

HVAC Quality Maintenance Update

Redacted

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PG&E HVAC-Motors Core Products

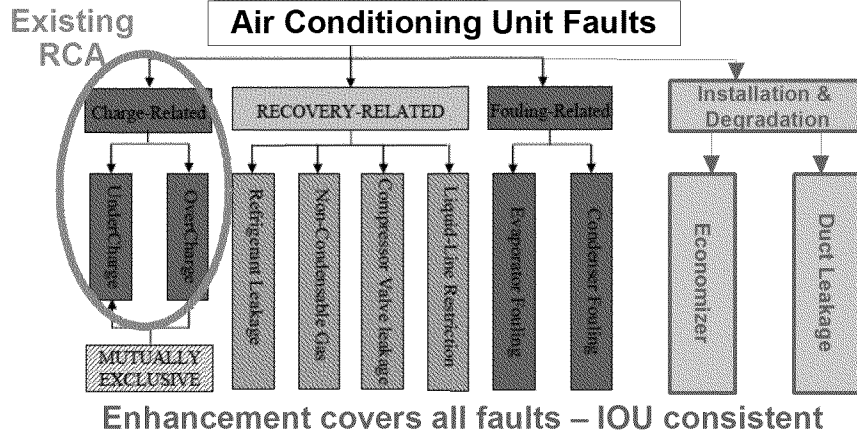
Dec. 22, 2010





QM Program Opportunities

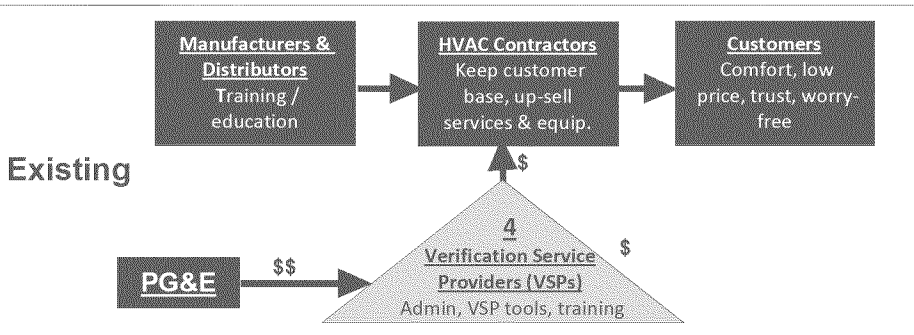
Existing leaves savings opportunities on site



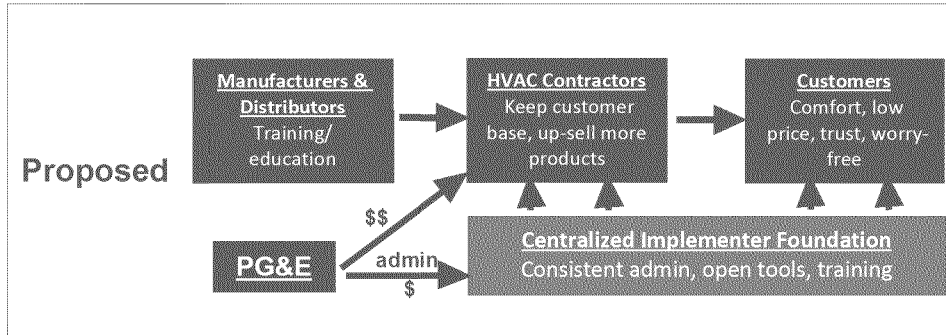
Opportunity: More savings per ratepayer \$

Scenarios		TRC	PAC
Existing	Baseline --2010	0.42	0.26
New	High Estimate	1.47	1.65
	Most Likely	1.11	1.24
	Low Estimate	1.01	0.74

Proposed channel more consistent & supportive of CA market transformation goals



- Does not support long-term market transformation
- Insufficient and inconsistent communications to customers
- Conflicts with use of HVAC industry QM service standards
- Disparate VSP administration of contractors
- VSP proprietary tools sales create barriers to participation
- 18% of existing product spend goes to VSPs



- Same model statewide
- Better, consistent reporting to customers about work done and value
- Supports standards developed over years by the broad HVAC industry
- More efficient and consistent administration, processes and training
- Open software tools removes barriers, creates consistency
- Reduces market distortion of VSPs selling their other products & services to captive contractors, yet offers new business opportunities



Continuing Down Path of Non-Res QM Timeline

PG&E Management
On-Board: Approves
Enhancements

Non-Res QM
Enhancements
Design Draft-1

Contract for
Central
Implementer

PG&E Launch
Enhanced Non-Res
QM HVAC Tune-Up
Product



Q4

2010

2011

Q1

Q2

Engage PECl
with PG&E
Core Team

Release RFP
for Central
Implementer

Non-Res QM
Enhancements Design
Draft-2