



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

03-14-13

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Application of Pacific Gas and Electric  
Company for Approval of 2013-2014 Statewide  
Marketing, Education and Outreach Program and  
Budget (U39M)

APPLICATION 12-08-007  
(Filed August 3, 2012)

And Related Matters.

APPLICATION 12-08-008  
APPLICATION 12-08-009  
APPLICATION 12-08-010  
(Filed August 3, 2012)

**Energy Upgrade California 2013-2014 Marketing Plan**

**California Center for Sustainable Energy**

**March 14, 2013**

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## **Energy Upgrade California 2013-2014 Marketing Plan**

### **I. INTRODUCTION**

The California Center for Sustainable Energy (CCSE) respectfully submits this *Energy Upgrade California 2013-2014 Marketing Plan* (“Marketing Plan”) to the Commission for approval in the ongoing proceeding, A.12-08-007, et al. CCSE’s Marketing Plan is filed in compliance with Ruling Paragraph 6 of the January 18, 2013 *Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge*, which stated: “A final statewide ME&O plan, taking into account informal feedback in workshops, should be filed and served by CCSE no later than February 25, 2013.”<sup>1</sup> The filing date was subsequently clarified by ALJ Roscow to be March 12, 2013, and a later request from CCSE for a two-day extension was granted via e-mail on March 7, 2013. This Marketing Plan is therefore timely filed on March 14, 2013.

CCSE respectfully requests the Commission approve its Energy Upgrade California 2013-2014 Marketing Plan through a timely decision in this proceeding, so that CCSE can move forward in hiring a marketing firm and other subcontractors needed to execute on the Marketing Plan. We further bring to the Commission’s attention a number of specific areas of the Marketing Plan that require the Commission’s decision and guidance:

- Overall Strategy, Tactics and Associated Budget Allocation
- Proposed Objectives and Associated Program Performance Metrics
- Governance and Requirements for Success

### **II. OVERALL STRATEGY, TACTICS, AND ASSOCIATED BUDGET ALLOCATION**

#### **Approve CCSE’s Proposed Role for Statewide Marketing, Education, and Outreach**

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<sup>1</sup> January 18, 2013. *Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge*. p. 9.

CCSE seeks the Commission's approval of its proposed role for the Statewide ME&O program, Energy Upgrade California. In this Marketing Plan, CCSE outlines its vision for the Statewide (SW) ME&O campaign, based on the California Long Term Energy Efficiency Strategic Plan (CEESP), input from various stakeholders, and its own experience in California's energy efficiency landscape related to marketing, education, and outreach. This vision and approach to SW ME&O contrasts with that put forth by the investor-owned utilities (IOUs) in the August 2012 SW ME&O applications in a number of fundamental ways, most notably the level to which the campaign will engage with Californians in driving them from awareness all the way to action and behavioral change. Section Two of the Marketing Plan details these differences, and we respectfully request that the Commission provide guidance in this matter so that the SW ME&O program has clarity of purpose and scope.

### **Approve CCSE's Proposed Marketing Strategy**

In their August 2012 SW ME&O applications, the IOUs laid out four goals for the SW ME&O campaign. While CCSE does not fundamentally disagree with these goals, we do not feel that they should necessarily be the goals or objectives of *this* statewide ME&O brand. We strongly believe that the overarching long-term goal of Energy Upgrade California is to motivate residential and small business consumers to take continued action over time to better manage their energy use through the brand's related comprehensive statewide marketing, education and outreach campaigns. This, in turn, leads to CCSE's proposed 2013-2014 marketing objectives, which chart a path to the long-term goal and reflect reasonable objectives that are realistically attainable in the 12-15 months that the campaign will likely have in market before 2015. Details are contained in the "Marketing Strategy" portion of Section Two of the Marketing Plan, and we respectfully request the Commission lend its guidance in this matter.

### **Approve CCSE's Proposed Tactics and Channels**

From the overall strategy described in the Marketing Plan, CCSE proposes a number of tactics, including target audiences and marketing partnerships that include those with on-the-ground community-based organizations (CBOs), businesses and local governments. In the Marketing Plan, CCSE outlines specific market segments it plans to target in the 2013-2014 transition period. This should not be interpreted to mean the SW ME&O campaign will solely speak to these target audiences; rather, there will be specially targeted efforts aimed at the identified segments. In the February 26 workshop, participants had many thoughts on this topic, and consensus was not forthcoming. We therefore ask the Commission to consider this question in its decision in this proceeding.

CCSE also describes how it will work with partners, including local governments, businesses and CBOs to execute the SW ME&O campaign throughout the many varied regions of the state. Such partnerships will serve to ensure the effective diffusion of the Energy Upgrade California message into all California households and small businesses, including those that are particularly difficult to reach. In their August 2012 applications, the IOUs do not envision such partnerships for the SW ME&O campaign, preferring that such actors focus solely on local IOU marketing efforts. CCSE posits that these vital organizations must have ways of actively participating and partnering with the SW ME&O campaign in order for the brand to gain the necessary buy-in and traction to be successful in its mission. This issue too will benefit from the Commission's guidance.

### **Approve CCSE's Proposed Budget Allocation**

CCSE recognizes that it does not have the authority within the existing regulatory structure to directly propose or request a specified budget level for the SW ME&O program; however, at the Commission's direction, we have proposed a budget allocation based on the utilities' total proposed budget. This allocation is inextricably linked to the program's overall strategy, governance, tactics, channels, etc. CCSE therefore respectfully requests that the Commission approve its proposed budget allocation in its decision.

### III. OBJECTIVES AND PROGRAM PERFORMANCE METRICS

#### **Approve CCSE's Objectives and Proposed Program Performance Metrics**

The IOUs proposed three program performance metrics (PPMs) in their August 2012 applications. CCSE agrees with these PPMs and proposes three additional PPMs as well; however, we emphasize that 2013-2014 is very much a foundation-building period for the SW ME&O brand, and ramping up the campaign in just 12-15 months will be a challenging endeavor. We therefore propose that the SW ME&O program be judged in the 2013-2014 transition period by whether or not it accomplishes the objectives specified in this Marketing Plan. We do not recommend any quantitative performance goals for the 2013-2014 period; rather, we outline a number of "key performance indicators" that we will track and report, so that the Commission and public stakeholders can see quantitative indicators of the program's progress. We assume that the question of quantitative goals will be revisited after this 2013-2014 transition period. We respectfully request the Commission address this topic of PPMs and goals in its decision.

### IV. GOVERNANCE

#### **Approve CCSE's Proposed Role**

In D.12-05-055, the Commission directed CCSE to serve as the statewide ME&O program implementer/coordinator.<sup>2</sup> The Commission goes on to outline CCSE's role as "one of design, oversight, and coordination"<sup>3</sup> and further states that "implementation details will be up to CCSE and we do not further specify them in this decision."<sup>4</sup> In their August 2012 applications for Statewide ME&O, however, the IOUs outline a governance structure that

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<sup>2</sup> May 10, 2012. *Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach*. Pg. 303 and O.P. 123

<sup>3</sup> *Id.* at 303

<sup>4</sup> *Id.* at 305

A.12-08-007, et al.

envisions CCSE's role as primarily implementing their program design and their strategy, utilizing their approved tactic, channels, etc.; a structure in which CCSE does not have either the autonomy or the flexibility in carrying out the SW ME&O campaign articulated by the Commission. CCSE has a great deal of experience administering ratepayer-funded programs through contracts with utilities (namely, SDG&E), and we know from this experience that the appropriate level of independence and autonomy can be achieved through such an arrangement without sacrificing accountability for ratepayer funds. We also note that in D.12-05-015, the Commission was very specific in defining the relationship between the IOUs and the newly authorized Regional Energy Networks (RENs) with whom the Commission directed them to contract. This included prescriptively outlining IOU functions as they relate to contracting with the RENs (e.g., "the utility function will not extend to program design or modification"<sup>5</sup>). CCSE's contractual obligation should be to ensure the success of the Energy Upgrade California marketing, education and outreach campaign, and we should have the ability to use our judgment to respond to opportunities in a similar fashion as the IOUs in their execution of marketing for other statewide programs. CCSE details its proposed governance structure in Section Three: Needs for Success, and we respectfully request that the Commission provide its specific guidance in this matter in its decision.

### **Provide Guidance Regarding Requirements for Operational Success**

CCSE recognizes that the IOUs are important partners in the Statewide ME&O campaign. The program is intended and designed to educate Californians about energy and motivate them to take action to save energy, use it more wisely and even invest in technology to generate their own. These same actions are also promoted individually through IOU programs and the target audience is the IOU customer base, thus it is imperative that the

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<sup>5</sup> November 11, 2012. *Decision Approving 2013-2014 Energy Efficiency Programs and Budgets*. p. 11.

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statewide brand and campaign coordinate with the IOU and it cannot succeed without their support and participation in a number of key areas. For example, in order for any marketing campaign to succeed, it must be informed by data-based research and in order to know if a campaign is working metrics must be tracked. What constitutes working for the statewide ME&O campaign will include driving greater participation on IOU programs. Therefore, the success of this program will greatly depend on extensive collaboration and cooperation between the IOUs, RENs, CCSE, and other relevant actors working to execute the Energy Upgrade California campaign. We direct the Commission's specific attention to the "Requirements for Success" portion of the Marketing Plan, contained in Section Three, and we respectfully seek Commission guidance in this area.

## V. CONCLUSION

CCSE is grateful for the opportunity to submit this Energy Upgrade California 2013-2014 Marketing Plan for comment by parties and approval by the Commission. We hope for a timely decision in this proceeding, as there is a great deal of work to be done before the Energy Upgrade California campaign can officially launch as the new SW ME&O brand. We look forward to working with parties to ensure the campaign's success in spurring Californians to action and enabling them to better manage their energy for the benefit of themselves the beautiful State we all live in. CCSE respectfully requests that the Commission approve CCSE's proposed 2013-2014 Marketing Plan and requests the Commission to grant the following:

A.12-08-007, et al.

1. Approve CCSE's proposed Marketing Plan for 2013-2014
2. Approve CCSE's proposed marketing strategy
3. Approve CCSE's proposed tactics and channels
4. Approve CCSE's approved budget allocation
5. Approve CCSE's proposed objectives and PPMs
6. Approve CCSE's proposed governance structure
7. Provide guidance regarding Requirements for Operational Success

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