

From: Zafar, Marzia
Sent: 7/28/2014 1:39:39 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc: Villarreal, Christopher (christopher.villarreal@cpuc.ca.gov); Ralff Douglas, Kristin (kristin.ralffdouglas@cpuc.ca.gov)
Bcc:
Subject: Utility Business Model of the Future

Hi Brian,

I understand that PG&E hired a team from McKinsey to kick off the work over the past few months. The McKinsey team's purpose was to define a "Retail Strategy" over the next 5-10 years. The main question that was to be answered was, "How should PG&E position itself in the retail market given that an increasing number of companies are disrupting the traditional utility monopoly over customer energy communications and services? (the Google Nests, SolarCitys, Comcasts of the world) Should PG&E become an entirely pipes and wires company? Should PG&E start its own unregulated play in the DG space?"--and other related topics. I heard that McKinsey presented their recommendations a couple of weeks ago and now that there is some basic executive buy-in on the topic.

My question is can I get a copy of the McKinsey report? We're working on get the CPUC to take this issue more seriously, although I must say that at this point I think it is premature to even address it as a concern.

Let me know if I can get a copy. If it is confidential, that of course is totally understandable.

Marzia Zafar - Director, Policy & Planning Division

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