

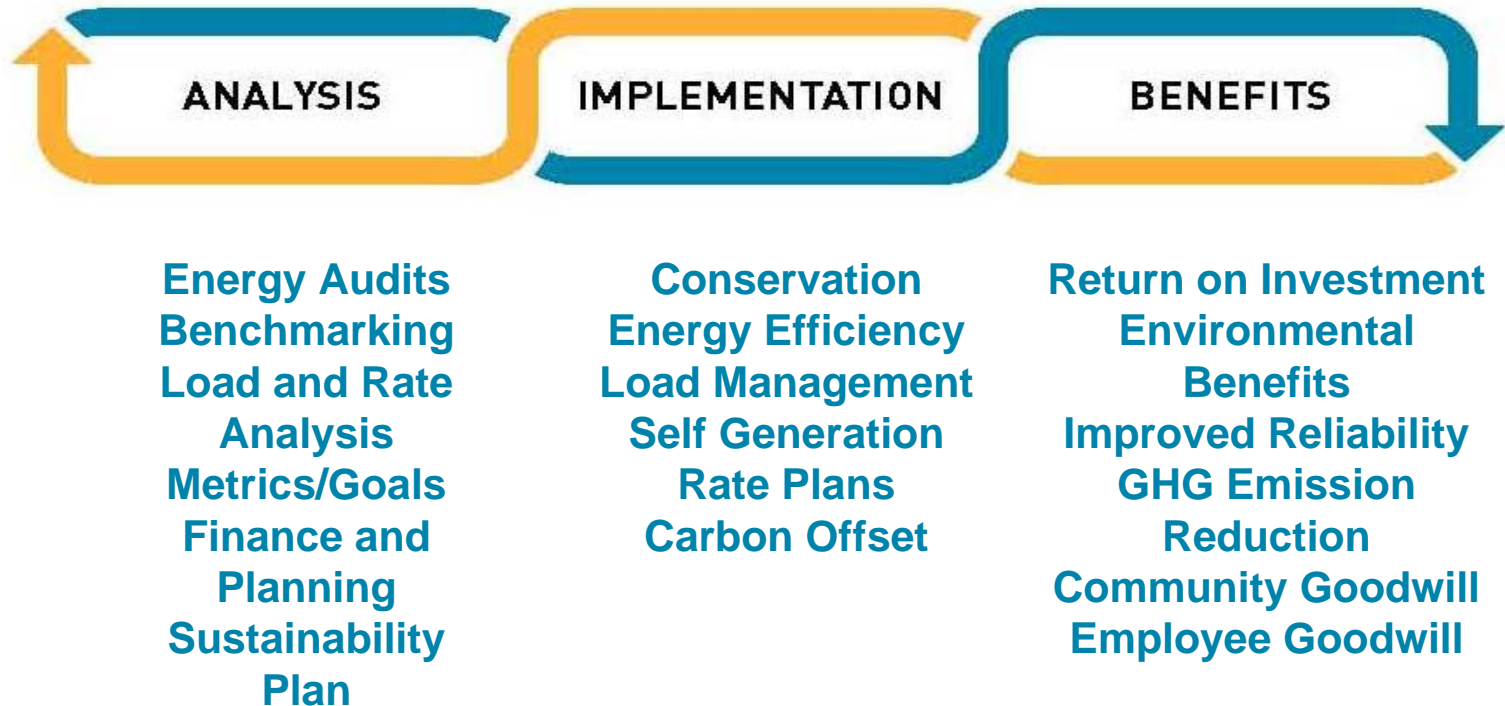
Influence Models and “More than a Million”

Pacific Gas and Electric Company



Integrated Energy Management

Customer Perspective





Influence Models in Corporate and Commercial Markets for Buildings



Starting Point

Department of Energy sponsored research by John Reed

A small number of players control huge amounts of commercial properties

Supporting organizations are large national players that touch many buildings and tenants

Their interests do not necessarily coincide when it comes to energy efficiency



**Solution: Use the
Natural Structure of
the Market to Create
Leverage**



Detailed analysis performed in PG&E's service territory

Utilities tend to approach customers one building at a time

Energy density is relatively low in most buildings

- It is difficult to find “big” projects in most buildings

PG&E saw an opportunity to create leverage with large, multi-facility players

- Not “just” customers but REITs, property management firms, building operations firms and others

Major players in each of these groups represent opportunities to reach large numbers of buildings



Tool: “More Than a Million” (MTM)

Streamline services for players who commit to deliver large amounts of energy savings by completing projects at many sites

- “Million” = “Megawatt” in this sense

“More than a Million”

Emphasize “fleets” of buildings and portfolios of projects

- Not individual buildings

Establish team by bringing all of the players together

- Clarify roles
- Develop plans and targets

Provide project management support

Emphasize ENERGYSTAR *Portfolio Manager* Benchmarking for targeting and ongoing management of performance



High Level Results

Holistic approach to building fleets resonates well with customers and other market players

Enough critical mass is created that results are meaningful at high levels

Opportunities to greatly increase energy savings with target customers

- **Much higher savings, however...**
- **Average project size is smaller, however...**
- **MTM approach makes smaller projects feasible and attractive**



Examples

PG&E and a large financial institution

PG&E and Energy Star Benchmarking



PG&E and a Large Financial Institution

PG&E's initial MTM offering dates to early 2007

	Program Year	Project Sites	MW	GWH	Incentive \$ Paid
"Pre" MTM	2005-06	16	0.26	1.98	\$135K
"Post" MTM	2007-08	270	1.73	6.15	\$564K



PG&E and ENERGY STAR Benchmarking

We have stable ENERGY STAR scores for 65 facilities for this customer

39 of the 65 (60%) have saved energy since the base year was established

25 of the 65 (38%) have used more energy

The “fleet average” score has gone up from 57 to 60

The “fleet average” energy savings per square foot is 3.7% since the baseline year

- Progressing at about 1% per year**