

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 dark ink that reads "Edward Randolph".

Edward Randolph
Director, Energy Division

October 1, 2014

Advice 3520-G/4510-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 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 advice filing of the California Solar Initiative Thermal Program Market Facilitation 2015 Plan.

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 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 October 21, 2014, 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:

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).

Effective Date

PG&E requests that this Tier 2 advice filing become effective on regular notice, October 31, 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>



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

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

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

Tier: 2

Subject of AL: **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: **October 31, 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 20 days 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

Attachment 1

California Solar Initiative – Thermal Program Local Market Facilitation Plan Pacific Gas and Electric Company October 1, 2014 Advice Letter 3520-G/4510-E

Local Market Facilitation Plan

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.

The 2014 statewide campaign was executed in cooperation with all Program Administrators 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.

As in 2014, PG&E's local market facilitation plan will focus solely on gas displacing solar water heating systems and utilize only the gas program budget given the electric displacing incentives are currently depleted.

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. The plan herewith in is submitted as a preliminary plan until additional details are developed consistent with input from Energy Division Staff.

B. 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.

C. 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 digestible 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.

D. 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 best targets 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
 - o Single-family homeowners
 - Customer characteristics
 - High gas bills during non-winter months
 - o Eligible low-income homeowners
- Multifamily
 - o Property owners
 - Central water heating system for multiple units or common area
 - Community swimming pool
- Business customers
 - o Commercial, industrial and agricultural customers
 - Heavy hot water usage and/or potential to benefit from new end uses.
 - High gas bills

E. Local Tactics and Budget:

Both the 2014 statewide and local marketing campaigns are currently in full swing, and will serve as the foundation for determining the most effective and efficient tactics for 2015 efforts. In order to build on the successes and leverage the lessons learned from this year's marketing activities, the local tactics will be refined and further detailed at the end of the current campaigns to form a more comprehensive and strategic tactical plan for 2015. As in 2014, PG&E's strategy will be to deploy communications and outreach across the various customer segments within the target audience and utilize various channels for deploying the message with the main objective of driving adoption of solar water heating and participation in the CSI Thermal Program. Below is a summary of proposed tactics and the associated budget needed for execution.

2015 CSI Thermal Local Marketing Plan and Budget		
Tactics	Budget	Customer Segment
Research	\$75,000	All
Integrated Marketing	\$150,000	All
Paid Media/Digital	\$450,000	All
Education/Classes	\$25,000	All
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/Partnerships	\$150,000	Other
Labor/Fixed Costs/Overhead	\$200,000	NA
Unallocated	\$150,000	NA
Total Marketing Budget	\$1,800,000	

**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	