

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Energy Efficiency 2018-2025 Rolling Portfolio Business Plan**  
**Application 17-01-015**  
**Data Response**

PG&E Data Request No.:	ORA_01-Q11		
PG&E File Name:	EnergyEfficiency2018-2025-RollingPortfolioBusinessPlan_DR_ORA_01-Q11		
Request Date:	March 1, 2017	Requester DR No.:	PGE001
Date Sent:	March 15, 2017	Requesting Party:	ORA (Office of Ratepayer Advocates)
PG&E Witness:	Meghan Dewey	Requester:	Daniel Buch

**SUBJECT: DATA REQUEST NO. ORA BUSINESS PLAN A1701013-PGE001. (ORA\_01).**

**UTILITY PROCUREMENT PLANS**

**QUESTION 11**

How do propose to structure your third-party solicitations?

- a. Will you conduct sector-specific third-party solicitations?
- b. Will you conduct cross-sector third-party solicitations?
- c. Specify the advantages of your solicitation structure over alternative solicitation strategies.

**ANSWER 11**

As outlined in our Business Plan, PG&E will structure third-party solicitations based on the market sectors, cross-cutting sectors, and statewide programs for potential program implementers to propose, design, and deliver programs which best meet overall portfolio objectives. Solicitations will often be further focused by market subsector, customer type, locational and/or time-value specific energy reductions, or platforms (as described in PG&E’s Portfolio Overview chapter pp.1-4), if PG&E believes there would be a benefit in further defining the solicitation.

PG&E aims to simplify the energy efficiency portfolio to enable easy access and lower transaction costs for customers and implementers. Should Commission approval of the 2018-2025 EE application be granted by June 29, 2017, PG&E plans to stagger solicitations opportunities in three phases to allow the market to absorb and respond to the volume of opportunities by sector.

- a. Yes, PG&E plans to conduct sector-specific third-party solicitations, as outlined in its Portfolio Overview chapter pp. 34-42. Additionally, PG&E will issue solicitations for statewide programs as ordered in D.16-08-019.

- b. Yes, PG&E may consider cross-sector third-party solicitations in cases where there are natural synergies. For instance, there could be scenarios where Industrial and Agricultural sector customers share similar characteristics. In this case, a cross-sector program would make sense. PG&E would consider proposals from third parties in these instances. Fundamentally, PG&E will seek program proposals that simplify its portfolio – making it easier for customer and market actors to access – and reduce transaction costs.

<b>c. Solicitation Structure Feature</b>	<b>Advantage</b>
Phased approach	Facilitates smooth transition and limits disruption to customers and marketplace
Bidding out proposed PG&E-led statewide programs in 2017 and 2018	Realize the Commission’s vision for statewide model (e.g., cost-efficiencies and/or market transformation) sooner
<p>Subsector and/or program-level solicitations, instead of entire sectors</p> <p>(Solicitations will be focused by market subsector, customer type, locational and/or time-value specific energy reductions, or platforms)</p>	<p>Ensures PG&amp;E’s ability to remain “determiner of need” and deploy programs to meet portfolio objectives. Ensures our ability to coordinate with other EE programs, integrate utility functions, DERs etc. Allows for more competition and diversity in the marketplace.</p>
Subsector approach in market sectors	Customer-centric approach. Simplifies portfolio, minimizes duplication, moves away from hundreds of discrete subprograms
New strategies and tactics	Incorporate innovation and new ways to achieve energy efficiency. Since PG&E has not rebid our third party portfolio for quite some time, we are seeking creative solutions to

	realize cost effective energy savings.
Opportunities to gain efficiencies and streamline portfolio	Reduced portfolio costs, and easier access for customer and market actors
Focus on portfolio needs (e.g., locational specific, savings potential etc.)	Healthy portfolio that values EE at right time, minimizes overlap, and scales energy savings at lower costs

Overall, PG&E’s strategy allows us to maintain our role as determiners of need, drive innovation and value for our customers, and cultivate relationships with new partners to more efficiently and effectively deliver EE programs. It’s fundamental to PG&E that we source program proposals and designs that meet our portfolio needs and objectives, ensuring adequate oversight and engagement with third party implementers so that their programs are truly designed in such a way that will meet our portfolio needs and comply with Commission policies. Further, PG&E’s solicitation strategy is designed to ensure coordination among programs, and other program administrators in our territory, to minimize duplication and overlap, customer confusion, and market disruption.