to first reduce their overall energy (and water consumption) before pursuing distributed generation in order to maximize the efficiency and cost-effectiveness of their system.

Digital/Paid Media

PG&E plans to utilize online channels for promotion of the CSI Thermal program and leverage the foundational work done by the statewide efforts, by leveraging. Digital marketing has proven to be an effective means of communicating about solar water heating by creating synergies and reinforcing a consistent message to complement other channels such as direct mail and email. Online ads and paid search can serve as a way to engage customers and drive traffic directly to PG&E's revamped solar water heating webpages.

Education/Training

PG&E's solar and renewable classes and workshops across the service territory have continually been a valued and effective vehicle for educating customers and local contractors about solar water heating. Within the current suite of classes available, PG&E has continued to include solar water heating related classes for a variety of audiences and skill/knowledge levels.

Direct to Customer Outreach—Email, Direct Mail and Outbound Calling

PG&E proposes email, direct mail and telephone outreach to customers identified through the targeting analysis. This effort will be a continuation of the 2014 campaign and will reinforce the key benefits of solar water heating while guiding customers down the path to find eligible contractors. PG&E will closely monitor all metrics to look for opportunities to streamline the process and implement optimization recommendations throughout the year. PG&E believe this will be an effective strategy for converting customers to participants of the program.

Industry Partnerships and Trade Shows

PG&E has found strategic alliances and partnerships with key industry organizations to be of value and help to facilitate the shared goals of the program. PG&E proposes continuing and expanding upon the relationships forged during previous years. As we work towards increasing

solar water heating adoption and growing the industry, the need to align with a cross-section of industry stakeholders also increases.

Case Studies

As evident in the research conducted by PG&E with business customers, they are influenced by what other companies in their community or industry are doing in terms of energy management. PG&E would like to leverage this to showcase real examples of solar water heating success stories. As such, PG&E proposes developing business case studies in an effort to highlight the benefits of solar water heating for non-residential customers and promote participation in the program. The case studies will focus on the customer experience and decision making process for solar water heating. The case studies will prominently feature both the economic and environmental benefits of solar water heating while demonstrating the customers' commitment to overall energy management.

Stakeholder Outreach/Education

PG&E proposes to develop a region-specific pilot to leverage its internal sales team as well as relationship with local contractors to coordinate local outreach efforts through workshops, events or in-person interactions. The goal will be to provide educational training and distribute materials that clearly explain the benefits of the program and describe basics of the solar water heating. This will enable these key stakeholders to act as trusted energy advisors for our customers and help them make informed decisions about solar water heating. After evaluating the effectiveness of the local pilot, this effort may be expanded into a broader region within PG&E's service area.

Labor/Fixed Costs/Overhead

In order to continue to provide ongoing support and materials, PG&E requests funding for fixed costs and activities including, but not limited to, reprinting existing and new materials, regular web maintenance and updates, collateral management and fulfillment. This amount also includes the necessary funding for adequate staff to support the marketing and outreach of the CSI Thermal program including PG&E marketing employees as well as support from other internal staff members and management.

Unallocated

As has been requested the past several years, PG&E asks to set aside funds to be able to adapt and execute any new opportunities that may arise during the course of the year. Potential uses for the funds include the supplement of planned outreach needs, sponsorship opportunities or the ability to address unexpected issues or changes. PG&E will assess the feasibility of each opportunity in consultation with Energy Division staff to determine if it aligns with the goals and strategies outlined above and the proper level of funding.

E. Budget

Below is the associated budget needed for execution of the proposed tactics described in detail above. As in 2014, the plan herein is for marketing and outreach for gas-displacing solar water heating systems and requests the use of gas only market facilitation funding. As established by Energy Division guidelines, PG&E requests the discretion to use additional funding to expand outreach and marketing and will seek approval to do so via the established Marketing and Outreach Approval Request Form (MOARF) process. The total 2015 CSI Thermal Market Facilitation budget request is outlined below:

2015 CSI Thermal Local Marketing Plan and Budget		
Tactics	Budget	Customer Segment
Research	\$75,000	All
Integrated Marketing	\$150,000	All
Digital/Paid Media	\$450,000	All
Education/Classes	\$25,000	All
Direct to Customer Outreach		
Email	\$75,000	All
Direct Mail	\$400,000	All
Telephone outreach	\$75,000	Biz/MF
Industry Partnership and Trade Shows	\$25,000	Other
Case Studies	\$25,000	Biz
Stakeholder Outreach/Education	\$150,000	Other
Labor/Fixed Costs/Overhead	\$200,000	NA
Unallocated	\$150,000	NA
Total Marketing Budget	\$1,800,000	

F. Timing:

PG&E CSI Thermal 2015 Tactical Calendar												
Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Research												
Integrated Marketing												
Education/Training												
Digital/Paid Media												
Direct to Customer Outreach												
Industry Partnerships/Trade Shows												
Case Studies												
Stakeholder Outreach/Education												

G. Previous Local Marketing Activities/Budgets:

Information on previous marketing tactics and budgets are available in the CSI Semi-Annual Expense Reports that are required to be filed with the CPUC. The Market tabs within the report detail the marketing activities expenditures.

**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	