PG&E – CEDMC 2024 Business Plan Forum

March 2022

Together, Building a Better California

Safety Orientation: Remote Workplace

Earthquake

Know the safest places to duck, cover, and hold, such as under sturdy desks and tables.

Fire

Know your exits, escape routes, and evacuation plan. If safe to do so, use your compliant fire extinguisher. Exit the house, and call 911.

Medical Emergency

Know who can perform first aid and CPR. Call 911 if you're alone or share your location with the call leader to send help.

Emergency Planning

- ✓ Update emergency contacts via *PG&E@Work for Me.*
- ✓ Create or update your personal emergency preparedness plan at PG&E's Safety Action Center online.

Psychological Safety

- ✓ I'm cared for.
- ✓ People have my back and I have theirs.
- ✓ It's safe to take risks.
- ✓ New ideas are welcome.
- ✓ I practice self-care.

Ergonomics

- ✓ Practice ***30/30*** (every 30 minutes, move & stretch for 30 seconds).
- ✓ Schedule a virtual ergonomic evaluation through RSI Guard
- ✓ Don't ignore RSI Guard break reminders.

COVID-19

- ✓ Maintain at least 6' distance where possible.
- ✓ Wear your mask.
- ✓ Wash hands frequently.
- ✓ Visit the COVID-19 employee site for the latest updates and tips.

Today's Speakers

David Poster

Director, Energy Efficiency

Michael Burger

Sr. Manager, Portfolio Strategy and Programs Oversight

Mananya Chansanchai

Manager, EE Portfolio Strategy & Optimization

Ben Brown

Principal Strategic Analyst, Portfolio Strategy & Optimization

Caroline Massad Francis

Manager, EE Policy Shaping, Analysis & Compliance

PG&E – CEDMC Partnership

Vision & Outcomes of EE Business Plan

PG&E's vision for EE is to help keep customer energy bills affordable, reduce energy demand on the grid, build resiliency to climate change, and advance building decarbonization in California

GOALS	2027 Desired Outcomes	2031 Desired Outcomes
Optimize Delivery of Total System Benefit (TSB)	Achieve $761.8 million in cumulative TSB[a]	Achieve $1.9 billion in cumulative TSB[b]
Support Economy-Wide Carbon Neutrality by 2045	Achieve 20.5 million metric tons (MMT) of cumulative lifecycle CO_2 emissions reductions through a portfolio that advances decarbonization strategies[c]	Achieve 35.4 million metric tons (MMT) of cumulative lifecycle CO_2 emissions reductions through a portfolio that integrates comprehensive decarbonization strategies[c]
	Increase the rate of electrification above the natural rate of adoption by making electrification simple, easy, convenient, and valued by customers	Electrification is a primary focus of PG&E's EE Portfolio. PG&E's EE Portfolio removes financial support for natural gas equipment, except where there is no viable alternative
Shape Energy Demand to Match Supply	Deliver energy savings during times of anticipated electric system constraints[d][e]	Deliver energy savings during times of anticipated electric system constraints[d][e]
	Customers are aware of how, and provided multiple opportunities to, manage their load to support a clean and reliable grid	Customers are provided comprehensive, innovative, and integrated load management opportunities spanning PG&E's entire customer energy management portfolio
Support Customer Resiliency	Targeted resiliency focused programs use all cost saving EE measures to achieve optimally sized electricity generator and other infrastructure assets in specific coordinated resiliency projects	Resiliency projects leverage cost saving EE measures throughout PG&E's EE portfolio to optimally size electricity generator and other infrastructure assets

(a) PG&E's cumulative TSB goals for 2024-2027 adopted in D.21-09-037, p.19.
(b) PG&E's cumulative TSB goals for 2024-2031 adopted in D.21-09-037, p.19.
(c) Cumulative lifecycle CO_2 emissions from PG&E's EE Application CET output forecast, converted from short tons to metric tons, including codes and standards.
(d) PG&E is defining this timeframe as the hours of 4pm to 9pm, every day to align with a frequently used peak pricing period of PG&E's electric rate plans. PG&E will measure progress towards this goal in watt-hours (Wh) as opposed to only DEER defined peak watts.
(e) PG&E is not including a target figure as the savings in watt-hours for only the specific time periods of concern is not yet an available CET output. PG&E recommended improvements to CET outputs and overall EE benefit calculations are discussed in subsequent chapters throughout this application.

Overview: PG&E EE Portfolio 2024-2027

Portfolio Metrics

$932M (122%)
Total System Benefit
(compared to CPUC Goal)

1.04
Cumulative TRC Ratio for
Resource Acquisition Segment

68%
Forecasted Percent of
Portfolio Budget Outsourced

30%
Budget Allocated to
Market Support & Equity

Strategies	Key Programs
Excellent Customer Experience	
• Improve satisfaction & engagement • Integrate offerings • Optimize for Total System Benefit	• ~40 regional and statewide programs that deliver TSB + Expanded behavioral/SEM programs + Refreshed Marketplace
Environmental Stewardship	
• Shape demand to match supply • Electrification readiness & support carbon-neutral energy transition	• C&S building and appliance advocacy + Zonal electrification targeting equity populations + Building electrification programs + Whole home load management program
Serve Our Hometowns	
• Broaden customer access • Support resiliency & other local needs	• On-Bill Financing • K-12/disadvantaged workers education & training + Low-to-moderate income decarbonization support + Targeted resiliency programs

PG&E Segmentation Strategy

Resource Acquisition

Default categorization for PG&E's programs, including most of the newly solicited resource programs. For program to be categorized outside of RA, must have strategic rationale for justification. Previous paradigm of resource vs. non-resource did not guide categorization decisions.

Equity

Programs that serve underserved populations within Residential and Small & Micro Businesses

Programs included in Application: Placeholders for new programs (Small & Microbusiness, Residential Equity, Zonal Electrification)

Market Support

Programs in which the primary objectives are to contribute to the long-term success of the broader energy efficiency market, including education and training, building partnerships, and accelerating adoption of emerging technologies or code. These programs have a broader impact on market than just at the sites of intervention.

Programs included in Application: New Construction, On-Bill Financing Alternative Pathway, Residential Load Management, Resiliency Support

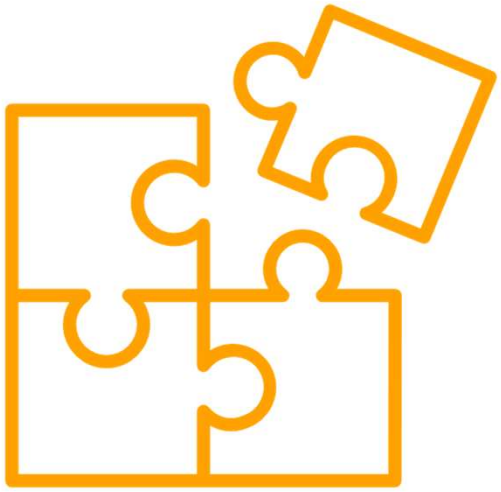
PG&E is embracing portfolio segmentation as an opportunity to achieve strategic objectives beyond the delivery of short-term cost-effective energy savings such as equity, long-term support for the energy efficiency market, clean energy and building decarbonization.

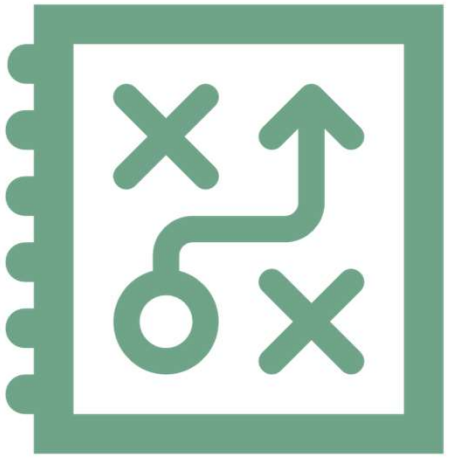
Policy Proposals

Key policy proposals would help us build the EE future we envision.

- ☐ Include more granular, location- or intervention-specific, **energy system benefits** in TSB
- ☐ Let PAs propose new **IDSM programs** in advice letters, even if they cross proceedings
- ☐ **More meter-based**: industrial process NMEC, 3P SEM, building-adjacent projects
- ☐ Bolster **CEDARS** and the **CET**: more funding, create a governance system
- ☐ Permit more **procurement models**: 1- and 2-stage, market access, all-source

TSB Readiness





As the PA EE portfolios transition to the TSB goal starting in 2024, we'll all need to work together to be ready for that transition. Starting in Q3, PG&E will be requesting quarterly CET forecasts to review program TSB (for awareness only), in addition to reviewing cost-effectiveness performance.