November 18, 2015

Erik Jacobson
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
2016 Plan

Dear Mr. Jacobson:

Advice Letter 3639-G/4714-E is effective as of October 31, 2015.

Sincerely,

Edward Randolph
Director, Energy Division
October 1, 2015

Advice 3639-G/4714-E  
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: California Solar Initiative - Thermal Program Market Facilitation 2016 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 and requests approval of this advice filing of its California Solar Initiative (CSI) Thermal Program Market Facilitation 2016 Plan.

Background

On January 21, 2010, the California Public Utilities Commission (Commission or CPUC) approved D.10-01-022, establishing the CSI Thermal Program to provide Solar Water Heating (SWH) incentives. In Ordering Paragraph (OP) 13b 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.”

OP 6 of this Decision also directed PAs to provide the following information in a separate Advice Letter, starting on April 1, 2010: “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.”

The information required in the above directives were consolidated into one plan on September 28, 2012 when Energy Division Staff approved the PAs’ proposal
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.

PG&E’s local market facilitation plan and budget for 2016 are detailed in Attachment 1 of this filing.

The filing would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 21, 2015, which is 20 days 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:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
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 filing become effective on regular notice, October 31, 2015, 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/
Erik Jacobson
Director, Regulatory Relations

Attachment 1 – PG&E Local Market Facilitation Plan

cc: Service List for R.12-11-005
<table>
<thead>
<tr>
<th>Company name/CPUC Utility No.</th>
<th>Pacific Gas and Electric Company (ID U39 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility type:</td>
<td>Contact Person: Kingsley Cheng</td>
</tr>
<tr>
<td>☑ ELC</td>
<td>Phone #: (415) 973-5265</td>
</tr>
<tr>
<td>☑ GAS</td>
<td>E-mail: <a href="mailto:k2c0@pge.com">k2c0@pge.com</a> and <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
</tr>
<tr>
<td>☐ PLC</td>
<td></td>
</tr>
<tr>
<td>☐ HEAT</td>
<td></td>
</tr>
<tr>
<td>☐ WATER</td>
<td></td>
</tr>
</tbody>
</table>

### EXPLANATION OF UTILITY TYPE

ELC = Electric  GAS = Gas
PLC = Pipeline  HEAT = Heat  WATER = Water

Advice Letter (AL) #: **3639-G/4714-E**  Tier: 2
Subject of AL: **California Solar Initiative - Thermal Program Market Facilitation 2016 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: **October 31, 2015**  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 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**California Public Utilities Commission**  
E TDTariffUnit  
505 Van Ness Ave., 4th Flr.  
San Francisco, CA 94102  
E-mail: EDTariffUnit@cpuc.ca.gov

**Pacific Gas and Electric Company**  
Attn: Erik Jacobson  
Director, Regulatory Relations  
e/o Megan Lawson  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177  
E-mail: PGETariffs@pge.com
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. Consistent with D.10-01-022, PG&E requests approval for this proposal for the 2016 local market facilitation plan for CSI Thermal Marketing including goals, objectives, strategies, target markets, tactics, budgets, and timing required for implementation.

Local Market Facilitation Plan
A. 2016 Goals and Objectives:
The PG&E 2016 Local Market Facilitation Plan for the CSI Thermal Program will be a continuation of successful activities conducted in 2014 and 2015. The goal is to continue to build on the success of the previous marketing campaigns by nurturing leads to drive adoption of solar water heating (SWH). PG&E’s objective to increase participation in the CSI Thermal Program will be to guide customers through the front-end part of the purchasing cycle:

1. Interest → Increase understanding of SWH and its applicability to the target audience.
2. Engagement → Encourage customers to learn more through the SWH kit.
3. Action → Funnel leads to the next step in the process of finding a contractor.

B. Strategies:
To achieve the above goals and objectives, PG&E will maintain the following marketing strategies to promote SWH adoption:

- Continue to leverage past customer insights to help identify the target audience most likely to benefit from and pursue SWH.
- Provide rich information about SWH, its key benefits and available resources (via SWH kit) across multiple channels.
- Target the right online platforms to intercept customers where they are engaging in their everyday lives.
- Utilize PG&E’s online tools to create a better customer experience by providing an easy and helpful path to find available contractors based on area and experience.
- Collaborate with industry stakeholders that have a shared interest in driving SWH adoption by addressing customer barriers.

C. Target Markets:
In 2016, PG&E will continue to further refine and optimize the targeting efforts identifying best prospects for SWH by leveraging available customer insights. Additional residential customer
data gathered in 2015 may enhance insights and provide additional targeting specificity. The key customer segments for 2016 are outlined below:

- **Residential customers**
  - Single-family homeowners
    - Certain characteristics likely to be interested (e.g. environmentally conscious, high income, large household, etc.)
    - High gas bills during non-winter months
  - Low-income homeowners
    - Eligible Energy Savings Program (ESA) participants

- **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 and consistent hot water usage
    - High gas bills
    - Swimming pools

### D. Local Tactics and Budget:

The tactics are outlined below based on how PG&E intends to help drive customers along the purchase cycle from education and initial interest to strong consideration and engagement resulting in action. The overall objective of these tactics is to deliver a clear and consistent message across various channels that continues to build on the learnings and successes of the past two years. The comprehensive multi-touch, multi-channel plan has been successful in generating the increased engagement among the target audience to learn more about SWH via PG&E’s website and other resources. The marketing objective is to drive action among prospects, which PG&E measures in terms of leads (SWH kit requests - which indicate a strong consideration) and qualified leads (SWH contractor searches – which indicate a commitment to exploring SWH’s viability). As of the mid-way point in the 2015 campaign, PG&E has exceeded the number of 2014 leads by 10% and is on track to also exceed qualified leads by the end of the campaign. PG&E will continue to monitor how these efforts translate into actual application submissions.

**Interest**

*Digital Media*

PG&E has found that digital media to be a proven way to promote SWH content with customers. In the 2015 campaign, the digital media is generating approximately 50% of the traffic to the SWH webpages on pge.com. PG&E is also leveraging a retargeting strategy which provides the ability to track customers who visited the website but did not take the desired action by
displaying SWH advertisements on other online sites. The retargeting strategy helps direct customers back to the SWH web pages and more effectively increases SWH kit downloads from customers who took an initial interest in the advertisements.

**Print Advertising**
PG&E has identified key industries as primary audiences for the business marketing and outreach campaign. An important complement to these efforts will be a targeted print advertising effort in relevant trade and business publications. PG&E plans to test this channel to see if increased exposure to SWH content results in increased engagement with SWH and in turns generates leads and qualified leads on pge.com.

**Engagement**

*Direct to Customer Outreach—Email, Direct Mail and Telephone Outreach*
To build on the achievements of past efforts, PG&E plans to continue utilizing direct to customer channels such as email, direct mail and telephone outreach targeting customers identified through analysis as having a higher propensity to adopt SWH. The communications will be launched as part of the multi-touch strategy to reinforce the key benefits of SWH and deliver a compelling message to act now. In 2014 and 2015, these efforts were the main driver of both SWH kit requests and contractor searches resulting in 40% of the overall web traffic to the PG&E SWH webpages.

*Newsletters and Content Marketing*
Develop new, compelling content that effectively communicates the value proposition of SWH when prospects are searching for energy information. SWH content (articles, eBooks, infographics) will be promoted via search as well as communication channels and tactics such as social media and the monthly business newsletter.

**Education**

*Classes/Training*
PG&E will continue to offer educational classes and workshops on SWH and other renewables across PG&E’s service territory for both customers and contractors.

*Case Studies and Testimonials*
PG&E plans to expand on its collection of success stories by building another business case study and collecting relevant customer testimonials to encourage similar customers to explore SWH. This is especially important given that SWH is a niche product and customers need to understand the applicability of SWH and its benefits specific to their needs. The content of the testimonials and case studies would be leveraged and included in campaign materials to motivate customers to act by showing how others have benefitted from SWH.
Stakeholder Outreach/Education
PG&E has been working with its internal sales team to leverage their relationships with business customers as has been done successfully for energy efficiency programs. A concerted effort was launched in the Central Valley to conduct outreach to key decision makers within the Food and Beverage Processing industry. The 2015 pilot is currently in-market, and is being evaluated to determine its effectiveness, and assuming success, will serve as the foundation for 2016 and will expand in both scope and area.

Industry and Contractor Support

Partnerships and Trade Shows
PG&E has found strategic partnerships with key organizations and industry events to be of value in helping facilitate solar water heating adoption. PG&E would like to continue to leverage its existing relationships as well as explore the potential to collaborate with new partners with the goal to address market barriers and to increase program participation. PG&E will also maintain a presence at events such as Intersolar and look for new opportunities to engage with relevant stakeholders and prospective customers who may be interested in SWH.

Other

Labor/Fixed Costs/Overhead
PG&E requires funding for fixed costs such as reprinting of existing and new materials, regular web maintenance, collateral management and fulfillment, etc. This funding will also cover labor for adequate staff to support the marketing and outreach of the CSI Thermal program.

E. Budget
Below is the 2016 budget for the marketing facilitation plan detailed above. As established by Energy Division guidelines, PG&E requests the discretion to ask for 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.

<table>
<thead>
<tr>
<th>2016 CSI Thermal Local Marketing Plan and Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tactics</td>
</tr>
<tr>
<td>Digital/Paid Media</td>
</tr>
<tr>
<td>Print Advertising</td>
</tr>
<tr>
<td>Email and Direct Mail</td>
</tr>
<tr>
<td>Telephone Outreach</td>
</tr>
<tr>
<td>Newsletters and Content Marketing</td>
</tr>
<tr>
<td>Classes/Training</td>
</tr>
<tr>
<td>Case Studies and Testimonials</td>
</tr>
<tr>
<td>Stakeholder Outreach/Education</td>
</tr>
<tr>
<td>Partnership and Trade Shows</td>
</tr>
</tbody>
</table>
F. Timing:
The timeline below is approximate and assumes CPUC approval of the plan by the end of 2015. Any delays in approval may cause tactics to be pushed out further in 2016.

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 semi-annually with the CPUC. The Market tabs within the report detail the marketing activity expenditures.
AT&T
Albion Power Company
Alcantar & Kahl LLP
Anderson & Poole
BART
Barkovitch & Yap, Inc.
Bartle Wells Associates
Braun Blaising McLaughlin, P.C.

CPUC
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine
Casner, Steve
Cenergy Power
Center for Biological Diversity
City of Palo Alto
City of San Jose
Clean Power
Coast Economic Consulting
Commercial Energy
Cool Earth Solar, Inc.
County of Tehama - Department of Public Works
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center

Dept of General Services
Division of Ratepayer Advocates

Don Pickett & Associates, Inc.
Douglass & Liddell
Downey & Brand
Ellison Schneider & Harris LLP
G. A. Krause & Assoc.
GenOn Energy Inc.
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
In House Energy
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Leviton Manufacturing Co., Inc.
Linde
Los Angeles County Integrated Waste Management Task Force
Los Angeles Dept of Water & Power
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenna Long & Aldridge LLP
McKenzie & Associates
Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar
Nexant, Inc.
ORA
Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Praxair
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
SCE
SDG&E and SoCalGas
SPURR
San Francisco Water Power and Sewer
Seattle City Light
Sempra Energy (SoCal Gas)
Sempra Utilities
SoCalGas
Southern California Edison Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
Tiger Natural Gas, Inc.
TransCanada
Troutman Sanders LLP
Utility Cost Management
Utility Power Solutions
Utility Specialists
Verizon
Water and Energy Consulting
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
YEP Energy