



Electric Business Model Strategy

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Drivers of Transformation



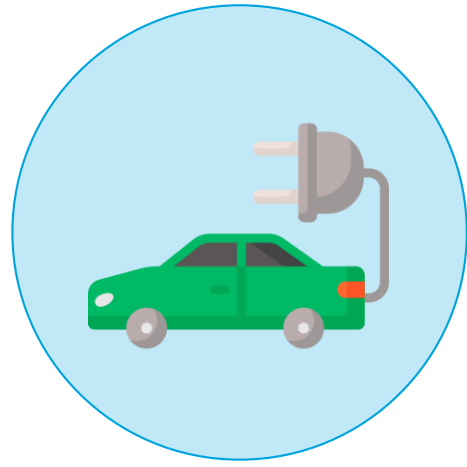
New market participants in the value chain



Rapidly declining cost of technology → more accessible adoption



Ambitious policies



Transition to greater dependency on electricity

- Unlike the monopoly position that PG&E was comfortably in during the 80's, market trends today put the utility in an energy landscape that is **increasingly competitive** and **customer centric**.
- The new conditions present both **opportunities and threats** that PG&E should consider in planning how to best approach and position itself for the future.

PG&E's Approach

The purpose of the Market Framework initiative is to develop a set of tools to **track competitive trends in the market** and provide **proactive guidance on strategic actions...**

1 Indicators

A list of external threats and opportunities with projected values to **anticipate what the competitive landscape will look like**

2 Decision Guide

A process that takes in information from the indicators and **suggests business model changes** given the conditions

3 Actions

Given suggested business model changes, what are **specific actions PG&E should take** to achieve desired outcomes

My Role

Supplemental Report

This 6 page report serves to give more context on the indicators and other significant activities in the landscape that is not covered in the dashboard

- Designed report and completed various sections after thorough research of notable industry updates and trends



Strategic Direction Canvas (1 of 7): Status Quo				
Value Proposition(s)	Customers	Products and Services	PG&E Activities	Eliminated Activities
Residential: Electricity on demand for a reasonable price, with almost no need to think about it.	Residential: Non-residential: Wholesale entities.	Transmission: Distribution: Retail: Wholesale entities.	Generation: Delivery: Distribution: Retail: Wholesale entities.	None
Non-Residential: Reliable electric service with dedicated customer support.	Non-Residential: Wholesale entities.	Transmission: Distribution: Retail: Wholesale entities.	Generation: Delivery: Distribution: Retail: Wholesale entities.	None
State of California: Trusted agent of efficient and effective public policy.	State of California: Wholesale entities.	Transmission: Distribution: Retail: Wholesale entities.	Generation: Delivery: Distribution: Retail: Wholesale entities.	None
Pricing		Cost-based	Cost-based	None
Cost Structure		Cost-based	Cost-based	None
Revenue Model		Cost-based	Cost-based	None

Business Model Canvas

A framework used to concisely communicate the potential business models

- Assessed existing approach and formulated new framework to better structure and capture the business models

Indicator Dashboard

A dashboard that lists each indicator and their various projected measures.

- Produced after individual understanding of the indicators and implementing feedback from team members

- Allowed team to achieve ambitious deadlines by spearheading the first iteration of these materials
- Indicator dashboard and supplemental report will be presented to SVP, Sr. Director, and Directors to inform strategic decision making beginning in the second half of 2019