

Application No: A.12-08-XXX
Exhibit No: SDG&E
Witness: Sandra Baule

Application of San Diego Gas & Electric
Company (U-902-M) for Approval of
Statewide Marketing, Education and
Outreach Program and Budgets for Years
2013 through 2014

Application 12-08- xxx

VOLUME 1
CHAPTERS I & II
PREPARED DIRECT TESTIMONY OF
SANDRA BAULE
SAN DIEGO GAS & ELECTRIC COMPANY

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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CHAPTER I
EXECUTIVE SUMMARY

A. OVERVIEW

San Diego Gas & Electric (SDG&E) presents this application in compliance with the Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach (“EE Guidance Decision” or D.12-05-015), which directs the utilities to file no later than August 3, 2012 an application for the continuation of statewide marketing, education and outreach. In addition, the Proposed Decision on Large Investor-Owned Utilities’ 2012-2014 Energy Savings Assistance (“ESA”) and California Alternate Rates for Energy (“CARE”) Applications (“A.”)11-05-017 et. al (“ESA Proposed Decision”) makes reference to the direction in the EE Guidance Decision in regards to the low income component of statewide marketing, education, and outreach. Moreover, the 2012-2014 Demand Response Decision, (D.12-04-045) also includes direction for the investor-owned utilities (“IOUs”) to include in this standalone application two components for demand response awareness: emergency alerts and general awareness for residential and small commercial customers.

The EE Guidance Decision establishes Energy Upgrade California (“EUC”) as the new statewide brand for energy information in California. It is envisioned that it will be a brand that, over time, residential and small commercial customers will associate with learning about energy and energy use and eventually take energy management actions such as participation in a demand-side management program. As clarified in D.12-05-015, the statewide EUC brand is not intended to “prevent utilities from continuing to conduct local and targeted marketing that is service territory and/or program-specific. However statewide marketing and local marketing should still be coordinated and the strategies for each should be designed to complement each

1 other.”¹ SDG&E supports the notion that Statewide EUC brand activities and campaigns, and
2 local marketing activities and campaigns will be coordinated and complementary of each other.

3 The Commission directs that the statewide program proposed in the utilities’ applications
4 be designed to allow expansion to encompass the full range of clean energy activities supported
5 by state and Commission policy. The Commission envisions the statewide program will
6 eventually support energy efficiency, demand response, the Energy Savings Assistance Program,
7 distributed generation programs (Self-Generation Incentive Program, California Solar Initiative
8 for photovoltaic systems, as well as the California Solar Initiative – Thermal Program), dynamic
9 pricing programs, climate change and other related activities. The proceedings determining
10 budgets for the other programs are on different schedules, so not all the programs and activities
11 are encompassed in this application, however, the marketing plans will cover the Commission’s
12 intended breadth, including alignment and coordination with existing statewide efforts.

13 SDG&E supports the Commission’s goal of an integrated brand and education campaign
14 addressing all energy saving and clean energy activities. SDG&E is also very cognizant that
15 building a brand is a not easily accomplished, nor does it happen overnight. A strategic and
16 systematic approach will need to be developed and followed so that we can leverage our success
17 and strengths as well as address gaps and weaknesses along the way.

18 This Application requests funding and approval for SDG&E’s proposed 2013-2014
19 Statewide ME&O Program. Chapter II provides the regulatory background on the Statewide
20 ME&O program, guiding principles and the approach for the brand transition. It also includes a
21 discussion on brand and brand building, coordination with SDG&E’s local efforts and

¹D.12-05-015, page 309

1 community based organizations and a proposal for competitively bidding the implementer role
2 for the 2013-2014 program cycle in order to provide diverse business enterprises the opportunity
3 to compete for the contract.

4 Chapter III outlines the planning considerations for the upcoming program, including
5 insights from previous process and impact evaluations, statewide customer segmentation, and
6 assessment of the statewide energy brand landscape. With this context established, we provide
7 an overview of the transitional efforts that will take place during the remainder of 2012. The
8 chapter also describes the program framework, including strategic approach, program objectives,
9 brand and message coordination, target audience and a high-level approach to appropriate
10 channels and tactics.

11 Chapter IV focuses exclusively on how SDG&E's proposed local Integrated Demand
12 Side Management ("IDSM") Marketing program and local program-specific marketing efforts
13 will coordinate with the Statewide ME&O effort. It also describes SDG&E's successful
14 command of coordination with local government partnerships, business trade associations and
15 community based organizations and proposes a framework by which these channels can
16 successfully be utilized for the Statewide ME&O effort.

17 Performance metrics and stakeholder engagement structure can be found in Chapter V.
18 SDG&E, together with the other utilities, propose a Program Advisory Groups ("PAG") structure
19 to engage various stakeholders to provide input to the Statewide ME&O program. Chapter V
20 also includes a proposal for new Program Performance Metrics ("PPMs") and that the
21 measurement and reporting of the new PPMs be integrated into the evaluation, monitoring and
22 verification ("EM&V") activities being undertaken for PPMs specific to other statewide Energy
23 Efficiency ("EE") programs. This is appropriate given that the Commission has significantly

1 redirected the Statewide ME&O program and the remainder of 2012 will be spent on brand and
2 website assessments, and the EUC marketing and outreach transition to a larger umbrella for the
3 statewide campaign in 2013-2014.

4 Cost recovery and revenue requirements can be found in Chapter VI. SDG&E's
5 proposed mechanism is consistent with its proposal in A.12-07-002. SDG&E proposes similar
6 treatment for recording its EE expenses in its gas and electric EE balancing accounts. DR
7 expenses will be recorded in its Advanced Metering and Demand Response Memorandum
8 Account.

9 In addition, the mandated compliance items for this application and program outlined in
10 the Guidance Decision can be found in Appendix 1-A.

11 The four IOUs propose a total Statewide ME&O budget of \$59.1 million, which includes
12 \$37.8 million for energy efficiency, and \$20.0 million for Demand Response, and \$1.2 million
13 for the ESA Program as reflected in the Low Income Proposed Decision. SDG&E's share of the
14 total budget is \$7.9 million (not including \$120,000 from ESA), which has been allocated
15 according to past practice by the proportion of total energy efficiency budgets.

16 **B. THE COMMISSION SHOULD EXPLICITLY AUTHORIZE JOINT**
17 **CONTRACTING FOR STATEWIDE ME&O ACTIVITIES TO FURTHER THE**
18 **GOALS OF THE PROGRAM.**

19 In D.10-12-054 OP 7, the Commission adopted the following:

20 *“In recognition of the need for affirmative steps to provide effective and efficient*
21 *joint investor-owned utility management of the California utilities' statewide energy*
22 *efficiency programs, so they can better meet the state's energy efficiency goals, the*
23 *Commission authorizes Southern California Edison Company, Pacific Gas and Electric*

1 *Company, Southern California Gas Company, and San Diego Gas & Electric Company*
2 *to engage in the following activities:*

3 *(a) Joint and cooperative consultations between and among these*
4 *utilities and energy efficiency contractors to assist with determination of*
5 *the contract requirements of their jointly administered and jointly funded*
6 *energy efficiency programs;*

7 *(b) Joint cooperative process among the four utilities for the*
8 *sourcing and negotiation (including program requirements, performance,*
9 *price, quantity and specifications) of joint contracts for energy efficiency*
10 *to be managed and run by one lead utility, subject to approval and review*
11 *by the other utilities;*

12 *(c) Joint submission to the Commission for its approval of*
13 *proposed energy efficiency contracts pertaining to implementation of*
14 *statewide programs; and*

15 *(d) Other joint and collaborative activities pertaining to the*
16 *collaboration and joint contracting for statewide energy efficiency*
17 *programs as the four utilities may determine is necessary for*
18 *implementation of the statewide programs, subject to the Commission’s*
19 *oversight.”*

20 SDG&E believes that continued Commission direction in this matter is needed to address
21 a legal issue regarding joint-utility cooperation posed by the antitrust laws that could impede the
22 Joint IOUs’ ability to continue to comply with these directions unless the Commission
23 specifically grants continued state action immunity for such joint utility cooperation. In
24 particular, SDG&E requests a finding that explicitly authorizes the Joint IOUs and CCSE to

1 engage in certain specific activities which they feel will be necessary to collaboratively
2 implement the 2013-2014 Statewide ME&O activities as ordered by the Commission.

3 **C. SUMMARY OF RECOMMENDATIONS**

4 SDG&E requests that the Commission approve the following:

- 5 1. SDG&E’s proposed Statewide ME&O effort, developed jointly with SoCalGas,
6 Southern California Edison (“SCE”), and Pacific Gas and Electric (“PG&E”);
- 7 2. An open solicitation for proposals for coordination and implementation of the
8 Statewide ME&O program consistent with past practice, General Order 156, and
9 California state contracting practice. The statewide solicitation shall be led by one of
10 the IOUs.
- 11 3. SDG&E’s planned coordination of Statewide ME&O with local marketing efforts;
- 12 4. SDG&E’s proposed stakeholder process and performance metrics;
- 13 5. SDG&E’s request for funding to support SDG&E’s portion of the Statewide ME&O
14 program activities as follows:

EE Budget			
	2013	2014	Total
Electric Budget	\$ 2,675,909	\$ 2,675,909	\$ 5,351,819
Gas Budget	\$ 297,323	\$ 297,323	\$ 594,647
Total EE Budget	\$ 2,973,233	\$ 2,973,233	\$ 5,946,465
DRP Budget			
	2013	2014	Total
Electric Budget	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000

- 15 6. SDG&E’s proposed cost recovery mechanism; and
- 16 7. SDG&E’s proposal to address Public Purpose Program Surcharge bridge funding
17 through the Advice Letter process in the event of a rolling budget trigger. Any
18

1 difference between the EE funding recovered in 2013 rates prior to the final decision
2 would be subject to balancing account adjustment and true-up in rates; and
3 8. Grant other such relief as the Commission deems necessary and prudent.

1 **CHAPTER II**
2 **POLICY CONSIDERATIONS FOR PROPOSED 2013-2014 STATEWIDE**
3 **MARKETING, EDUCATION & OUTREACH PROPOSALS**

4 **A. INTRODUCTION**

5 Since 2001 Statewide ME&O efforts have occurred through close coordination and
6 collaboration between IOUs, stakeholders and the CPUC; and a large body of research and
7 regulatory record has been created by that work that is relevant as input informing how the
8 Statewide ME&O efforts move forward in 2013 and 2014. D.12-05-045 references this past
9 body of work and research², which the IOUs have considered in the development and
10 consideration of the new EUC statewide brand. This application describes an agreed-upon and
11 coordinated approach by all four IOUs. And while there is a unified approach to the Statewide
12 ME&O program, the way each utility coordinates the program with its local efforts will be
13 specific to each utility, service area and customer mix.

14 This application complies with the specific direction in the Guidance Decision for the
15 Statewide ME&O program. In particular, the application addresses the requirements outlined in
16 the Guidance Decision:³

- 17 1. Propose a statewide ME&O program targeted at residential and small business
18 customers;
- 19 2. Transition the Energy Upgrade California (EUC) program brand to be the statewide
20 brand, broadening its scope to one that supports the integration of messages and

² D.12-05-015, page 295

³ Guidance Decision, Ordering Paragraphs 117, 121, and 124. Direction on program performance metrics and coordination with CBO's and local media outlets is not referenced in the Findings of Fact, Conclusions of Law or Ordering Paragraphs but can be found in the decision text at page 305 (performance metrics), and page 308 (CBO's, local and ethnic media).

1 activities under a single brand and that is well coordinated across a variety of energy
2 efficiency, demand side management, and clean energy programs locally;

- 3 3. Transition the web portal for Energy Upgrade California to support the
4 comprehensive statewide ME&O program, and shut down the Engage 360 web
5 portal;
- 6 4. Utilize past research done to support the Engage 360 brand, and the prior Flex Your
7 Power brand, from the residential and small business markets;
- 8 5. Describe how the umbrella brand of Energy Upgrade California will be coordinated
9 with local program and utility marketing;
- 10 6. Include a plan to partner with community based organizations and utilize local and
11 ethnic media for hard to reach customer segments;
- 12 7. Propose a governance structure for the Statewide ME&O program in coordination
13 with Commission and California Energy Commission staff to ensure the
14 Commission's objectives are met;
- 15 8. Propose program performance metrics for activities and identify which entities are
16 responsible for meeting them.
- 17 9. Consult with Commission Staff, California Energy Commission Staff, California
18 Center for Sustainable Energy, local governments and third party Energy Upgrade
19 California program purveyors on the content of this application.

20 A table outlining compliance items to be addressed in this Application pursuant to the
21 Guidance Decisions can be found in Appendix 1-A. In addition, this chapter is organized as
22 follows:

- 23 • B: Regulatory Background

- 1 • C: SDG&E’s Proposal Supports State of California and Commission Goals
- 2 • C1): Guiding Principles for SDG&E’s Statewide ME&O Program
- 3 • C2): SDG&E’s Approach to the Statewide ME&O Brand Transition
- 4 • C3): Role of Brands
- 5 • C4): Case Studies
- 6 • C5): Coordination and Implementation for the Statewide ME&O Program should be
- 7 Competitively Bid
- 8 • C6): Overview of Coordination Between Statewide ME&O and SDG&E’s Local ME&O
- 9 • D: Conclusion

10 **B. REGULATORY BACKGROUND**

11 The Statewide ME&O program, previously known as Engage 360 (program years 2010-
12 2012) and Flex Your Power (2001-2009), originated from an effort to respond to the California
13 Energy Crisis in 2001. In 2009, stakeholders aligned the Statewide ME&O program with the
14 California Energy Efficiency Strategic Plan (“CEESP”). The guidance from the CEESP
15 prompted the development of a web portal (www.engage360.com), a thorough review of the Flex
16 Your Power program, audience segmentation, brand assessment and creation of a new statewide
17 brand – Engage 360, integrated communication planning, and an Integrated Marketing and
18 Communications (IMC) plan. These tools and efforts were then leveraged during the 2010-2012
19 program cycle as the IOUs worked under the direction and guidance of the Commission staff to
20 implement the Statewide ME&O program.

21 The IOUs implemented the Engage 360 program in close collaboration with the Energy
22 Division. In June 2011, after having carefully considered initial market feedback, the IOUs
23 recommended creating a new identity that clearly communicated what Engage 360 is about,

1 while still complying with existing Commission directives. At the time, no consensus was
2 gained and thus no further action was taken. The October 13, 2011 “Assigned Commissioner’s
3 *Ruling Regarding Statewide Marketing and Outreach Program*” (“ACR”) directed SCE to “to
4 bring contractor and utility expenditures on Engage 360 to zero, or as near thereto as possible.”⁴
5 Therefore, in accordance with guidance in the ACR, SCE filed an Advice Letter documenting
6 these efforts and ceased all Engage 360 work.⁵

7 **1) Recent Activity in the Energy Efficiency Proceeding**

8 On May 10, 2012, the Commission approved in a 5-0 vote D.12-05-015 providing
9 guidance for the 2013-2014 EE Portfolios and 2012 Marketing Education and Outreach. D.12-
10 05-015 requires that IOUs file separate, standalone applications for a statewide ME&O program
11 for 2013-2014 by August 3, 2012.

12 The Decision further states that:

13 *“Under the general heading of Energy Upgrade California, we expect the utilities*
14 *to craft a coordinated and leveraged approach that can offer separate program*
15 *referrals depending on the desired actions by the customers. Our intent is to*
16 *eliminate duplicative and potentially contradictory spending on separate*
17 *marketing by utility or by program type. To the extent that the utilities still*
18 *believe that program-specific and/or utility-specific marketing is warranted, they*
19 *should explain, in any budget proposals, how the narrower marketing budget and*
20 *approach relates to the general Energy Upgrade California umbrella approach.”*

⁴ Assigned Commissioner’s Ruling Regarding Statewide Marketing and Outreach Program, October 13, 2011, pages 1 through 2.

⁵ Advice Letter 2659-E, filed November 23, 2011. Southern California Edison Company’s Informational Advice Letter Compliance Filing on Statewide Marketing, Education and Outreach (ME&O).

1 On June 26, 2012 the CPUC hosted a workshop for interested parties to provide input to
2 the Statewide ME&O. There was attendance from Commission staff, CEC staff, local
3 governments and third party program implementers, as well as energy industry consultants.
4 Their input was considered in the development of the statewide ME&O program.

5 **2) Recent Activity in the Demand Response Proceeding**

6 In parallel to these efforts by the IOUs and Commission in the Energy Efficiency
7 proceeding; D.12-04-045, in the Demand Response Proceeding, approved activities and budgets
8 for 2012-2014 on April 19, 2012. D.12-04-045 authorized \$65.8 million of the \$68.1 million
9 that SDG&E requested. Most notably, D.12-04-045:

- 10 • Decreased SDG&E's request for ME&O funds within this proceeding;
- 11 • Increased funding for 2012 statewide marketing (Flex Your Power);
- 12 • Required the IOUs to file a Statewide ME&O Application containing and/or
13 considering the following:
 - 14 ➤ Two components of demand response awareness: 1) emergency alerts and,
15 2) general awareness for residential and small commercial customers.⁶
 - 16 ➤ Focus on activities across various demand-side marketing, education and
17 outreach activities, including DR, Energy Efficiency, and Distributed
18 Generation programs.⁷
 - 19 ➤ A statewide plan that considers marketing and outreach in languages used
20 by customers and tailored to serve the cultural, socioeconomic,
21 geographic, age, disability, residential-type, business size and type, and

⁶ D.12-04-045, page 80

⁷ D. 12-04-045, page 79

1 other diversity of customers, with a well-tailored focus on those customers
2 most affected by electrical supply transmission, distribution, usage,
3 conservation, resource constraint or urgent issues.⁸

4 **3) Recent Activity in the Energy Saving Assistance Programs Proceeding**

5 The Commission issued a Proposed Decision in SDG&E's 2012-2014 ESA Application,
6 A.11-05-017 et al, on May 4, 2012 that, if approved as written, would authorize SDG&E to
7 spend \$120,000 toward the Statewide ME&O program for 2012-2014. The ESA Proposed
8 Decision also directs the utilities to "meaningfully incorporate low income programs' ME&O
9 issues" in this application.⁹ The final guidance on 2012-2014 ESA and CARE Programs and
10 Budget Applications are pending a final decision. A decision is expected on the ESA
11 Application, A.11-05-017 prior to a decision on this application.

12 **4) California Solar Initiative and Self Generation Incentive Program**
13 **Proceeding (R.10-05-004)**

14 The California Solar Initiative, administered by CCSE in the SDG&E service territory, –
15 has its own statewide marketing plan and budget for 2011 – 2013. As the budget is fully
16 allocated and the campaign is ongoing, SDG&E does not propose to incorporate CSI-Thermal in
17 the statewide ME&O program at this time, except to ensure the Statewide ME&O messages are
18 coordinated with the CSI campaign.

19 Similarly, the photovoltaic portion of the CSI, also administered by CCSE for SDG&E's
20 service territory, in proceeding R.10-05-004 also has allocated funds for statewide marketing,
21 under the Go Solar California brand. Statewide CSI activities will not be explicitly part of the
22 Statewide ME&O effort and will not contribute funding at this time. The EE Guidance Decision

⁸ D.12-04-045, page 80

⁹ Proposed Decision of ALJ Kim on the Large Investor-Owned Utilities' ..., page 59.

1 also makes reference to the Self-Generation Incentive Program (“SGIP”), which is part of the
2 same proceeding. However, the Commission eliminated the marketing and outreach budget for
3 SGIP and transferred that funding to the incentive budget in D. 11-09-015, stating “we agree
4 with parties that at this point, significant M&O activities may not be necessary.”¹⁰

5 **5) Dynamic Pricing and General Rate Case Proceedings**

6 Activities from other proceedings, such as Dynamic Pricing (A.10-07-009) and the
7 General Rate Case (GRC) (A.10-12-005), have not been linked to the Statewide ME&O program
8 and do not include funding for statewide marketing. These proceedings do include SDG&E-
9 specific, local marketing activities. Due to the differences in timing, design and activities by
10 each IOU for these proceeding and offerings SDG&E does not propose to incorporate Dynamic
11 Pricing or GRC in the Statewide ME&O program at this time except to ensure the Statewide
12 ME&O messages are coordinated with the local activities when appropriate, e.g. broad messages
13 like “when you use energy matters,” would be included, but specific rate offering messages
14 would occur at the local level.

15 **C. SDG&E’S PROPOSAL SUPPORTS STATE OF CALIFORNIA AND** 16 **COMMISSION GOALS**

17 In 2009, the Commission and other stakeholders aligned the Statewide ME&O program
18 with California Energy Efficiency Strategic Plan (“CEESP”). The CEESP is a cornerstone in the
19 overall statewide strategy for the Statewide ME&O program, and describes a vision where by
20 2020, “Californians will be engaged as partners in the state’s energy efficiency, demand-side
21 management and clean energy efforts by becoming fully informed of the importance of energy
22 efficiency and their opportunities to act.” The CEESP identifies the key goal of the program as

¹⁰ Decision (D.)11.-09-015, Decision Modifying the Self-Generation Incentive Program and Implementing Senate Bill 412, page 57.

1 creating and launching an integrated, statewide ME&O effort for energy efficiency through the
2 use of four specific strategies:

- 3 • Establish a recognizable and trustworthy **brand** for California’s Energy
4 Efficiency and other DSM consumer products and services.
- 5 • Develop an **integrated marketing** plan for all Californians.
- 6 • Use **social marketing** techniques to build awareness and change consumer
7 attitudes and perceptions.
- 8 • Develop a California Energy Efficiency **web portal** with statewide Information
9 on Greenhouse Gas (“GHG”) reductions, efficiency and DSM awareness and
10 options.¹¹

11 The CEESP also states that the ME&O effort will:

- 12 • Create instant brand recognition for energy efficiency in California, similar to the
13 United States Environmental Protection Agency’s Energy Star label, and
14 expanded to reflect GHG benefits.
- 15 • Utilize appropriate channels to create effective “demand pull” for efficiency
16 actions that are necessary for achieving the goals set forth elsewhere in the Plan.
- 17 • Motivate consumers to reduce energy consumption on a daily basis.

18 While the CEESP goals, strategies and related efforts continue to be relevant for the
19 expanded scope of the Statewide ME&O program provided in the EE guidance decision¹², they
20 also remain ambitious and as such SDG&E has laid out in this application an approach that we
21 believe can begin to create traction toward the achievement of these goals.

¹¹ CEESP, page 80

¹² D. 12-05-015, page 300

1 For the remainder of 2012 and the 2013-2014 transition period, SDG&E will continue to
2 ensure that program implementation within its control is aligned with the Guidance Decisions,
3 the CEESP, and findings from research conducted in prior program cycles.

4 **1) Guiding Principles for SDG&E's Statewide ME&O Program**

5 SDG&E believes that guiding principles can serve as a basis for reasoning, decision
6 making and action and will be important to the success of the new Statewide ME&O brand and
7 its campaigns. SDG&E's proposal for Statewide ME&O is that it endeavor to create broad
8 energy awareness and deepen energy knowledge among residential and small commercial
9 consumers; acting as a bridge to local utility or program-specific ME&O that will provide the
10 right program information and drive customer action. SDG&E has developed the following
11 principles for guidance and direction in developing its Statewide ME&O proposal.

12 **a) Statewide ME&O Should Create Broad Energy Awareness**

13 The statewide ME&O efforts have a vital role in building and increasing
14 the awareness and importance of energy concepts among residential and
15 small commercial consumers. As such, SDG&E supports the statewide
16 awareness messaging of integrated DSM concepts.

17 **b) Statewide ME&O Should Be Used as a Lead Generation Tool**

18 The statewide ME&O efforts have a vital role in directing consumers to
19 their local utility for deeper, more customized education and program
20 offerings. As such, SDG&E supports that the statewide activities will
21 funnel consumers from awareness to interest in and desire for learning
22 more from their local utility.

1 c) **Local ME&O Should Engage Customers to Enroll and Participate in**
2 **Integrated DSM Offerings.**

3 Local ME&O will engage customers with more relevant, specific
4 information about DSM programs and services that drives customer
5 enrollment and ongoing participation. As such, SDG&E's local ME&O
6 will continue to play a significant role within SDGE'S integrated DSM
7 vision and program offerings.

8 d) **Statewide and Local ME&O Should Be Coordinated.**

9 To effectively drive consumers in California from awareness to
10 interest/desire and action, statewide ME&O needs to be effectively
11 coordinated with local ME&O in terms of messaging, timing, and
12 channels.

13 **2) SDG&E's Approach to the Statewide ME&O Brand Transition**

14 The scale of educating Californians about energy concepts, given the size and diverse
15 demographic makeup of California, in general, and of SDG&E's customer service territory is a
16 substantial undertaking. As such, SDG&E has identified the critical need for a strategic, multi-
17 pronged approach that educates customers at multiple levels and through multiple
18 communications channels, both at the Statewide ME&O program level as a component of the
19 statewide EUC brand, and also at a local level through local marketing and outreach activities
20 through the SDG&E brand and local programs.

21 SDG&E believes that there must be a holistic approach across all marketing tiers:
22 statewide, local utility and program specific, which are described in more detail in Chapter III;
23 with a simple and clear path to take customers from awareness and knowledge of energy and
24 energy management to interest and desire in utility programs and services to decision making

1 and action. The energy awareness created by the statewide campaign plays an integral role and
2 first step towards increasing customer engagement and participation.

3 In assessing the brand and identifying strategies for a successful Statewide ME&O
4 program and new brand, it is critical to recognize and understand that brand building is not easy
5 and one of the greatest challenges for the EUC brand will be gaining consumer mind share, i.e.
6 becoming popular and recognized by consumers.

7 There are a number of pressures and barriers that can inhibit a brand. One major factor is
8 the competitive nature of the fight for a consumers' attention. Consumers are receiving
9 increasingly more and more information from companies that conduct marketing and outreach
10 for their products and services, many of which are high engagement categories with emotional
11 appeal like entertainment or electronics. Another factor is the fragmentation of markets and
12 media. As marketers continue to divide the population into smaller and smaller targets they
13 often utilize specialized channels and media, which are often best implemented at a grass roots
14 local level; and with the increasing number of media options coordinating messages across
15 media without weakening the brand can be especially challenging. And, there is often a desire to
16 change a brand's identity or course before it achieves its potential or when it is still effective.

17 Addressing these barriers will need to be considered during the brand assessment and
18 repositioning, described in more detail in Chapter III. It will be important to have a fully fleshed
19 out brand identity and position as well as a brand value proposition and brand promise that can
20 remain consistent while the brand campaigns work to gain and hold a position in the consumers'
21 mind. The statewide EUC brand will also require a message architecture, which considers the
22 target audiences, tactic and channel and that can remain consistent while the brand gains traction
23 in the market.

1 After the brand assessment is completed, the Statewide ME&O team will be in a position
2 to thoroughly review and evaluate the existing integrated marketing communications plan and
3 determine what is still applicable.¹³ While much of the foundation that went into the integrated
4 marketing communications plan may still be relevant, the actual tactics and channels needed to
5 implement the new, strategic approach and effectively communicate the new brand must be
6 evaluated based on the recommendations put forth in the brand assessment. Therefore, it is
7 premature to propose a new integrated marketing and communications plan before the brand
8 assessment is complete. For this reason, the utilities propose to file an advice letter with the
9 Commission 90 days after the completion of the brand assessment with the new integrated
10 marketing communications plan for the 2013-2014 program cycle.

11 By conducting a brand assessment and addressing these barriers, as well as functioning
12 under the guiding principles, utilizing best practices in marketing and branding, and leveraging
13 all relevant research and stakeholder input the Statewide ME&O program will:

- 14 • Increase consumers' attention and interest in energy concepts via the EUC brand.
- 15 • Generate consumer interest in energy management.
- 16 • Inform consumers about statewide initiatives and legislative mandates.
- 17 • Motivate consumers to seek out ways to reduce energy consumption as part of their daily
18 lives.
- 19 • Encourage consumers to have a mind-set about energy use that will increase ongoing
20 engagement in local utility, local government and third party programs.

¹³ A comprehensive plan was created for the previous program cycle that focused on a grassroots approach that was determined, after the campaign launched, to be ineffective.

1 **3) Role of Brands**

2 A good brand communicates a clear, memorable message to consumers about what it
3 stands for and how it differentiates itself from competitors or other brands. A great brand
4 persuades consumers that their lives will improve by attaching to or associating with the brand.
5 The work to date for the Energy Upgrade California program brand provides a good starting
6 point. Through the brand assessment to be conducted in 2012, EUC will be repositioned to a
7 statewide brand that will incorporate broader brand relevance, new positioning, architecture,
8 identity, messaging, and channel and media planning and implementation.

9 The many energy-related brands discussed in this Application – EUC, SDG&E (and other
10 IOU brands), and Flex Alert – each have a distinct role in a customer’s experience and all play a
11 vital role. Brands that demonstrate their transparency, integrity, and authenticity are better
12 positioned for success. This section outlines the role of each of the three major brands related to
13 this application as they are currently understood, through the brand assessment the two non-
14 utility brands may evolve and change.

15 **a) Role of SDG&E Brand**

16 The role of the SDG&E brand in context of this application is to drive sustainable energy
17 management behaviors and program participation on the local level and to guide integrated DSM
18 messaging for the Statewide ME&O campaign. As a known and trusted brand, the SDG&E
19 brand will help to address the barriers that inhibit consumer engagement and program
20 participation, and will do so in a way that complements the statewide campaign and leverages its
21 strong awareness-building approach and communications activities.

22 SDG&E’s brand is the product of more than 125 years of providing reliable electric
23 service to central, coastal and southern California. It is a strong brand that has earned a place of

1 trust in the mindset of customers. To maintain its standing and to meet the challenges that lie
2 ahead, SDG&E continues to build on its customer-centric approach to marketing energy
3 management solutions to customers. This is not a simple undertaking, as there are many
4 economic and cultural factors that affect our business and our customers. To meet these
5 challenges, SDG&E continues to evolve our thinking and our way of doing business. SDG&E
6 understands its customers and their varied needs, and a role of the brand is to deliver on those
7 needs in ways that match their lifestyles and habits.

8 It will be important for SDG&E to leverage its recognizable and trusted brand as
9 customers become more educated and aware of energy and show greater interest and desire in
10 programs and taking action. SDG&E's guiding principles enable a richer experience for
11 customers by providing a more comprehensive, customizable and holistic, interactions that
12 encourage customers to take an active, personal role in energy management.

13 **b) Role of Energy Upgrade California Statewide Brand**

14 SDG&E envisions EUC as a "concept-brand," or a brand that is associated with an
15 abstract concept, similar to environmentalism or cancer awareness and prevention rather than a
16 product, service or company (i.e. Coca-Cola, Geek Squad, The Gap respectively). It should be
17 able to straddle the energy products/programs category with a meaning that is broader than any
18 individual energy product, program or service. As a concept-brand, we envision that EUC will
19 be able carry the high-level educational messages that will promote the importance of energy and
20 raise consumers awareness and knowledge about energy and energy concepts. The EUC
21 statewide messages will drive consumer interest in the DSM programs offered by the utilities,
22 local governments and third parties.

1 If established correctly, the Energy Upgrade California brand will encourage and inspire
2 people to change how they regard energy; it will change both how they use energy and how they
3 perceive energy as part of their larger environment. The role of the brand is to create broad
4 awareness and knowledge and to funnel consumers to utility programs to take action.

5 **c) Role of Flex Alert Brand**

6 The Flex Alert brand represents an urgent call to Californians to immediately conserve
7 electricity and to shift demand to off-peak hours (e.g., after 6 p.m.). The Flex Alert campaign is
8 an educational and emergency alert program that informs consumers about how and when to
9 conserve electricity. The role of the Flex Alert brand is to inform and instruct Californians to
10 achieve high levels of conservation during heat waves and other challenging grid conditions.

11 **4) Case Studies**

12 Case studies are practical means through which to share best practices and “lessons
13 learned” from other industries. Historically, IOUs and vendors have drawn from diverse best
14 practices and structures ranging from anti-smoking media campaigns to political campaigns. In
15 this Application, the IOUs have considered multiple other case studies, including the automotive
16 industry, the “Got Milk” campaign, and many other consumer goods and concept brands in order
17 to inform the strategies, program approach and structure and implementation.

18 **5) Coordination and implementation for the STATEWIDE ME&O Program**
19 **should be competitively bid**

20 The EE Guidance Decision awards a sole-sourced contract to CCSE to implement the
21 Statewide ME&O program. Specifically, the Guidance Decision directs PG&E to enter into a
22 contract with CCSE by July 1, 2012 for an amount not less than \$500,000 for 2012, with the

1 2013/2014 budgets to be determined in this set of applications.¹⁴ Per the EE Guidance Decision
2 direction, on July 13, 2012 PG&E entered into a contract with a maximum value of \$3.8 million
3 with CCSE for 2012 activities, on behalf of all the utilities.

4 In comments to the EE Guidance Decision all of the IOUs raised concerns that it was not
5 appropriate to award this contract on a sole-source basis and that a contract of this nature should
6 be awarded through a competitive solicitation with well-defined requirements. The utilities also
7 raised questions as to the role and value of an intermediary between the lead utility (PG&E) and
8 the marketing and advertising agency or agencies likely to carry out the activities of the program.

9 a) **SDG&E Does Not Believe the “Intermediary Implementation Role”¹⁵**
10 **Is Befitting A Sole-Sourced Contract.**

11 In response to the comments opposing the sole-sourced award to CCSE of the statewide
12 ME&O program implementation, the EE Guidance Decision states:

13 *“We are confident that CCSE’s experience as both an administrator and an*
14 *implementer of programs qualifies the organization uniquely; there is no other*
15 *similar organization that we are aware of in the state.”¹⁶*

16 The EE Guidance Decision does not specifically describe experience or skills that
17 contribute to this conclusion. It is thus not clear what unique characteristics CCSE displays, or
18 the relevance of this qualification. CCSE is an administrator and implementer of the SGIP and
19 CSI programs in San Diego. In the rest of the state these programs are administered and
20 implemented by the utilities, so CCSE is unique as a non-utility administrator and implementer
21 for those programs. However, CCSE does not administer the statewide marketing efforts for

¹⁴ D.12-05-015 Ordering Paragraph 123. PG&E requested and received an extension of time to July 16th for the 2012 contract.

¹⁵ D.12-05-015, page 302.

¹⁶ EE Guidance Decision D.12-05-015, page 303.

1 either CSI or CSI-Thermal. The design, protocols, procedures and implementation of these
2 programs are run through statewide working groups in which CCSE participates as an equal.

3 Regarding energy efficiency, demand response, and the ESA program, there are a number
4 of other entities, both for-profit and nonprofit, that are administrators and implementers of
5 various programs serving the residential and small business markets, including some that serve
6 customers of multiple utilities. CCSE is not unique in this program area either.

7 More importantly, there is no indication why program administration experience, unique
8 or not, is a relevant qualification for transitioning a program brand into an effective statewide
9 brand and long-term brand campaign, particularly following two previous unsuccessful attempts
10 to create a similar brand. CCSE may nonetheless have the capability to be an effective
11 implementer of the statewide ME&O program, but their experience does not amount to
12 unequivocal or unique qualification, and their capabilities and customary practice and policy
13 suggests their capabilities should be considered and weighed against those of other entities in an
14 open, fair forum.

15 In fact there are certain key qualifications that the statewide ME&O implementer should
16 have in order to be successful. A critical qualification is experience in successfully building new
17 brands and ideally in transitioning brands, which includes a deep understanding of how to assess
18 and adapt a brand to reach identified goals. Even with a separate entity contracted to do this
19 work, which the IOUs believe is necessary, the implementer must have the ability to define
20 requirements, evaluate the fit of bidders and direct the work of the agency or agencies selected,
21 all of which requires knowledge of and experience with the subjects areas outside of energy
22 efficiency program implementation.

1 Knowledge of the residential and small business market segments and their diverse
2 demographic makeup in California is a minimum requirement for a successful campaign aimed
3 at meeting the Commission's goal of reaching the mass market of residential and small business
4 customers. In early workshops and meetings on the Statewide ME&O, CCSE has repeatedly
5 identified that they do not know the small business market and will have to learn about it as part
6 of this process. Such a gap is a concern given the challenge the small business market presents
7 for the Statewide ME&O effort. In an open solicitation CCSE's experience and knowledge can
8 be fairly weighed against other bidders to determine whether on balance, CCSE has the best
9 capabilities to meet the requirements of the program.

10 **b) A Competitive Solicitation Allows the Option of Selecting a DBE**
11 **provider**

12 Decision D.12-05-015 Ordering Paragraph 171 made allowance for the IOUs to file an
13 alternative application proposal in the 2013-2014 Transition Portfolio Filing. The IOUs
14 recommended in their alternate proposals that the contract for 2013 and 2014 be awarded
15 through a competitive bid process, a process in which CCSE would be eligible to submit a bid.¹⁷
16 Commissioner Simon raised concerns that the Statewide ME&O application was not put out to
17 bid in his concurrence:

18 *"I am deeply concerned, however, that the CCSE contract, itself, was awarded*
19 *without competitive solicitation and, believe the CCSE contract should have been*
20 *won via competitive bid. While I am not opposed to negotiated transactions*
21 *achieved consistent with State contracting rules, I caution that we must be*
22 *cognizant of the signals we send to markets and, in my view, the instant CCSE*

¹⁷ See A.12-07-002, Chapter I Prepared Direct Testimony of Ted Reguly, pages 39 thru 41.

1 *contract suggests the Commission considers itself above the rules it imposes on its*
2 *practitioners. In this respect, D.12-05-015 is crucially deficient.” (emphasis*
3 *added)*

4 Raising similar concerns, on June 28, 2012 Assemblyman Steven Bradford and State
5 Senator Alex Padilla sent a letter to Commission President Peevey, attached as Appendix 1-B,
6 asking for an explanation from the Commission as to why it awarded the contract as a sole
7 sourced contract rather than solicit bids through a Request for Proposals process. The letter states
8 “My colleagues and I are concerned that the PUC did not afford the opportunity for other
9 qualified entities, specifically minority-owned, women-owned and disabled veteran owned small
10 businesses, to compete for this contract.”¹⁸

11 SDG&E is particularly concerned that woman and minority owned businesses were
12 excluded from the opportunity to be “prime” contractors for the statewide program.

13 SDG&E has set aggressive goals for DBE spending. To meet these goals requires a
14 commitment to seeking qualified DBE firms for every outside procurement opportunity. In
15 many spending areas, such as pipeline construction, there are few DBE’s, so it requires more
16 effort to find and support DBE’s in other fields germane to the utility business. However, there
17 is a fairly robust field of DBE firms in the communications, marketing and advertising arena. At
18 almost eight million dollars for two years, SDG&E’s share of the Statewide ME&O program
19 represents a significant outside procurement opportunity, in an area where there are DBE’s
20 potentially with the scale and experience to qualify as the prime contractor. SDG&E is actively
21 committed to seeking, engaging and cultivating DBEs that are capable of providing services

¹⁸ Letter dated June 28, 2012 from Assemblyman Steven Bradford, Chair Assembly Utilities and Commerce Committee, and Senator Alex Padilla, Chair Senate Energy, Utilities, and Communications Committee to Commission President Michael Peevey.

1 and/or products competitively alongside non-DBE suppliers. In many cases, our DBE prime
2 suppliers also undertake our philosophy and commitment in supporting and utilizing diverse and
3 women-owned firms for subcontracting work, thus continuing to build capacity with emerging
4 DBE firms.

5 **c) A Solicitation Can Be Conducted Promptly**

6 Should the Commission re-consider the award to the CCSE as implementer, it is
7 important to note that a competitive bid process need not delay Statewide ME&O activities. The
8 program design and campaign budgets to be filed within this application must be reviewed and
9 approved before 2013-2014 activities can start. The 2012 activities undertaken by the IOUs and
10 CCSE will preserve the current Energy Upgrade California program while a competitive RFP for
11 the brand assessment is undertaken. Solicitation for the implementer could take place alongside
12 or together with the brand assessment RFP, and could be completed in late 2012, or early 2013
13 as appropriate.

14 An additional benefit of a competitive solicitation is price discovery for the costs of
15 conducting this type of program. The due diligence of evaluating bidders gives both the bidder
16 and the contract holder a strong understanding of the capabilities of the bidder and the
17 expectations of the contract holder, which supports a more effective working relationship.
18 Moreover, a competitive bid process results in ultimately a better product and end result.

19 Therefore, SDG&E strongly recommends that the Commission approve a competitive
20 bidding process for the Statewide ME&O program, in compliance with state contracting rules,
21 and the spirit of best contracting practice and diverse business policies.

1 **6) Overview of Coordination Between statewide ME&O and SDG&E's Local**
2 **ME&O**

3 In 2013-2014, SDG&E's local marketing will be coordinated, when appropriate, with the
4 new statewide EUC brand to ensure that efforts are complementary. SDG&E's Statewide
5 ME&O program activities aim to provide general energy education to increase awareness and
6 knowledge of energy and energy concepts among residential and small commercial customers.
7 There is a desire by Energy Division to utilize the Statewide ME&O program to carry messages
8 about energy policy; exactly how to do this and stay on course to building brand and energy
9 awareness among consumers will be explored during the brand assessment and development of
10 the 2013-2014 implementation plan. As part of a phased, tiered approach Statewide ME&O will
11 increase consumers' awareness and knowledge of energy and energy management concepts.
12 Statewide ME&O will integrate closely with SDG&E's local marketing efforts. SDG&E's local
13 ME&O, which is a combination of integrated and program-specific efforts, addresses customer
14 desire to embrace energy efficiency and enables customer to action through participation in
15 programs and on-going engagement leading to deeper adoption of energy efficient products and
16 services. Because of our extensive and profound relationships with local community based
17 organizations, local governments and local trade associations SDG&E plans to manage and
18 administer all statewide activities related to these organizations and channels. Detailed
19 information on the proposed Statewide ME&O program scope and the planning and integration
20 with local marketing efforts can be found in Witness Hill's testimony in Chapters III and IV of
21 this Application.

22 **D. CONCLUSION**

23 SDG&E, in coordination with SoCalGas, PG&E and SCE proposes to execute a new
24 program under the EUC brand, as it is directed in D. 12-05-015. SDG&E's proposed Statewide

1 ME&O program is aligned with the Commission's goals and policies, and incorporates past
2 research, case studies, and recognized marketing models in the approach. SDG&E urges the
3 Commission to have a competitive bid process for the Statewide ME&O program implementer
4 role. SDG&E respectfully seeks the Commission's approval of SDG&E's application for its
5 2013-2014 Statewide ME&O program.

Appendix 1-A

Appendix 1-A

SDG&E Statement of Compliance

D.12-02-015

OP/Pg	Description/Requirement	Reference
117	Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall file standalone applications, separate from their 2013-2014 energy efficiency portfolio applications, no later than August 3, 2012 for a statewide marketing, education, and outreach (ME&O) program for 2013-2014 with the following characteristics:	Application A.12-08-XXX
117.a	Provides general energy education and demand-side management program information for residential and small commercial customers. General education includes, but is not necessarily limited to, information about the impacts of energy use and energy costs and rates. Demand-side management program information includes, but is not necessarily limited to, demand response, energy efficiency, distributed generation, and low-income programs.	Volume 2 Chapter III Section C1 and Section D1
117.b	Utilizes the Energy Upgrade California brand name as a larger umbrella platform to encourage demand-side actions.	Volume 1 Chapter II Section C1
117.c	Describes how any local and program-specific ME&O activities for energy efficiency, demand response, distributed generation, low-income programs, and any other relevant demand-side programs will be coordinated with the statewide program.	Volume 2 Chapter III Section D6d
117.d	Includes a budget for continuing the emergency portion of the Flex Your Power campaign, called Flex Alert, and coordinating it with the overall statewide ME&O campaign under the Energy Upgrade California umbrella.	Volume 2 Chapter III Section D6e
117.e	Utilizes the market and demographic research conducted in support of the Engage 360 campaign to craft an approach to statewide ME&O in 2013-2014 under the Energy Upgrade California umbrella brand.	Volume 2 Chapter III Section B2
117.f	Continues the current emphasis on prompting residential and small business customers to immediately take action related to their energy use.	Volume 2 Chapter III Section D2

120	Unspent 2010-2012 marketing, education, and outreach funds beyond those identified in Ordering Paragraphs 115 and 116 above shall be returned to ratepayers either by reducing energy efficiency balancing accounts or utilizing funds already collected to fund new statewide marketing, education, and outreach activities in 2013-2014.	Volume 3 Chapter VI Section B1
121	Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall consult with Commission Staff, California Energy Commission Staff, the California Center for Sustainable Energy, local governments and third-party Energy Upgrade California program purveyors on:	Volume 1 Chapter II Section B
121.d	The content of their statewide marketing, education, and outreach applications due to be filed at the Commission no later than August 3, 2012.	Application A.12-08-XXX
122	For the 2013-2014 statewide marketing, education, and outreach campaign, as well as for transition activities in 2012, Pacific Gas and Electric Company shall serve as the utility coordinator and contractual agent on behalf of itself, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, effective immediately.	Volume 1 Chapter II Section C
123	For the 2013-2014 statewide marketing, education, and outreach campaign, Pacific Gas and Electric Company, on behalf of itself, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, shall contract with the California Center for Sustainable Energy (CCSE) no later than July 1, 2012 to begin activities to allow them to fully implement the program beginning in 2013. A total of at least \$500,000 shall be allocated to CCSE for the remainder of 2012. The budget for 2013-2014 shall be proposed in the utility 2013-2014 applications.	Volume 2 Chapter III Section C2
124	For the 2013-2014 statewide marketing, education, and outreach campaign, both Pacific Gas and Electric Company and the California Center for Sustainable Energy shall consult with Commission Staff, California Energy Commission Staff, local governments, and other relevant entities as identified by agency Staff, in the design and oversight of the program and shall establish appropriate stakeholder feedback, coordination, and governance structures based on this consultation.	Volume 3 Chapter V Section A
125	Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company shall serve their 2013-2014 applications for statewide marketing, education, and outreach for demand-side resources, including energy efficiency, demand response, distributed generation, and electric energy storage to the relevant service lists, including: Rulemaking (R.) 07-01-041, R.10-05-004, R.10-12-007, R.08-12-009, R.09-11-014, and Application 11-03-001 et al.	Application A.12-08-XXX

D.12-04-045

OP/Pg	Description/Requirement	Reference
OP 86	Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall file, no later than August 3, 2012 a statewide marketing application to consider demand side resources, including Energy Efficiency, Demand Response, [and] Distributed Generation. The application shall be for all marketing activities in the 2013-2014 timeframe.	Application A.12-08-XXX

Compliance with Energy Division Suggested Guidance (June 25, 2012)

Item	Description	Reference
(1)	A comprehensive plan for Statewide ME&O of all demand-side programs under Energy Upgrade California (D. 12-05-015, p. 324).	Application A.12-08-XXX
1a	<ul style="list-style-type: none"> • Propose at least two separate program budgets <ul style="list-style-type: none"> - Statewide marketing & awareness (Energy Upgrade California) - Flex Alert 	Volume 2 Chapter III Section D7
1b	<ul style="list-style-type: none"> • Describe how the statewide marketing program can balance the following <ul style="list-style-type: none"> - driving consumers to programs and complementing local marketing - providing context about state policies - providing education about consumer actions and behavior change 	Volume 2 Chapter III Section D4
1c	<ul style="list-style-type: none"> • Describe how research and the marketing and communications plan developed for Engage 360 should be utilized to craft an approach to Statewide ME&O in 2013 and 2014. 	Volume 2 Chapter III Section B1
1d	<ul style="list-style-type: none"> • Describe how the statewide ME&O effort should balance a statewide message with regional sensitivity, and how to appropriately work with local governments and CBOs in the regions in your service territories. 	Volume 2 Chapter IV Section D
1e	<ul style="list-style-type: none"> • Describe the role you envision for various marketing, education and outreach channels in the SW MEO campaign, including but not limited to, paid advertising, earned media, social media, events and mobile marketing, partnerships with local nonprofits community based organizations, local governments, contractors, realtors, appraisers or others who are in positions to 	Volume 2 Chapter III Section D5c

	influence decisions and be ambassadors of the program.	
1f	<ul style="list-style-type: none"> Describe how statewide marketing should reach and engage small business customers. 	Volume 2 Chapter IV Section D
(2)	A narrative description of how to approach brand and message coordination (p. 323).	Volume 2 Chapter III Section D4
2a	<ul style="list-style-type: none"> Describe the transition strategy you will use to maintain EUC's value as a whole house energy upgrade brand in 2013 and beyond, even while transitioning it to the broader integrated clean energy mission. 	Volume 2 Chapter III Section C2
2b	<ul style="list-style-type: none"> Describe how the statewide marketing program will <i>balance</i> 1) messages about policies and programs with 2) increasing awareness that <i>Energy Upgrade California is associated with energy actions of all types</i>. 	Volume 2 Chapter III Section D2
2c	<ul style="list-style-type: none"> Propose goals for Q4 2013 and Q4 2014 for the Energy Upgrade California public engagement campaign. How will awareness and understanding of Energy Upgrade California change from one year to the next as the brand extends from an emphasis on whole house retrofits in 2012 to general energy education and demand-side management action in 2013-2014? 	Volume 3 Chapter V Section C
2d	<ul style="list-style-type: none"> Identify a process for determining coordination of messages and timelines with local utility marketing efforts 	Volume 2 Chapter IV Section I-B
2e	<ul style="list-style-type: none"> Discuss whether there should be flexibility in the statewide marketing program to allow variation in messages based on region. (Flex Alert has this flexibility) 	Volume 2 Chapter III Section D2
2f	<ul style="list-style-type: none"> Describe how and when utility brand names or program names will co-exist with the Energy Upgrade California name and logo, and when they will not. 	Volume 2 Chapter III Section C3
2g	<ul style="list-style-type: none"> Describe the proper resource balance between mass media advertising, social network marketing, and face-to-face outreach? 	Volume 2 Chapter III Section C3
(3)	CCSE will be the implementer for Statewide Marketing in 2013 and 2014, (OP 123, p. 420). CCSE's role will be one of design, oversight and coordination, (p. 298). PG&E and CCSE will establish appropriate stakeholder feedback, coordination, and governance structures in coordination with CEC, CPUC, local governments and other relevant entities	Volume 3 Chapter V Section A

	(OP 124, p. 421).	
3a	<ul style="list-style-type: none"> Identify the role of the utilities in the statewide ME&O program, how it differs from the third party implementer, and how the utilities will enable the implementer to successfully execute activities to achieve the objectives of the program. 	Volume 3 Chapter V Section A
3b	<ul style="list-style-type: none"> Describe how utilities will communicate with the implementer, and with what frequency. 	Volume 3 Chapter V Section A
3c	<ul style="list-style-type: none"> In the event that a decision needs to be made regarding an aspect of the program, describe what process will be used between the utilities and implementer to communicate and reach a decision. 	Volume 3 Chapter V Section A
3d	<ul style="list-style-type: none"> Describe how key stakeholders will have an opportunity to provide input into EUC's vision, goals, strategies and messaging on an ongoing basis? 	Volume 3 Chapter V Section A
3e	<ul style="list-style-type: none"> Describe the frequency and objectives of ongoing governance structures. 	Volume 3 Chapter V Section A
(4)	Proposed metrics for Statewide ME&O activities and responsible entities for meeting metrics (p. 328).	Volume 3 Chapter V Section C
4a	<ul style="list-style-type: none"> Provide proposed metrics 	Volume 3 Chapter V Section A
4b	<ul style="list-style-type: none"> Establish criteria to determine which entity or entities should be held responsible for each metric 	Volume 3 Chapter V Section A
4c	<ul style="list-style-type: none"> Identify a timeline for when a baseline study should be done, and when metrics should be reported 	Volume 3 Chapter V Section A
(5)	Proposed budget to transition and augment EUC web site, and shut down Engage 360 web portal (p. 331).	Volume 2 Chapter III Section D6b
5a	<ul style="list-style-type: none"> Describe how EUC website and utility websites will compliment each other, and link to each other. Include information about programs, rebates, rates, My Account, and online audit tools. 	Volume 2 Chapter III Section C4
5b	<ul style="list-style-type: none"> Describe what types of data sharing might be necessary between websites to allow for the optimal and most simple consumer experience. 	Volume 2 Chapter III Section C4
(6)	Utilize existing CBO partnerships, and local and ethnic media to penetrate hard to reach communities (p. 332).	Volume 2 Chapter III Section D6c

6a	<ul style="list-style-type: none"> Identify how existing CBO partnerships can be used. 	Volume 2 Chapter IV Section D
6b	<ul style="list-style-type: none"> Identify how local governments can be used. 	Volume 2 Chapter IV Section D
6c	<ul style="list-style-type: none"> Identify 2013 and 2014 goals for including hard to reach customers in statewide marketing activities. 	Volume 2 Chapter IV Section C
(7)	Explanation of how statewide activities will be coordinated with local and program specific marketing for EE, DR, DG, LI and other relevant programs (p.333, and p. 459 OP 117c).	Volume 2 Chapter IV Section C
7a	<ul style="list-style-type: none"> Provide a summary of currently authorized local or statewide marketing budgets, the proceeding they are authorized in and the time period for which they are authorized. 	Volume 2 Chapter III Section D6d
7b	<ul style="list-style-type: none"> Describe how statewide marketing, local marketing, and integrated marketing activities will complement each other. 	Volume 2 Chapter III Section D4
7c	<ul style="list-style-type: none"> If there is a statewide marketing budget already authorized for 2013/2014 (CSI? SGIP?), describe how statewide marketing proposed here will complement and not overlap with marketing activities proposed through a different proceeding. 	Volume 1 Chapter II Section B4
7d	<ul style="list-style-type: none"> Describe how EUC should interact with other statewide brands such as Go Solar California, Energy Savings Assistance Program and Flex Alert. 	Volume 2 Chapter III Section C3
7e	<ul style="list-style-type: none"> Identify how EUC implementers should stay informed of and coordinate with the implementers of other statewide brands. 	Volume 1 Chapter II C

Appendix 1-B



STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0115

California Legislature

June 28, 2012

Commissioner Michael Peevey
President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear President Peevey:

It has come to our attention that during the May 24, 2012 California Public Utilities Commission (PUC) business meeting, the PUC awarded a sole source contract to the California Center for Sustainable Energy (CCSE) as part of the "Decision Providing Guidance On 2013-2014 Energy Efficiency Portfolios And 2012 Marketing, Education, and Outreach (D. 12-05-015)."

We understand that the Decision includes a directive to award a sole source contract to CCSE to serve as the statewide Marketing, Education & Outreach (ME&O) program implementer, under contract with PG&E and in coordination with PUC Staff, California Energy Commission Staff, the utilities, and local governments operating demand-side programs. Moreover, CCSE would have a budget of at least \$500,000 in 2012 for startup activities associated with the statewide ME&O campaign.

My colleagues and I are concerned that the PUC did not afford the opportunity for other qualified entities, specifically minority-owned, women-owned and disabled veteran-owned small businesses, to compete for this contract. We are seeking an explanation from the PUC regarding its choice to award a sole source contract rather than to solicit bids through the Request for Proposals process.

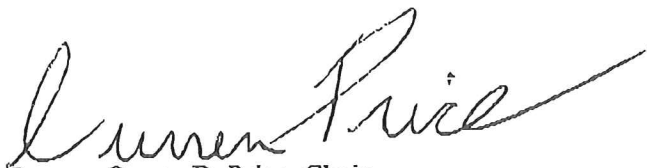
We look forward to hearing back from you on this important matter.

Sincerely,

Assemblymember Steven Bradford, Chair
Assembly Utilities and Commerce Committee

Senator Alex Padilla, Chair
Senate Energy, Utilities and Communications Committee

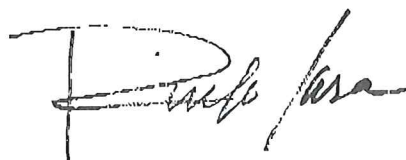




Senator Curren D. Price, Chair
California Legislative Black Caucus



Assemblymember Warren Furutani, Chair
Asian Pacific Islander Legislative Caucus



Assemblymember Ricardo Lara, Chair
California Latino Legislative Caucus