

Application: A.22-05-XXX

Exhibit No.: SDGE-3B

Witness: April Bernhardt

PREPARED DIRECT TESTIMONY OF
APRIL BERNHARDT – CHAPTER 3B
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

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



MAY 2, 2022

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- 1 1. Increase awareness of available DR programs;
- 2 2. Inform DR participants on how to be successful and take action when called
3 upon; and
- 4 3. Drive intent to participate through education of benefits for customers and
5 broader grid resiliency.

6 SDG&E's proposed ME&O strategy intends to drive a variety of marketing and
7 engagement tactics described throughout this testimony to achieve these goals.

8 In May 2020, SDG&E leveraged its Business Customer Insights Panel² to survey
9 customers' interest in finding out more about how their business could save money on high-
10 demand days after reviewing a DR communication. Results showed that seven in ten customers
11 indicated that they were at least somewhat interested. Building upon data points from this
12 research as a foundation, SDG&E intends to emphasize how DR is a critical component in the
13 broader, regional benefit of statewide grid management in addition to the individual customer
14 benefits of energy savings and incentives.

15 Building upon past research, SDG&E's ME&O proposal includes funding for additional
16 customer research for the Smart Energy Program and Grid Isolation Controls Pilot. This
17 customer research will be used to further define customer segments and messaging in order to
18 further drive customer awareness, engagement and ultimately participation in a DR program.

19 Historically, SDG&E has promoted DR programs to customers from May through
20 October. Part of the strategy for the 2024- 2027 application period is to adjust the timing of
21 marketing and outreach activities to start earlier in the year allowing for expanded general
22 awareness messaging and more frequent targeted communications. For the customer, this

² SDG&E's Business Customer Insights Panel consists of 700 business customers who are enlisted each year to participate in monthly surveys on various topics.

1 additional time provides more opportunities for them to research programs, make decisions and
2 install necessary equipment ahead of warmer summer temperatures.

3 SDG&E’s ME&O strategy will take into account the needs of specific customer segments
4 based on demand (kWh), eligibility requirements and communication preferences. The
5 availability of DR programs will be promoted to newly eligible customers, with ongoing
6 outreach to existing customers to help them take control of their energy bill and conserve when
7 called.

8 Messaging for each program will include details on eligibility, how to enroll, program
9 incentives, applicable opt-out instructions and/or penalties. An emphasis will also be placed on
10 the broader benefits of participating in DR, including helping to support California’s energy
11 goals and a more stable electric grid.

12 Messaging and tactics will consider each program’s target audience and eligibility
13 requirements, and will also aim at incorporating lessons learned from past campaigns, such as
14 cost effectiveness and leveraging specific channels. General market awareness tactics will
15 include a mix of streaming radio, social media, online content (*e.g.*, website and video), print
16 (*e.g.*, local community and trade publications), digital advertising (*e.g.*, LinkedIn InMail, digital
17 banners, paid search) and out-of-home (*e.g.*, signage in laundromats, convenience stores, etc.).

18 Direct marketing tactics will include a mix of calling campaigns, targeted email and direct mail
19 communications to reach smaller, defined niche audiences. SDG&E will also leverage
20 stakeholder outreach to promote programs through SDG&E’s Account Executives and Outreach
21 Team, business and residential Customer Care Centers.

22 During the application period, creative concepts, messaging, and tactics will be adjusted
23 based on customer feedback, primary and secondary research, performance and/or economic

1 conditions. Therefore, it is essential for SDG&E’s marketing plan to be flexible and responsive
2 to program changes and customer response with the various pending program proposals. ME&O
3 activities may be adjusted to accommodate the final design of the DR programs, if changes are
4 adopted, and budget approved.

5 In summary, with DR programs changing and with more enabling technologies and
6 customer options expanding, education efforts must clearly define the available options to
7 empower customers to make the right choice at the right time for their home or business.

8 **III. ME&O INITIATIVES**

9 The ME&O plan for program years 2024-2027 includes support for the following
10 programs and rates: Technology Incentives Program, Capacity Bidding Program (CBP), Smart
11 Energy Program, AC Saver Day-Of, Base Interruptible Program (BIP), Non-Residential Time-
12 of-Use Plus (TOU+), Critical Peak Pricing (CPP), Zigbee Technology Update, Direct Dispatch
13 Pilot, Emergency Load Reduction Program (ELRP), Electric Vehicle Pilot, Battery Storage Pilot,
14 Grid Isolation Controls Pilot (GICP), and ELRP A.6 Residential Pilot. These programs and
15 pilots are described in the prepared direct testimony of E Bradford Mantz (Chapter 1B) also
16 submitted with this application. For each of the program areas for which SDG&E seeks ME&O
17 budget, there are labor and non-labor charges to cover the internal SDG&E ME&O
18 administration, concept development, campaign planning and all other activities described
19 above. Additionally, there are non-labor charges that pertain to outside research, consulting,
20 creation of creative materials and the like.

21 **A. Technology Incentives Program**

22 The Technology Incentives (TI) Program is being requested to sunset per the testimony
23 of E Bradford Mantz, Chapter 1B. If approved by the Commission, sunseting communication
24 activities may include updating the program website and email and/or direct mail to third-party

1 contracts that have participated in the past notifying them of the change. SDG&E’s proposed
2 ME&O budget for the sunsetting communication activities are set forth in Table AB-1 below:

Table AB-1: ME&O Budget for Technology Incentives					
2023	2024	2025	2026	2027	TOTAL
N/A	\$5,000	N/A	N/A	N/A	\$5,000

3
4 However, if the Commission rejects SDG&E’s request to terminate the program, SDG&E
5 hereby seeks approval to increase its TI ME&O spending for the 2024 to 2027 period within a
6 reasonable timeframe after the Commission’s decision is issued.

7 **B. Capacity Bidding Program**

8 SDG&E’s ME&O efforts for the Capacity Bidding Program (CBP) will target non-
9 residential customers and focus on updating the program website, collateral, and the
10 development of an online educational video to help drive participation. Marketing tactics will
11 include digital marketing to promote general awareness and include targeted communications
12 including email and/or direct mail to inform existing participants of program changes or drive
13 enrollment to new participants and further support marketing efforts by third-party aggregators.
14 SDG&E’s proposed budget for CBP is set forth in Table AB-2 below:

Table AB-2: ME&O Budget for Capacity Bidding Program					
2023	2024	2025	2026	2027	TOTAL
N/A	\$26,940	\$26,940	\$26,940	\$26,940	\$107,760

15
16 **C. Smart Energy Program (formerly, AC Saver Program)**

17 Marketing efforts for the Smart Energy Program will continue to foster the relationship
18 with currently enrolled customers through pre-season reminders and program updates as needed.
19 Activities will also focus on acquiring newly eligible residential and business program
20 participants, including new SDG&E customers and new qualifying technologies such as Net
21 Energy Metering customers who are eligible per Decision (D.) 21-03-056. Marketing efforts

1 will also target new customers leveraging any changes to the program eligibility requirements
2 (e.g., additional technologies beyond a smart thermostat) and/or incentives as proposed in E
3 Bradford Mantz’s testimony (see Chapter 1B). Tactics may include updates to the website and
4 collateral, radio, social media, videos, digital advertising, out of home and direct marketing
5 efforts such as email and/or direct mail campaigns. The marketing targeted towards residential
6 customers will be in English and in Spanish, where appropriate and easy to understand.

7 In addition to direct and general awareness marketing, ME&O efforts will also include
8 customer research to improve SDG&E’s understanding of how customers need to be marketed to
9 and what is more likely to drive customer engagement and awareness. With an addition of new
10 technologies or changing incentives, we need to understand for example, are customers
11 motivated because they see a technology that will provide them ease of participation, the
12 environmental benefits, or do they simply need to see the change in financial incentives to get
13 them to take action? Refreshed customer research findings will be used to drive future
14 marketing campaign creative and messaging for this program and other DR programs where
15 applicable. SDG&E’s proposed budget for the Smart Energy Program is set forth in Table AB-3
16 below.

Table AB-3: ME&O Budget for Smart Energy Program					
2023	2024	2025	2026	2027	TOTAL
N/A	\$ 491,182	\$491,182	\$ 491,182	\$ 491,182	\$1,964,728

17
18 **D. AC Saver Day-Of**

19 SDG&E intends to sunset the current “AC Saver Day-Of” direct control switch program
20 in 2024 (see E Bradford Mantz testimony, Chapter 1B). Accordingly, SDG&E will send a series
21 of targeted communications, including email and direct mail, to customers participating in the
22 “AC Saver Day-Of” program to communicate the program’s closure. In addition, the advanced

1 notice will provide customers with time to get set up with new technology should they choose to
2 participate in another DR program. ME&O budget for the sunsetting communication activities
3 are set forth in Table AB-4 below:

Table AB-4: ME&O Budget for AC Saver Day-Of					
2023	2024	2025	2026	2027	TOTAL
N/A	\$96,384	N/A	N/A	N/A	\$96,384

4
5 **E. Base Interruptible Program**

6 The Base Interruptible Program (BIP) is being requested to sunset per the testimony of E
7 Bradford Mantz (Chapter 1B). If approved by the Commission, sunsetting communication
8 activities may include updating the program website and email and/or direct mail to third-party
9 contracts that have participated in the past. SDG&E proposed budget for the sunsetting
10 communication activities are set forth in Table AB-5 below:

Table AB-5: ME&O Budget for Base Interruptible Program					
2023	2024	2025	2026	2027	TOTAL
N/A	\$5,000	N/A	N/A	N/A	\$5,000

11
12 Similar to the TI program above, if the Commission rejects SDG&E's request to
13 terminate the program, SDG&E would require the opportunity to update its BIP MEO budget for
14 continuing ME&O activity.

15 **F. Non-Residential TOU+**

16 Marketing efforts in 2024 and beyond will continue to educate SDG&E's bundled, non-
17 Community Choice Aggregator (CCA), non-residential Time-of-Use Plus existing and eligible
18 customers. SDG&E will exclude promoting this rate option to unbundled customers who have
19 electric generation service with a CCA and communities who are within 90 days of transitioning
20 to a CCA.

1 Marketing efforts may include direct communications and stakeholder outreach about
 2 event days, how these plans can support the grid, and knowing the details of their pricing plan.
 3 For general awareness and availability of the tariff, marketing efforts to reinforce customer
 4 choice regarding pricing plans options and the ability to save year-round if energy can be
 5 conserved when asked. Marketing activities will include digital marketing, social media, and
 6 education through SDG&E’s related websites. SDG&E’s proposed budget for Non-Residential
 7 TOU+ is set forth in Table AB-6 below:

Table AB-6: ME&O Budget for Non-Residential TOU+					
2023	2024	2025	2026	2027	TOTAL
N/A	\$105,000	\$105,000	\$105,000	\$105,000	\$420,000

8
 9 **G. Critical Peak Pricing Rate (CPP)**

10 Marketing efforts for Critical Peak Pricing (CPP) will continue to educate SDG&E’s
 11 bundled, non-CCA, non-residential customers and newly, eligible customers. SDG&E will
 12 exclude promoting this rate option to unbundled customers who have electric generation service
 13 with a CCA and communities who are within 90 days of transitioning to a CCA.

14 Marketing will include awareness around event days and timing, capacity reservation and
 15 any program changes. Marketing efforts will incorporate a mix of direct marketing and general
 16 awareness such as email and/or direct mail campaigns, digital advertising, and social media.
 17 SDG&E’s proposed budget for Critical Peak Pricing is set forth in Table AB-7 below:

Table AB-7: ME&O Budget for Critical Peak Pricing (CPP)					
2023	2024	2025	2026	2027	TOTAL
N/A	\$95,000	\$95,000	\$95,000	\$95,000	\$380,000

1 **H. Zigbee Technology Update**

2 SDG&E intends to sunset the pairing of any new “Home Area Network” devices in early
3 2024 and then wind down its support of current meter-connected devices when customers’
4 meters are replaced (*see* E Bradford Mantz testimony, Chapter 1B). Accordingly, SDG&E will
5 send a series of targeted communications, including email and direct mail, to customers who
6 have paired their “Home Area Network” devices to their meters via ZigBee technology to
7 communicate the program's closure. Communications will provide customers with information
8 on other current technology that may assist them with managing energy use in their home or at
9 their business. SDG&E’s budget request for this activity is a total of \$50,000 for the 5-year
10 cycle, and spread over multiple years, depending on when meter replacements begin and are
11 completed. ME&O budget for the sunsetting communication activities are set forth in Table AB-
12 8 below.

13

Table AB-8: ME&O Budget for Zigbee Technology Update					
2023	2024	2025	2026	2027	TOTAL
N/A	\$15,000	\$15,000	\$15,000	\$5,000	\$50,000

14

15 **I. Emergency Load Reduction Program (ELRP) Pilot**

16 The Emergency Load Reduction Pilot ME&O efforts will focus on recruiting SDG&E’s
17 large commercial and industrial (C&I), bundled and unbundled customers who can meet the
18 minimum load shed requirement. Education will include the benefits of DR participation and
19 will be conducted through SDG&E’s Account Executives and general awareness marketing.
20 Tactics will consist of targeted communications email and/or direct mail, digital advertising,
21 collateral, and website. SDG&E’s proposed budget for the ELRP is set forth in Table AB-9
below:

Table AB-9: ME&O Budget for Emergency Load Reduction Pilot (ELRP)					
2023	2024	2025	2026	2027	TOTAL
N/A	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000

1
2 Although D.21-12-015 stated that ELRP subgroup A6 would be in place for four years
3 (2022-2025), it only included marketing education and outreach funding for the years 2022 and
4 2023. Provided that the ELRP A6 pilot is extended through 2027, SDG&E requests the
5 following ME&O Budgets as set forth in Table AB-10 below:

Table AB-10: ME&O Budget for Emergency Load Reduction Pilot (ELRP) A.6					
2023	2024	2025	2026	2027	TOTAL
N/A	\$400,000	\$400,000	\$300,000	\$300,000	\$1,400,000

6
7 **J. Direct Dispatch Pilot**

8 Direct Dispatch Pilot ME&O efforts will focus on recruiting large commercial and
9 industrial (C&I) customers, bundled and unbundled, who have existing ADR-enabled
10 management systems, energy storage, and “future” technologies. Outreach activities will be
11 conducted primarily by third-party aggregators. To support third-party aggregators and to help
12 further drive participation, SDG&E’s marketing activities will focus on the development of a
13 new program website, general awareness through digital marketing and collateral. SDG&E’s
14 proposed budget for the Direct Dispatch Pilot is set forth in Table AB-11 below:

Table AB-11: ME&O Budget for Direct Dispatch Pilot					
2023	2024	2025	2026	2027	TOTAL
N/A	\$50,000	\$50,000	\$50,000	N/A	\$150,000

15
16 **K. Electric Vehicle Demand Response Pilot**

17 To support the Electric Vehicle Pilot as proposed in E. Bradford Mantz’s testimony (*see*
18 Chapter 1B), ME&O efforts will focus on recruiting SDG&E’s bundled and unbundled
19 residential customers who own an electric vehicle. Education will include the benefits of DR
20 participation and how shifting electric vehicle charging outside of on-peak hours can positively

1 impact the grid. Tactics may include updates to the website and collateral, digital marketing
 2 (such as social media), and direct marketing efforts such as email and/or direct mail campaigns.
 3 Marketing targeted towards residential customers may be in English and in Spanish. SDG&E’s
 4 proposed budget for the Electric Vehicle Pilot is set forth in Table AB-12 below:

Table AB-12: ME&O Budget for Electric Vehicle Pilot					
2023	2024	2025	2026	2027	TOTAL
N/A	\$125,000	\$125,000	\$125,000	N/A	\$375,000

5
 6 **L. Battery Storage Pilot**

7 In support of the Battery Storage Pilot as proposed in E Bradford Mantz’s testimony (*see*
 8 Chapter 1B), ME&O efforts will focus on recruiting a limited number of SDG&E’s bundled and
 9 unbundled residential and business customers who have installed battery storage. To drive
 10 enrollment, education will include the benefits of DR participation and how shifting energy use
 11 to battery storage during the on-peak period of 4 p.m. to 9 p.m. can positively impact the grid.
 12 Tactics may include updates to the website, collateral, and direct marketing efforts such as email
 13 and/or direct mail campaigns. The marketing targeted towards residential customers may be in
 14 English and in Spanish. SDG&E’s proposed budget for the Battery Storage Pilot is set forth in
 15 Table AB-13 below:

Table AB-13: ME&O Budget for Battery Storage Pilot					
2023	2024	2025	2026	2027	TOTAL
N/A	\$125,000	\$125,000	\$125,000	N/A	\$375,000

16
 17 **M. Grid Isolation Controls Pilot (GICP)**

18 The Grid Isolation Controls Pilot, as proposed in E Bradford Mantz’s testimony (*see*
 19 Chapter 1B), will focus on recruiting a limited number of SDG&E’s residential customers who
 20 are eligible for the pilot.

1 Customer outreach will focus on the benefits of DR participation and the potential to be
2 off the grid during a power outage or DR events. Outreach activities required to solicit and
3 retain participants will be conducted primarily by a third-party aggregator. To support the third-
4 party aggregator and to help further drive participation, SDG&E’s marketing activities will focus
5 on the development of supporting materials including collateral, website and Customer Care
6 Center talking points in addition to general awareness tactics such as digital marketing.

7 SDG&E’s proposed budget for GICP Pilot is set forth in Table AB-14 below:

Table AB-14: ME&O Budget for Grid Isolation Controls Pilot					
2023	2024	2025	2026	2027	TOTAL
	\$125,000	\$125,000	\$125,000	N/A	\$375,000

8
9 The following programs will require no marketing budget in 2024 - 2027:

- 10 • Demand Response Auction Mechanism (DRAM)³
- 11 • Electric Rule 32⁴

12 **IV. CONCLUSION AND SUMMARY**

13 In program years 2024-2027, ME&O efforts must continue to engage new and existing
14 customers on the importance of demand response, peak energy use, participation in events, and
15 energy management technologies. Existing customers will need ongoing education around
16 program changes and their options. This includes, but is not limited to, understanding events,
17 their ability to adjust peak use, and how their participation can positively impact grid resiliency.
18 These efforts will require the development and implementation of robust and dynamic marketing
19 campaigns with a variety of tactics deployed to reach the various audiences at the right time and

³ Per D. 17-12-003, p. 197, OP 46, ME&O funding is not needed to support Demand Response Auction Mechanism (DRAM).

⁴ Per D. 17-12-003, p. 197, OP 46, ME&O funding is not needed to support Electric Rule 32.

1 at the right place. Demand response efforts will complement other ME&O activities around
2 SDG&E's ongoing rate education and energy efficiency.

3 This concludes my prepared direct testimony.

1 **V. WITNESS QUALIFICATIONS**

2 My name is April Bernhardt. SDG&E employs me as a marketing manager in the
3 company’s Corporate Communications and Marketing department. My business address is 8306
4 Century Park Court, CP-62C, San Diego, California, 92111.

5 I graduated from San Diego State University with a Bachelor of Liberal Arts and Science
6 in Psychology. I have more than 17 years of experience working in corporate communications
7 and media relations, and most recently, marketing—my career spans working both in wireless
8 communications and the energy sector.

9 I have been employed by SDG&E as a communications manager since 2010 with
10 increasing areas of responsibility. As the marketing manager of Pricing Plan Education, I
11 oversee the marketing and communication efforts for Clean Transportation, Demand Response
12 programs, Community Choice Aggregation, Rate Reform, and Net Energy Metering. My
13 responsibilities include developing marketing strategies to increase customer awareness and
14 understanding of the issues mentioned above. Additionally, I am responsible for collaborating
15 with internal and external stakeholders to ensure stakeholders are informed on critical Marketing,
16 Education, and Outreach activities.

17 Prior to my current role, I served as a senior project manager in communications
18 overseeing executive communications and internal change management for SDG&E. I also
19 served as a senior communications manager in Media and Employee Communications at
20 SDG&E and previously held management roles in communications at Sempra Energy and
21 Qualcomm Inc.

22 I have previously testified before the California Public Utilities Commission.