

PG&E's UESC Program

April 19, 2018

**Federal Utility Partnership Working Group Seminar
Nashville, TN**

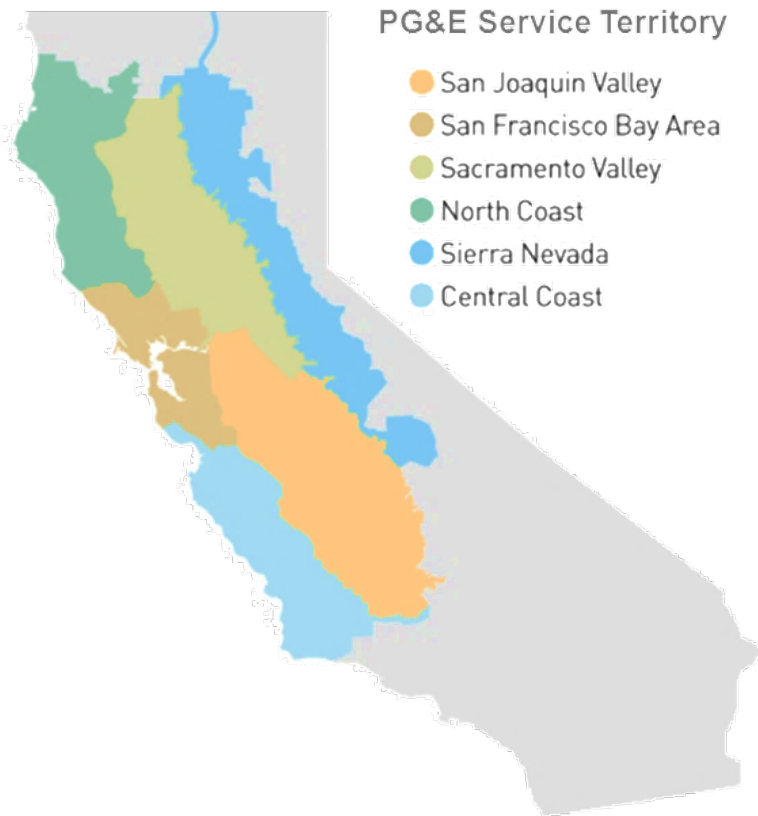
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Together, Building
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PG&E at a glance



Key Highlights

Employees	~24,000
Californians served	~16M
Revenue (2016)	~\$17.6B
Net income (2016)	~\$1.4B
Miles of electric lines	~160,000
Miles of natural gas pipelines	~50,000
MW utility-owned generation	~7,700
GWh electricity generated and procured	~68,500
Carbon-free and renewable energy delivered	~70%



PG&E UESC Program Overview

PG&E's UESC offering drives customer energy and cost savings, carbon emission reductions, resiliency, and energy security.

Background

PG&E UESC began in 2008.

Examples of Projects/Sizes:

- NASA (\$23M)
- IRS (\$9M)
- VA Phase 1 (\$10M)
- VA Phase 2 (\$28M)
- Coast Guard (\$4M)
- GSA (\$4M)
- Army (\$6M)
- FAA (\$7M)
- FBOP (\$19M)

Results

High Annual Customer Savings

- 43 GWh
- 2.6 M Therms
- 97 M Gal. water
- \$7.3 M in energy cost

Strong Customer Satisfaction demonstrated by additional phases / projects at:

- Army
- VA
- NASA
- FBOP
- GSA



PG&E UESC Services

PG&E manages the entire project

*Preliminary
Audit*

*Investment
Grade Audit*

Financing

Implementation

*Performance
Assurance*

PG&E selects the contractor

- Prepares contractor RFP – based on customer needs
- Conducts contractor site survey and responds to all questions
- Evaluates contractor proposals
- Scores/selects most qualified contractor

PG&E manages the project through audit, implementation and performance assurance

- Oversees/guides development of PA and IGA and implementation of project measures
- Leads project calls and meetings
- Oversees contractor's performance/deliverables
- Coordinates/processes utility incentive program applications

PG&E sources and secures the project financing

- Competes its pool of qualified financiers to get best terms
- Negotiates and executes all financing documents

PG&E also manages

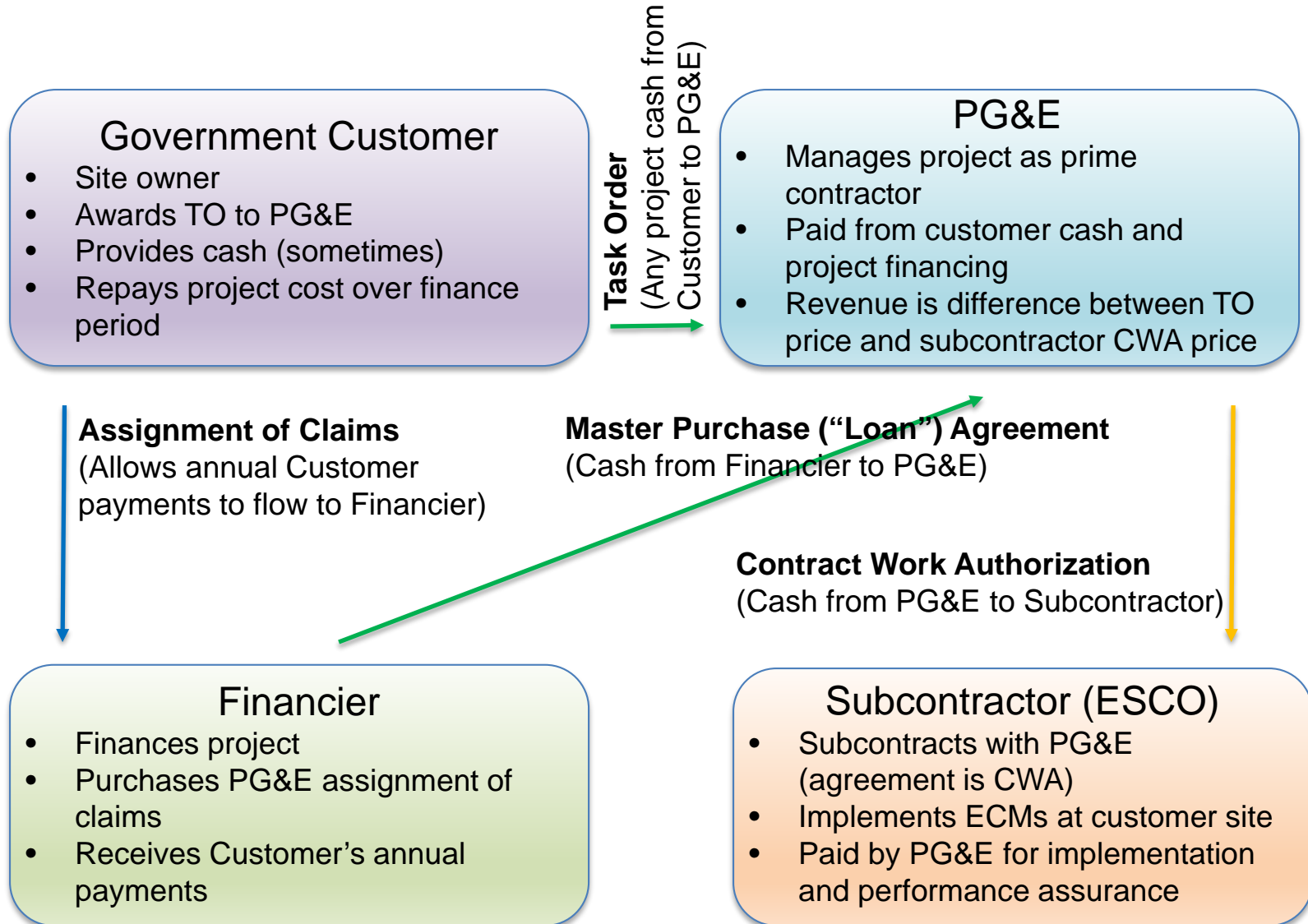
- Task Order development and execution
- Contractor invoicing and payment coordination
- Legal review to ensure all applicable FARs are complied with

PG&E's UESC Team includes specialists in:

- Sourcing and Acquisition
- Project Development
- Project Management
- Customer Relations
- Engineering (ME and EE)
- Energy Efficiency
- Incentives
- Banking and Finance
- Accounting
- Law



Agreements and Money Flow





UESC Risk Mitigation

PG&E's UESC program is designed to meet changing marketplace needs while inherently mitigating risks

- Utilizes fixed price contracts
- Competes its portfolio of contractors and financiers on every project
- Leverages contractors' staffing as project needs change
- Deploys dedicated project manager on each project to address issues quickly
- UESC team meets regularly with contractor teams to incorporate process improvements

PG&E has instituted a robust contractor safety program

- PG&E project manager oversees project safety
- PG&E on-boards contractors to PG&E's safety program prior to start of implementation
- Contractors and their subcontractors
 - Have to be qualified in ISN
 - Must maintain a 'B' or better score in ISN throughout project
- Contractors must provide a project-specific safety plan (tied to specific ECMs at site)
- Daily safety tailboard meetings required during project implementation



FEMP's Guidance and Assistance

FEMP is an invaluable UESC partner

- In-depth knowledge of UESC program and FARs
- Customer education and training
- Template agreements & language
- Trusted advisor to COs
- Can broker resolution of TO T&C impasses



Questions?

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