

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison
Company (U338E) for Approval of Energy
Efficiency Rolling Portfolio Business Plan.

Application 17-01-013
(Filed January 17, 2017)

And Related Matters.

Application 17-01-014
Application 17-01-015
Application 17-01-016
Application 17-01-017

**SUPPLEMENTAL BUDGET RESPONSE
OF PACIFIC GAS AND ELECTRIC COMPANY (U 39-M)
TO ATTACHMENT A OF THE SCOPING MEMO AND RULING
OF ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGES**

MARY A. GANDESBERY
EVELYN C. LEE

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-2786
Facsimile: (415) 973-5520
E-Mail: ECL8@pge.com

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Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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I. INTRODUCTION

Pursuant to the Email Ruling Granting Motion for Extension of Time issued on May 15, 2017 by Administrative Law Judge (ALJ) Valerie Kao, Pacific Gas and Electric Company (PG&E) provides its response (Response) to Question I.C.9 in Attachment A to the Scoping Memo and Ruling of the Assigned Commissioner and ALJs (Scoping Memo).

Question I.C.9 states:

Using a common budget template developed in consultation with interested stakeholders (hopefully agreed upon at a “meet and confer” session), display how much of each year’s budget each PA anticipates spending “in-house” (e.g., for administration, non-outsourced direct implementation, other non-incentive costs, marketing), by sector and by cross-cutting program.

PG&E respectfully notes that the requirement that each program administrator (PA) itemize its in-house administrative program expenditures shifts away from the Commission’s determination that business plans should explain “at a high level” how PAs will achieve energy efficiency (EE) goals and more fully develop budgets in annual advice letters.^{1/} PAs have ten

1/ D.15-10-028, Section 3.2.2.2. Program Administrator Business Plan Applications, p.55-56.

years of authorized funding at 2015 levels, until another decision supersedes D.14-10-046. EE budgets are already subject to a 10% cap on administrative expenses.^{2/} The Scoping Memo did not provide further guidance regarding the PAs' administrative budgets or the scope of budget review in this proceeding.

Several meetings were held by the parties who had proposed business plans to discuss a draft budget template and narrative outline.^{3/} Consensus was achieved on the final format for presenting PA budget information on about May 18, 2017. PG&E has used the consensus template for this filing.

Under the Rolling Portfolio decisions,^{4/} PA administrative organizations will evolve as the utilities continue to engage in statewide programs and third party programs expand to a minimum 60% of budgeted activities. The limited integration of energy efficiency and demand response portfolios will also be considered in this proceeding.^{5/} The range of potential outcomes from these developments is quite broad and will present many contingencies for PG&E's administrative costs during the out years of the Rolling Portfolio. Following the guidance provided in D.15-10-028, PG&E will propose detailed budgets for cost recovery, transfer, and

See, Energy Efficiency Policy Manual, Version 5, July 2013. Appendix F: "Cost Categories and Related Cap and Targets" presents a table with the Commission's established caps and targets, including "Utility Program Administrative Costs – 10%," and cites D.09-09-047, Ordering Paragraph (OP) 13a and p. 62.

2/ *See, Energy Efficiency Policy Manual, Version 5, July 2013. Appendix F: "Cost Categories and Related Cap and Targets" presents a table with the Commission's established caps and targets, including "Utility Program Administrative Costs – 10%," and cites D.09-09-047, Ordering Paragraph (OP) 13a and p. 62.*

3/ *Participants in the Meet and Confer process include the Business Plan Proponents -- (list), The Utility Reform Network (TURN), and Office of Ratepayer Advocates (ORA). Conference calls were held on April 21, 2017, April 27, 2017, May 4, 2017, May 11, 2017, and May 12, 2017. The Business Plan Proponents agreed to respond to a common set of questions propounded by TURN and ORA, and recommended a template format for presenting PA administrative budget information.*

4/ *D.14-10-046, D.15-10-028, and D.16-08-019.*

5/ *"Administrative Law Judge's Ruling Modifying Schedule," June 9, 2017 (Schedule Ruling), ruling paragraph 3, states, "Workshops will be held... on an informal staff proposal for limited integration of energy efficiency and demand response portfolios on June 26, 2017."*

contracting purposes through each annual advice letter. To ensure that any new budget structure does not inadvertently constrain the delivery of EE during this transition period, PG&E recommends that the Commission consider the following principles:

1. Any administrative budget structure adopted in this proceeding should be flexible enough to enable PAs to perform their current roles and responsibilities and be directional in nature until the Rolling Portfolio EE market structure has reached a steady state. Budget allocation for administrative functions should be flexible to accommodate process improvements as well.

2. The PAs should retain flexibility to manage their EE programs and costs to achieve maximum efficiencies. PAs should be able to adjust in-house EE organizational structure, including staffing level and budgets, without prior Commission or Commission staff approval so long as changes are documented so that this information can inform future review of administrative budgets.

3. There should be a level playing field for all PAs. All PAs should be required to provide the same level of budget transparency and be subject to the same portfolio evaluation standard, e.g., cost-effectiveness.. The same budget template should be used to describe the administrative costs of all EE PAs.

PG&E provides its response to Question I.C.9 using the consensus template.

II. PG&E’S RESPONSE TO QUESTION I.C.9.

I. DESCRIPTION OF IN-HOUSE EE ORGANIZATIONAL STRUCTURE & ASSOCIATED COSTS

A. Narrative description of in-house departments/organizations supporting the PA’s EE portfolio

1. Functions conducted by each department/organization

PG&E’s “Narrative Description – Functions Conducted by Each Department / Organization” is provided in Appendix I.A. 1.

2. Management structure and org chart

An organizational chart depicting the management structure of PG&E’s Energy

Efficiency Department is provided in Appendix I.A.2

3. Staffing needs by department/organization, including current and forecast for 2018, as well as a description of what changes are expected in the near term (2019-2020) or whether it's impossible to predict beyond 2018, if that's the PA's position.

PG&E's staffing for 2016 and its 2018 forecast are provided in the "Portfolio Headcount (FTE)" table in Appendix I.C. PG&E cannot provide a description of what changes are expected in the near term (2019-2020). PG&E cannot meaningfully predict its EE staffing needs by department or organization beyond 2018 because they are contingent upon many factors that can be determined only after PG&E's 2018-2025 Rolling Portfolio Business Plan has been approved, and many elements of the Business Plan have been implemented (e.g., third party and statewide program models). Additionally, the "Administrative Law Judge's Ruling Modifying Schedule" issued on June 9, 2017 (Schedule Ruling) suggests that PG&E's EE and demand response portfolios may be subject to limited integration.^{6/} This poses an additional challenge to the identification of EE staffing needs beyond 2018.

PG&E expects the transition to a portfolio in which at least 60 percent of EE program budget is allocated to third party implementers by 2020 will involve significant staffing resources. The number of personnel involved in the solicitation process, contract management, and evaluation, measurement, and verification (EM&V), to name a few tasks, will vary depending on the scope and outcome of each third party solicitation. Because of these multiple uncertainties, PG&E cannot provide any meaningful estimate of its EE staffing needs by department /organization beyond 2018. PG&E should have more accurate estimates in the future, based on the Commission's approval of its Business Plan and PG&E's actual experience with the results of the third party implementer process.

6/ Scoping Ruling, Ruling Paragraph 3, "Workshops will be held on solicitation issues on June 16, 2017, and on an informal staff proposal for limited integration of energy efficiency and demand response portfolios on June 26, 2017."

4. Non-program functions currently performed by contractors (e.g. advisory consultants), as well as a description of what changes are expected in the near term (2019-2020) or why it's impossible to predict beyond 2018, if that's the PA's position.

All costs charged to the EE balancing account (i.e., the cost reflected in section I. C, below) support PG&E's EE programs. As such, there are no "non-program" costs to disclose. PG&E does not foresee any change in this practice.

5. Anticipated drivers of in-house cost changes by department/organization

PG&E has listed its drivers of in-house cost changes by department/organization in Appendix I.A.5.

6. Explanation of method for forecasting costs

PG&E's 2018 forecast of costs assumes very minor changes in the overall portfolio compared to 2016 with cost reductions in labor and other contracts realized through internal program and process efficiencies. When compared to PG&E's 2016 costs, PG&E's 2018 estimates anticipate increased spend in our third party and government partnership programs and a significant decrease in our "Core" programs, (i.e., the non-third party and non-Local Government Partnership programs) for the same respective years.

B. Table showing Program Administrator Energy Efficiency "Full Time Equivalent" Headcount by Department/Organization

This table is provided as Appendix I.B.

C. Table showing costs by functional area of management structure

PG&E has provided the requested information in multiple tables, including a table of Function Definitions, and others providing Residential Budget Detail, Commercial Budget Detail, Agricultural Budget Detail, Industrial Budget Detail, Public Sector Budget Detail, and Cross-Cutting Budget Detail. These tables itemize expenses into labor, non-labor O&M (with contract labor identified). There were no associated capital costs. These tables are provided as Appendix I.C.

D. Table showing cost drivers across the EE organization

The following table shows the major cost drivers across PG&E’s EE organization. As recommended by TURN and ORA, this table is based on the format of testimony concerning cost drivers in PG&E’s 2017 general rate case (GRC).

Cost Driver	2016	2018	Difference
Program Design and Delivery	\$347,900,456	\$340,906,943	(6,993,514)
Program Fulfillment	5,460,492	5,352,038	(108,454)
Operations Support	23,121,465	20,682,526	(2,438,939)
Total*	\$376,482,413	\$367,326,809	(9,155,604)

*This is the Total Sector Budget, which excludes EM&V, On Bill Financing (OBF) Loan Pool, Bay Area Regional Network (BayREN), Marin Clean Energy (MCE), and Integrated Demand Side Management (IDSMS) program.

Program Design and Delivery – overall decrease in cost primarily associated with the following drivers:

- Decrease in incentives within the Commercial core programs
- Decrease in overall headcount as shown in the Portfolio Headcount (FTE) table in Appendix I.B
- Increase in Third Party implementer incentives and contracts

Program Fulfillment – overall decrease in costs primarily associated with lower labor-related spend in rebate processing correlating with the expected decrease in incentive spend noted in the Program Design and Delivery workflow.

Operations Support – overall decrease in costs associated with lower information technology (IT) spend related to the customer relationship management (CRM) and tracking databases.

E. Explanation of allocation of labor and O&M costs between EE-functions and GRC-functions or other non-EE functions

PG&E provides the following responses to the seven questions propounded in this section of the Meet and Confer Template.

1. When an employee spends less than 100% of her/his time on EE, how are costs tracked and recovered (e.g., on a pro rata basis between EE rates and GRC rates; when time exceeds a certain threshold, all to EE; etc.).

PG&E employees fill out timesheets each week and charge their hours worked to “order numbers.” Typically, an employee will charge a maximum of 40 hours per week. Order numbers are the accounting vehicle for capturing costs of the EE subprograms, as well as non-EE programs (demand response(DR), Energy Savings Assistance (ESA) , etc.) and GRC-related activities. Each order number is assigned attributes that allow for the accurate reporting of charged costs. There are unique attributes assigned to each order that identify the following information used for regulatory reporting:

- Funding Cycle (e.g., EE, DR, ESA, etc.)
- EE Program or Sector (e.g., Residential, Commercial, Industrial, etc.)
- EE Subprogram (e.g., Energy Upgrade California (EUC) Home Upgrade, Commercial Calculated Incentives, etc.)
- Cost Category (e.g., Administrative, Marketing, Implementation, EM&V)
- Program Type (e.g., Resource, Non-resource)
- Delivery Channel (e.g., Core, Third-party, Governmental Partnerships)

Each order number can only be assigned one attribute from each of the above reporting categories. For example an order cannot be assigned multiple funding cycles. Costs charged to an order can only be identified and reported as either EE or DR or ESA or GRC, etc. An order can only be identified and reported to only one Sector, only one Subprogram, only one Cost Category, etc.

Because of this model of charging and categorizing costs, when an employee fills out a timesheet, the employee must choose an order or orders that reflect the work functions performed during the week. There is a dropdown menu on the timesheet in which the employee selects the appropriate order number that reflects the work performed. For example, assume that a PG&E employee performed implementation functions for the EUC Home Upgrade subprogram that is part of the current EE funding cycle for 24 hours during one week. The employee must choose an order number that describes the subprogram, funding cycle, and cost category of the

work performed. The employee would accordingly record 24 hours associated with that order. Then, assume that the same employee also worked 16 hours in the same week on some GRC activities. The employee would choose a different order number that best describes the GRC activities performed, then record the 16 hours against that GRC order. Once the timesheet is complete, the employee's supervisor would review and approve it. Because of the existing cost model, costs charged to GRC-related orders can never be reported or charged against authorized EE budgets or recorded in EE balancing accounts. By the same token, costs charged to EE orders will always be reported against authorized EE budgets, recorded in the EE balancing accounts, and matched against the electric and gas EE- collected revenue. Management costs and other overheads such as office charges are embedded in the employee hourly rate.

2. Describe the method used to determine the proportion charged to EE balancing accounts for all employees who also do non-EE work.

See the response to Question I.E.1, above.

3. Identify the EE functions that are most likely to be performed by employees who also do non-EE work (e.g. Customer Account Representatives).

PG&E identifies the following functions:

- Account Management / Sales
- Engineering Services support (Applied Technical Services Organization)
- Call Centers
- Marketing, Education and Outreach (ME&O)
- Inspections
- Information Technology (IT)
- Program Management support (Sourcing Organization)
- Portfolio Analytics
- Policy, Strategy, and Regulatory Reporting Compliance support (Business Finance Organization)

4. Are labor costs charged to EE fully loaded?

Yes.

5. How are burden benefit-related A&G expenses for employees who work on EE programs recovered (EE rates or GRC rates)? **PG&E allocates these costs to EE pursuant to a settlement agreement with MCE and TURN, which was adopted in D.14-08-032.

PG&E's burden benefit-related A&G expenses for employees who work on EE programs are litigated through its GRC and are recovered through EE rates.

6. When EE and non-EE activities are supported by the same non-labor resources, how are the costs of those resources or systems allocated to EE and non-EE activities?

Assuming that "non-labor resources" are defined as contractors and consultants, typically a contract would be created that supports only one funding cycle. The contractor would perform work for only EE, only DR or only ESA, etc. within the scope of one contract. However, occasionally there are contracts that support multiple funding cycles. In this situation, when the Purchase Order (PO) for the contract is created, all work and contracted amounts within the scope of the contract are identified as to the funding cycle being supported (EE, ESA, DR, etc.). Separate PO line items representing each funding cycle would be assigned order numbers that roll up to that particular funding cycle. When the contractor performs work on the contract, its invoice should specify enough detail to determine which funding cycle(s) the work pertained to and which PO line item(s) the work should be charged against. When the invoice is paid, the appropriate order numbers are charged and the costs are reported to the corresponding funding cycles.

7. Identify the EE O&M costs that are most likely to be spread to non-EE functions as well as EE, if any

See the list provided in response to Question I.E.3, above.

II. BUDGET TABLES INCLUDING INFORMATION IDENTIFIED IN THE SCOPING MEMO

A. Scoping Memo Attachment-A, Question C.8

As required by this section of the consensus template, Appendix II.A presents a single table labeled “Portfolio Summary” summarizing energy savings targets, and expenditures by sector (for the six specified sectors). This table should enable the assessment of the relative contributions of the sectors to savings targets, and relative cost-effectiveness. The notes to the table provide a brief description of the method used by PG&E to estimate the costs presented.

B. Scoping Memo Attachment-A, Question C.9

Please refer to Appendix I.C, “Costs by functional Areas of Management Structure,” for PG&E’s estimate of the portion of annual budget that it anticipates spending “in-house” (e.g., for administration, non-outsourced direct implementation, other non-incentive costs, and marketing), by sector and by cross-cutting program.

C. Scoping Memo Attachment-A, Question C.10

Information sought by this item is provided in Appendix II.C.

The table entitled, “Aggregate Budgets for Statewide Programs” presents fully loaded estimates of budgets for statewide programs. These estimates are inclusive of IOU overhead and reflect total anticipated program costs. Accordingly, these estimates do not reflect the amounts the IOUs intend to award in solicitations for statewide programs. This itemization of statewide aggregate budgets was deferred to this filing in PG&E’s May 15, 2017 response to Question 14 of Attachment A of the Scoping Memo.

The table entitled, “EE Programs Solicitation Strategy” shows a statewide and local solicitation schedule by calendar year and quarter by sector and /or program area. It incorporates the “Solicitation Schedule” for statewide and local programs filed as Attachment 4 to PG&E’s May 15, 2017 response, with one exception -- the solicitation for statewide Codes and Standards solicitation previously expected to occur during the third quarter of 2017 will not be conducted during 2017.

PG&E’s Supplemental Budget Response To Scoping Memo Attachment A, Question I.C.9

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A.17-01-013 et al.

PG&E's Supplemental Budget Response to Scoping Memo Attachment A, Question I.C.9

APPENDIX I.A.1.

NARRATIVE DESCRIPTION:

FUNCTIONS CONDUCTED BY EACH DEPARTMENT/ORGANIZATION

FUNCTIONS CONDUCTED BY EACH DEPARTMENT/ORGANIZATION

Application Management: Application Management includes Enrollment & Incentive Management (E&IM). E&IM manages vendor contract with Parago, our partner for residential rebate fulfillment services; processes deemed and partner rebates; and supports application processing for the financing programs.

Codes and Standards (C&S): C&S works with local, state, and federal authorities to develop and substantiate new building codes and appliance standards. C&S also supports compliance improvement through development and delivery of education, training, and tools. Major functions and areas of responsibility include Building Energy Codes Advocacy, Appliance Standards, Reach Codes and Planning/Coordination.

Commercial: The Commercial Program team manages a portfolio of 20+ programs, including New Construction, Retrocommissioning, HVAC, the Custom Project program and 3P programs.

Education Centers: This team supports three training centers (Pacific Energy Center, Stockton Training Center & Food Service Tech Center) and delivers over 400 classes/events each year to a variety of partners including 3P, Low Income, Contractors, Architects, etc. They also maintain a tools lending library, deliver programs to k-12 schools + community colleges throughout our territory and consult on energy efficiency needs for customers.

EE Evaluation, Measurement, and Verification (EM&V): conducts EE market and program evaluations for the purposes of program improvement, and to inform long-term program and policy planning. The team works to ensure that CPUC EM&V study methods and implementation provide results and savings values that are reasonable, reliable, actionable and accurate. In addition, the team provides support for development of EE goals and potential, long-term EE savings forecasts, and cost-effectiveness calculations.

EE Product Management: This team oversees over 800 product measures. The teams' main focus is to support product technologies that reduce energy use from core building components and infrastructure such as lighting, refrigeration, HVAC, food service, appliances, etc. This involves developing the business plan/case for each product, determining how it should be positioned in the market, the optimal channel strategy, and supporting the products success in the market. They are also tasked with maintaining an active product roadmap, preparing for and implementing product sunsets, code cycle changes and portfolio optimization efforts.

EE Strategy & Policy: provides strong and sound policy direction and leadership to EE Programs and other business lines to empower them with the knowledge and tools they need to drive business objectives, achieve EE savings goals, and demonstrate strength in program administration. It also provides direction for future EE portfolio administration. Addresses long-term EE strategic issues and related regulatory and legislative policy issues that arise at state and

national levels. Aims to Influence long term policy to advance PG&E's EE goals and ensure PG&E's leadership in EE is well represented in key markets.

Energy Insight (Technology Enablement): The Business System Administration (BSA) and Energy Insight teams were recently consolidated to create the Technology Enablement team. The team is responsible for developing and implementing the long-term strategy of energy efficiency platforms; maintaining existing energy efficiency platforms (MDSS, VRS, EPO, etc.); integrating the Energy Insight platform into the business; developing a governance process across energy efficiency platforms; and partnering with IT to ensure projects and enhancements are aligned with our long-term strategy.

Engineering Services (Customs Solutions Delivery): Engineering Services includes the Technical Product Support (TPS), Field Engineering, and Custom Implementation teams. TPS develops work papers to substantiate the energy savings for our deemed products; reviews calculated incentive applications; manages the parallel review process for calculated projects; and completes claims reviews and audit reviews. The Field Engineering teams also support implementation of our calculated energy efficiency programs by providing on-site auditing services, calculation assistance, and technical support for our sales and service staff. The Custom Implementation supports delivery of our custom programs across all channels by providing technical support, performing quality assurance activities, managing external vendors, and supporting training for our calculated energy efficiency projects.

Financial Reporting & Governance (FR&G): In collaboration with Business Finance, FR&G develops long-range financial plans for regulatory filings; facilitates the annual budget planning process and quarterly forecasting process; and provides financial support including benchmarking activities and audit support for all balancing accounts. FR&G also leads supplier diversity activities for Customer Care.

Government and Community Partnerships (GCP): The GCP team manages local and regional partnerships covering nearly every city and county in PG&E's service territory as well as supports four statewide joint-IOU institutional partnerships. The GCP team serves as the Public Sector lead for the EE Portfolio overseeing the strategy and programs that serve cities, counties, public schools, special districts, higher education institutions and state government organizations. In addition, the GCP team administers PG&E's regional direct installation programs that deliver comprehensive retrofits to small/medium businesses, non-profit organizations, and moderate-income residential customers throughout the service territory.

Industrial, Agriculture, & Water Programs (IAW): IAW Program team is responsible for the overall strategy and execution of energy efficiency programs that cater to a wide array of customer segments that include Refineries, Oil Production, Manufacturing, Food Processing, Water Agencies, Wineries, Dairies and Agricultural Growers. In addition, the IAW team is leading the water-energy nexus related activities.

Residential: The Residential team designs, manages and delivers programs that engage and support residential customers.

Step Up & Power Down: Step Up and Power Down was a community effort with our business customers in San Francisco and San Jose to reduce energy waste for a better future and is designed in a way where all of our collective actions can have an impact. SUPD was powered down in December of 2016 after successfully meeting its campaign goals. The impact of the initiative is currently the focus of an evaluation measurement and verification (EM&V) study by Research Into Action (RIA).

Transaction Services: Transaction Services oversees On-Bill Financing, our interaction with the Statewide financing pilots, project evaluation tools and EE funding related activities.

Verification Administration: EVA is responsible for implementing quality assurance / quality control for our key processes including contract management and calculated energy efficiency projects; inspection/verification procedures; inspection reporting; and analysis associated with program inspections. In collaboration with the Central Inspection Program team, the EVA team also assists with workflow management for inspections for energy efficiency, low income, and distributed generation.

Outside EE

Applied Technical Services (ATS): Applied Technology Services (ATS) provides a range of technology based services across PG&E. These include chemical and site testing, civil and mechanical engineering support, equipment testing and emerging technologies testing, and meteorology operations and analytics, among others.

Business Energy Solutions: BES manages relationships with PG&E's commercial, industrial, and agricultural customers, helping to manage business customers' energy and cost reduction and service-related needs. It is aligned along key market segments serving large customers and small/medium size businesses to respond to industry trends, customer needs and opportunities as well as provide service and product offerings.

Business Finance: Business Finance provides accounting and budgeting support to help manage spending and align it with regulatory and corporate priorities. Business Finance provides direct support for each assigned budget manager.

Central Inspections: The Central Inspection Program provides inspection verification of EE and ESA programs and products. CIP validates the physical installation and use of EE and ESA measures that were submitted on applications requesting rebates or incentives. Without the inspection/verification process the business is at risk due to not following CPUC/Business program guidelines and/or possible fraud by vendors or customer claiming rebates/incentives they are not authorized to receive.

CES Business Operations : Business Operations supports all Customer Energy Solutions teams (including EE) with performance management, financial management, quality assurance and compliance, process improvement, data mining, analysis, and reporting.

Customer Insights and Strategy (CIS): Customer Insights & Strategy serves as a resource for any PG&E department seeking information about customers for strategic and tactical decision-making purposes. The team conducts primary research regarding general customer behavior, attitudes, and profiles, or for specific programs, policies, and projects, maintains customer database and conducts data analysis, and delivers actionable insights and strategies at both the enterprise level and for individual business units

Customer Operations Regulatory Strategy (CORS): Customer Operations Regulatory Strategy (CORS) develops and implements customer privacy and governance, oversees risk management, regulatory compliance and audits, and leads various significant Customer Care-wide projects and manages their transition to operations (such as records management).

Data Analytics and Governance: The Data Analytics and Governance team leverages data of all kinds to better serve customers; works across the organization to tackle cross-cutting strategic issues such as customer targeting, the ‘duck curve’, and deferral of distribution equipment investments.

Grid Integration and Innovation (GII): Grid Integration and Innovation provides analytic, operational and strategic support to PG&E’s initiatives to move toward the grid of the future. This includes integrating learnings from pilots and successful programs more broadly across lines of business, developing long-term plans to fulfill company objectives, and refining PG&E’s overall approach to issues like storage, electrification and others.

Information Technology (IT): The Information Technology organization designs, develops, operates and maintains the technology and telecommunications systems that enable PG&E to meet its commitment to providing safe, reliable and affordable service to customers. IT supports the business by improving service quality, increasing capabilities through the development of additional functionality, implementing new technologies, reducing costs, increasing productivity, and facilitating organizational and business effectiveness through enabling technologies.

Law: The Law Department provides high quality advice, counsel, and representation of the Company. It provides actionable feedback to the lines of business in order to identify and reduce areas of risk, based on claims, lawsuits and other legal activities.

Local Customer Experience (LCE): The Local Customer Experience team strengthens the outreach and program support offered to customers, communities and internal partners by the Customer Impact team.

Measurement, Data and Analytics: As part of the Demand Response team, the Measurement, Data and Analytics group performs ex post and ex ante load impact evaluations; enrollment forecasts; operational forecasts; market research; market potential studies; market characterization studies; and process evaluations. It also develops, manages and coordinates PG&E's broad portfolio of interval data-based research and analytical projects spanning Time Varying Rates, Distributed Generation and Energy Efficiency.

Sac Call Center: The Sacramento Call Center is one of 5 call centers PG&E operates throughout its service territory.

Sales Ops: The Customer Sales Operations team supports application submission and pre-field and pre-calculations for specific custom energy efficiency programs, including Calculated Retrofit, Savings by Design and Calculated New Construction. The team's responsibilities include receiving the application, setting the right course for the project, setting the right expectations on the part of the customer, and identifying all project savings before handing the project off to the Project Office.

Smarter Energy Line (SEL):

Smarter Energy Line (SEL) is a designated group of call center representatives that provide residential customers information about energy reduction, energy savings, rebates, energy efficient appliance options, Energy Partners, and PG&E's many program offerings. The team's main goal is "customer education" and providing targeted assistance to customers who have recently had their Energy Cost Inquiries resolved.

Solutions Marketing:

Solutions Marketing collaborates with various CES groups to produce marketing campaigns and collateral and provide marketing support to deliver on its vision of elevating the importance of energy management to PG&E customers by offering them unique and simple solutions.

Sourcing:

The Sourcing organization is the functional lead for the procurement of materials and services. The department collaborates with internal clients and suppliers to develop mutually beneficial total cost solutions for goods and services. To provide dedicated and expert service, the Sourcing organization is segmented into the following functional groups: Electric Sourcing, Gas Sourcing, IT Sourcing, and Generation Supply Chain.

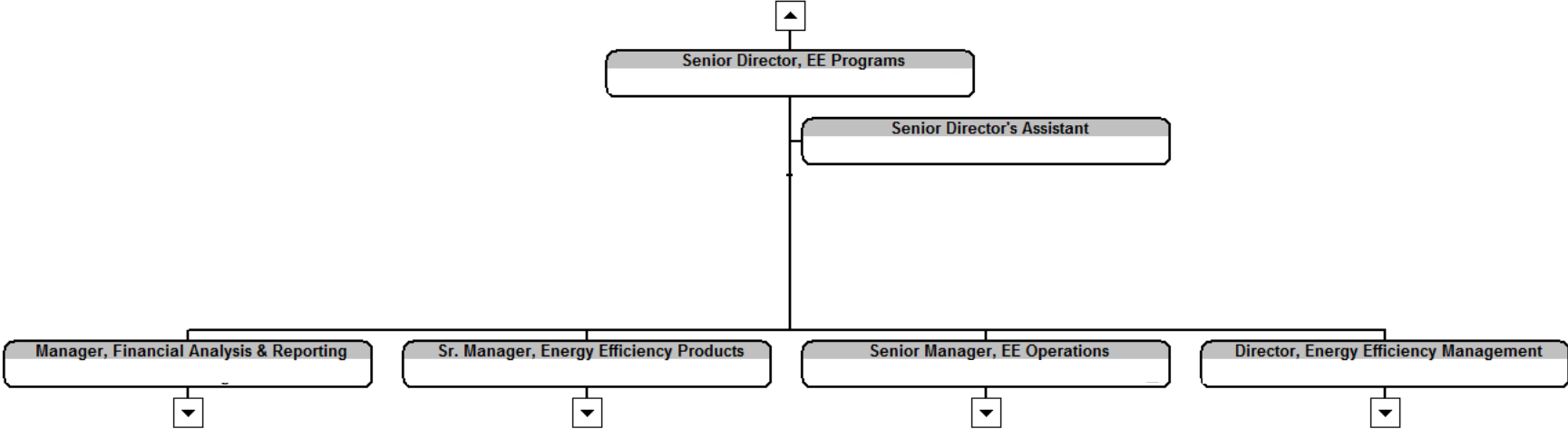
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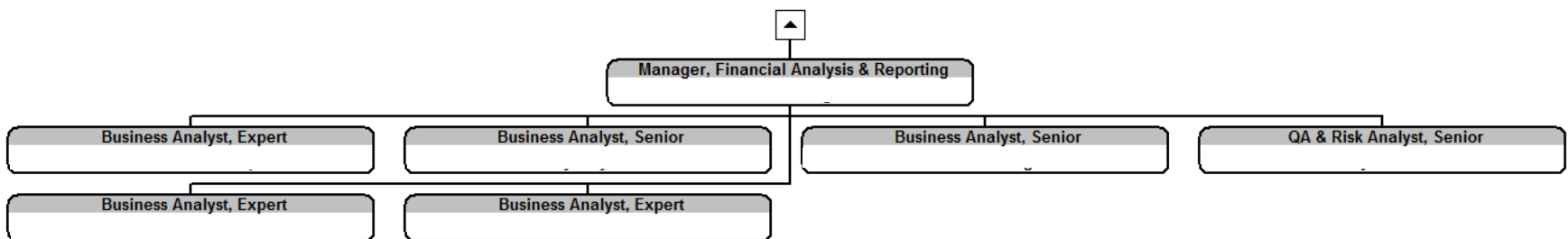
APPENDIX I.A.2.

**PG&E'S ENERGY EFFICIENCY
ORGANIZATIONAL CHART**

Energy Efficiency

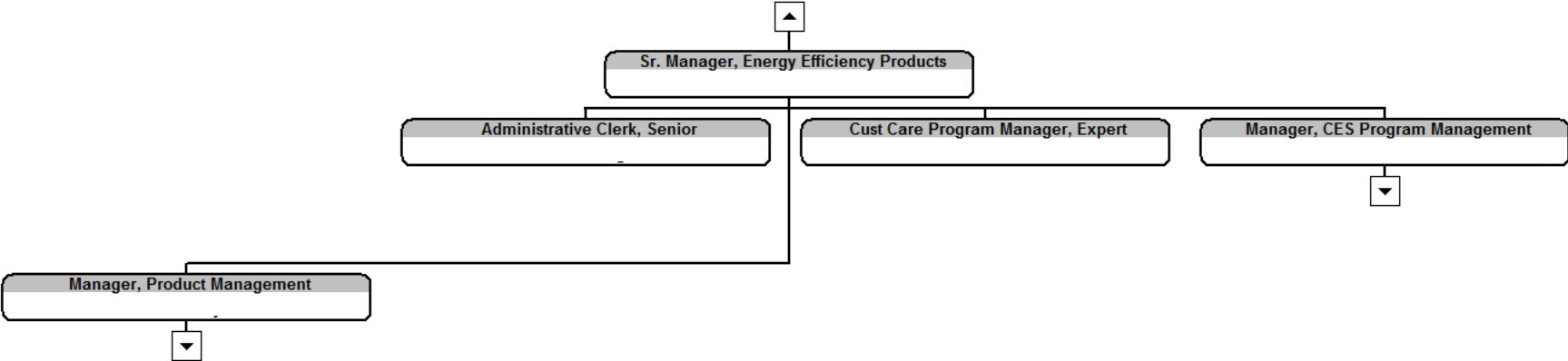


Financial Reporting and Governance

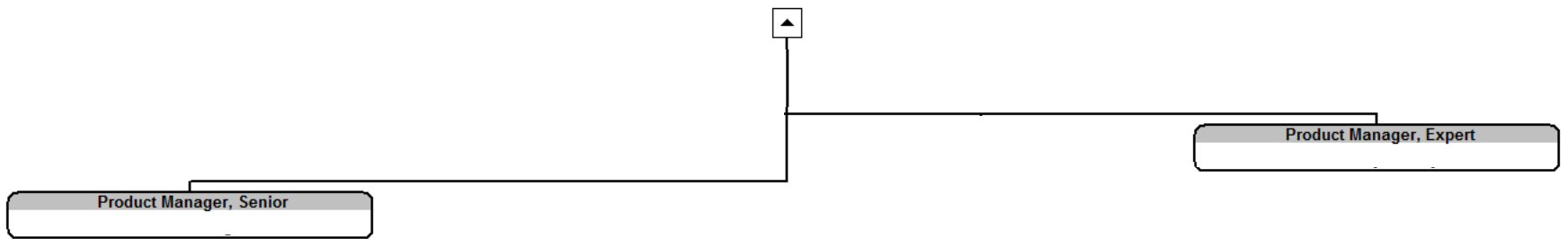


Data as of May 18, 2017

Energy Efficiency Products & Programs

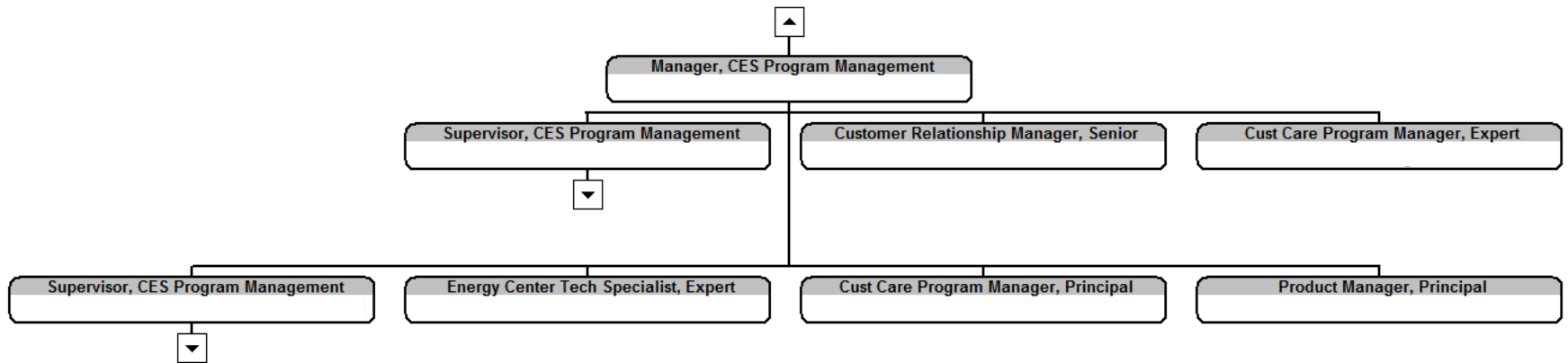


Energy Advisor Products



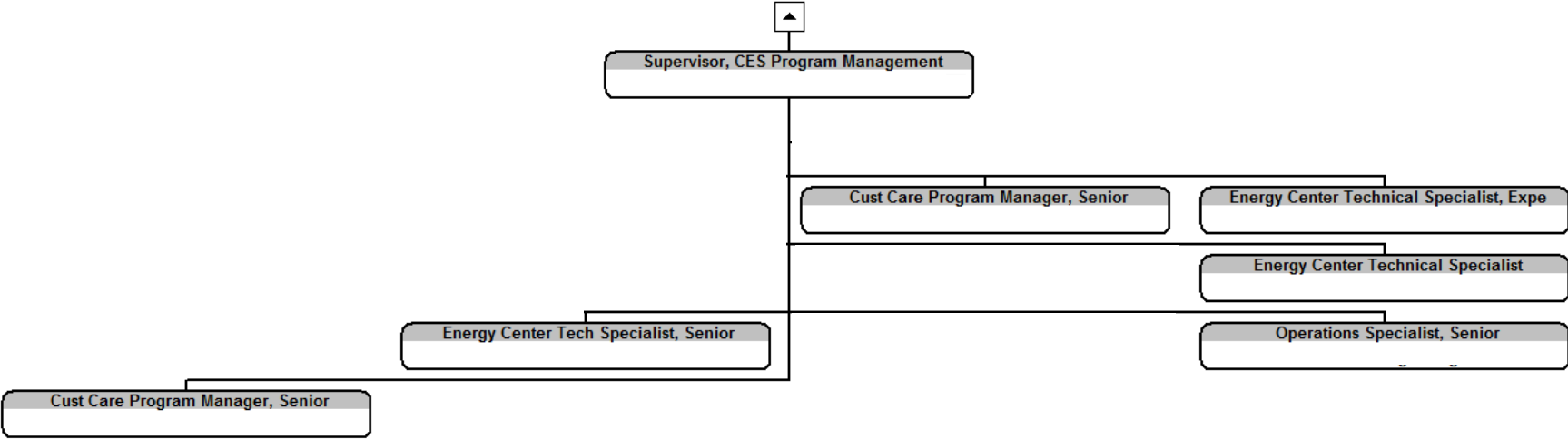
Data as of May 18, 2017

Workforce Education & Training

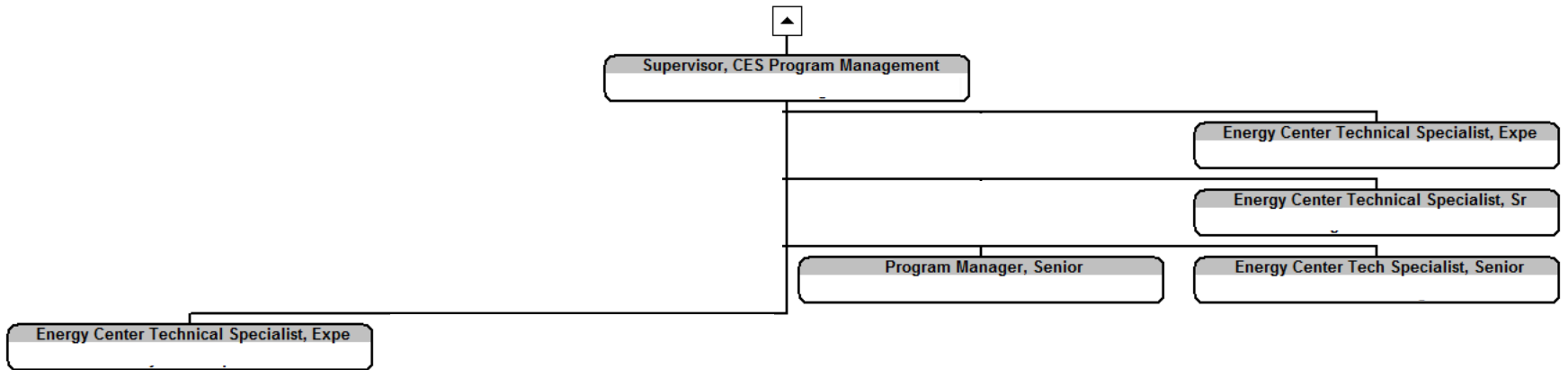


Data as of May 18, 2017

Energy Centers, Residential

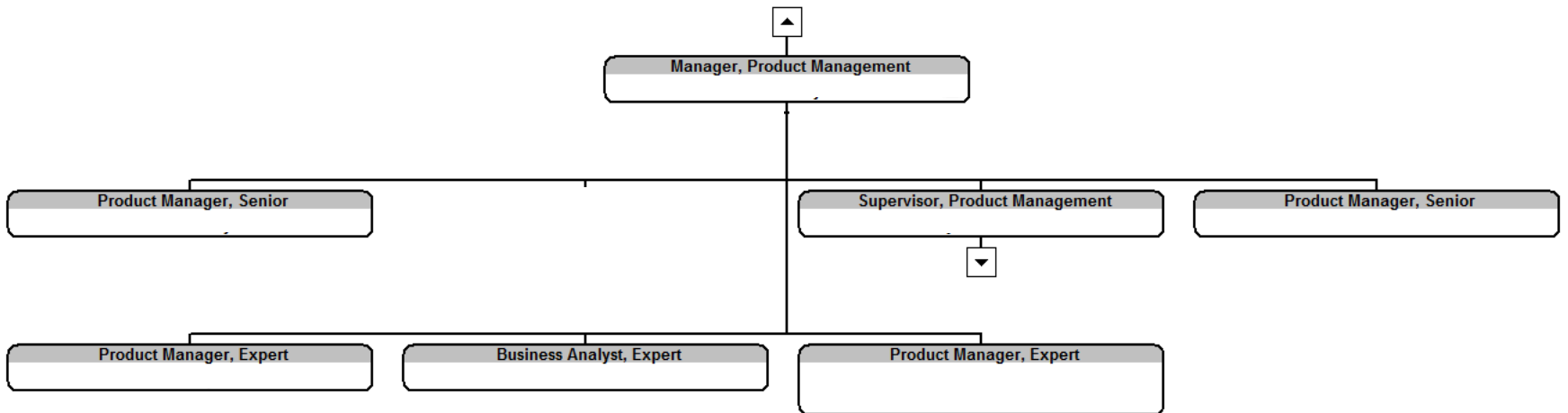


Energy Centers, Commercial



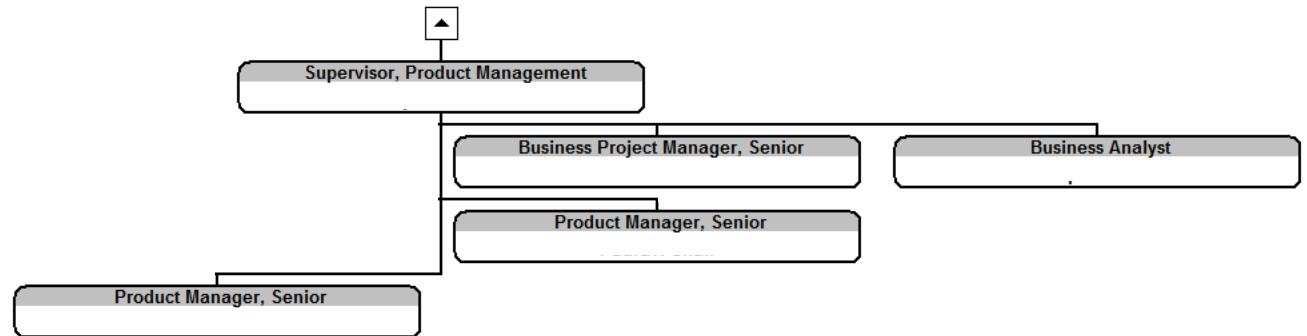
Data as of May 18, 2017

EE Product Management



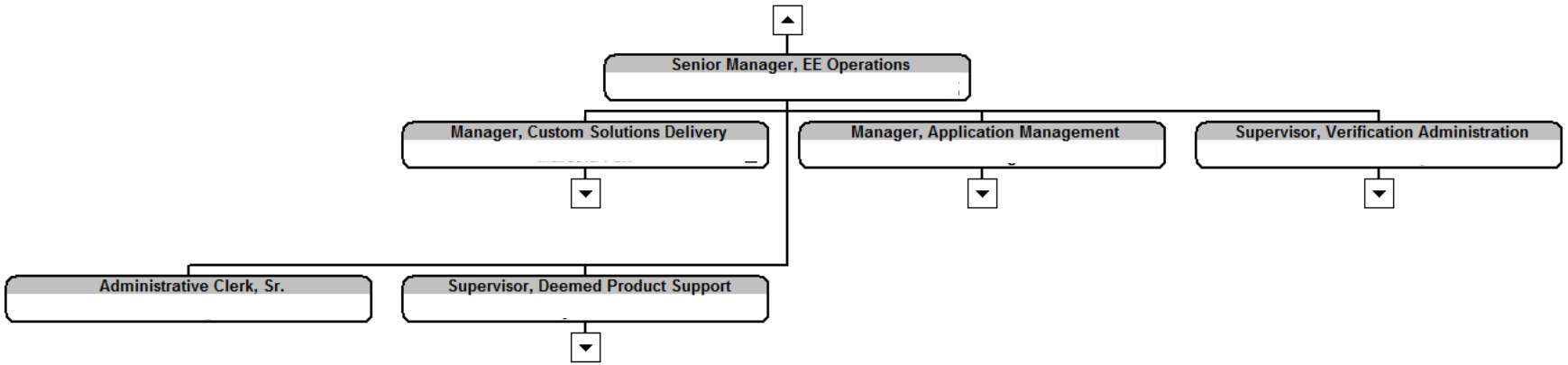
Data as of May 18, 2017

Product Innovation

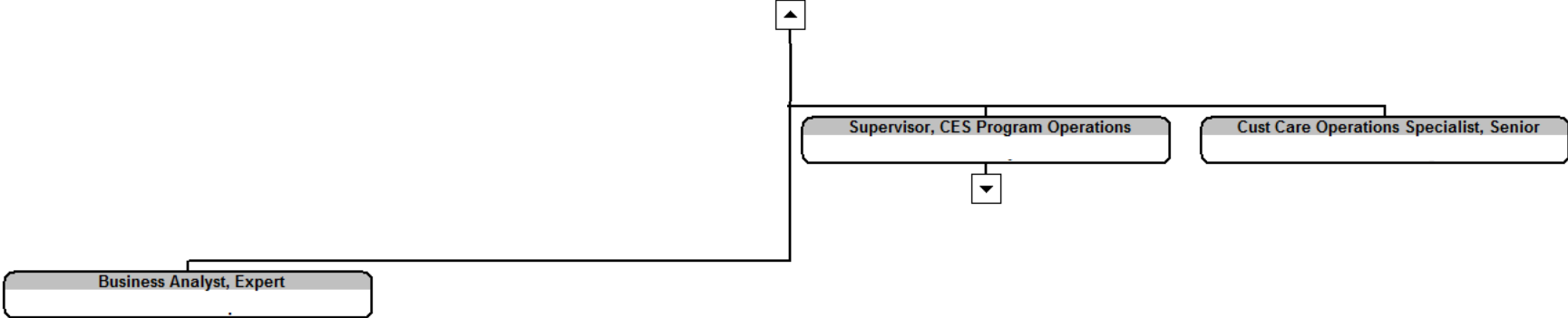


Data as of May 18, 2017

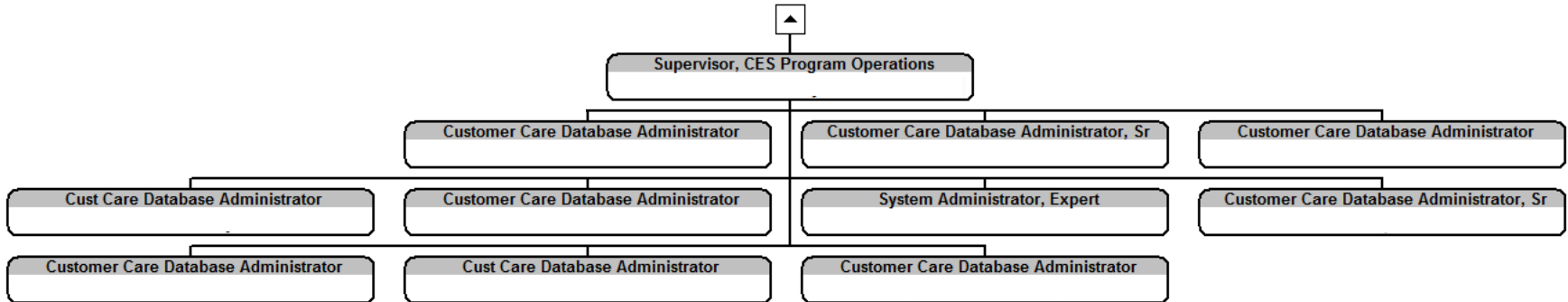
EE Operations



Technology Enablement

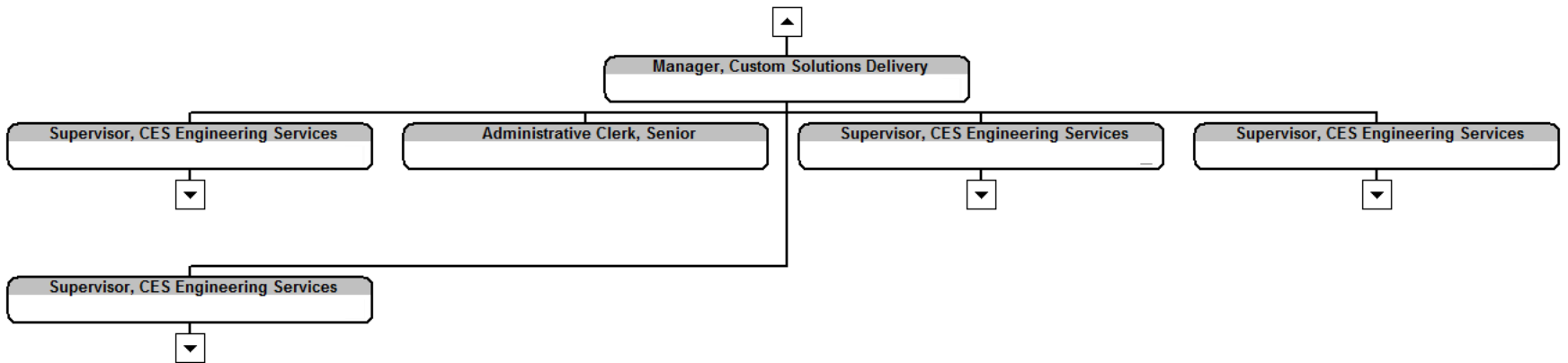


System Administration



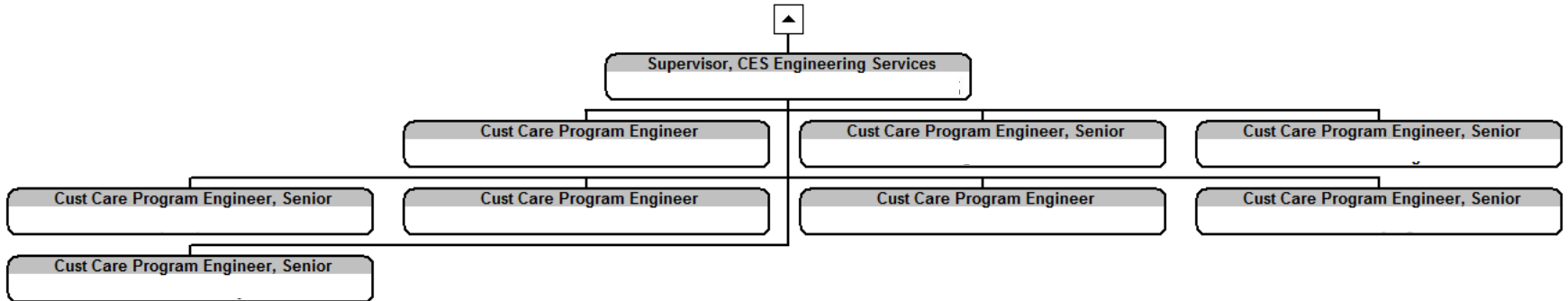
Data as of May 18, 2017

Custom Solutions Delivery



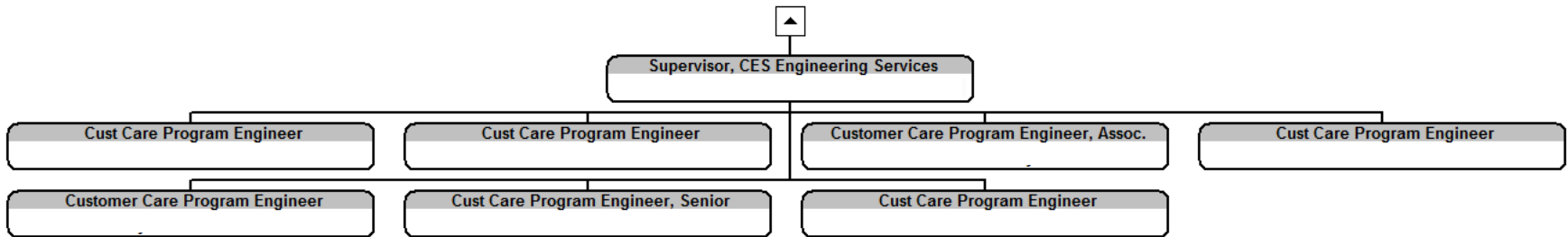
Data as of May 18, 2017

Custom Solutions - Northern



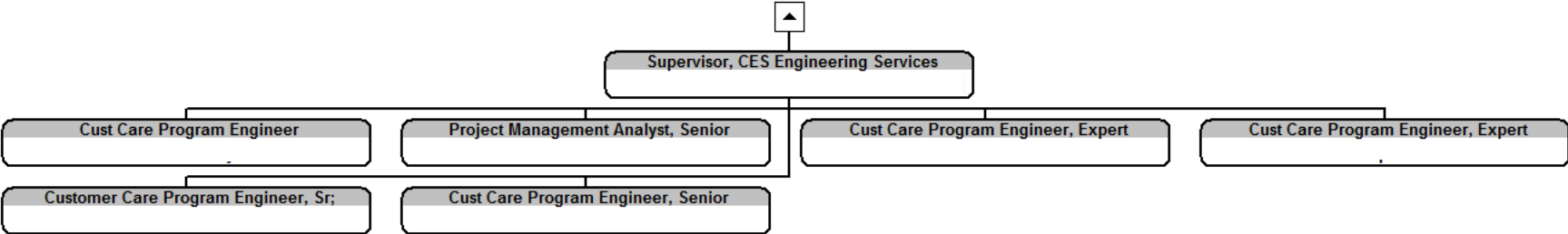
Data as of May 18, 2017

Custom Solutions - Central Coast

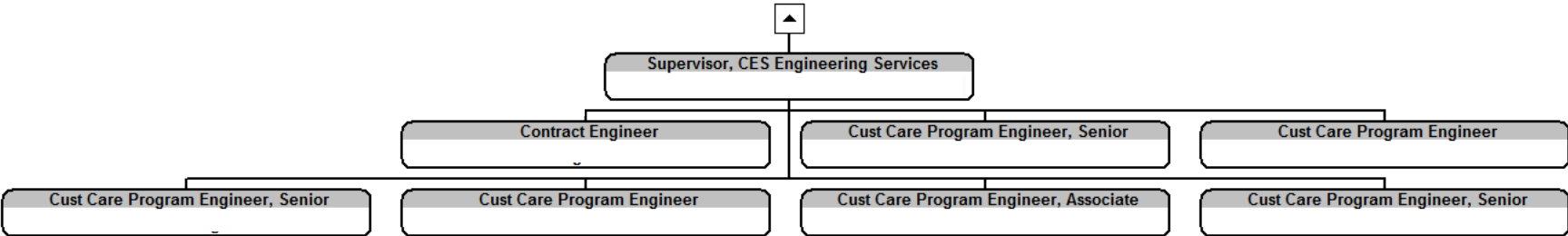


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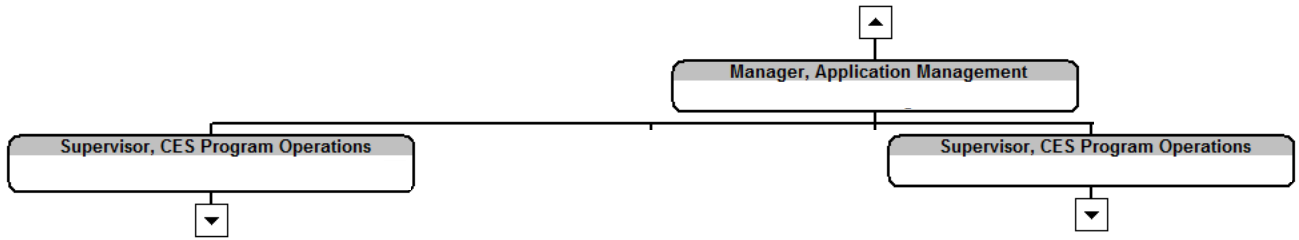
Custom Implementation



Custom Solutions - Central Valley

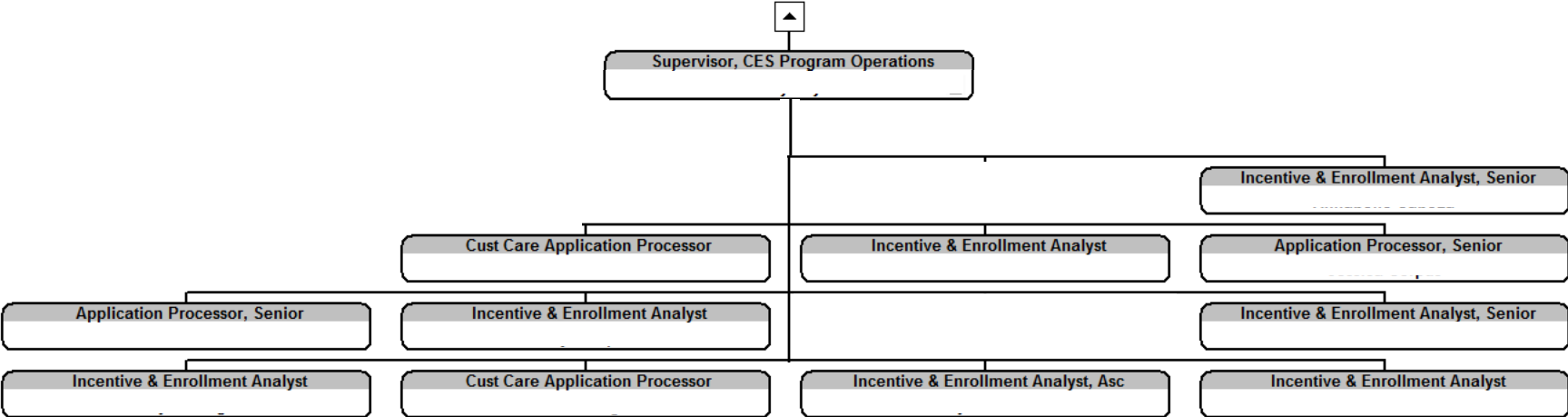


Application Management

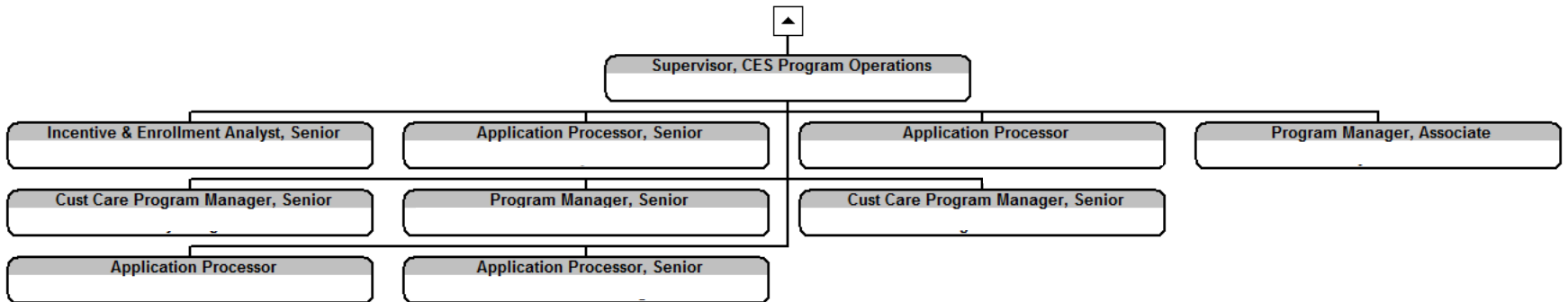


Data as of May 18, 2017

EE Deemed & Partner Programs

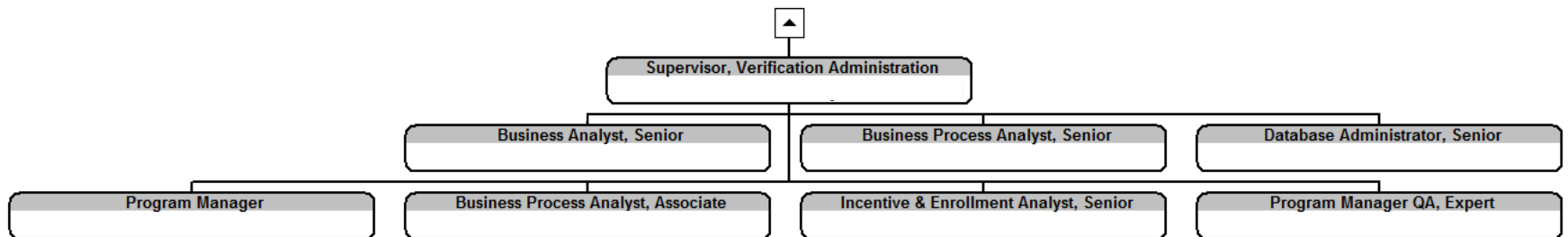


EE Custom & Financing Programs



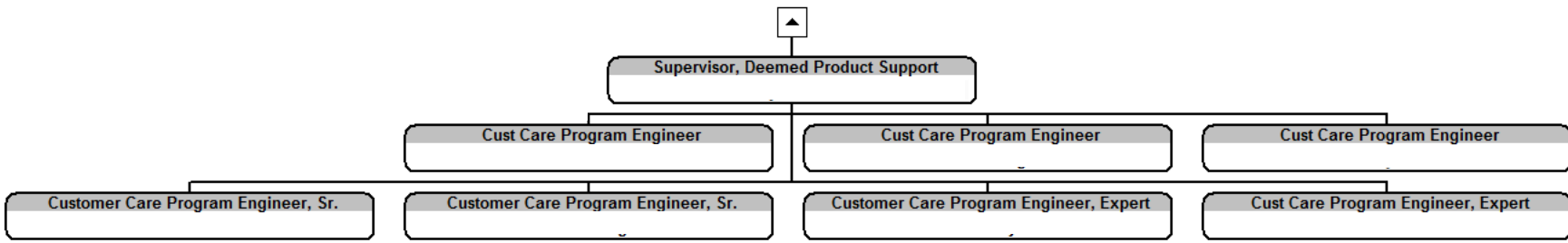
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Verification Administration

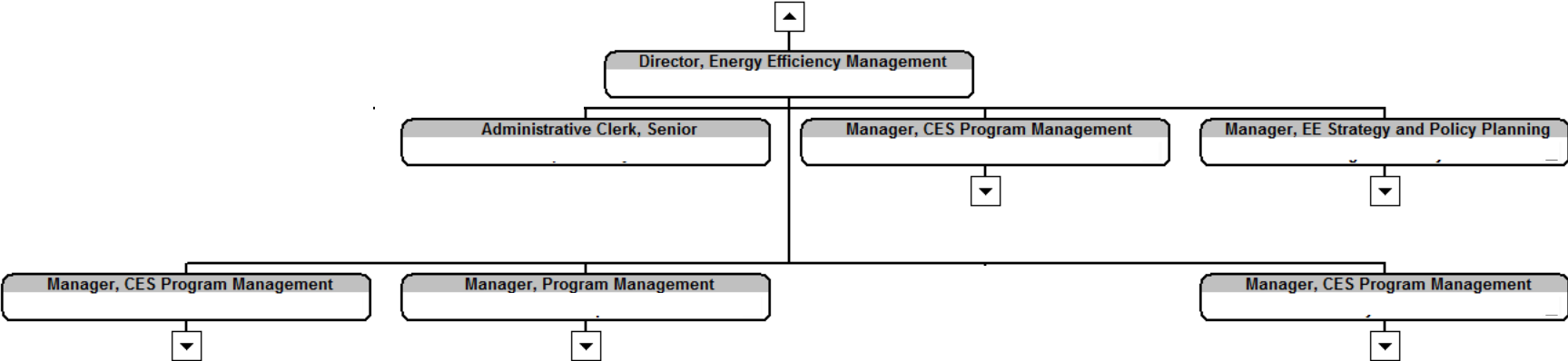


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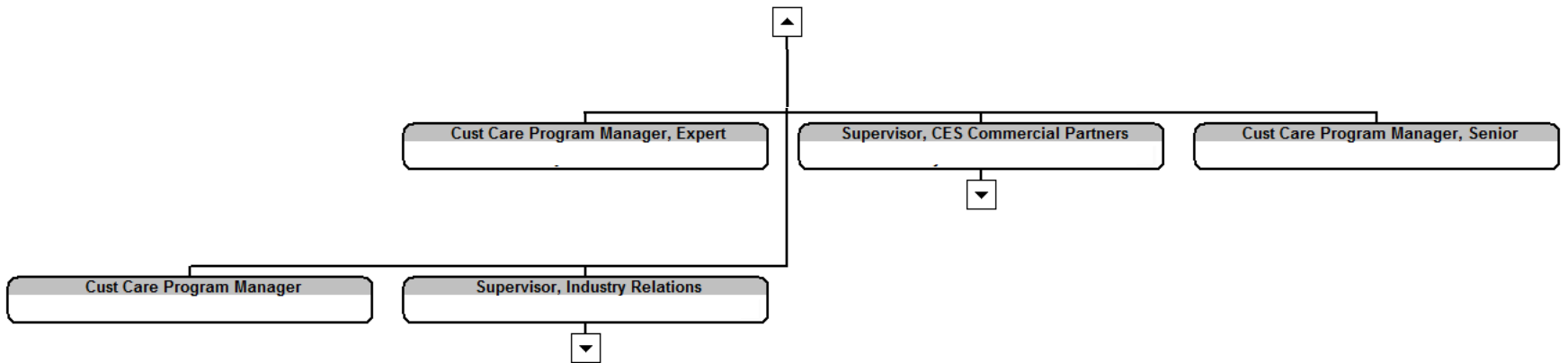
Deemed Product Support



Energy Efficiency Programs

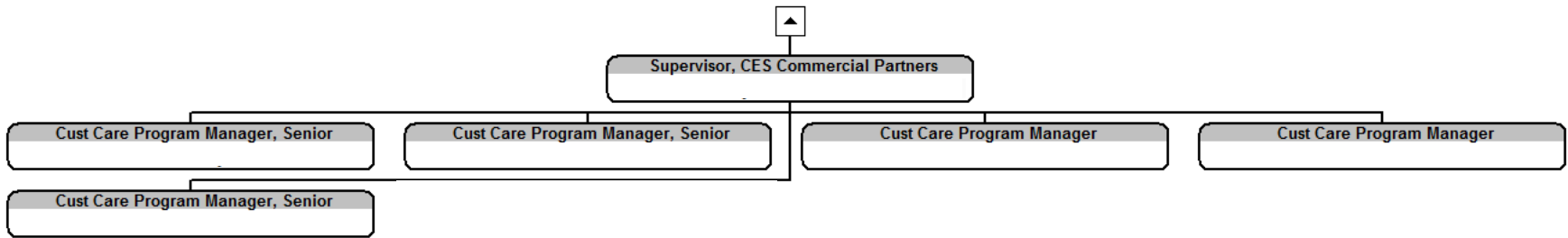


Commercial Program



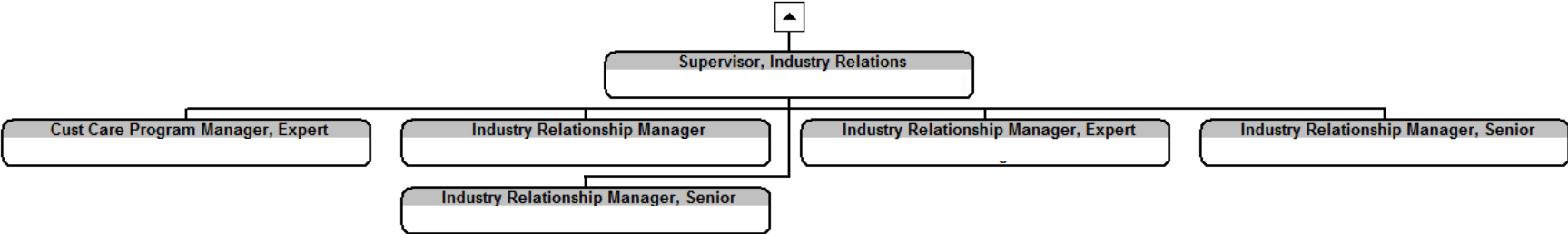
Data as of May 18, 2017

Commercial Program 1

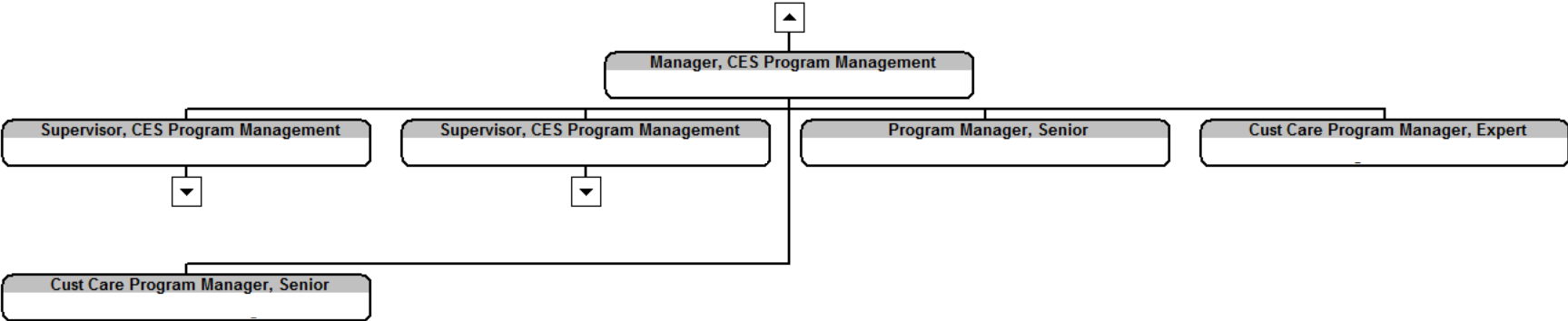


Data as of May 18, 2017

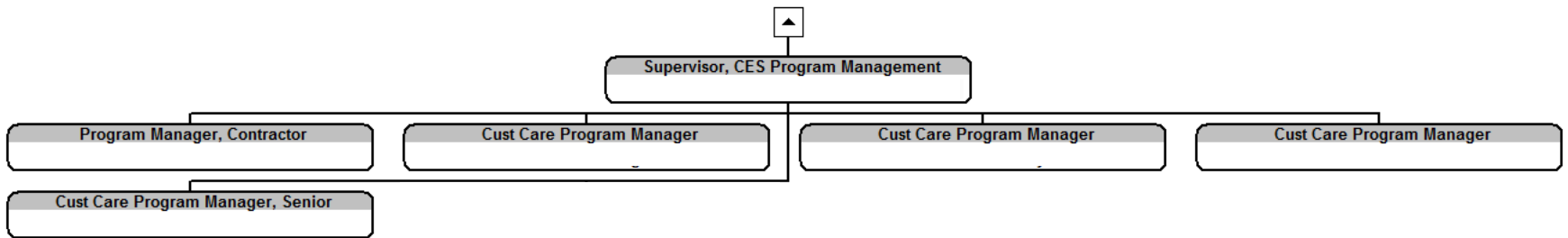
Trade Professional Alliance



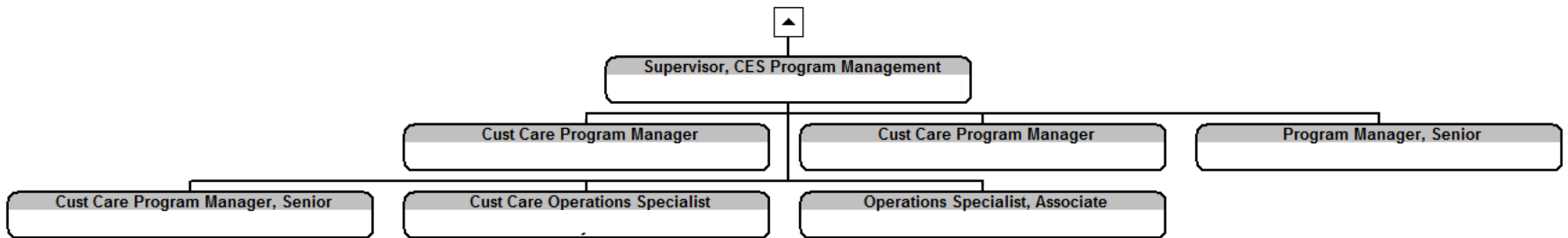
Government and Community Partnerships



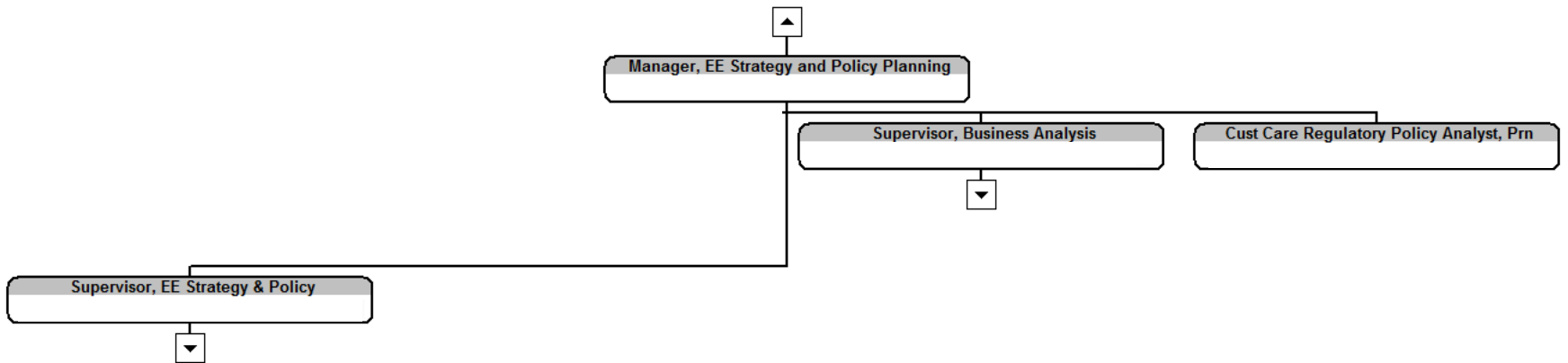
Government and Community Partnerships02



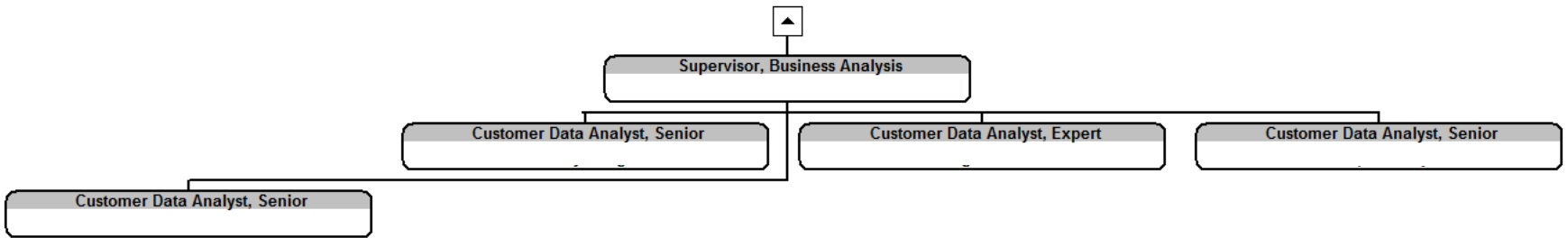
Government and Community Partnerships 01



Energy Efficiency Strategy



Reporting and Data Quality



Data as of May 18, 2017

EE Policy



Supervisor, EE Strategy & Policy

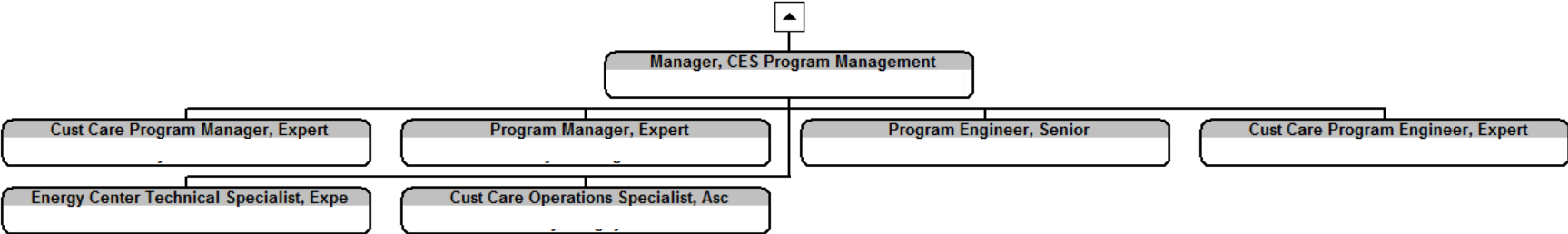
Cust Care Regulatory Policy Analyst

Strategic Analyst, Expert

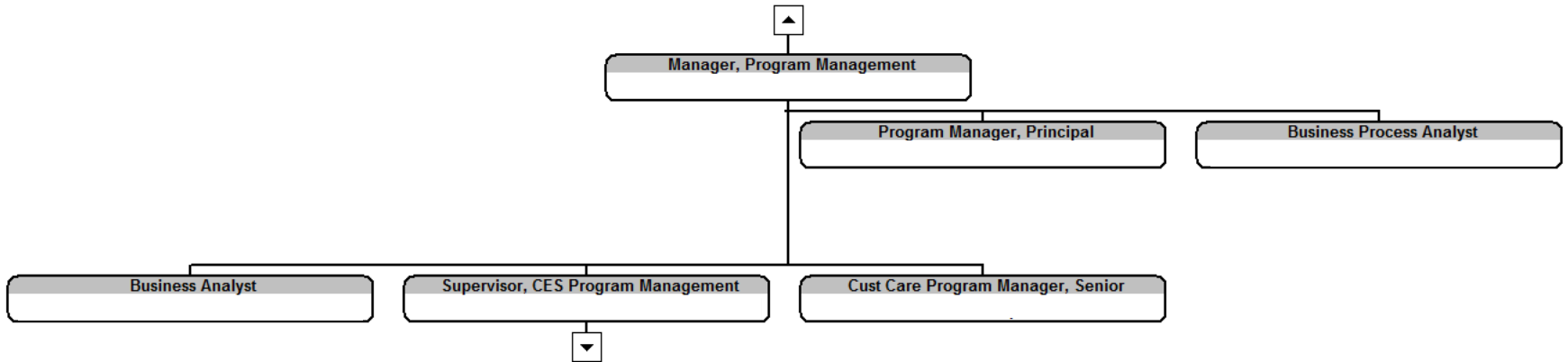
Sr. Policy Analyst

Sr. Policy Analyst

Codes and Standards

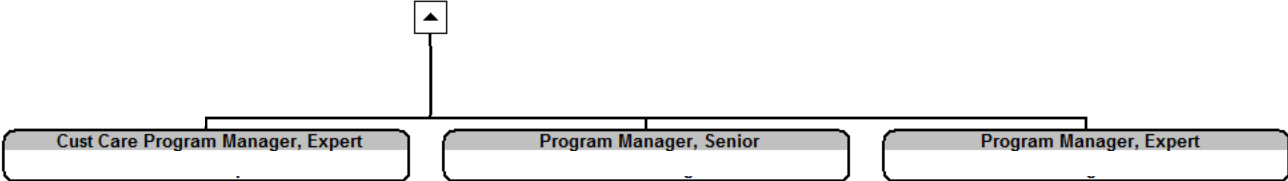


Transaction Services



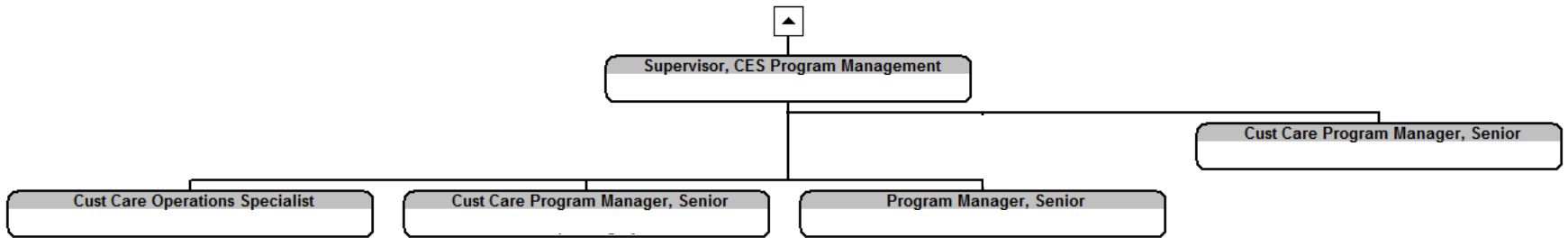
Data as of May 18, 2017

Residential Programs



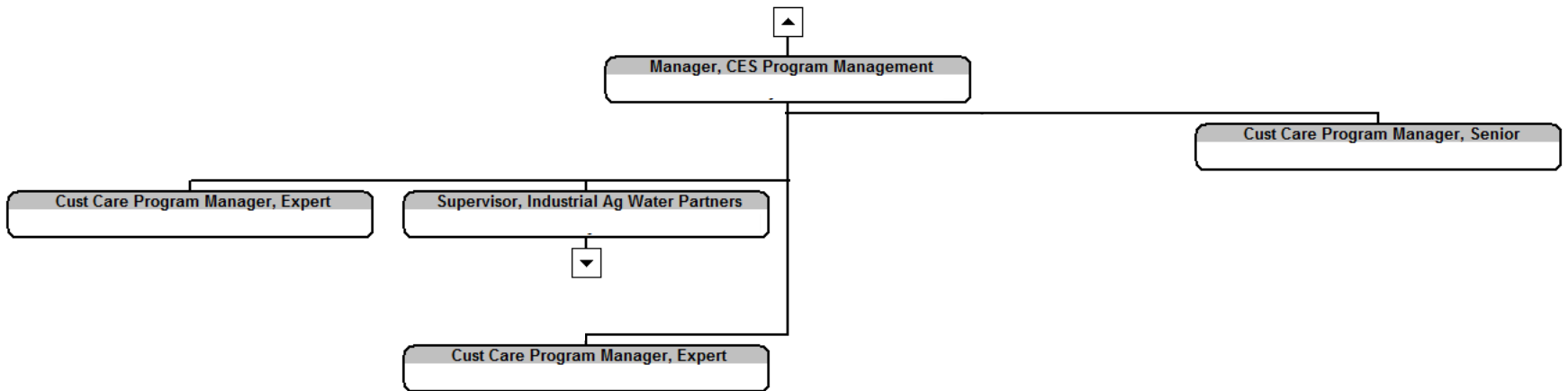
Data as of May 18, 2017

Residential Programs EUC



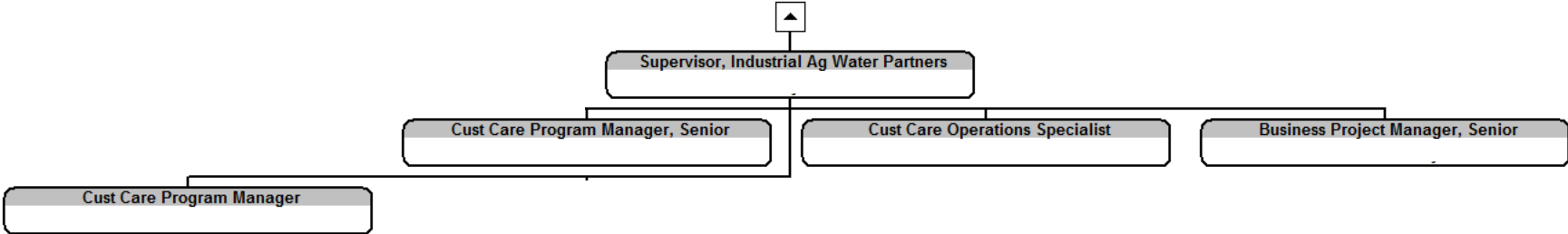
Data as of May 18, 2017

Industrial, Agriculture & Water Pgms

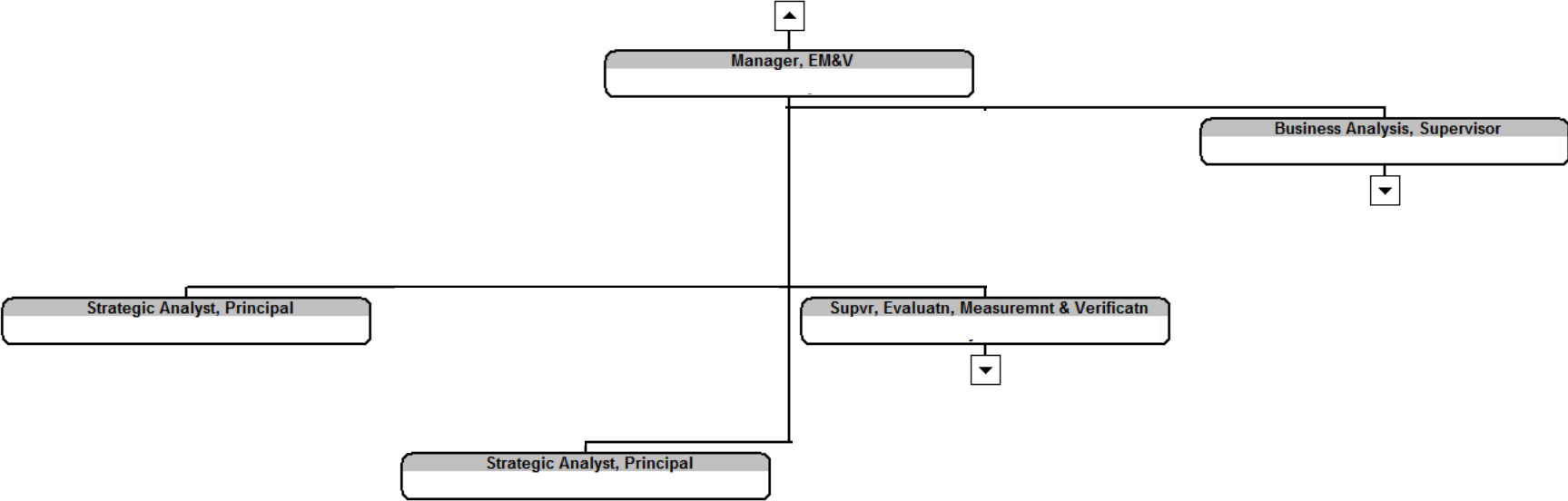


Data as of May 18, 2017

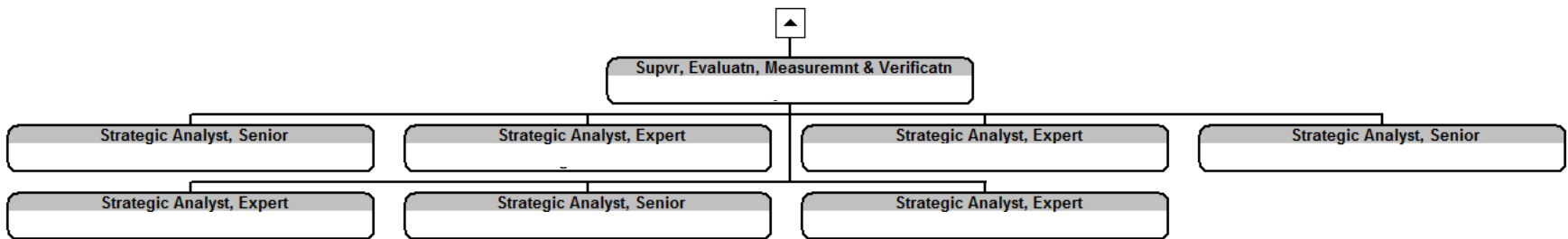
Industrial, Ag, Water Partners



Measurement, Data and Analytics



EE Evaluation



Data as of May 18, 2017

Organizations Outside of EE

- Applied Technical Services
- Business Energy Solutions
- Business Finance
- Central Inspections
- CIS
- CORS
- Data Analytics and Governance
- Grid Integration and Innovation
- IT
- Law
- Local Customer Experience
- Sac Call Center
- Sales Ops
- Smart Energy Line
- Solutions Marketing
- Sourcing

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APPENDIX I.A.5.

**ANTICIPATED DRIVERS OF IN-HOUSE COST CHANGES
BY DEPARTMENT/ORGANIZATION**

Appendix I.A.5. -- Drivers of In-House Cost Changes

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures (\$Million)	2018 EE Portfolio Budget (\$Million)	Diff	Drivers	
ALL SECTORS	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 5,219,186	\$ 5,034,722	\$ (184,464)	Decrease in costs	
		Program Management	\$ 21,217,915	\$ 20,957,668	\$ (260,247)	Decrease in staffing and absorbing inflation.	
			Engineering services	\$ 10,855,919	\$ 9,949,470	\$ (906,449)	Decrease in staffing and absorbing inflation.
			Customer Application/Rebate/Incentive Processing	\$ 3,438,002	\$ 3,036,426	\$ (401,576)	Decrease in staffing and absorbing inflation.
			Customer Project Inspections	\$ 1,227,131	\$ 1,528,337	\$ 301,205	Slight increase due to inflation and inspections related to custom programs.
			Portfolio Analytics	\$ 3,023,895	\$ 4,001,848	\$ 977,953	Slight increase due to inflation and more resources focused on customer and locational targeting.
			ME&O (Local)	\$ 3,285,155	\$ 3,425,201	\$ 140,047	Slight increase due to inflation.
			Account Management / Sales	\$ 16,089,305	\$ 16,699,313	\$ 610,008	Slight increase due to inflation.
			IT	\$ 8,355,899	\$ 5,432,988	\$ (2,922,911)	The IT labor spend is decreasing as fewer in house IT resources are supporting EE O&M related work for CRM and Tracking databases. Conversely, IT contract spend is increasing due outsourcing more of the EE O&M related work for CRM and Tracking databases. The net change for IT labor and contract spend is decreasing from 2016 to 2018 is \$1.3M.
			Call Center	\$ 802,100	\$ 651,807	\$ (150,293)	Based on very high level estimate of customer call volume
		Labor Total		\$ 73,514,508	\$ 70,717,780	\$ (2,796,727)	
		Non-Labor	Third-Party Implementers Contracts	\$ 20,561,895	\$ 30,593,917	\$ 10,032,022	N/A as these are outsource costs and the question asks for drivers of in-house costs.
	Local/Government Partnerships Contracts		\$ 29,514,947	\$ 31,465,517	\$ 1,950,570	N/A as these are outsource costs and the question asks for drivers of in-house costs.	
			Other Contracts				
			Policy, Strategy, and Regulatory Reporting Compliance	\$ 1,756,581	\$ 978,298	\$ (778,283)	Decrease related to fewer consulting costs.
			Program Management	\$ 51,299,048	\$ 49,751,188	\$ (1,547,860)	Decrease in core program implementation contracts and cross-cutting contracts.
			Engineering services	\$ 6,889,691	\$ 9,268,390	\$ 2,378,699	Increase in contract spend related to lower custom projects in 2016 and increase in custom projects in 2018 primarily in the Industrial and Agricultural sectors.
			Customer Application/Rebate/Incentive Processing	\$ 790,934	\$ 782,156	\$ (8,778)	Immaterial variance
			Customer Project Inspections	\$ 4,425	\$ 5,120	\$ 695	Immaterial variance
			Portfolio Analytics	\$ 372,091	\$ 539,255	\$ 167,164	Slight increase due to more resources focused on customer and locational targeting including systems and tools to support data analytics.
			ME&O (Local)	\$ 9,618,420	\$ 8,486,408	\$ (1,132,011)	Decrease related to Step Up / Power Down program.
			Account Management / Sales	\$ 376,628	\$ -	\$ (376,628)	No contract spend in 2018.
			IT	\$ 6,987,234	\$ 8,584,614	\$ 1,597,379	IT contract spend is increasing due outsourcing more of the EE O&M related work for CRM and Tracking databases. Conversely, the IT labor spend is decreasing as fewer in house IT resources are supporting EE O&M related work for CRM and Tracking databases. The net change for IT labor and contract spend is decreasing from 2016 to 2018 is \$1.3M.
			Call Center	\$ 464	\$ 96	\$ (368)	Immaterial variance
			Facilities	\$ -	\$ -	\$ -	N/A
			Incentives--Core Programs	\$ 134,599,083	\$ 90,144,199	\$ (44,454,884)	Reduction mainly due to Commercial program.
			Incentives--Third Party Program	\$ 20,124,029	\$ 38,394,095	\$ 18,270,065	N/A as these are outsource costs and the question asks for drivers of in-house costs.
		Incentives--Local/Government Partnerships	\$ 20,072,435	\$ 27,615,776	\$ 7,543,340	N/A as these are outsource costs and the question asks for drivers of in-house costs.	
	Non-Labor Total		\$ 302,967,905	\$ 296,609,029	\$ (6,358,877)		
	ALL SECTORS Total		\$ 376,482,413	\$ 367,326,809	\$ (9,155,604)		
	Other (collected through)	Labor Overheads	\$ 10,263,446	\$ 15,003,000	\$ 4,739,554	2018 Benefits Burdens amount is a placeholder based on the total approved in the 2017 GRC. PG&E will refine number when more information is available.	

Notes: (1) Labor costs are already loaded with employee benefits costs.

(2) These costs are collected through the GRC, approved in D.14-08-032 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2014-2016, issue date of August 20, 2014 and in D.17-05-013 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2017-2019, issue date of May 11, 2017.

Labor Overheads includes employee benefits costs associated with EM&V, DSM which are excluded from the total sector budget.

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APPENDIX I.B.

**TABLE SHOWING PROGRAM ADMINISTRATOR ENERGY EFFICIENCY
"FULL TIME EQUIVALENT" HEAD COUNT: PORTFOLIO STAFFING**

Appendix I.B - Energy Efficiency "Full Time Equivalent" Headcount

PACIFIC GAS & ELECTRIC COMPANY
SUPPLEMENTAL 2018 EE BUDGET INFORMATION
PORTFOLIO STAFFING

Functional Group	2016 EE Portfolio FTE*	2018 EE Portfolio FTE*
Policy, Strategy, and Regulatory Reporting Compliance	35.5	33.2
Program Management	120.5	109.9
Engineering Services	56.9	49.6
Customer Application/Rebate/Incentive Processing	23.0	23.0
Customer Project Inspections	12.7	12.8
Portfolio Analytics	15.6	20.2
EM&V	11.0	9.0
ME&O (Local)	15.8	16.0
Account Management / Sales	80.7	80.7
IT	38.3	25.0
Call Center	3.2	2.5
Total	413.4	381.9

*For Organizations outside of EE, used 1,736 hours estimate for an FTE.

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PG&E's Supplemental Budget Response to Scoping Memo Attachment A, Question I.C.9

APPENDIX I. C.

COSTS BY FUNCTIONAL AREA OF MANAGEMENT STRUCTURE:

FUNCTION DEFINITIONS

RESIDENTIAL BUDGET DETAIL

COMMERCIAL BUDGET DETAIL

AGRICULTURAL BUDGET DETAIL

INDUSTRIAL BUDGET DETAIL

PUBLIC SECTOR BUDGET DETAIL

CROSS-CUTTING BUDGET DETAIL.

PACIFIC GAS & ELECTRIC COMPANY
 SUPPLEMENTAL 2018 EE BUDGET INFORMATION
 FUNCTION DEFINITIONS

Aggregated Functional Category	Definition	Functional Category	Detailed Definition
Policy, Strategy, and Regulatory Reporting Compliance	Includes policy, strategy, compliance, audits and regulatory support	Planning & Compliance	DSM Goal Planning; lead legislative review/positioning; policy support on reg proceedings; portfolio optimization; end use-market strategy; DSM lead for PRP, DRP, ES; locational targeting; audit support; SOX certifications; developing control plans; developing action plans; continuous monitoring; inspections; program/product QA/QC; decision compliance oversight/tracking; data requests; policies & procedures
		Finance	
		Legal	
		Company Regulatory Support	Case management for EE proceedings
Program management	Includes labor, contracts, admin costs for program design, program implementation, product and channel management for all sectors	Program Management & Delivery	Market Segment & Locational Resource programs; Business Core & Finance Programs; Large Power DR Programs; Non-Res HVAC & Technical Services; Program Integration & Optimization; Residential EE & DR Programs (incl. Res HVAC QI); IQP & Economic Assistance Programs; Mass Market DR Programs; Education & Information Products & Services; Energy Leader Partnerships; Institutional & Federal Partnerships; REN Coordination; Strategic Plan Support; Energy/Water Program Mgt; Service Level Agreement Tracking
		Product Management	Manage end-to-end new products and services (P&S) intake, evaluation, and launch process; develop and facilitate P&S governance teams, coordination of all sub-process owners, stakeholders, and technical resources required to evaluate and launch new products; evaluate and launch new services and OOR opportunities; develop external partnerships & strategic alliances; work with various companies and associations to help advance standards, products, and tech.; work with external experts to help reduce SCE costs to deliver new prog. and products; develop and launch new customer technologies, products, services for residential and business customers; conduct customer pilots of new technologies and programs; lead customer field demonstrations of new technologies and products; align new P&S to savings programs/incentives; develop new programs/incentives in support of savings goals
		Channel Management	
		Contract Management	Budget forecasting, spend tracking, invoice processing, and contract management with vendors and suppliers; Regulatory support for ME&O activities. Includes Sourcing organization..
Engineering Services	Includes engineering, project management, and contracts associated with workpaper development and pre/post sales project technical reviews and design assistance	Custom project support	Management of Emerging Products projects; Customized reviews; LCR/RFO support; Ex-ante review management; Technical policy support; Technical assessments; Workpapers; Tool development; End use subject matter expertise. Includes Applied Technical Services organization.
		Deemed workpapers	
		Project management	
Customer Application/Rebate and Incentive Processing	Costs associated with application management and rebate and incentive processing (deemed and custom)	Rebate & Application Processing	
Inspections	Costs associated with project inspections	Inspections	
Portfolio Analytics	Includes analytics support, including internal performance reporting and external reporting	Data analytics	Data development for programs, products and services; Standard and ad hoc data extracts for internal and external clients ; Database management; CPUC, CAISO reporting; Data reconciliation; E3 support ; Compliance filing support; Funding Oversight; ESPI support; Program Results Data & Performance
EM&V	EM&V expenditures	EM&V Studies	Program and product review; manage evaluation studies
		EM&V Forecasting	EE lead for LTPP and IEPR; market potential study; integration w/ procurement planning; CPUC Demand Analysis Working Group
ME&O	Costs associated with utility EE marketing; no statewide; focus on outsourced portion	Marketing	Customer Programs, Products, and Services Marketing; Digital Product Development; Digital Content & Optimization
		Customer insights	Voice of the Customer; Customer satisfaction study measurement and analysis (JD Power, SDS); Customer testing/research
Account Management / Sales	Costs associated with account rep energy efficiency sales functions	Account Management	
IT	IT project specific costs and regular O&M	IT - project specific	Projects and minor enhancements. Includes project management/business integration ("PMO/BID"). Excluded: maintenance (which SCE defines as when something goes down, normal batch processing, verifying interfaces, etc.).
		IT - regular O&M	
Call Center	Costs associated with call center staff fielding EE program questions	Call Center	
Incentives	Costs of rebate and incentive payments to customers	Incentives	

Appendix I.C - Costs by Functional Area of Management Structure

**PACIFIC GAS & ELECTRIC COMPANY
SUPPLEMENTAL 2018 EE BUDGET INFORMATION
RESIDENTIAL BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget	
Residential	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 1,163,620	\$ 1,108,265	
		Program Management	\$ 2,788,118	\$ 2,905,408	
		Engineering services	\$ 608,938	\$ 473,408	
		Customer Application/Rebate/Incentive Processing	\$ 785,977	\$ 704,838	
		Customer Project Inspections	\$ 409,401	\$ 497,547	
		Portfolio Analytics	\$ 672,271	\$ 874,101	
		ME&O (Local)	\$ 1,505,080	\$ 1,581,514	
		Account Management / Sales	\$ -	\$ -	
		IT	\$ 2,645,463	\$ 1,809,572	
		Call Center	\$ 784,937	\$ 651,807	
		Labor Total		\$ 11,363,804	\$ 10,606,460
		Non-Labor	Third-Party Implementers Contracts	\$ 2,010,079	\$ 1,897,144
			Local/Government Partnerships Contracts (3)	\$ -	\$ -
	Other Contracts				
	Policy, Strategy, and Regulatory Reporting Compliance		\$ 390,516	\$ 211,993	
	Program Management		\$ 15,597,720	\$ 11,791,859	
	Engineering services		\$ 146,320	\$ 460,619	
	Customer Application/Rebate/Incentive Processing		\$ 519,851	\$ 506,168	
	Customer Project Inspections		\$ 1,177	\$ 1,740	
	Portfolio Analytics		\$ 82,761	\$ 50,990	
	ME&O (Local)		\$ 3,836,920	\$ 3,954,587	
Account Management / Sales	\$ -	\$ -			
IT	\$ 231,486	\$ 3,016,374			
Call Center	\$ 464	\$ 96			
Facilities	\$ -	\$ -			
Incentives--Core Programs	\$ 58,422,229	\$ 42,787,667			
Incentives--Third Party Program	\$ 5,291,995	\$ 5,806,467			
Non-Labor Total		\$ 86,531,519	\$ 70,485,705		
Residential Total		\$ 97,895,323	\$ 81,092,165		
	Other (collected through GRC) (2)	Labor Overheads	\$ 1,478,592	\$ 2,193,143	

- Notes:
- (1) Labor costs are already loaded with employee benefits costs.
 - (2) These costs are collected through the GRC, approved in D.14-08-032 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2014-2016, issue date of August 20, 2014 and in D.17-05-013 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2017-2019, issue date of May 11, 2017.
 - (3) LGP contracts that directly support the sector are not included in this item. The total LGP contract amount is included in the Public Sector.

Appendix I.C - Costs by Functional Area of Management Structure

**PACIFIC GAS & ELECTRIC COMPANY
SUPPLEMENTAL 2018 EE BUDGET INFORMATION
COMMERCIAL BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget	
Commercial	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 1,727,153	\$ 1,398,621	
		Program Management	\$ 5,019,307	\$ 4,904,221	
		Engineering services	\$ 4,987,465	\$ 4,665,663	
		Customer Application/Rebate/Incentive Processing	\$ 1,159,286	\$ 1,035,671	
		Customer Project Inspections	\$ 745,744	\$ 904,812	
		Portfolio Analytics	\$ 998,438	\$ 1,103,547	
		ME&O (Local)	\$ 1,159,318	\$ 1,202,554	
		Account Management / Sales	\$ 8,635,641	\$ 6,752,325	
		IT	\$ 2,916,777	\$ 1,594,955	
		Call Center	\$ 209	\$ -	
		Labor Total		\$ 27,349,339	\$ 23,562,369
		Non-Labor	Third-Party Implementers Contracts	\$ 9,198,955	\$ 11,289,404
			Local/Government Partnerships Contracts (3)	\$ -	\$ -
	Other Contracts				
	Policy, Strategy, and Regulatory Reporting Compliance		\$ 587,033	\$ 267,700	
	Program Management		\$ 9,736,714	\$ 8,591,311	
	Engineering services		\$ 3,171,243	\$ 4,743,723	
	Customer Application/Rebate/Incentive Processing		\$ 203,847	\$ 178,164	
	Customer Project Inspections		\$ 2,889	\$ 2,948	
	Portfolio Analytics		\$ 122,726	\$ 364,433	
	ME&O (Local)		\$ 3,596,744	\$ 1,739,442	
	Account Management / Sales	\$ 204,225	\$ -		
	IT	\$ 3,413,604	\$ 3,137,962		
Call Center	\$ -	\$ -			
Facilities	\$ -	\$ -			
Incentives--Core Programs	\$ 61,358,841	\$ 32,405,638			
Incentives--Third Party Program	\$ 8,577,619	\$ 12,410,270			
Non-Labor Total		\$ 100,174,441	\$ 75,130,995		
Commercial Total		\$ 127,523,779	\$ 98,693,364		
	Other (collected through GRC) (2)	Labor Overheads	\$ 3,675,883	\$ 4,872,092	

- Notes:
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 - (2) These costs are collected through the GRC, approved in D.14-08-032 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2014-2016, issue date of August 20, 2014 and in D.17-05-013 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2017-2019, issue date of May 11, 2017.
 - (3) LGP contracts that directly support the sector are not included in this item. The total LGP contract amount is included in the Public Sector.

Appendix I.C - Costs by Functional Area of Management Structure

**PACIFIC GAS & ELECTRIC COMPANY
SUPPLEMENTAL 2018 EE BUDGET INFORMATION
AGRICULTURAL BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget	
Agricultural	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 359,595	\$ 422,769	
		Program Management	\$ 1,029,243	\$ 1,045,382	
		Engineering services	\$ 1,688,615	\$ 1,533,076	
		Customer Application/Rebate/Incentive Processing	\$ 353,158	\$ 353,869	
		Customer Project Inspections	\$ 15,864	\$ 52,180	
		Portfolio Analytics	\$ 208,327	\$ 333,601	
		ME&O (Local)	\$ 266,183	\$ 263,059	
		Account Management / Sales	\$ 1,182,715	\$ 2,072,951	
		IT	\$ 550,039	\$ 402,950	
		Call Center	\$ -	\$ -	
		Labor Total		\$ 5,653,740	\$ 6,479,838
		Non-Labor	Third-Party Implementers Contracts	\$ 2,700,593	\$ 5,963,900
			Local/Government Partnerships Contracts (3)	\$ -	\$ -
	Other Contracts				
	Policy, Strategy, and Regulatory Reporting Compliance		\$ 120,999	\$ 80,863	
	Program Management		\$ 2,375,168	\$ 1,912,629	
	Engineering services		\$ 267,317	\$ 519,764	
	Customer Application/Rebate/Incentive Processing		\$ 4,784	\$ 8,953	
	Customer Project Inspections		\$ 30	\$ 213	
	Portfolio Analytics		\$ 25,649	\$ 19,481	
ME&O (Local)	\$ 691,625		\$ 836,460		
Account Management / Sales	\$ 30,299	\$ -			
IT	\$ 664,053	\$ 295,445			
Call Center	\$ -	\$ -			
Facilities	\$ -	\$ -			
Incentives--Core Programs	\$ 10,260,492	\$ 8,149,280			
Incentives--Third Party Program	\$ 1,353,051	\$ 7,974,728			
Non-Labor Total		\$ 18,494,060	\$ 25,761,717		
Agricultural Total		\$ 24,147,799	\$ 32,241,555		
	Other (collected through GRC) (2)	Labor Overheads	\$ 758,774	\$ 1,339,864	

- Notes:
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 - (3) LGP contracts that directly support the sector are not included in this item. The total LGP contract amount is included in the Public Sector.

Appendix I.C - Costs by Functional Area of Management Structure

**PACIFIC GAS & ELECTRIC COMPANY
SUPPLEMENTAL 2018 EE BUDGET INFORMATION
INDUSTRIAL BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget
Industrial	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 402,949	\$ 559,829
		Program Management	\$ 1,723,878	\$ 1,420,063
		Engineering services	\$ 2,759,205	\$ 2,548,966
		Customer Application/Rebate/Incentive Processing	\$ 559,411	\$ 567,281
		Customer Project Inspections	\$ 1,105	\$ -
		Portfolio Analytics	\$ 233,434	\$ 442,015
		ME&O (Local)	\$ 167,716	\$ 186,291
		Account Management / Sales	\$ 1,514,033	\$ 2,750,686
		IT	\$ 638,442	\$ 554,958
		Call Center	\$ -	\$ -
	Labor Total		\$ 8,000,173	\$ 9,030,090
	Non-Labor	Third-Party Implementers Contracts	\$ 6,606,054	\$ 11,443,469
		Local/Government Partnerships Contracts (3)	\$ -	\$ -
		Other Contracts		
		Policy, Strategy, and Regulatory Reporting Compliance	\$ 135,597	\$ 107,193
		Program Management	\$ 1,206,271	\$ 885,658
		Engineering services	\$ 517,182	\$ 1,101,833
		Customer Application/Rebate/Incentive Processing	\$ 3,843	\$ 2,688
		Customer Project Inspections	\$ 6	\$ -
		Portfolio Analytics	\$ 28,742	\$ 25,847
		ME&O (Local)	\$ 493,116	\$ 697,576
		Account Management / Sales	\$ 35,716	\$ -
		IT	\$ 770,282	\$ 645,463
		Call Center	\$ -	\$ -
		Facilities	\$ -	\$ -
		Incentives--Core Programs	\$ 4,557,521	\$ 6,801,614
		Incentives--Third Party Program	\$ 4,901,364	\$ 12,202,629
	Non-Labor Total		\$ 19,255,694	\$ 33,913,972
Industrial Total			\$ 27,255,867	\$ 42,944,061
	Other (collected through GRC) (2)	Labor Overheads	\$ 1,047,866	\$ 1,867,190

- Notes:
- (1) Labor costs are already loaded with employee benefits costs.
 - (2) These costs are collected through the GRC, approved in D.14-08-032 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2014-2016, issue date of August 20, 2014 and in D.17-05-013 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2017-2019, issue date of May 11, 2017.
 - (3) LGP contracts that directly support the sector are not included in this item. The total LGP contract amount is included in the Public Sector.

Appendix I.C - Costs by Functional Area of Management Structure

**PACIFIC GAS & ELECTRIC COMPANY
SUPPLEMENTAL 2018 EE BUDGET INFORMATION
PUBLIC SECTOR BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget
Public	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 1,009,261	\$ 999,227
		Program Management	\$ 3,665,587	\$ 3,485,772
		Engineering services	\$ 248,626	\$ 204,871
		Customer Application/Rebate/Incentive Processing	\$ 153,677	\$ 53,368
		Customer Project Inspections	\$ 55,017	\$ 73,798
		Portfolio Analytics	\$ 590,454	\$ 787,869
		ME&O (Local)	\$ 62,237	\$ 57,984
		Account Management / Sales	\$ 4,110,068	\$ 4,887,448
		IT	\$ 1,454,346	\$ 996,945
		Call Center	\$ -	\$ -
	Labor Total		\$ 11,349,271	\$ 11,547,284
	Non-Labor	Third-Party Implementers Contracts	\$ -	\$ -
		Local/Government Partnerships Contracts	\$ 29,514,947	\$ 31,465,517
		Other Contracts		
		Policy, Strategy, and Regulatory Reporting Compliance	\$ 342,950	\$ 190,859
		Program Management	\$ -	\$ -
		Engineering services	\$ 223,011	\$ 247,095
		Customer Application/Rebate/Incentive Processing	\$ 2,033	\$ 52
		Customer Project Inspections	\$ 322	\$ 219
		Portfolio Analytics	\$ 72,696	\$ 45,929
		ME&O (Local)	\$ 280,330	\$ 179,126
		Account Management / Sales	\$ 99,723	\$ -
		IT	\$ 1,734,575	\$ 1,216,083
		Call Center	\$ -	\$ -
		Facilities	\$ -	\$ -
		Incentives--Core Programs	\$ -	\$ -
		Incentives--Local/Government Partnerships	\$ 20,072,435	\$ 27,615,776
	Non-Labor Total		\$ 52,343,022	\$ 60,960,656
Public Total			\$ 63,692,293	\$ 72,507,940
	Other (collected through GRC) (2)	Labor Overheads	\$ 1,480,902	\$ 2,387,681

- Notes:
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 - (2) These costs are collected through the GRC, approved in D.14-08-032 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2014-2016, issue date of August 20, 2014 and in D.17-05-013 - Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2017-2019, issue date of May 11, 2017.

Appendix I.C - Costs by Functional Area of Management Structure

**PACIFIC GAS & ELECTRIC COMPANY
SUPPLEMENTAL 2018 EE BUDGET INFORMATION
CROSS -CUTTING BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures	2018 EE Portfolio Budget
Cross Cutting	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 556,608	\$ 546,010
		Program Management	\$ 6,991,781	\$ 7,196,821
		Engineering services	\$ 563,071	\$ 523,487
		Customer Application/Rebate/Incentive Processing	\$ 426,493	\$ 321,398
		Customer Project Inspections	\$ -	\$ -
		Portfolio Analytics	\$ 320,972	\$ 460,715
		ME&O (Local)	\$ 124,621	\$ 133,798
		Account Management / Sales	\$ 646,848	\$ 235,903
		IT	\$ 150,833	\$ 73,608
		Call Center	\$ 16,954	\$ -
	Labor Total		\$ 9,798,181	\$ 9,491,740
	Non-Labor	Third-Party Implementers Contracts	\$ 46,214	\$ -
		Local/Government Partnerships Contracts (3)	\$ -	\$ -
		Other Contracts		
		Policy, Strategy, and Regulatory Reporting Compliance	\$ 179,485	\$ 119,690
		Program Management	\$ 22,383,176	\$ 26,569,732
		Engineering services	\$ 2,564,617	\$ 2,195,355
		Customer Application/Rebate/Incentive Processing	\$ 56,576	\$ 86,131
		Customer Project Inspections	\$ -	\$ -
		Portfolio Analytics	\$ 39,517	\$ 32,573
		ME&O (Local)	\$ 719,684	\$ 1,079,218
		Account Management / Sales	\$ 6,665	\$ -
		IT	\$ 173,236	\$ 273,286
		Call Center	\$ -	\$ -
		Facilities	\$ -	\$ -
		Incentives--Core Programs	\$ -	\$ -
		Incentives--Third Party Program	\$ -	\$ -
	Non-Labor Total		\$ 26,169,170	\$ 30,355,985
Cross Cutting Total			\$ 35,967,351	\$ 39,847,725
	Other (collected through GRC) (2)	Labor Overheads	\$ 1,459,635	\$ 1,962,648

- Notes:
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 - (3) LGP contracts that directly support the sector are not included in this item. The total LGP contract amount is included in the Public Sector.

A.17-01-013 et al.

PG&E's Supplemental Budget Response to Scoping Memo Attachment A, Question I.C.9

APPENDIX II. A

QUESTION C-8: PORTFOLIO SUMMARY

Appendix II.A. Question C-8: Portfolio Summary

**PACIFIC GAS & ELECTRIC COMPANY
SUPPLEMENTAL 2018 EE BUDGET INFORMATION
PORTFOLIO SUMMARY**

Sector	2016 EE Portfolio Expenditures (\$Million)				2018 EE Portfolio Budget (\$Million)				2016 EE Portfolio Savings			2018 EE Portfolio Forecasted Savings (1)		
	Labor	Non-Labor (excl. Incentives)	Incentives	Total	Labor	Non-Labor (excl. Incentives)	Incentives	Total	KWH	KW	M THERMS	KWH	KW	M THERMS
Residential	\$ 11,363,804	\$ 22,817,294	\$ 63,714,224	\$ 97,895,323	\$ 10,606,460	\$ 21,891,570	\$ 48,594,134	\$ 81,092,165	234,815,352	52,995	4.19	96,000,000	9,000	1.2
Commercial	\$ 27,349,339	\$ 30,237,980	\$ 69,936,460	\$ 127,523,779	\$ 23,562,369	\$ 30,315,086	\$ 44,815,908	\$ 98,693,364	144,632,910	25,531	3.01	151,000,000	20,000	3.8
Agricultural	\$ 5,653,740	\$ 6,880,516	\$ 11,613,543	\$ 24,147,799	\$ 6,479,838	\$ 9,637,709	\$ 16,124,008	\$ 32,241,555	54,916,559	17,181	0.87	48,000,000	10,000	0.5
Industrial	\$ 8,000,173	\$ 9,796,809	\$ 9,458,885	\$ 27,255,867	\$ 9,030,090	\$ 14,909,728	\$ 19,004,243	\$ 42,944,061	37,054,341	7,653	2.13	81,000,000	9,000	5
Public (GP)	\$ 11,349,271	\$ 32,270,587	\$ 20,072,435	\$ 63,692,293	\$ 11,547,284	\$ 33,344,880	\$ 27,615,776	\$ 72,507,940	46,860,705	8,450	(0.04)	60,000,000	6,000	2.6
Cross Cutting (2)	\$ 9,798,181	\$ 26,169,170	\$ -	\$ 35,967,351	\$ 9,491,740	\$ 30,355,985	\$ -	\$ 39,847,725	731,064,260	143,079	9.41	408,000,000	103,000	6
Total Sector Budget	\$ 73,514,508	\$ 128,172,358	\$ 174,795,548	\$ 376,482,413	\$ 70,717,780	\$ 140,454,959	\$ 156,154,070	\$ 367,326,809	1,249,344,127	254,889	19.58	844,000,000	157,000	19.1
EM&V-PA (3)	\$ 2,341,712	\$ 1,718,041	\$ -	\$ 4,059,753	\$ 1,821,367	\$ 5,060,400	\$ -	\$ 6,881,767	-	-	-	-	-	-
EM&V-ED (3)	\$ -	\$ 7,536,039	\$ -	\$ 7,536,039	\$ -	\$ 10,322,651	\$ -	\$ 10,322,651	-	-	-	-	-	-
OBF - Loan Pool	\$ -	\$ -	\$ 16,765,242	\$ 16,765,242	\$ -	\$ -	\$ 13,500,000	\$ 13,500,000	-	-	-	-	-	-
REN (5)	\$ -	\$ 17,379,767	\$ -	\$ 17,379,767	\$ -	\$ 16,537,000	\$ -	\$ 16,537,000	2,625,159	1,384	0.34	2,368,366	1,033	0.27
CCA (5)	\$ -	\$ 1,428,096	\$ -	\$ 1,428,096	\$ -	\$ 1,586,347	\$ -	\$ 1,586,347	565,198	87	0.01	1,812,755	351	0.03
DSM	\$ 167,465	\$ 282,700	\$ -	\$ 450,165	\$ 18,238	\$ 540,969	\$ -	\$ 559,206	-	-	-	-	-	-
EE Total	\$ 76,023,684	\$ 156,517,001	\$ 191,560,789	\$ 424,101,475	\$ 72,557,385	\$ 174,502,326	\$ 169,654,070	\$ 416,713,780	1,252,534,484	256,360	19.93	848,181,121	158,384	19.41

(1) 2018 forecasted savings are based on PG&E's savings targets from its Business Plan. A more accurate forecast of 2018 savings will be provided in PG&E's 2018 Annual Budget Advice Letter, to be filed September 1, 2017.

(2) Cross Cutting Sector includes Codes & Standards, Emerging Technologies, Workforce Education & Training, Financing.

(3) 2016 EM&V Expenditures include prior-cycle work for funding cycles CEE2010-2012 and CEE2013-2015.

(4) Free Technical Advice is included in Labor and Non-Labor (excl. Incentives) for both 2016 and 2018. These costs were classified as Incentives in the BP budget tables per the EE Policy Manual Version 5 July 2013.

(5) REN and CCA 2018 forecasted savings represent 2017 forecasted savings for BayREN and MCE from their 2017 budget filings on CEDARS.

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PG&E's Supplemental Budget Response to Scoping Memo Attachment A, Question I.C.9

APPENDIX II. C

QUESTION C-10:

AGGREGATE BUDGETS FOR STATEWIDE PROGRAMS

EE PROGRAMS SOLICITATION STRATEGY

Aggregate Budgets for Statewide Programs

Statewide Program*	Proposed Lead	2018 Budget (\$M)**	2019 Budget (\$M)**	2020 Budget (\$M)**
State Government Partnerships	PG&E	\$ 4.74	\$ 4.78	\$ 4.81
Codes and Standards Advocacy	PG&E	\$ 11.95	\$ 12.06	\$ 12.13
WE&T Connections	PG&E	\$ 4.08	\$ 4.09	\$ 4.10
WE&T Career & Workforce Readiness (downstream pilot)	PG&E	\$ 1.67	\$ 1.67	\$ 1.67
Indoor Agriculture (downstream pilot)	PG&E	TBD	TBD	TBD
Emerging Technologies: Electric	SCE	\$ 14.52	\$ 14.75	\$ 14.90
Lighting	SCE	\$ 16.82	\$ 13.35	\$ 13.37
Savings by Design	SCE	\$ 22.89	\$ 23.30	\$ 23.59
Government Institutional Partnerships	SCE	\$ 15.63	\$ 15.47	\$ 15.22
Water/Wastewater Pumping (downstream pilot)	SCE	\$ 5.25	\$ 5.26	\$ 5.28
Residential New Construction	SCG	\$ 13.37	\$ 19.11	\$ 9.41
Emerging Technologies: Gas	SCG	\$ 2.66	\$ 2.69	\$ 2.72
Food Service Point-of-Sale	SCG	\$ 5.42	\$ 5.66	\$ 5.78
Commercial Midstream Water Heaters	SCG	\$ 2.62	\$ 2.69	\$ 2.72
Commercial Upstream HVAC	SDG&E	\$ 30.29	\$ 30.98	\$ 31.44
Residential Upstream HVAC	SDG&E	\$ 1.86	\$ 1.98	\$ 2.06
Residential PLA***	SDG&E	\$ 27.97	\$ 29.47	\$ 23.11
Residential HVAC QI/QM (downstream pilot)	SDG&E	\$ 6.85	\$ 7.32	\$ 7.86

Notes

*Statewide budgets may be adjusted before and after the solicitation process based on portfolio needs and proposals received.

**Estimated statewide budgets reflect fully loaded program costs, not contract amounts that will be included in solicitations.

***PG&E's contribution does not include the Retail Products Platform (RPP) pilot.

EE Programs Solicitation Strategy

2017 (target ~20% portfolio budget bid out)									
Statewide Programs	Lead	Q1		Q2		Q3		Q4	
		Sector / Program Area	Budget	Sector / Program Area	Budget	Sector / Program Area	Budget	Sector / Program Area	Budget
Statewide Programs	Lead								
	Non-Lead							[SCE] Public / Water-Wastewater Pumping Program	TBD
Local Sector	Lead							[SCE] Public / Institutional Partnership - CA Community Colleges	TBD
	Non-Lead							[SCE] Public / Institutional Partnership - UC/CSU	TBD
								[SCE] Commercial / New Construction: Savings by Design	TBD
								[SDG&E] Commercial / Upstream HVAC	TBD
				[TARGETED] Industrial / Strategic Energy Management*	\$2-4.5M				
								[3P] Residential / Pay-4-Performance*	\$5M-9M
2018 (target ~40% portfolio budget bid out)									
Statewide Programs	Lead	Q1		Q2		Q3		Q4	
		Sector / Program Area	Budget	Sector / Program Area	Budget	Sector / Program Area	Budget	Sector / Program Area	Budget
Statewide Programs	Lead	WE&T Career and Workforce Readiness	TBD			Public / Institutional Partnership - State of California	TBD		
	Non-Lead	WE&T Career Connections	TBD			[TARGETED] Industrial / Upstream or Compressed Air	TBD		
Local Sector	Lead	Agricultural / Indoor Agriculture Program	TBD						
	Non-Lead	Codes and Standards Advocacy Programs - Title 24 Building Codes	TBD						
		[SCE] WE&T Career and Workforce Readiness	TBD			[SDG&E] Residential / Residential HVAC QI/QM	TBD		
		[SDG&E] WE&T Career and Workforce Readiness	TBD			[SDG&E] Residential / Residential HVAC Upstream	TBD		
		[SoCalGas] WE&T Career and Workforce Readiness	TBD			[SCE] Electric Emerging Technologies	TBD		
		[SCE] WE&T Career Connections	TBD			[SoCalGas] Gas Emerging Technologies	TBD		
		[SCE] Residential / Primary Lighting (1-year)	TBD						
		[SDG&E] WE&T Career Connections	TBD						
		[SoCalGas] Commercial / Foodservice Point-of-Sale	TBD						
		[SoCalGas] WE&T Career Connections	TBD						
		[SoCalGas] Commercial / Midstream Commercial Water Heating	TBD						
		[SDG&E] Plug Load and Appliances	TBD						
		[OPEN] Agricultural / Food Processing, Dairies, Wineries	\$17M-19M						
		[OPEN] Commercial / Large Office	\$5M-8M					[OPEN] Commercial / New Retail	\$4M-6M
		[OPEN] Commercial / High Tech	\$6M-9M					[OPEN] Commercial / New Healthcare	\$1M-3.5M
		[OPEN] Public/SMB Regional Program - San Joaquin Valley	\$15M-18M						
		[OPEN] Public/SMB Regional Program - Sacramento Valley	\$5M-7M						
		[OPEN] Public/SMB Regional Program - Northern CA/North Bay	\$8M-10M			[OPEN] Industrial / Petroleum	\$10M-12M		
		[OPEN] Public/SMB Regional Program - Central Coast/South Bay	\$20M-24M						
		[OPEN] Residential	\$25-35M			[OPEN] Finance / New Financing Offerings	\$1M-2M		
2019 (target ~60% portfolio budget bid out)									
Statewide Programs	Lead	Q1		Q2		Q3		Q4	
		Sector / Program Area	Budget	Sector / Program Area	Budget	Sector / Program Area	Budget	Sector / Program Area	Budget
Statewide Programs	Lead	Codes and Standards Advocacy Programs - Title 20 Appliance Standards	TBD						
	Non-Lead	Industrial / Benchmarking Pilot (New upstream approach)	TBD						
Local Sector	Lead								
	Non-Lead	[SoCalGas] Residential / New Construction	TBD					[TARGETED] Commercial / Commercial Whole Building	\$1M-2M
								[OPEN] Res	\$3M-5M
								[OPEN] Agricultural / Crop Production / Greenhouses	\$18M-20M
		Platforms / Deemed Platform (shared services)	\$8M-10.5M	[OPEN] Commercial / New Hospitality	\$1M-2.5M	[OPEN] Industrial / Manufacturing	\$32M-34M		
		Platforms / Calculated Platform (shared services)	\$4M-7M						
2020 (target >= 60% portfolio budget bid out)									
Statewide Programs	Lead	Q1		Q2		Q3		Q4	
		Sector / Program Area	Budget	Sector / Program Area	Budget	Sector / Program Area	Budget	Sector / Program Area	Budget
Statewide Programs	Lead								
	Non-Lead								
Local Sector	Lead								
	Non-Lead							[TARGETED] Agricultural / Segments TBD	\$500K-1M
								[TARGETED] Commercial - Innovative	\$4M-8M
								[TARGETED] Industrial / Segments TBD	\$500K-1.2M

Notes

Contract range values represent 3 year values.
 Contract ranges may vary once we contract with 3Ps.
 PG&E received Commission staff approved to issue solicitations for Strategic.
 PG&E believes the competitive solicitation for energy efficiency products should be expressed in terms of energy savings, rather than utility spend. Publicly available solicitation budgets may enable competitors to estimate a PA's potential cost per unit of energy savings. This pro-forma cost may become a bid floor, as bidders submit offers clustering just under the PA's budget. Thus, public disclosure of the PA's solicitation budget may nullify intended competition to assure a reasonable price. PG&E's revised solicitation strategy (to be filed June 14) will include additional details, such as the anticipated savings targets for each solicitation.

PG&E has updated its phased solicitation timeline from its Business Plan to PG&E has included the statewide solicitations for other lead PAs. These

What

PG&E based its original program outsourcing strategy around minimizing PG&E will continue to work with other IOUs to better coordinate with SW