



*Pacific Gas and
Electric Company*[®]

Breaking Down Silos through Customer Segmentation

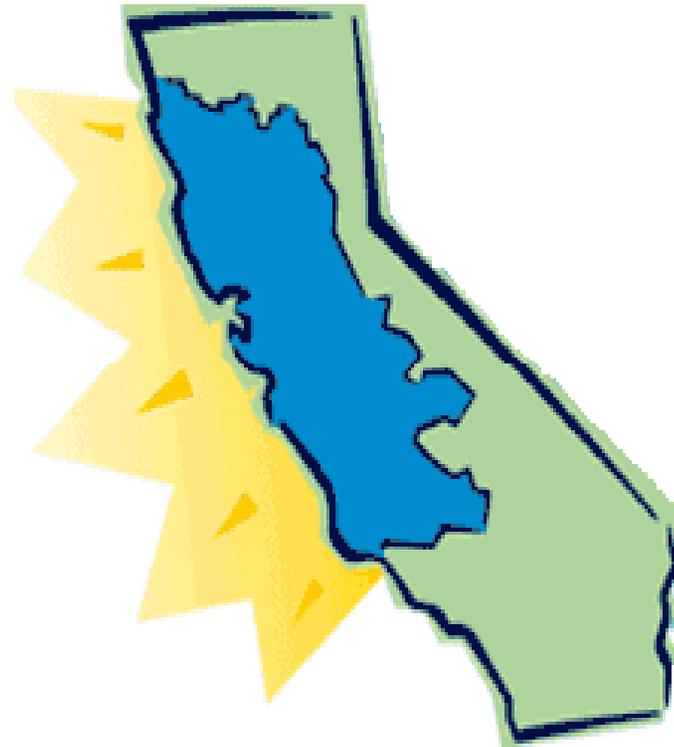
**Duane Larson
Director**

February 10, 2010

About PG&E – A Leader in Clean Energy



- 70,000 square miles
- 15 million people
- 6 million customers
 - 87 percent residential
 - 13 percent non-residential
- On average, more than 50% of the electricity we deliver comes from sources that emit no greenhouse gases
- Per capita electricity consumption in California has stayed flat since 1976



PG&E's DSM Experience



As part of our DSM experience:

Energy Efficiency



- Since 1976 PG&E's energy efficiency programs alone have avoided the release of over 155 million tons of CO2 into the atmosphere
- 2010-2012 Energy Efficiency Portfolio budget of \$1.3 billion represents the largest energy efficiency effort by a U.S. utility

Self Generation



- Since the inception of the California Solar Initiative program in 2007, PG&E has *incentivized* enough customer-side solar systems to offset over 65,000 tons of greenhouse gases
- Over 30,000 PV solar systems installed during the past decade

Demand Response



- From 1978 – 2011 PG&E forecast load reductions of 1,312 MW from Demand Response programs
- Demand Response Portfolio of 1,203 MW represents an overall increase of 166% from 2007 to 2010

The Evolution of Silos

PG&E has achieved record-setting levels of DSM savings but...
Separate DSM programs with separate budgets have led to:



What's the Right Solution?



- Combine various customer DSM approaches to offer integrated solutions
- Be more customer-focused
- Bring the ***right people*** together to provide the ***right solutions*** to the ***right customers*** at the ***right time***

Getting There



The Right People

Break down department silos and shift from a program-specific mindset to a customer-focused approach

The Right Solutions

Create customer segment plans that provide a strong understanding of our customer needs, the marketplace, and the PG&E offerings best suited to meet these needs

The Right Customers

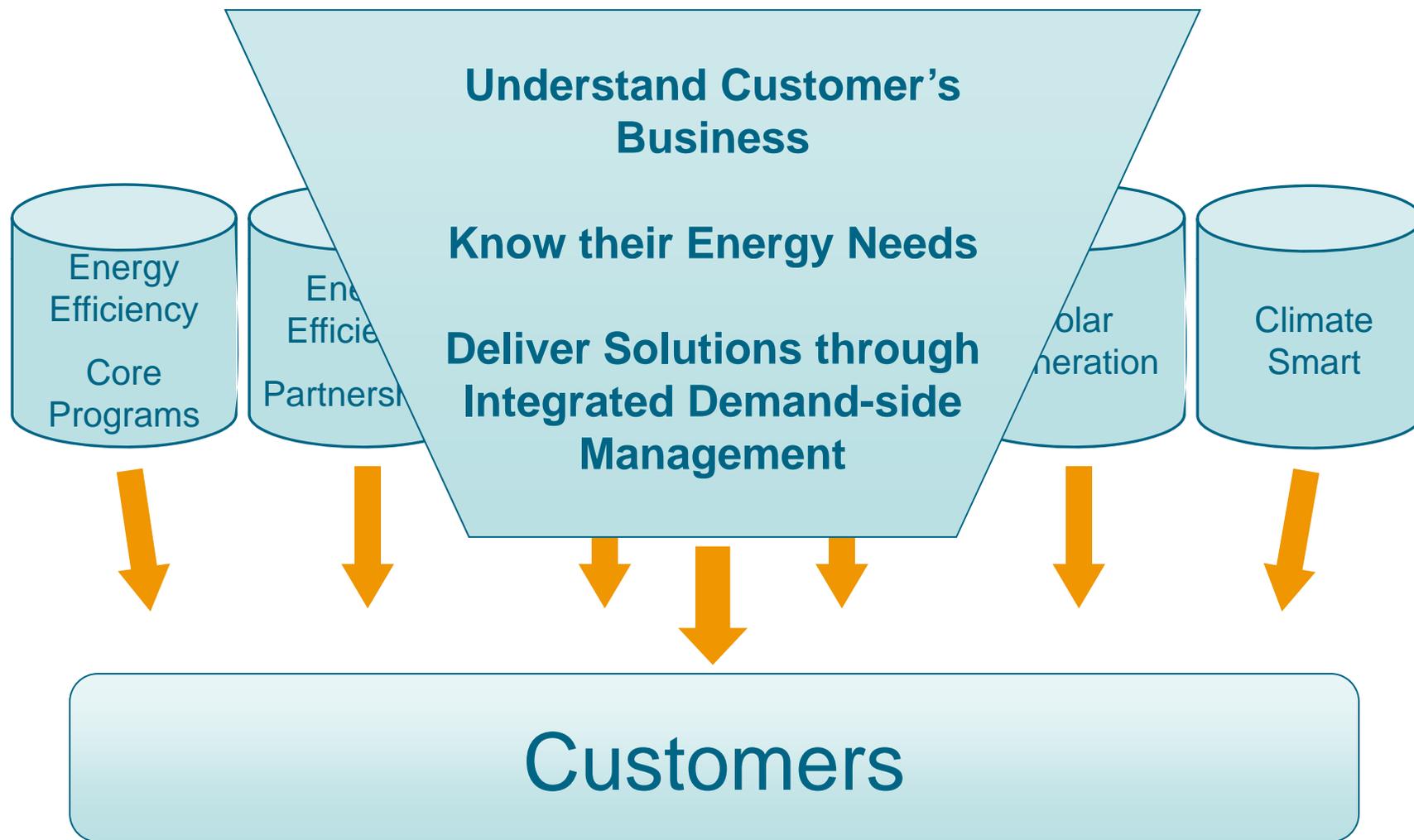
Use numerous data sources reveal the type and extent of the relationship each customer has with PG&E

The Right Time

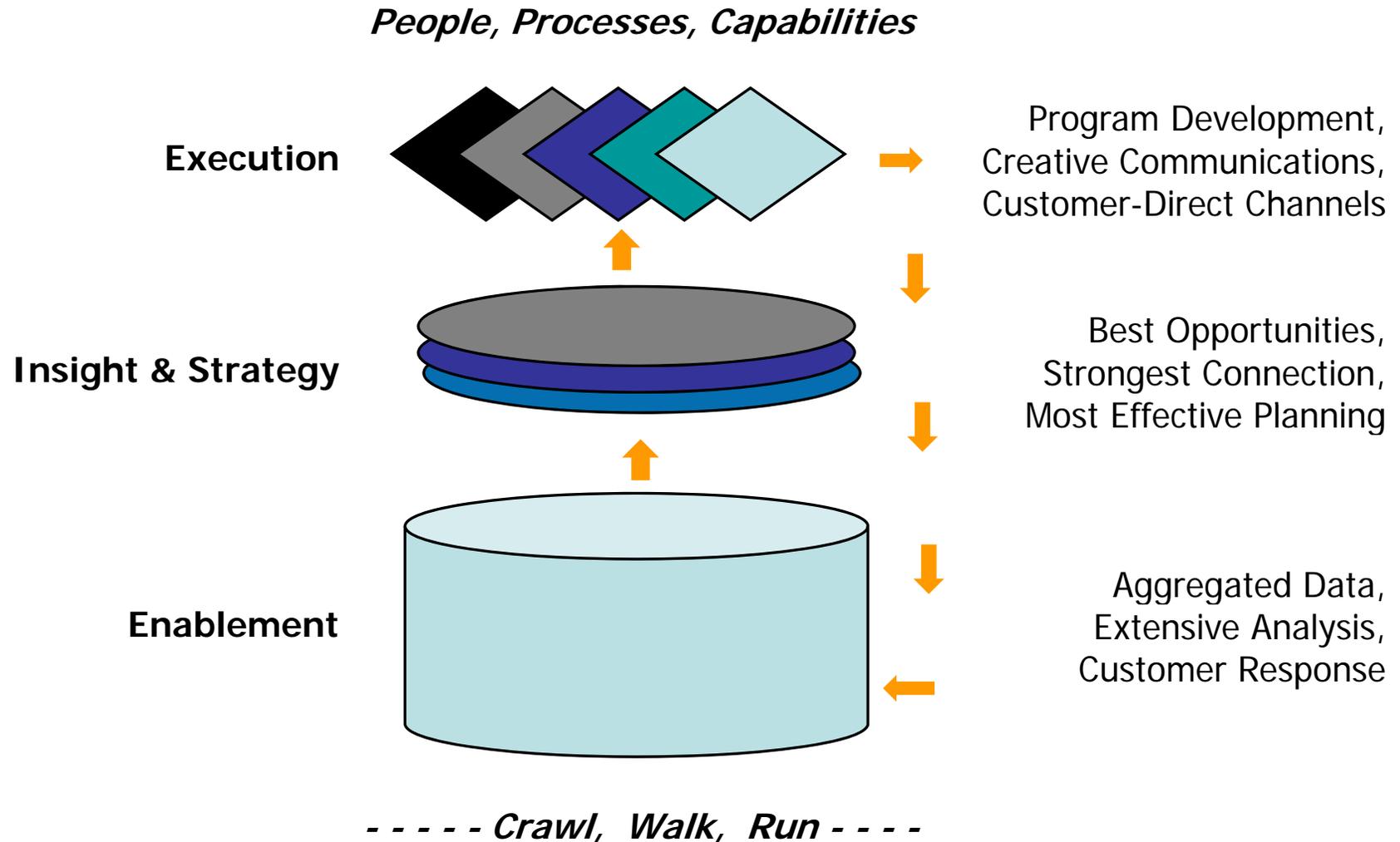
Approach customers at the right time to maximize the return

Old Business Focus

New Business Focus



Getting to Know our Customers



Integrated Energy Management Solutions



Integrated Energy Management



A Customer Focused Approach



We assess, implement and evaluate energy management solutions based on customer needs

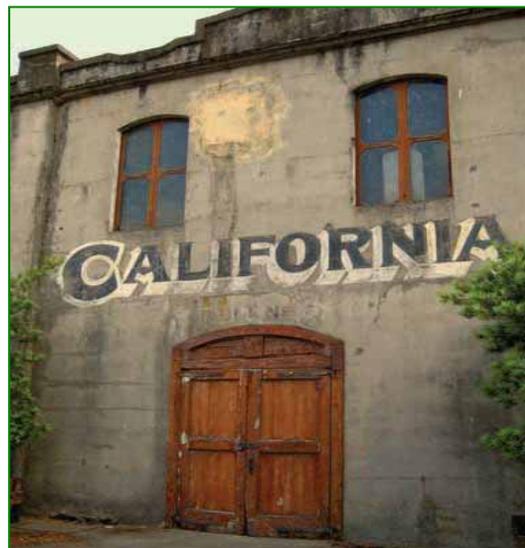


- Agriculture & Food Processing
- Government
- Hospitality
- Health Care
- Biotech
- High Tech
- Industrial
- Wholesale Warehouses
- Office Buildings
- Retail
- Schools & Colleges
- Builders

Case In Point – Wineries

Did you know?

- The grape harvest/crush usually begins in late August and goes till late October
- Wineries are often busiest during hot summer days when energy prices are highest
- Many wineries harvest their grapes at night so that they are delivered in the early morning.
- A power outage during the morning can damage product quality if the grapes sit in the hot sun
- Refrigeration is the largest energy user in a winery
- Solar has been adopted in wineries faster than any other industry



Our Winery Plan

- Work together across programs and channels
- Promote our programs from December – May
- Perform comprehensive integrated energy audits
- Match business needs to program offerings:
 - Energy Efficiency Rebates and Custom Incentives
 - Demand Response and Reliability Programs
 - Self Generation Incentives
 - Time of Use Rates

Partner with Wine Trade Associations and other Industry Partners

- California Sustainable Wine Growing Alliance
- The Wine Institute
- California Farm Bureau Association

- Work closely with the vendors that support the wine industry

Incentives by Industry



Agriculture and Food Processing

1 Need help meeting California's environmental and regulatory requirements? Consider PG&E your trusted partner in developing an action plan to save energy and water, and reduce your carbon and environmental impacts while saving money for your business.



2

Get Started	Rebates & Incentives	Resources
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Get Started

Give your business an energy check up. Our PG&E consultants, market partners, trade allies and industry experts will provide an objective view of your company's energy use so that you can determine the right solutions.

Agricultural Pumping Efficiency Program (APEP)
If you're a farmer, find out the current overall pumping efficiency of your irrigation pumps. Request a subsidized pump test through PG&E's [APEP](#) program to determine how much money and energy you could save with a pump retrofit project.

Energy Audit
Do you know your energy use? Request an [energy audit](#). A technical specialist will conduct an assessment to determine your optimal energy savings plan by analyzing your current energy use and identifying savings opportunities.

We also offer numerous energy management solutions, including cash rebates and financial incentives. To take advantage of these programs, proceed to the Rebates and Incentives tab. You can also contact your PG&E representative or call our Business Customer Service Center at 1-800-468-4743.

3 Share Print

4 **Business Customer Service Center**
1-800-468-4743
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5 **My Account**
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6 **Applications**
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[Savings By Design-Design Team](#)
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[Retrocommissioning](#)

7 **Small and Medium Businesses**
[Get cash rebates and incentives](#)

8 **More PG&E Programs**
[Demand Response](#)
[California Solar Initiative](#)
[Self-Generation Incentives](#)
[ClimateSmart™](#)

Current presence on PGE.com

- 1 This area can be customized for each segment. Options include:
 - a scrolling slideshow
 - flash video
 - static image or text
- 2 The tabbed area provides an opportunity to guide customers through energy management. It allows us to present various offerings in a clean and condensed way.
- 3 Customers now have the ability to share this page
- 4 Right navigation box for the BCSC
- 5 Right navigation box for My Account
- 6 Right navigation box for applications
- 7 & 8 Right navigation box for integration

Lange Twins Winery



- High-Efficiency Lighting
- Variable Frequency Drives (VFDs) on Air Compressors
- Variable Frequency Drives (VFDs) on Well Pumps
- Wine Tank Insulation
- High Efficiency Water Cooled Chiller
- High Efficiency Hot Water Boiler
- Wastewater Treatment System Design
- Solar system – replaces 230 KW

TOTAL =

- **Savings: 75,555 kWh, 1,952 Therms**
- **Incentive: \$651,426**

What We're Doing Today



- Shifting from a program-specific mindset to a customer-focused approach
- Emphasizing integrated solutions and reducing multiple contacts
- Providing customized support
- Partnering with industry, trade allies and others
- Influencing customer behavior
 - What do customers value?
 - How can we change purchasing decisions?
 - How can we change markets?

Key Metrics of Success



- Our 2009 Energy Efficiency results were strong

	CPUC GOAL	ACTUAL THROUGH 12/31/2009	% DIFFERENCE
MW	230	269	116
GWh	1,014	1,590	157
MM Therms	15.1	25.06	166

- Recognized in 2009 by Edison Electric Institute with a National Key Accounts award
- PG&E's Business Gas Overall Customer Satisfaction Index (CSI) results stayed in the first quartile for the third year in a row. PG&E performed particularly well in 2009 on offering energy efficiency programs to its customers.

Future Roadmap



- Determine needs
- Identify gaps
- Gather data
- Build database
- Explore segments
- Establish processes
- Start planning

- Develop profiles
- Find opportunities
- Work with CEE & other program mgrs
- Set up reports
- Roll out plans
- Pilot campaigns
- Gain key learning

- Detailed profiles
- Best-case solutions
- Enhance data flow
- Expanded access
- Integrate campaigns
- Cross-company teams
- Closed-loop reporting

- Custom solutions
- Persistent customer relationships
- Triggered responses
- Desktop marketing
- Business lifecycle planning

Thank You Duane Larson

DFL2@pge.com
415.973.8235

