November 30, 2015

Advice 3654-G/4746-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Request for Approval to Close Third Party Programs

Purpose

Pacific Gas and Electric Company (PG&E) requests approval to close nine Third Party programs and combine four Third Party programs into two, as described below. This Advice Letter is filed in compliance with California Public Utilities Commission (Commission or CPUC) Decision (D.) 09-09-047, which requires the investor-owned utilities (IOUs) to file an Advice Letter in order to close an energy efficiency (EE) program or subprogram.¹

Request for Approval

PG&E evaluates its EE portfolio on an ongoing basis to ensure programs meet the goals and objectives established for the portfolio. The review helps ensure that ratepayer funding is used efficiently and effectively to support the State’s EE goals and objectives. After reviewing the performance of its Third Party subprograms, PG&E determined that nine subprograms should close after the implementers meet existing customer commitments. Customers interested in participating in similar offerings going forward will be referred to other PG&E programs. PG&E has informed the third-party implementers of its intention to close these programs.

Program Closures

PG&E requests approval to close the following Third Party programs effective December 31, 2015, for the reasons summarized below.

Industrial Third Party Program Closures

Industrial Compressed Air Program, PGE21028: The Industrial Compressed Air Program, implemented by Ecova, focuses on industrial facilities with installed

compressed air and/or pumping systems. This comprehensive turnkey program works through a network of equipment vendors and pays incentives for eligible measures including compressor and pump replacement and system optimization. Recent changes to the energy standards, in combination with the Energy Division’s (ED’s) application of those changes to compressed air measure energy savings calculations\(^2\), resulted in an insufficient number of measures that this program is able to offer. As a result, it has only achieved 8 percent of its kWh goal this year and 11 percent of its kW goal.

### Agricultural Third Party Program Closures

**Dairy Energy Efficiency Program, PGE21035:** The Dairy Energy Efficiency Program, implemented by EnSave Inc., promotes installation of energy efficient measures to small and medium sized dairy customers, and offers cash rebates for lighting, ventilation and milk processing related measures. This program only incentivizes deemed measures, of which almost half of the dairy specific measures are now industry standard practice. In reviewing the current program options available to dairy customers, PG&E determined that the market does not need multiple programs, but rather a comprehensive offering that includes both deemed and calculated measure options available to all customer sizes. Consolidating program offerings will capture administrative efficiencies and reduce market confusion and competition.

**Light Exchange Program, PGE21037:** The Light Exchange Program, implemented by Richard Heath and Associates (RHA), works to identify qualifying rural customers in agricultural communities to provide a no-cost replacement of interior and exterior lighting, heating, ventilation and air conditioning (HVAC), and faucet aerators. PG&E identified this program as not being cost-effective in 2014. In late 2014 and early 2015, PG&E worked with the implementer to identify and add new measures to broaden offerings to underserved agricultural customers and implement a more cost-effective program. However, the program continued to see a lack of market uptake.

### IDEEA365 Subprogram Closures

PG&E fully supports the Innovative Designs for Energy Efficiency Approaches (IDEEA365) Program, as it serves as an avenue to incorporate new ideas, advanced technologies, and innovative approaches into our portfolio. Of the 14 active 2013-14 IDEEA365 subprograms, PG&E is requesting approval to close six in this AL due to low performance. In addition to the eight continuing IDEEA365 programs, PG&E currently has two open IDEEA365 solicitations to seek out additional innovative residential, agricultural, industrial, and commercial offerings for our customers.

PG&E requests closure of the following six IDEEA365 programs, effective December 31, 2015.

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\(^2\) The ED released the *2014 Statewide Air Compressor Program Guidelines* document on October 27, 2014 that describes the baseline calculation process for various project types within the programs incentivizing air compressor measures.
Bridges to Energy Sector Opportunities, PGE210134: Bridges to Energy Sector Opportunities (BESO), implemented by ICF, is a non-resource workforce development program to educate and train contractors on financing and sales approaches for small- and medium-sized businesses. This Commercial IDEA365 program is being closed. However, Workforce, Education, and Training (WE&T) is currently developing a strategy to more comprehensively support workforce inclusion in the future alongside other existing efforts. As part of that effort, WE&T will revisit this program model, and components thereof, to evaluate its potential as part of the portfolio in 2017 and beyond.

Laboratory Fume Hoods, PGE210136: The Laboratory Fume Hoods Program, implemented by McKinstry, installs automated controls for laboratory fume hoods. The program attempted to commercialize and create market adoption of innovative technologies in universities and companies that have chemical fume hoods that run 24x7. The implementer requested the closure of this program due to a lack of uptake in the market. The focus on fume hoods proved too narrow, and the project paybacks were too long, for the predominantly educational and biopharmaceutical customers in this program. Since beginning in 2014, only one project has been submitted for review, representing an expected 25% of the original kWh goal, and 28% of the therm goal. McKinstry and PG&E have mutually agreed to close the program.

Dynamic Gas Scavenging System, PGE210140: The Dynamic Gas Scavenging System program, implemented by Mazzetti, delivers energy savings and demand reduction through the installation of an interface for anesthesia machines in operating rooms. This program was launched in February 2014; however, it has not gained any market traction, completed any projects, or claimed any energy savings to date.

Commercial Mid-Market Program, PGE210141: The Commercial Mid-Market Program, implemented by Lincus, is focused primarily on commercial mid-market customers with peak demand between 200 kW and 500 kW. The program was launched in February 2014 to promote the use of controls and building automation systems (BAS) with fault detection and notification capability for the midsize, commercial market. However, there has been minimal uptake with BAS implementation and the program has failed to deliver on contract savings goals. The program has delivered to date 22 percent of its kW goal and 30 percent of its kWh goal, with an overall program TRC of 0.02. The target date for completion of all current projects under this program is March 31, 2016.

Intelligent Energy Efficiency, PGE210142: The Intelligent Energy Efficiency Program, implemented by Ameresco, installs monitoring equipment and sets up dashboard analysis for processing systems in industrial facilities followed by EE project implementation. In almost two years, the program has not installed nor committed any projects for PG&E’s customers. Ameresco’s current management expressed no interest in continuing the program and agrees to contract termination.

Low Pressure Irrigation Direct Install, PGE210133: The Low-Pressure Irrigation Efficiency Program, implemented by Staples, provides incentives to small- and medium-
sized growers for irrigation system improvements that reduces system operating pressure. A number of measures sunset at the end of 2014 because they were determined to be Industry Standard Practice (ISP) for certain crops, which impacted the ability of this program to effectively deliver via its direct install channel. PG&E and the implementer attempted to further develop the custom offering for the program, but the delivery channel proved not to be cost-effective. The program’s TRC is 0.42, and it has only achieved 20 percent of its kWh goal and 27 percent of its kW goal.

**Combined Programs**

In order to capture administrative and operational efficiencies, the following subprograms will be combined into a single program, effective January 1, 2016:

<table>
<thead>
<tr>
<th>Current Program ID</th>
<th>Current Program Name (closed effective 12/31/2015)</th>
<th>New Program ID</th>
<th>Combined Program Name (Effective January 1, 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGE21038</td>
<td>Wine Industry Efficiency Solutions</td>
<td>PGE210312</td>
<td>Dairy and Winery Industry Efficiency Solutions</td>
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<tr>
<td>PGE210310</td>
<td>Dairy Industry Resource Advantage</td>
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<tr>
<td>PGE210111</td>
<td>Lodging Savers</td>
<td>PGE210143</td>
<td>Hospitality Program</td>
</tr>
<tr>
<td>PGE210122</td>
<td>Casino Green</td>
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</table>

**Dairy Industry Resource Advantage Program** and **Wine Industry Efficiency Solutions**: The Dairy Industry Resource Advantage (DIRA) and Wine Industry Efficiency Solutions (WIES) programs are both implemented by CLEAResult. These programs provide a comprehensive approach to assisting dairy and winery customers by identifying and evaluating the energy saving opportunities, and facilitating customer action. In an effort to capture administrative and operational efficiencies, PG&E and the implementer have determined the best path forward for these programs is to combine them into one offering for both dairy and wine customers. By combining these programs, PG&E will maintain a single contract with our implementer, and the implementer will create and maintain one invoice and project pipeline instead of two. External customer communications will continue to address the individual dairy and winery markets separately, so the streamlining of these two programs should result in a seamless transition for our customers. Additionally, the combined program will add new NAICS codes to incorporate breweries into the program offering. Beginning in 2016, the combined program will be reported under the Agricultural Third Party Programs as Dairy and Winery Industry Efficiency Solutions, PGE210312.

**Casino Green, PGE210122 and LodgingSavers, PGE210111**: The Casino Green Program, implemented by Ecology Action and Nexant, provides EE retrofits to Native American-owned casinos and other non-residential related facilities. LodgingSavers, implemented by Ecology Action, offers a comprehensive list of EE measures and services specifically designed to meet the complex needs of the hospitality market. The
LodgingSavers program offers customers with less than 400 guestrooms turnkey Direct Install services and targeted incentive rates designed to make implementation hassle-free. Customers with a need for customized services and those with more than 400 guest rooms are eligible to receive no cost engineering services. These two successful programs will be combined into a single program focused on the hospitality industry to better serve the industry overall and drive comprehensive upgrades for these customers. Additionally, the combined program will add new NAICS codes to incorporate restaurants into the program offering in order to serve additional hospitality subsegments. Individual program TRCs are currently 2.32 for Lodging Savers and 3.68 for Casino Green. PG&E anticipates that the combined hospitality offering will continue to be a cost-effective program. Beginning in 2016, the combined program will be reported under the Commercial Third Party Programs as Hospitality Program, PGE210143.

PG&E requests approval for the program modifications described above effective December 31, 2015. Upon approval of this Advice Letter, PG&E will proceed to close the Third Party programs once the current projects are completed, anticipated to be no later than March 31, 2016.

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 December 21, 2015, which is 20 days\(^3\) 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:

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\(^3\) The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.
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 be approved with an effective date of December 31, 2015.

**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 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/.

/S/
Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Service List R.13-11-005
**Company name/CPUC Utility No.** Pacific Gas and Electric Company (ID U39 M)

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Kingsley Cheng</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ ELC</td>
<td>Phone #: (415) 973-5265</td>
</tr>
<tr>
<td>✓ GAS</td>
<td>E-mail: <a href="mailto:k2e0@pge.com">k2e0@pge.com</a> and <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
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<tr>
<td>□ PLC</td>
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<td>□ HEAT</td>
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<td>□ WATER</td>
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</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

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

Advice Letter (AL) #: **3654-G/4746-E**  
Subject of AL: **Request for Approval to Close Third Party Programs**

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

AL filing type: [ ] Monthly [ ] Quarterly [ ] Annual [ ] One-Time [ ] Other [ ]

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.09-09-047**

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 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 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: 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

¹ The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.
AT&T
Albion Power Company
Alcantar & Kahl LLP
Anderson & Poole
Atlas ReFuel
BART
Barkovich & Yap, Inc.
Bartle Wells Associates
Braun Blaising McLaughlin & Smith, P.C.
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, MacBridge, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
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