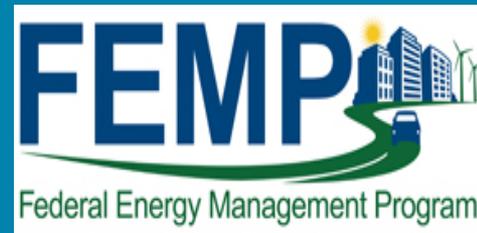


FEDERAL UTILITY PARTNERSHIP WORKING GROUP SEMINAR

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PG&E's UESC Offering Overview and Best Practices

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PG&E UESC Manager





PG&E UESC Overview

PG&E develops /executes turnkey EE projects for federal customers in order to drive customer energy savings, carbon emission reductions and CSAT.

Background

Utility Energy Serv. Contract

- Started 2008 (grew 2013)

Customers/projects:

- NASA
- IRS
- VA
- Coast Guard
- GSA
- Army
- FAA
- FBOP

Results

High annual customer savings

- 35 GWh
- 2M Therms
- 80M Gal. water
- \$6M in energy spend

Solid CSAT (Phase 2+)

- Army
- FAA
- VA

Value Prop.

- **Knowledge of Customer:** we take a comprehensive/strategic approach, leveraging our deep customer knowledge
- **Long-Term Focus:** we have a strong existing tie to the customer and an implicit interest in protecting this long-term relationship
- **Objective Approach:** we are technology agnostic and our BD people do not operate on commission - we do what makes sense for the customer
- **Transparent:** we are “open-book”

Preliminary
Audit

Investment
Grade Audit

Source
Financing

Implementation

Performance
Assurance



PG&E's UESC Customer Offering

Services

PG&E's UESC Team brings together a group of dedicated professionals from a wide range of specialties who are each committed to bringing best-in-class energy services to PG&E's federal customers.

The team's specialty areas include:

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

PG&E's customer account and project development experts work with the customer to develop a project that meets the customer's needs

PG&E directs the contractor RFP process:

- Prepares RFP bid packages
- Conducts site walk-through and responding to all questions
- Reviews/analyzes contractor proposals
- Scores/selects most qualified contractor

PG&E manages the project from audit all the way through implementation and performance assurance:

- Leads project calls and meetings
- Oversees contractor's performance/deliverables
- Coordinates/processes incentive applications and rebates

PG&E sources and secures the project finance:

- Competes its pool of qualified financiers to get best rates
- Negotiates and executes all finance agreements

PG&E also manages:

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



UESC Roles and Responsibilities

PG&E

- **Prime Contractor**
 - Run ESCO RFP
 - 3 Prequalified
 - Consistent w/CPUC
 - Fee: 10-12% (O&P)
- **Project Manager**
 - Audit > Implement. > PA
- **Procure Financing**
 - Run financier RFP
 - Sign MPA
- **Customer Advocate**
 - Esp. pricing and measures

ESCO

- **Subcontractor to PG&E**
 - Per MSA/CWA
 - 10-12 in pool
 - Fee: Labor + 15-20% (O&P)
- **Develop/engineer ECMs**
- **Run ECM Competition**
 - Equip. / 2nd Tier Subs
 - Prepare TO Schedules
- **Install ECMs**
 - Per Contractor Safety Proc.
- **Provide PA**
 - And O&M if included



PG&E's RFP Cost Chart



PG&E / GSA: Questionnaire for Bidders

Contractor Name:

1	CONTRACTOR INTERNAL LABOR COST	Billing Rate (\$/hr)	Labor Hours		Contractor Labor Costs
1.1	Direct Labor Pay Rate for a Typical Job Classification*	\$50.00			
1.2	Fringe Benefit				
1.3	Payroll Taxes				
1.4	Indirect Overhead				
1.5	Profit				
1.6	Others - specify				
1.6	Total Labor Cost		1,000		
2	SUBCONTRACTOR COST	COST	Profit Markup	Overhead Markup	Subcontractor Total Cost
	Subcontractor 1				
2.1	Total Direct Subcontractor Cost	\$200,000.00			
3	CONTRACTOR PROCURED MATERIAL COST	COST	Profit Markup	Overhead Markup	Material Total Cost
3.1	Direct Materials Costs	\$100,000.00			
3.4	Total Contractor Procured Material Cost				
4	OTHER Contractor Implementation	COST	Profit Markup	Overhead Markup	Other Total Cost
4.1	Travel				
4.2	Onsite (Trailer, etc.)				
4.3	Others - specify				
4.4	Total Others				
5	CONTINGENCY COST (if any)	COST	Profit Markup	Overhead Markup	Contingency Total Cost
5.1	Total Contingency Cost				
6	GRAND TOTAL				

Note: Values highlighted in Yellow are "Given" inputs. Green values are Contractor required inputs
 * This is an unloaded rate excluding fringe benefits, overhead, G&A, and profit.



FEMP's Guidance and Assistance

FEMP is an invaluable UESC partner

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

Examples

Haz Mat:

- Where gov. discloses we can add it to SOW and price it in
- If no disclosure, we stop, notify, and wait for the “all clear”

Date certain for first finance payment:

- Some COs want 100% “final completion” before 1st pymnt.
- Real question is has “equivalent value been provided”



Questions?

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