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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
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Order Instituting Rulemaking to Examine the Commission's Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues.

RULEMAKING 09-11-014
(Filed November 20, 2009)

**Reply Comments of California Center for Sustainable Energy in
response to Proposed Decision Providing Guidance on 2013-2014 Energy
Efficiency Portfolios and 2012 Marketing, Education, and Outreach**

California Center for Sustainable Energy

April 18, 2012

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I. INTRODUCTION

The California Center for Sustainable Energy (CCSE) has enjoyed reading the comments of more than 30 parties to this proceeding. We appreciate the thoughtful input provided and are encouraged at the general agreement with overall Commission direction. We focus these reply comments on addressing party comments related to statewide Marketing, Education, and Outreach.

II. CCSE'S RESPONSE TO COMMENTS REGARDING STATEWIDE ME&O

As stated in our opening comments, we anticipated some IOU concern with the Commission's vision for statewide ME&O in the 2013-2014 transition period. We reiterate our previous statement that time is of the essence with respect to a successful launch of both the overall portfolios and the statewide ME&O campaign in 2013 and remind all parties that, as envisioned by the Commission, this transition period is an

opportunity to build upon “what is working well” and “remove what is not working well, and modify programs that have merit but are not realizing full ratepayer benefit.”¹ All parties have agreed throughout this proceeding that the currently suspended statewide ME&O program known as Engage 360, developed with coordinated IOU management, led by SCE and implemented by a marketing firm with no specific energy or program expertise, was not working well. Moreover, the Joint Utilities’ notation that the IOUs took approximately eight months to award the marketing contract for the 2010-2012 portfolio indicates that the previous administrative model lacked the necessary agility for success and indeed may have suffered from bureaucratic paralysis originating within the IOUs themselves.² Statewide ME&O has clear merit: in comments to the October 2011 *Assigned Commissioner’s Ruling regarding Statewide Marketing and Outreach Program*, parties agreed this to be the case. However, the Commission feels it is time to try a different approach, and we agree.

Proven agility, flexibility, and undeniable dedication to achieving California’s energy and climate goals (including the objectives of its many ratepayer-funded programs) are critical attributes for a statewide ME&O implementer. Placing CCSE in the coordinating leadership role for the transition period is a timely course correction for the Commission to better realize full ratepayer benefits from these efforts going forward. For many years, CCSE has proven its capacity through steadfast and responsible administration of the Self-Generation Incentive Program (SGIP), California Solar Initiative (CSI), and CSI-Thermal programs, including local and statewide ME&O coordination with the IOUs managing the programs in their respective territories. CCSE has consistently gone the extra mile in its administration of these programs to

¹ *Proposed Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach* (Proposed Decision), March 20, 2012, page 2.

² *Comments of the San Diego Gas & Electric Company and Southern California Gas Company on Proposed Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education and Outreach*, April 9, 2012, page 17.

ensure that ratepayer monies are spent wisely, efficiently, and appropriately through forthright and constant collaboration with Commission staff to ensure proper alignment with the Commission's direction and goals. Our extensive experience working hands-on, not only with these programs, but also with nearly all aspects of the Energy Upgrade California program, gives us the unique ability to inform and quickly adapt statewide ME&O efforts with on-the-ground knowledge. We have detailed our extensive credentials with relation to ME&O in our reply comments to the *Assigned Commissioner's Ruling regarding Statewide Marketing and Outreach Program*; rather than repeat them here, we direct interested parties to those comments.³

With regard to precedent and the Commission's authority to designate CCSE as implementer for the statewide ME&O program, we point to Commission Decisions regarding both the SGIP and CSI programs, in which the Commission directed SDG&E to contract with SDREO (now CCSE) to implement these programs.⁴ In both of these Decisions, the Commission saw fit to entrust CCSE with significant responsibility, which we continually seek to validate by providing timely feedback, thought leadership and initiatives to drive program success. Indeed, we have added motivation, in that we have no franchise and are not a monopoly; our legitimacy in the ME&O and program administration arenas derives uniquely from our substantive contributions and high overall performance. As statewide ME&O lead on the team with the Commission, IOUs and other stakeholders, CCSE is certainly willing to be held accountable for its role in achieving program results, so long as the necessary conditions exist for us to develop the implementation plan and execute it effectively.

³ *Reply Comments of California Center for Sustainable Energy in Response to Assigned Commissioner's Ruling regarding Statewide Marketing and Outreach Program*, November 7, 2011

⁴ *D.01-03-073, Interim Opinion Implementation of Public Utilities Code Section 399.15(b), Paragraphs 4-7; Load Control and Distributed Generation Initiatives*, March 27, 2001, *Ordering Paragraph 3*, page 50. *D.06-08-028, Opinion Adopting Performance-Based Incentives, an Administrative Structure, and Other Phase One Program Elements for the California Solar Initiative*, August 24, 2006, *Ordering Paragraph 1*, pages 120-121.

In response to other IOU concerns, we note that CCSE will carry out a thorough, competitive RFP process to select any and all marketing contractors with input from the IOUs, Commission staff, and other relevant stakeholders. We agree that statewide ME&O should be coordinated with local ME&O and that the IOUs should co-brand with Energy Upgrade California, and we look forward to working with the IOUs to engage Californians and drive demand for energy-saving and load-shifting opportunities. We note SCE's and PG&E's concerns about statewide umbrella use of the EUC brand and acknowledge that transforming the brand will be a challenge. However, we also note that most Californians do not spend a great deal of time thinking about energy; thus emphasis on the brand itself should not overshadow the engagement opportunities the brand, and the statewide ME&O program more broadly, provide. Per consultation with the marketing firm that developed Energy Upgrade California, the brand was tested with California consumers in Los Angeles and the Bay Area and intended to cover more than the residential sector alone, while maintaining an integrated systems approach to energy improvement. We appreciate the brand's history of coordinated local government and IOU support, and we believe that, with continual stakeholder support and improved brand management, we can build capably upon the brand equity built to date and extend its reach.

We note PG&E's comment that the brand should be subject to qualitative and/or quantitative research.⁵ While we do not agree that this is necessary to commit to the brand for the transitional period, we do think it would be useful to benchmark aided and unaided awareness for the brand, as one potential measure of success. This must be done in conjunction with other metrics, since the brand itself is not the goal. Rather, the brand is the platform from which to engage Californians in a consistent, coordinated

⁵ *Pacific Gas and Electric Company's Opening Comments on Proposed Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education and Outreach, April 9, 2012, page 20.*

fashion to increase awareness of energy usage and actions they can take to reduce it, including not only enrolling in IOU programs themselves but also influencing their fellow citizens to do the same. Metrics so developed could inform evaluation of CCSE's efforts and provide a basis for accountability. This approach could complement more common program evaluation approaches and provide added insight on behavioral aspects of clean energy adoption. We thus add to our previous proposal that CCSE could include conducting a brand assessment in planning activities proposed for 2012.

III. CONCLUSION

CCSE thanks the Commission for the opportunity to provide these reply comments regarding the Ruling. We are ready "to conduct the statewide implementation of the ME&O campaign and to coordinate broader stakeholder input on and participation in the statewide program."⁶ We hope the Commission will adopt the approach proposed in our previous comments to get the process started and provide further clarity about our leadership role. We are eager to get to work to cost-effectively implement the statewide ME&O campaign, facilitating the simplicity, agility and increased responsiveness needed to truly engage Californians in realizing their myriad energy upgrade opportunities.

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⁶ Proposed Decision at 297.