STATE OF CALIFORNIA EDMUND G. BROWN JR., *Governor*

PUBLIC UTILITIES COMMISSION
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TO PARTIES OF RECORD IN APPLICATION 12-08-007 ET AL.:

This is the proposed decision of Administrative Law Judge Stephen C. Roscow. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's March 17, 2016 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ KAREN V. CLOPTON
Karen V. Clopton, Chief
Administrative Law Judge

KVC:lil

Attachment

Decision **PROPOSED DECISION OF ALJ ROSCOW** (Mailed 2/16/2016)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 2, 2012)
And Related Matters.	Application 12-08-008 Application 12-08-009 Application 12-08-010

DECISION ON PHASE 3 ISSUES: POST-2016 STATEWIDE MARKETING, EDUCATION, AND OUTREACH ACTIVITIES

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Attachment A

DECISION ON PHASE 3 ISSUES: POST-2016 STATEWIDE MARKETING, EDUCATION, AND OUTREACH ACTIVITIES

Summary

In this decision the Commission addresses a number of matters in order to refine its program for energy management-related statewide marketing, education, and outreach to residential and small business customers. First, the Commission establishes a competitive solicitation process that will be used to select the entity that will implement and administer the program beginning in 2017. Second, the Commission responds to parties' recommendations regarding the 2017 vision, goals, governance structure and budget of the program by adopting several modifications to the existing vision, goals and governance structure in order to provide guidance to the solicitation process. Finally, the Commission orders that a workshop be facilitated by the assigned Administrative Law Judge to consider certain other aspects of these topics after the release of the results of a Commission-ordered evaluation, measurement, and verification study of the program. This study is expected to be completed by April, 2016.

This proceeding remains open to consider the results of the workshop and the Request for Proposal process.

1. Background and Procedural History

In today's decision we take steps to further strengthen the effectiveness of the statewide marketing, education and outreach (ME&O) program to promote energy efficiency (or EE) - related consumer actions that we began to implement in 2014. We preface our discussion of today's actions with a brief summary of the Commission's (or CPUC) prior determinations and direction to the regulated

entities and third party administrators to whom the Commission gave the responsibility for implementing the statewide ME&O program.

1.1. A Consistent Vision for Statewide Marketing, Education and Outreach

Perhaps the most important message we wish to convey to interested parties as they review this decision, especially the large regulated energy utilities whose 2012 applications were the foundation of this proceeding, is our resolve to continue on the journey we began ten years ago.[1] When the Commission initiated a rulemaking in 2006 to examine post-2005 energy efficiency policies and programs, we noted that marketing and consumer education can play a significant role in transforming energy efficiency from a simple ratepayer-funded program to one that is more of a consumer lifestyle. In our 2007 decision in that proceeding, we instituted what we described at the time as "a comprehensive, long-term energy efficiency strategy to achieve our ultimate goal--making energy efficiency a way of life."[2]

As part of that decision, we recognized the important role of marketing and education in promoting energy efficiency, but also recognized that ratepayer dollars needed to be used more strategically. We stated our preference for a coordinated ME&O effort across utility territories and consumer demand-side options, because increased coordination would optimize the development and

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[1] The large regulated energy utilities referenced in this decision are the four utilities that filed 2012 applications for approval of 2013-2014 statewide marketing, education and outreach programs and budgets: A.12-08-007, filed by Pacific Gas and Electric Company (PG&E), A.12-08-008, filed by Southern California Edison Company (SCE), A.12-08-009, filed by San Diego Gas & Electric Company (SDG&E), and A.12-08-010, filed by Southern California Gas Company (SoCalGas).

[2] Rulemaking (R.) 06-04-010, Decision (D.) 07-10-032 at 2.

delivery of energy efficiency messages that inform consumers and motivate energy-saving activity. To this end, in D.07-10-032 we directed the utilities and third parties to expand their then-current ME&O efforts to achieve the following goals:[3]

1. *Coordination of related marketing, education and outreach programs*, such as incentives for solar and other distributed generation installations, demand response programs, conservation and low-income programs;

2. *Coordination of providers with similar or related interests and services,* such as local governments, community-based organizations (CBOs), firms and municipal utilities;

3. *Comprehensive approach* to motivating all types of energy efficiency investments and behaviors; and

4. *Cost-effective, high impact plan* to drive maximum energy savings—both long-term and short-term—tailored to reflect the values, habits and demographics of different target communities and populations, particularly low-income and ethnic groups.

The key concepts in the goals listed above and our direction at that time to the utilities and third parties, are "coordinated," "comprehensive" and "cost-effective." To achieve these goals, we concluded that the Commission should lead an ME&O task force to (1) assist in relevant aspects of a statewide strategic plan and utility portfolio applications; (2) develop an energy efficiency web portal; and (3) consider the development of a brand for California energy efficiency products and services.[4]

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[3] *Id.* at 62.

[4] *Id.*, Conclusion of Law 13.

In June, 2008, as directed by D.07-10-032, the utilities jointly filed an application proposing a California Energy Efficiency Strategic Plan (CEESP). The CEESP application resulted from a collaborative process among a broad set of stakeholders. In D.08-09-040, we incorporated the efforts made during the collaborative process into a Commission-approved plan and adopted the California Long-Term Energy Efficiency Strategic Plan (2008 Strategic Plan).

The 2008 Strategic Plan includes a section on statewide marketing, education and outreach, and states that the goal of statewide ME&O is to "create and launch an integrated, statewide Marketing, Education and Outreach effort for energy efficiency including an energy efficiency brand." The plan's ME&O goal is to achieve "high levels of awareness statewide of the value of energy efficiency that leads to strong demand for energy efficient products, homes and services." The plan states that this goal will be achieved through four strategies:[5]

1. An Energy Efficiency Brand: Creation of an instantly recognized brand for "California Energy Efficiency" with clear delineation of what the brand encompasses, including reducing greenhouse gases.

2. Integrated Marketing: Development of marketing messages that offer bundles of Demand-Side Management (DSM) programs targeted to specific customer groups and delivery of effective messages using partnerships with a range of energy efficiency participants, including local governments, retailers and manufacturers.

3. Social Marketing: Use of social marketing techniques to create emotional and intellectual drivers for consumers to make commitment to change and participate in energy efficiency.

[5] California Long Term Energy Efficiency Strategic Plan, September 2008, Section 10, "Marketing, Education and Outreach."

4. Internet-Based Networking: Creation of a web portal that allows energy efficiency practitioners and consumers to exchange information and solutions on implementing energy efficiency programs and measures.

In D.08-09-040, we directed the utilities to incorporate the elements of the 2008 Strategic Plan into their 2009-2011 energy efficiency portfolio applications.[6] The decision also directed the Commission's Energy Division to take steps to implement the Strategic Plan, including developing the statewide energy efficiency brand and integrated marketing strategy, and directed the utilities to assist the Energy Division and the Commission in those efforts.[7]

In D.09-09-047 the Commission approved the utilities' 2010-2012 energy efficiency applications. D.09-09-047 also directed the utilities to implement the development of a new statewide smart energy brand. The brand was to include a range of program offerings: energy efficiency, low-income energy efficiency, demand response, and renewable self-generation. In D.09-09-047 we explained that the aim of statewide marketing was to increase ratepayer awareness and facilitate the ability to act and incorporate technology advances or behavior changes, using available resources to reduce energy use and choose clean energy options. Furthermore, the program was intended to increase the percentage of ratepayers reducing energy consumption and choosing self-generation options, and motivate those taking action to become advocates. The decision states that future ratepayer spending should correspond to significantly higher levels of both awareness and behavior change.

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[6] D.08-09-040, Ordering Paragraph 2.

[7] *Ibid.*, Ordering Paragraphs 3 and 4 (c).

The energy efficiency statewide marketing brand that was developed following this decision was "Engage 360," a program administered by the utilities through a contract managed by Southern California Edison Company (SCE). However, on October 31, 2011, an Assigned Commissioner Ruling regarding statewide marketing noted that development and delivery of the Engage 360 brand was costly and likely not producing enough ratepayer benefit to justify its continuance. The ruling directed SCE to freeze spending on Engage 360, including the Engage360.com web portal, until further direction provided by the Commission. In March of 2013, the Engage 360 website was taken off line.

In D.12-05-015 (the Guidance Decision) the Commission addressed the utilities' 2013-2014 energy efficiency portfolios and provided guidance on statewide marketing, education, and outreach for both 2012 and the 2013-2014 period. The Commission formally directed the utilities to discontinue the use of the Engage 360 brand and to develop a strategy and budget for transitioning toward the use of "Energy Upgrade California" (EUC) as a statewide umbrella brand for energy information and encouraging DSM actions by residential and small business consumers.

The Guidance Decision required the utilities to file separate applications proposing their planned statewide ME&O activities and expenditures related to all education and outreach for demand-side programs: not simply energy efficiency, but also demand response, distributed generation, and any other programmatic efforts directed by the Commission. The Commission clarified that the statewide ME&O effort was originally conceived to target mass market consumers: residential and small business customers who typically do not have specialized knowledge or experience in the energy area, and who would

therefore benefit from a targeted campaign providing energy education as well as outreach for energy efficiency.

The Commission assigned PG&E as the lead utility responsible, on behalf of the other utilities, for executing the statewide ME&O program, and designated the California Center for Sustainable Energy (CCSE) as the coordinator for statewide ME&O activities under the umbrella of EUC for 2013 and 2014.[8]

1.2. The Current Statewide ME&O Program

We pause at this point in our discussion to draw parties' attention to an important observation, one that we will return to when we explain the actions we order in today's decision. In the history provided above, parties should note that the Commission stressed the importance of coordination and cost-effectiveness in its goals for statewide ME&O from the inception of its policy-making in D.07-10-032. The Commission repeated the importance of these concepts in the 2008 Long Term Energy Efficiency Strategic Plan; in D.08-09-040 which directed the utilities to incorporate the elements of the Strategic Plan into their 2009-2011 energy efficiency portfolio applications; in D.09-09-047 which approved the utilities' 2010-2012 energy efficiency applications; and in the 2012 Guidance Decision, which addressed the utilities' 2013-2014 energy efficiency portfolios and provided guidance on statewide ME&O for both 2012 and the 2013-2014 period. The importance of coordination and cost-effectiveness in implementing statewide ME&O are not new concepts to this Commission, and they should not be new concepts to parties in this proceeding, either.

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[8] CCSE has since changed the name of its organization to "Center for Sustainable Energy" (CSE). To avoid confusion, all references to the organization in this decision use CSE.

In today's decision we address a number of matters regarding the current statewide ME&O program. The structure and goals of this program directly reflect the guidance provided by the Commission in D.12-05-015. In that decision, the Commission noted that the 2008 Strategic Plan and its 2011 update articulated the following vision for statewide ME&O:

> Californians will be engaged as partners in the state's energy efficiency, demand-side management and clean energy efforts by becoming fully informed of the importance of energy efficiency and their opportunities to act.[9]

Consistent with this vision, the Commission went on to explain the rationale behind its guidance for the statewide ME&O efforts for the 2013-2014 energy efficiency portfolios:

> Part of what the Commission has been trying to achieve for some time with our statewide ME&O efforts, particularly in the most recent energy efficiency and demand response program and budget proceedings, is one integrated approach that includes multiple demand-side options depending on the needs of the consumer.[10]

The Commission noted the difficulty of taking a unified approach to statewide marketing and providing an integrated message, in part due to differing program cycles and proceedings among energy efficiency, demand response, distributed generation, and low-income programs. For this reason, "to help bring these efforts together under one umbrella with one unified approach," the Commission required all four utilities to file separate "ME&O-only"

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[9] D.12-05-015 at 295, citing the 2011 Update to the 2008 California Long-Term Energy Efficiency Strategic Plan, Chapter 10, at 75.

[10] *Id.* at 297.

applications for the 2013-2014 forecast period, outlining their approach to statewide ME&O for all demand-side programs as well as generalized energy education. The utilities filed these applications in August, 2012.

In D.13-12-038, the Commission adopted a comprehensive statewide ME&O plan for residential and small business energy management for 2014-2015. In doing so, however, the Commission declined to approve the ME&O plans filed in 2012 by the utilities. Instead, the Commission designated CSE to administer the EUC brand according to an alternative plan that CSE itself had submitted in the proceeding, with certain modifications specified by the Commission. The Commission also determined budget allocations for the 2014-2015 implementation periods.

We pause again in our discussion to observe that, of particular note for today's decision, in D.13-12-038 the Commission went into considerable detail addressing concerns expressed by the utilities regarding the Commission's adopted approach; in fact, the Commission based its explanations in some detail on the history of the Commission's policymaking for statewide ME&O recounted above. In D.13-12-038 the Commission addressed and resolved disputed positions on (1) the role of CSE, as the designated program administrator, in implementing the adopted statewide ME&O program, (2) the adopted plan itself, (3) the adopted marketing strategy, (4) proposed marketing tactics and channels, (5) the adopted governance structure for statewide ME&O, and (6) the adopted budget.

Given this detailed history and the clear guidance and direction provided in D.12-05-015 and D.13-12-038, we therefore note with some concern that, based on their recently filed comments, some parties appeared to view the instant phase of this proceeding as an opportunity to reverse the Commission's

determinations on these same matters, just two years later, rather than recommend improvements and refinements to the program.

1.3. Phase 3 Scope and Procedural Matters

In D.13-12-038 the Commission anticipated that the scope of the statewide ME&O program following the 2014-2015 period would be decided in an energy efficiency rulemaking, rather than the instant Applications. However, for reasons of timing this proceeding emerged as the logical choice for the Commission's continued consideration of matters regarding the program. As a result, the March 6, 2015 Scoping Memo and Ruling of the assigned Commissioner and Administrative Law Judge (ALJ) (March 2015 Scoping Memo) divided this proceeding into two phases and determined that the scope of Phase 2 would include the post-2015 implementation and funding of statewide ME&O.[11]

Following a prehearing conference conducted in April, 2015 the assigned Commissioner issued an amended scoping memo (May 2015 Amended Scoping Memo) inviting comments on whether the Commission should provide one year of additional bridge funding for CSE to continue to implement the statewide ME&O plan authorized in D.13-12-038, in the same manner and under the same governance structure as authorized in that decision. Based on parties' comments, in D.15-08-033 the Commission approved one year of bridge funding for CSE to continue to conduct statewide ME&O activities in 2016. In that decision, the Commission also agreed with recommendations made by several

[11] Phase 1 of this proceeding considered possible funding sources and program administrators for the Flex Alert program beginning in 2016. Those issues were resolved by the Commission in D.15-11-033.

parties that the Commission should develop a record on the benefits of conducting an open competitive solicitation to award the responsibility for implementation of the statewide ME&O program beginning in 2017.[12]

In order to expand the scope of this proceeding pursuant to the Commission's direction in D.15-08-033, on October 26, 2015, the assigned Commissioner further amended the May 2015 Amended Scoping Memo (October 2015 Amended Scoping Memo) to establish a third phase of this proceeding "to develop a record on the benefits of an open solicitation to select an implementer of the Commission's statewide Marketing, Education, and Outreach program for 2017 and onward." The assigned Commissioner determined that Phase 3 would rely on a record-building process based on several rounds of written comments responding to questions posed in the October 2015 Amended Scoping Memo.

Opening comments providing responses to the scoping memo questions were filed and served on November 20, 2015 by CSE, PG&E, SCE, SDG&E and SoCalGas (Joint Utilities), the Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN), The Greenlining Institute (Greenlining), the Center for Accessible Technology (CforAT), Marin Clean Energy (MCE), the Southern California Regional Energy Network (So Cal REN), and the San Francisco Bay Area Regional Energy Network (BayREN).[13]

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[12] D.15-08-033, Ordering Paragraph 3.

[13] In D.12-11-015 the Commission authorized the creation of two Regional Energy Networks (RENs) to design and deliver energy efficiency services under the direct supervision of the Commission. The Commission intended that RENs could serve three primary functions: (1) filling gaps that the investor-owned utilities (IOUs) are not serving; (2) developing programs for hard to reach markets; and (3) piloting new approaches to programs that may have the ability to scale and offer innovative avenues to energy savings.

Footnote continued on next page

Reply comments were filed and served on December 11, 2015 by CSE, PG&E, SCE, Joint Utilities, TURN and Greenlining. As of that date, the evidentiary record of the proceeding was considered closed and the matter was submitted to the Commission for its decision.

2. Short-term and Medium-term Actions Adopted in this Decision

In framing the questions posed to parties in the October 2015 Amended Scoping Memo, the assigned Commissioner identified several matters deemed important for the Commission to consider in order to provide guidance for the post-2016 statewide ME&O program. These matters were the subject of six questions regarding the program's vision and goals, the structure of statewide ME&O, the means for choosing the next program implementer, the post-2016 budget, and governance of the program, including contract management.

Parties filed extensive comments and reply comments on each of these matters. The Commission does now have "a record on the benefits of an open solicitation to select an implementer of the Commission's statewide Marketing, Education, and Outreach program for 2017 and onward." However, the record also now includes numerous recommendations from parties regarding future program structure and governance that should be addressed before 2017, but upon which the Commission need not issue a decision today in order to move forward with an open solicitation for the 2017 implementer.

As explained below, this decision does establish a competitive solicitation process that will be used to select the entity that will implement and administer

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In its Opening Comments, BayREN describes its organization as "a collaboration of the nine diverse Bay Area counties, with member agency representatives with local expertise in successful marketing, education and outreach strategies." (BayREN Opening Comments at 2.)

the program beginning in 2017. As some parties noted in their comments, time is of the essence if that process is to be initiated and completed in a timely fashion to allow sufficient time for the selected entity to be ready to administer the statewide brand in 2017. In order to accommodate this need for expeditious action, we adopt a schedule that provides time for a workshop to be conducted to discuss parties' recommendations regarding implementation of the revised vision and goals adopted in this decision; the strategies and objectives necessary to achieve those goals; and parties' recommendations regarding the program budget and governance structure for 2017 and beyond. The workshop shall be conducted shortly after the release of the results of a Commission-ordered evaluation, measurement, and verification (EM&V) study of the program that is expected to be completed by April, 2016.[14] As will be seen below, some parties appear to see significant problems with the statewide ME&O program as it has been implemented over the past two years. Therefore, to address parties' concerns the workshop shall be facilitated by the assigned Administrative Law Judge in order to consider these topics in the context of whether D.13-12-038 is

[14] In D.13-12-038 we stated "we strongly agree with comments by stakeholders that since the long-term goal of statewide marketing is for residential and small business consumers to take action, at some point performance metrics must measure actions that can be attributed to statewide marketing" (D.13-12-038 at 71-72). The utilities countered that it is difficult to distinguish between actions that are the result of statewide versus local marketing efforts. We noted we lacked the data to understand the exact challenges associated with coordinating statewide and local efforts while avoiding overlap, but recognized that understanding these efforts is a key component of developing a statewide marketing program that achieves long-term success. Therefore, we directed stakeholders to engage in a collaborative process to create a road map for EM&V of statewide and local marketing activities. We directed that the road map should include the types of information that is needed, the types of evaluations that should be conducted, and a timeline for conducting them. We specified that the timeline should enable study results to inform at least part of the next statewide marketing program cycle (D.13-12-038, Conclusion of Law 18).

being implemented in the manner directed by the Commission. To that end, the remainder of this decision first resolves the matter of the open solicitation process, adopts a revised vision and revised goals based upon parties' comments, then reviews responses to the other questions in the scoping memo in order to provide preliminary direction for the EM&V review workshop.

3. The Open Solicitation (Request for Proposal) Process

With respect to the "open solicitation" process, the October 2015 Amended Scoping Memo posed the question as follows:

> In order to expeditiously move forward with a Request for Proposal (RFP) process, it is anticipated that the RFP will be administered by the IOUs in a competitive and open fashion. It is important that a contractor is selected that will be responsive and accountable to the mission of Energy Upgrade California. Please propose, in detail, a solicitation process that will result in the most appropriate contractor being chosen. What entity should administer this process?

3.1. Opening Comments

The Joint Utilities support selection of a statewide administrator through an RFP process and are open to managing the RFP process on the Commission's behalf to assist in expediting the process. Joint Utilities stress that it is imperative that the Commission articulate its requirements for the Scope of Work, including the following:

1. Specific, quantifiable goals and objectives of the program;
2. Budget and budget categories;
3. Description of the desired coordination between the statewide ME&O and local program-specific ME&O activities for energy efficiency, demand response, distributed generation, low-income programs, and any other relevant demand-side programs; and

4. Strategies incorporating various market data to improve customer reach.

The Joint Utilities also recommend that the Commission provide direction as to scoring criteria for the bids and which party or parties are responsible for developing the final scope of work and which party or parties will serve on the RFP review and selection committee. The Joint Utilities also propose that the Commission approve the selected statewide ME&O administrator in a formal decision.[15]

SCE recommends that the IOUs, in collaboration with the RENs, administer a solicitation process to select a contractor responsible and accountable for EUC. SCE also recommends that an impartial and transparent process, similar to a peer review group (PRG), should be developed to select the most appropriate and cost-effective contractor. Finally, SCE recommends evaluation and selection of the vendor by a committee consisting of the Commission, the IOUs, and RENs. SCE provides a detailed list of tasks, activities, and processes for the RFP process.[16]

PG&E recommends using an RFP to select an organization responsible for the implementation of the statewide ME&O campaign. PG&E notes that work on the RFP must begin as soon as this decision is issued because the contract should be awarded in sufficient time for the winner to be ready to manage the statewide brand in 2017. The RFP schedule "must include sufficient time to include solicitation for expression of interest, a minimum of 30 days for bidders

[15] Joint Utilities Opening Comments at 6-7.

[16] SCE Opening Comments at 6-7.

to respond to the RFP, and 30 days for the committee to evaluate and score each of the bidder packages submitted."[17]

BayREN recommends that the RFP process be administered by one of the utilities, working together with a committee consisting of one representative from each utility and REN, and the Energy Division.[18]

MCE recommends that Commission staff should administer the solicitation process to ensure competitive neutrality. Commission staff would develop the RFP criteria and eligibility requirements, and score bids submitted by contractors. Commission staff would select the next statewide ME&O administrator based on the final scores. MCE recommends that if a stakeholder group is created to advise on developing RFP criteria and eligibility requirements, the stakeholder groups should have representation of different types of stakeholders, including ratepayer advocates, third-party technology providers, IOUs, and Community Choice Aggregators (CCAs). The Commission should provide intervenor compensation to ratepayer advocacy groups that may not otherwise have the resources to participate in this advisory process.[19]

ORA states that while it is reasonable for an IOU to administer the RFP process, Energy Division staff should develop the RFP criteria and eligibility requirements and score bids and make the final decision on the next administrator. ORA also recommends that the Commission allow interested stakeholders (such as ORA) to participate throughout the RFP process in a forum

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[17] PG&E Opening Comments at 14.

[18] BayREN Opening Comments at 7.

[19] MCE Opening Comments at 5.

similar to a peer review group, to advise Energy Division staff and monitor the process.[20]

TURN acknowledges the need to expeditiously move forward with the RFP process and that having the IOUs administer the RFP is the most efficient option. Nevertheless, TURN recommends that Commission staff be given primary control and oversight of the RFP process, and should develop the RFP eligibility and evaluation criteria. TURN recommends that stakeholders (including the IOUs, RENs, CCAs, consumer advocates, social justice advocates, and other interested parties) should have the opportunity to evaluate bids and provide feedback to Commission staff.[21]

Greenlining states that the Commission must choose the contractor that best understands the needs of California's diverse population, can successfully administer a multi-faceted program, and that proposes the best plan consistent with the goals of the program. Greenlining recommends giving preference by assigning higher scores to bidders that have specific experience in successful ME&O campaigns directed to diverse communities, and provides a list of suggested criteria.[22] Greenlining recommends that the Commission administer the RFP process, with stakeholder input by forming a solicitation working group of interested stakeholders under the direction of Commission staff, as is done under the Commission's solicitation protocols for selecting program evaluators: after the working group is given the opportunity to review the bids and provide

[20] ORA Opening Comments at 4.

[21] TURN Opening Comments at 5.

[22] Greenlining Opening Comments at 17.

comments to the Commission on the proposals and bidders, the Commission should then choose the best contractor, consistent with the RFP criteria.[23]

CSE echoes Greenlining's recommendation that the RFP process should be based on the Commission's RFP process for independent evaluators. CSE also recommends that ratepayer advocates should have access to intervenor compensation in order to meaningfully participate in the RFP selection process.[24]

CSE proposes a five-year contract period (2017-2021), which would coincide with a Commission requirement for a strategic ME&O plan for that five-year period. CSE states that this length of time is consistent with the new Energy Efficiency Rolling Portfolio Business Plans that the utilities have proposed in the Commission's energy efficiency Rulemaking (R.)13-11-005.25

3.2. Reply Comments

Regardless of how or from whom the Commission chooses to solicit input on the RFP process, Joint Utilities reiterate their recommendation that the Commission itself should approve the final scope of work, selection criteria and members of the selection committee.[26]

PG&E disagrees with recommendations that Commission staff should administer the solicitation process, and be the only party to develop RFP eligibility and evaluation criteria, score the bids, and select the next statewide ME&O administrator. PG&E states that the RENs and IOUs have deep

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[23] *Id.* at 18.

[24] CSE Opening Comments at 15.

[25] R.13-11-015, *Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.*

[26] Joint Utilities Reply Comments at 2.

experience issuing RFPs and managing evaluation processes, expertise that should be utilized in this instance. PG&E also notes that the IOUs and RENs have interest in and responsibility for the success of local ME&O efforts. PG&E favors selecting a stakeholder committee to run the RFP process and select the statewide ME&O coordinator (with the approval of the Commission).[27]

TURN acknowledges that BayREN makes a valid point that the utilities have the experience and resources to lead an RFP process, but "nevertheless, it is important that Commission staff still has primary oversight of the RFP process and develops the RFP eligibility and evaluation criteria." TURN also supports ORA's recommendation to allow for interested stakeholders to participate in the RFP process "in a forum similar to a PRG to advise Energy Division Staff and monitor the process," but requests that the Commission make active participation in any PRG or selection committee eligible for intervenor compensation in order to enable participation from stakeholders.[28]

Greenlining responds to opening comments by stating that the RFP process must be "inclusive, fair, and Commission-administered." As such, Greenling strongly recommends that the Commission should administer the RFP process and have final authorization over the selection of the contractor, while comments and recommendations of interested stakeholders, coordinated in a working group, should inform the Commission's final decision.[29]

CSE agrees with MCE and Greenlining that even if an IOU technically administers the solicitation, Commission staff should control solicitation

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[27] PG&E Reply Comments at 11-12.

[28] TURN Reply Comments at 4.

[29] Greenlining Reply Comments at 8.

guidelines, be responsible for scoring, and ultimately select the winning bid. CSE also proposes authorizing intervenor compensation to ensure that ratepayer advocates can meaningfully participate in the RFP process.[30]

3.3. Discussion

No party disagrees that a competitive solicitation process should be used to select the entity that will implement and administer the statewide ME&O program beginning in 2017. Therefore, we adopt a Request for Proposal process and explain the details of our adopted process below. The process shall result in the award of a five-year contract to administer the statewide ME&O program from 2017 through 2021.

Most parties agree that while one of the utilities may manage the RFP, Commission staff should play a central role in developing the RFP and in making the decision on the winning bidder. We agree, and our adopted process assigns those roles to PG&E, to administratively support the process, and to Commission staff to write the initial draft of the RFP, then to lead a collaborative process to guide that draft to completion and manage the bid evaluation and candidate selection process. With respect to that collaborative process, in the following sections of this decision we provide additional guidance regarding the vision, goals, governance structure and budget for the statewide ME&O program. We intend that this guidance be incorporated into the RFP drafting process. We decline to adopt the steering committee structure recommended by the utilities, RENs and MCE because it would give seven votes to the local program administrators and thus allow them to determine the outcome of the

[30] CSE Reply Comments at 6-7.

selection process. However, we adopt a scoring methodology that we believe will allow all the participating parties in this proceeding to play a meaningful role in influencing the selection of the post-2016 administrator and implementer of the statewide ME&O program. Ratepayer advocates that are currently parties in this proceeding and that participate in the RFP process shall be eligible for intervenor compensation.

Our adopted Request for Proposal process is outlined below:

> **Step #1**: Formation of an ME&O RFP Scoring Committee for the purpose of the ME&O contractor selection process. All stakeholder organizations that are parties to this proceeding are invited to participate, but each organization shall have just one representative.
>
> **Step #2**: The RFP is drafted in a collaborative manner. Commission staff shall lead the RFP drafting process, working with the lead utility on the correct format and template. A first draft shall be circulated to the Scoring Committee, which shall be given 2 weeks to provide comments and edits. This feedback shall be incorporated as appropriate by Commission staff.
>
> **Step #3**: Once the RFP is issued, the bids shall be scored by the Scoring Committee. Each organization participating in the Scoring Committee is to submit one set of scores via their representative. The scores submitted by the organizations comprising each of these three categories of stakeholder shall be averaged to arrive at one score for each category:
>
> 1. Regulatory (CPUC, California Energy Commission (CEC))
> 2. Program Administrators (IOUs, RENs, CCAs)
> 3. Ratepayer advocates (TURN, ORA, Greenlining, CforAT)
>
> **Selection**: The average score provided by each group will then be weighted at 33.3% towards the overall score, thereby giving each stakeholder category 1/3rd of the influence over the final recommendation.

The final score will be considered advisory by the Commission, which will make a final Commission decision on the winning bid at a public business meeting.[31]

The adopted RFP schedule is provided below. The assigned Commissioner or assigned ALJ may revise this schedule as necessary.

[31] In D.13-12-038 we designated PG&E as the fiscal manager for the contract and ordered PG&E and CSE to enter into a contract within 30 days of that decision. In the event that a similar approach is ordered by the Commission in its decision awarding the bid, this could result in a period of overlap between the term of the current administrator and the entity selected as the new administrator, if that entity is different. Nevertheless, we believe the value of enabling the earliest start possible for the new administrator outweighs any logistical complications that may be created by having two administrators under contract at one time, i.e., for the remainder of 2016.

March 17, 2016	Commission Decision on RFP process
March 21, 2016	First draft of RFP is completed by Commission staff, sent to stakeholders for comments
April 4, 2016	Stakeholder comments on RFP due
April 14, 2016	Post EM&V Workshop
April 29, 2016	Post-workshop comments due
May 2, 2016	RFP issued
May 9, 2016	Bidder's conference
June 3, 2016	Bids due to PG&E
June 7, 2016	Bid packages distributed to bid scorers
June 17, 2016	Scores due
June 29-July 1, 2016	Interviews with top scoring candidates
July 11, 2016	Interview scores submitted to Commission staff
July 19, 2016	Proposed Decision on winning bid mailed for 30-day comment
August 18, 2016	Vote at Commission meeting

4. Scoping Memo Questions Regarding the Post-2016 Statewide ME&O Program

As we noted above, in addition to providing recommendations on the open solicitation process, parties also filed extensive comments and reply comments responding to questions in the October, 2015 Scoping Memo regarding the statewide ME&O program's future vision and goals, governance structure, and budget. It is our intent that operation of the program from 2017 onwards incorporate the best ideas from these comments. This decision adopts modifications to the statewide ME&O program where sufficient record exists. However, as every party observed in their comments, at this time we do not have sufficient information about the results achieved by the program in 2014 and 2015 to objectively evaluate all of the diverse recommendations offered by

parties. This is especially true with respect to the selection of the proper budget for 2017 and onwards. Fortunately, we do expect to receive the results of the Commission-ordered EM&V study of the program by April, 2016, which we expect will provide additional information on program performance and recommendations for improving implementation of the program adopted in D.13-12-038. These results will inform the Commission on future program budget needs and implementation strategies for achieving the revised vision and goals adopted in today's decision. The workshop that will be conducted shortly after the release of the study will provide a forum to discuss parties' recommendations in light of the EM&V results. We also adopt a schedule that provides opportunity for post-workshop comments. If necessary, in addition to the changes being adopted in this decision, we will make further substantive modifications to the program in our decision addressing the outcome of the competitive solicitation process. To provide necessary guidance for both the RFP process and for discussions at the workshop, in the remainder of this decision we provide summaries and our responses to parties' comments on the scoping memo questions, and adopt program changes where sufficient record exists.

We clarify that for the purposes of participating in the RFP drafting process adopted in this decision, parties should incorporate the specific modifications and guidance provided below regarding vision, goals, structure, governance framework and budget, but otherwise assume that the statewide ME&O program will continue to operate in the manner adopted by the Commission in D.13-12-038.

4.1. The Commission's Vision of Statewide Marketing, Education and Outreach

With respect to the recommended Commission vision for statewide ME&O beginning in 2017 and going forward, the October 2015 Amended Scoping Memo posed the question as follows:

> Given the evolution of energy efficiency and other demand side policies and programs since 2007, how should the vision of statewide ME&O be defined today?
>
> Specifically, should statewide ME&O serve as a lead generator, driving consumers to utility and Regional Energy Networks programs, or should it drive consumers to directly take actions to reduce or manage energy in other ways?
>
> In addition, please provide any other ideas on how statewide ME&O might evolve in the future.

4.1.1. The Current Vision for Statewide ME&O

As noted above, pursuant to D.12-05-015, the 2008 Long-Term Energy Efficiency Strategic Plan and its 2011 update, the current "working" vision for statewide ME&O is the following:

> Californians will be engaged as partners in the state's energy efficiency, demand-side management and clean energy efforts by becoming fully informed of the importance of energy efficiency and their opportunities to act.

Now that the statewide ME&O program is up and running, a reexamination of the original motivating vision may by warranted. As the Scoping Memo framed the question, once customers engage with EUC is it still sufficient that customers will be "fully informed of the importance of energy efficiency and their opportunities to act," or should the vision be expanded either incrementally, such that statewide ME&O "serves as a lead generator, driving consumers to utility and Regional Energy Network programs" or more

ambitiously, such that it "drives consumers to directly take actions to reduce or manage energy in other ways"?

4.1.2. Opening Comments

Parties took positions on both sides of this question, with some parties recommending that EUC's only purpose should be to raise awareness, and then to generate leads to the programs run by program administrators: the utilities, the RENs, and CCAs. Other parties recommended that EUC's purpose should include raising awareness, but EUC should also provide some actions that consumers can take independent the utilities, the RENs, and CCAs.

First, all the program administrators primarily envision EUC as only an awareness campaign that generates leads to their programs.

The Joint Utilities support the current vision of statewide ME&O as articulated in the Energy Efficiency Strategic Plan and D.12-05-015, and quoted above. The Joint Utilities state that the best way to successfully achieve this vision is to ensure that the statewide efforts, managed by the statewide ME&O administrator, are strongly coordinated with the local marketing and educational efforts of the local Energy Efficiency program administrators.[32] In short, "the purpose of the SW ME&O effort is to generate leads and drive customers to available local PA programs from which customers can benefit." Effective coordination between the statewide administrator and local program administrators "allows the statewide ME&O to focus messages with the

[32] (e.g., IOUs, RENs, publicly-owned utilities (POUs), CCAs, etc.; also referred to collectively as local Program Administrators or PAs).

particular objective of driving the customer to their own local PA programs and services."[33]

SCE recommends that the vision for statewide ME&O should be consistent with its 2012 testimony in this proceeding: "SCE's Demand-Side Management [DSM] vision encourages customers to move beyond one time 'single energy actions' (e.g., one program sign-up) and drives customers toward ongoing, permanent behavior changes that are paramount to living an 'energy-management lifestyle' (e.g., participation in multiple programs and sustained energy saving behaviors)."[34] Thus, SCE supports a strategy in which statewide ME&O provides customers with general education and awareness of DSM options and encourages customers to contact their local program administrators for more information.[35] SCE also recognizes that "…not all statewide ME&O initiatives that encourage customer behavior change (e.g., shifting energy use to off-peak hours, switching off lights when leaving a room, setting the thermostat at 78 degrees, replacing AC filters, and saving water) need to involve local PAs" and statewide ME&O should continue to encourage customers to take such actions.[36] Finally, SCE recommends that in the future, statewide ME&O program strategy focus on broader topics in addition to DSM (e.g., water conservation, Smart Grid, and California Climate Credit), focus on generation of leads that result in DSM program enrollments, and avoid duplication of the efforts of local PAs.

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[33] Joint Utilities Opening Comments at 1-2.

[34] Exhibit SCE-1 at 3.

[35] SCE Opening Comments at 2, citing Exhibit SCE-1 at 3.

[36] *Ibid.*

PG&E also believes the future of statewide ME&O should focus on the original vision expressed in the 2008/2011 California Energy Efficiency Strategic Plan. Thus, PG&E recommends that statewide ME&O should continue pursuing two roles: (1) generating customer awareness of and interest in more efficient energy use (energy management), and (2) serving as a lead-generator to drive customers to PA programs where they may take action to both manage and reduce their energy consumption.[37]

BayREN states that the greatest impact to the Program Administrators from statewide ME&O is its support of local efforts through lead generation, branding and campaign development, media buys and providing marketing resources that can be utilized statewide. However, BayREN notes that the success of any of the statewide efforts is dependent on "early and regular collaboration" between the statewide ME&O administrator and Program Administrators.[38]

SoCalREN views statewide ME&O's primary "mission" as providing consumer-friendly energy management information and supporting the regional DSM programs to ***drive customer behavior to use energy in a sustainable way.***[39] SoCalREN recommends that the statewide ME&O vision continue to include a consumer-friendly statewide website and focus on promoting energy management actions that connect with local DSM programs by referring

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[37] PG&E Opening Comments at 2.

[38] BayREN Opening Comments at 3.

[39] SoCalREN Opening Comments at 2, emphasis in the original.

potential program participants to local DSM program resources with "accurate and actionable information."[40]

MCE states that the role of statewide ME&O should be to provide consumers with knowledge, but states that service providers such as "load serving entity" and REN programs are the "implementers" who can fulfill the actions that consumers want to take. For this reason, MCE recommends that the statewide ME&O administrator should also aim to direct consumers to their local demand-side service providers: the statewide administrator serves as the one-stop shop for information about demand-side technologies; based on consumers' particular needs, budgets, and location, the statewide administrator can then connect consumers to their local service providers to pursue actions that will lead to energy savings.[41]

The parties that are not Program Administrators recommended a broader vision for statewide marketing.

ORA recommends that statewide ME&O should serve not only as a lead generator, driving consumers to utility and REN programs, but also driving consumers to directly take actions to reduce or manage energy in other ways. ORA provides a simple explanation of this vision:

> ME&O should provide the information and motivation for consumers to take action. Some actions are small and consumers might take them immediately and without the assistance of outside organizations. ME&O should encourage these types of actions since immediate behavioral change can have a positive feedback in the consumers' attitudes and awareness of energy usage.

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[40] *Id.* at 3.

[41] MCE Opening Comments at 3.

> However, ME&O should also make consumers aware that there are a host of organizations and programs available to partner with them once customers decide to further reduce their energy usage.
>
> Therefore, the message should be "here is what you can do *now*, and when you are ready to take a bigger step, here is an organization or program that can help you."[42]

As it has throughout this proceeding, TURN focuses on the cost-effectiveness of statewide ME&O, stating that "in order for the program to provide value to ratepayers, action is the most important step and the statewide ME&O program should provide customers with understandable and convenient ways to take action." To this end, TURN recommends that the purpose of the statewide ME&O program should be to (1) increase consumer awareness and participation in DSM activities and (2) encourage behavior changes that save energy, reduce greenhouse gas emissions and grid impacts, and save customers money by reducing their utility bills. TURN states that the statewide ME&O program should give customers information about utility and REN programs and provide customers direct links to those programs, but should also enable customers "to directly take actions to reduce or manage their energy usage in other ways."[43]

CforAT states that if statewide ME&O activity were reduced to simple lead generation for existing programs, this would represent "a failure of vision by the Commission and parties." Rather, CforAT believes that the most

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[42] ORA Opening Comments at 2, emphasis in the original.

[43] TURN Opening Comments at 2.

important task, "indeed the defining task," for statewide ME&O is to develop pathways to action for all people.[44]

Greenlining states that the new vision of statewide ME&O should be a powerful vision for change. Greenlining proposes that the Commission revise the 2008 vision statement quoted above to state that "All Californians will participate in and benefit from the state's energy programs, to manage their energy use and bills, and to help the state to achieve its clean energy goals." Greenlining's key word in the revised vision statement is "all," because they envision an education campaign that ensures that "…California holds itself accountable to serving all customers in ways that meet their diverse needs."[45]

CSE suggests that statewide ME&O should serve not only to generate leads for administrators of Commission-regulated programs, but also to lead consumers to directly taking actions, such as purchasing energy management products. CSE describes this as shifting emphasis from awareness to action: "…the next phase should focus on mobilizing and activating Californians."[46]

4.1.3. Reply Comments

PG&E emphasizes that "statewide ME&O should focus on the original vision in the California Energy Efficiency Strategic Plan. It should generate customer awareness of, and interest in, more efficient energy use and serve as a

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[44] CforAT Opening Comments at 2.

[45] Greenlining Opening Comments at 9.

[46] CSE Opening Comments at 5. As the administrator of Energy Upgrade California, CSE attached to its comment its Draft Statewide Marketing, Education & Outreach Vision & Strategic Plan "to set forth our vision, objectives, metrics and strategies for the initiative in 2017-2021, and provide direction for the 2016 bridge phase." CSE Opening Comments at 1.

lead-generator to drive customers to program administrators' programs where they may take action to both manage and reduce their energy consumption."[47]

TURN supports ORA's recommendation that statewide ME&O should serve both as a lead generator, driving consumers to utility and Regional Energy Network programs, as well as driving consumers to directly take actions to reduce or manage energy in other ways.[48]

Greenlining states that the Commission should adopt a more action-oriented vision, and statewide ME&O should not only provide all Californians with information, also but drive them toward energy-saving behaviors and other proactive consumer choices.[49]

CSE responds to other parties' comments by somewhat restating or clarifying its own vision, as "joint statewide planning of all ME&O efforts for demand-side resources and a team-oriented approach to implementation and measurement of combined ME&O efforts."[50]

4.1.4. Discussion

We agree with parties who envision EUC as leading consumers to taking some actions, without being limited to referring them to programs administered by the utilities, the community choice aggregators, and the RENs. Although this concept is captured in the original vision expressed in the 2008 Long-Term Energy Efficiency Strategic Plan and its 2011 update, as quoted above, we agree with parties that the vision should be refreshed to reflect not only the statewide

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[47] PG&E Reply Comments at 1.

[48] TURN Reply Comments at 1-2.

[49] Greenlining Reply Comments at 1-2

[50] CSE Reply Comments at 3.

ME&O program as it stands today, but also the growing body of Commission decisions that focus on empowering customer choice and consumer decision making (e.g., our recent decisions on residential rate design reform and net energy metering). Therefore, based on parties' comments, we adopt the following updated vision by adding the underlined text:

> <u>All</u> Californians will be engaged as partners in the state's energy efficiency, demand-side management and clean energy efforts by becoming fully informed of the importance of energy efficiency and their opportunities to act. <u>Statewide marketing, education and outreach should serve as a lead generator for local and regional programs and drive consumers to directly take actions to reduce or manage energy use in other ways.</u>

We reiterate that our original vision of the statewide umbrella brand was always that it would reach all Californians and encompass all demand side programs and strategies, beyond simply energy efficiency, including those cited in comments (e.g., demand response, water conservation, as well as the new rate tiers and time of use rates in R.12-06-013, the residential rate reform proceeding).

We agree with CSE and other parties that all ratepayer-funded, demand side marketing should be viewed as one integrated program, and that EUC should shift emphasis "from awareness to action," and that all parties should play a role in communicating that shift. Indeed, we find little real difference between parties on these notions. However, we are concerned that parties are making these suggestions as if they were new concepts. As evidenced by the procedural history recounted at the outset of this decision, these concepts have been at the core of the Commission's vision from the inception of its policy-making on statewide ME&O. The post EM&V workshop should discuss the extent to which, after ten years, this consistent vision is or is not being implemented by the program administrators and ME&O administrators.

4.2. Goals of Statewide Marketing, Education and Outreach

With respect to the recommended goals for statewide ME&O beginning in 2017 and going forward, the October 2015 Amended Scoping Memo posed the question as follows:

> In D.07-10-032 and D.12-05-015 the Commission issued specific goals and guidance for the statewide ME&O efforts. Are the current goals and guidance still appropriate to direct statewide ME&O? If not, how should they be revised?

4.2.1. The Current Goals of Statewide ME&O

The Commission articulated the current long-term and short-term goals of statewide ME&O in D.13-12-038.[51] The Commission then listed five strategies for achieving these goals[52], and then specified a list of nine measurable objectives that should be pursued in order to implement the strategies.[53]

The scoping memo's question on this topic directed parties to review goals listed in D.07-10-032 and D.12-05-015. To avoid confusion, we repeat the goals listed in D.07-10-032 here (ORA lists a number of the D.12-05-015 goals below):

1. *Coordination of related marketing, education and outreach programs*, such as incentives for solar and other distributed generation installations, demand response programs, conservation and low-income programs;

2. *Coordination of providers with similar or related interests and services,* such as local governments, CBOs, firms and municipal utilities;

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[51] D.13-12-038 at 62. The articulated long-term goal was actually an update to the ME&O goal provided in the 2008 Long Term Energy Efficiency Strategic Plan and its 2011 update.

[52] *Id*. at 63.

[53] *Id.*, Ordering Paragraph 2.

3. *Comprehensive approach* to motivating all types of energy efficiency investments and behaviors; and

4. *Cost-effective, high impact plan* to drive maximum energy savings—both long-term and short-term—tailored to reflect the values, habits and demographics of different target communities and populations, particularly low-income and ethnic groups.

In their responses to the October 2015 Scoping Memo, some parties addressed the 2007 goals, some the 2008 Long Term goal, others addressed the D.12-05-015 goals, and still others addressed the D.13-12-038 goals. All comments were valuable and are reflected in our determinations today.

4.2.2. Opening Comments

The Joint Utilities find that the statewide ME&O goals articulated by the Commission in 2007 are still relevant, but note that "demonstrated progress as documented by the statewide ME&O evaluation, EM&V towards meeting these goals is not currently available" because the Commission-ordered EM&V study and its results are not expected to be available until April, 2016. The Joint Utilities state that it is reasonable to wait until the EM&V results are available to update the statewide ME&O goals as necessary.[54]

SCE also states that the goals and guidance issued in D.07-10-032 and D.12-05-015 are still largely appropriate. However, SCE notes that in addition to providing updated goals in D.13-12-038, the Commission also provided nine measurable objectives for statewide ME&O; SCE recommends modifications to some of those objectives. We address SCE's recommendations below, after our discussion of statewide ME&O goals.

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[54] Joint Utilities Opening Comments at 4.

PG&E also believes that the goals for Statewide ME&O as developed and refined by the Commission remain appropriate. However, PG&E also identifies three opportunities (albeit not "goals" per se) that PG&E believes will further improve the statewide ME&O efforts: (1) reducing customer confusion about programs and messaging, (2) developing improved metrics for the EUC brand, and (3) modifying the structure of statewide ME&O "to enable full collaboration and commitment of all stakeholders."[55] We address PG&E's recommendations below, after our discussion of statewide ME&O goals.

BayREN supports the guidance issued in D.12-05-015 regarding the creation of EUC as the umbrella brand, stating "this has created structure and clarity across the programs for PAs and consumers. It is appropriate that one entity take on the administrator role, including 'design, oversight and coordination.'" However, BayREN also calls for the Commission to provide direction that statewide marketing must leverage the local marketing tactics of the program administrators, referencing "multiple examples of poor implementation of local messaging of regional programs when led by statewide efforts."[56]

SoCalREN acknowledges the value of building awareness of energy management and establishing EUC as the "go-to" brand. However, SoCalREN states that "the current statewide ME&O efforts could be enhanced to better turn energy management awareness into measurable energy management actions." SoCalREN emphasizes that statewide ME&O should support local DSM program administrators and implementers to mobilize local communities to

[55] PG&E Opening Comments at 3.

action by providing updated, accurate and actionable local DSM program information on the EUC website, and by referring interested customers to local program implementers using a trackable referral process (e.g., "a lead generation form") on the website. SoCalREN cites problems regarding accuracy and accessibility of local DSM program information on the EUC website.[57]

ORA states that the goals stated in D.07-10-032 and D.12-05-015 are still relevant, "particularly coordination of efforts," which should be led by the statewide implementer.

ORA finds the following goals in D.07-10-032 that it considers to still be appropriate:

- Comprehensive messages that combine the variety of energy reducing/avoiding options available to customers;
- Coordination of related ME&O programs;
- Coordination of providers with similar or related interests and services, such as local government, community based organizations, firms and municipal utilities;
- Comprehensive approach to motivating all types of energy efficiency investments and behaviors;
- Cost-effective high impact plan to drive maximum energy savings - both long term and short term—tailored to reflect the values, habits and demographics of different target communities and populations, particularly low income and ethnic groups;
- Joint marketing of Energy Efficiency programs with other customer energy technologies, such as demand response and solar installations; and

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[56] BayREN Opening Comments at 5. BayREN provides no specific examples.

[57] SoCalREN Opening Comments at 4.

- An up-to-date website directing customers to all possible options and best practices.

ORA also finds the following goals in D.12-05-015 that it considers to still be appropriate:

- Utilities may conduct targeted marketing in service territory but statewide efforts should be coordinated;
- Eliminate duplicative and potentially contradictory spending on separate marketing through a coordinated and leveraged approach and program referrals;
- Utilize the existing network of CBOs and local and ethnic media such as newspapers, radio, and television; and
- Target ME&O to small business and residential customers.

TURN states that the goals from D.07-10-032 for the statewide ME&O efforts are largely still appropriate to direct statewide ME&O but should be revised to better reflect the suite of demand-side resources currently available to Californians. TURN would also add an additional goal. TURN recommends revising the third goal provided in D.07-10-032 ("Comprehensive approach to motivating all types of energy efficiency investments and behaviors") to "Comprehensive approach to motivating all types of consumer investments and behaviors that save energy and/or reduce greenhouse gas emissions."

TURN's new goal #5 would be a goal that "focuses on eliminating duplicative spending of ratepayer funds on ME&O activities at the statewide and utility level and that encourages the most efficient and cost-effective deployment of the statewide ME&O programs."[58]

[58] TURN Opening Comments at 3.

CforAT notes that the Commission has spent several years grappling with the best ways to set goals for statewide ME&O "in order to avoid mixed messages or redundancy that can cause customer confusion, and develop a mechanism that can reach through the multitude of messages people constantly receive…." CforAT agrees that this need for coordination remains, but recommends that the focus should also move from efforts to raise customer awareness directly toward driving customer action.[59]

Greenlining recommends that the Commission revise the goals articulated in D.13-12-038 to more effectively align them with California's new clean energy goals and to reflect the Commission's original intent for the program, as stated in its guidance for statewide ME&O.[60] Greenlining recommends revising the short-term goal to direct that customers act immediately, rather than "beginning" to understand energy-related concepts and actions, and "beginning" to take such actions. Similarly, Greenlining recommends that the long-term goal of statewide ME&O should be "to lead customers directly to products, programs, and services that fit their needs."[61] Greenlining also proposes extensive revisions to the objectives and strategies adopted in D.13-12-038.[62]

CSE proposes three new short-term "goals" for the 2017-2021 period.[63]

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[59] CforAT Opening Comments at 4.

[60] Greenlining Opening Comments at 11. Greenlining cites D.12-05-015, but does not specify a page reference to that 437 page decision.

[61] *Id.* at 11-12.

[62] *Id.* at 13-15.

[63] *See*, attachment to CSE Opening Comments, "Statewide Marketing, Education & Outreach Vision & Strategic Plan, 2017-2021" at 17-18.

1. Build strong relationships with California residents and small businesses as a trusted resource for demand-side resource information, tools, and opportunities for action, directly and through partners.
2. Develop and lead the implementation of Comprehensive Statewide ME&O Action Plans for each demand-side resource ME&O priority identified by California agencies to increase participation by California residents and small businesses.
3. Develop effective customer pathways to action, and improve the tracking and measurement of actions taken by California residents and small businesses to better manage their energy use.

CSE also notes that D.13-12-038 did not include a timeline for achieving the long-term goals of EUC, or a length of time for the next phase of EUC. CSE proposes a five-year period for the next phase, beginning in 2017, a length of time is consistent with the five-year Energy Efficiency Business Plans that utilities have proposed to describe their energy efficiency portfolio strategies.[64] Finally, like Greenlining CSE also proposes extensive revisions to the objectives adopted in D.13-12-038.[65]

4.2.3. Reply Comments

TURN states that "direct action is also a key component of the statewide ME&O program" and agrees with Greenlining that "EUC must drive customers beyond understanding and into action. The goals for the statewide ME&O program should be primarily focused on action."[66]

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[64] *Id.* at 18.

[65] *Id.* at 9-11.

[66] TURN Reply Comments at 2.

4.2.4. Discussion

All parties provided thoughtful suggestions and discussion of the proper goals for statewide ME&O beginning in 2017. As noted, a number of parties recommended deferring any revision of the goals for the program until the results of the EM&V study are released. We agree that implementation strategies should be informed by the results of the EM&V study. However, based on parties' comments we adopt the revised long-term and short-term goals presented below. These goals should also be included in the RFP as guidance for bidders. These revised goals supersede all previous goals contained in D.07-10-032, D.12-05-015, and D.13-12-038.

First, we adopt the following revision of our long-term goal for statewide ME&O. This revision reflects the updates suggested by Greenlining:

Current Long-term Goal	Revised Long-term Goal
Our long-term goal for statewide marketing, education and outreach is that Californians understand the value of energy efficiency, demand response, and distributed generation which leads to demand for products, services and rates for their homes and businesses. This demand leads Californians to take actions that save money, increase the installation of customer-owned renewable energy technologies, use energy more efficiently, and shift energy use away from peak hours as needed.	Statewide marketing, education and outreach will lead consumers to products, services and rates that empower all Californians to take actions that will lead to lower bills, higher energy efficiency, and more customer-owned renewable energy technologies.

Second, we agree that we should revise the short-term goal for statewide ME&O in order to reflect the progress made since D.13-12-038. Therefore, we

adopt the following revision of our short-term goal for statewide ME&O. This revision also incorporates the updates suggested by Greenlining.

Current Short-term Goal	Revised Short-term Goal
The short term goal for the next two years of the statewide marketing, education and outreach program is that Energy Upgrade California is re-launched as an integrated, umbrella Statewide Marketing, Education and Outreach effort that provides California residents and small business owners with information about energy concepts, programs, services, rates and benefits of taking action so that Californians (1) begin to understand their energy use, the opportunities available for them to act, and the benefits of their action, and (2) begin to take well informed action to better manage energy.	The short term goal for the next two years of the statewide marketing, education and outreach program is that Energy Upgrade California is an integrated, umbrella statewide marketing, education and outreach effort that provides California residents and small business owners with information about energy concepts, programs, services, rates and benefits of taking action so that all Californians are empowered to (1) understand their energy use, the opportunities available for them to act, and the benefits of their action, and (2) take well informed action to better manage their energy use.

Finally, we defer reconsideration of the "strategies" to achieve these goals, as well as modifications suggested by some parties to the "measurable objectives" that should be pursued in order to implement the strategies. For the purposes of the RFP, the strategies and objectives adopted by the Commission in D.13-12-038 should be identified as the existing point of reference for bidders, who may recommend modifications as part of their proposals. The workshop scheduled by this decision should also include discussion of these topics, as informed by the results of the Commission-ordered EM&V study.

4.3. The Governance Structure of Statewide Marketing, Education, and Outreach

The October 2015 Amended Scoping Memo included two separate questions that asked parties to comment on several specific aspects of the current "structure" and "governance" of statewide ME&O. These topics are somewhat

overlapping, and thus parties' comments on the two questions tended at times to overlap as well. Parties also expressed a wide range of views on these topics, and we believe that both the RFP process and the upcoming workshop will benefit from Commission guidance in response to a number of issues raised in parties' comments. To ensure that we capture and address parties' recommendations, we combine our discussion of these two closely related matters into a single section, "the governance structure of statewide ME&O".

With respect to the current "structure" of statewide ME&O, the October 2015 Amended Scoping Memo observed that:

> Currently, ME&O is developed in separate but overlapping "silos" across the state, involving four Investor-Owned Utilities, two RENs, two Community Choice Aggregators, numerous publicly-owned utilities, and the statewide ME&O program.
>
> In addition, consumers are receiving messages and marketing pitches from contractors, solar installers, retailers, and others.
>
> This may be creating a crowded and confusing marketplace that does not motivate consumers. While the public largely supports the state's ambitious greenhouse gas emission goals, it's not entirely clear that most people know what part they can play in achieving these goals.

With respect to the current "governance" of statewide ME&O, the October 2015 Amended Scoping Memo observed that:

> In D.13-12-038, the Commission adopted a governance structure for the statewide ME&O that was intended to provide for strong oversight and contract management by the Commission and the California Energy Commission (CEC), while allowing for collaboration, input, and advice from the utilities and other stakeholders.

The Scoping Memo asked parties to comment upon the current structure and governance of statewide ME&O in relationship to 2017 and beyond by responding to specific questions:

- How should statewide ME&O activities integrate with other demand-side marketing efforts after 2016?
- Please specifically describe the role that identified stakeholders should play to support the mission of statewide ME&O.
- Please comment on whether the current governance structure is meeting the Commission's goals for strong oversight by the Commission and CEC. If not, what is the appropriate governance structure?

Many parties used their responses to these questions as a jumping-off point for more far-reaching critiques of the current statewide ME&O governing structure; their resulting recommendations ranged from limited modifications to wholesale restructuring of program governance and redefinition of related roles and responsibilities. We do not see that the Scoping Memo questions invited comments on these foundational matters, which as we explain below we resolved in detail in D.13-12-038. Nevertheless, in order to provide clear guidance for the RFP and to set boundaries for any consideration of governance issues at the workshop, we address parties' combined comments on structure and governance in some detail in this section.

4.3.1. The Current Governance Structure of Statewide ME&O

In order to create the necessary context for the comments on this question, we first review the current governance structure of the statewide ME&O program as it was established by the Commission in D.13-12-038.

As noted above, in D.13-12-038 the Commission spent a good deal of time explaining its concerns with how its earlier decisions on statewide ME&O had been implemented, concluding with its explanation for its decision in D.12-05-

015 to create a new structure for the program. The Commission had sought comments on whether to move forward with statewide ME&O at all, or simply discontinue the program. The utilities argued that if there was to be a statewide marketing program, it should continue to be administered by the utilities with Commission oversight. The Commission considered this recommendation, but concluded that "recent experience with coordinating EUC program marketing among utilities, the California Energy Commission, and local governments with American Recovery and Reinvestment Act funding, suggests the desirability of and need for an intermediate entity in between the utility coordinator and the marketing and web hosting firms hired to carry out the campaign."[67] This is how CSE came to be selected to serve as the statewide implementer for the ME&O program in 2013-2014.

Later in D.13-12-038 the Commission affirmed the same role for CSE for the 2014-2015 period, stating "we would not have ordered a new approach to statewide marketing in D.12-05-015, including introduction of an intermediary and the resulting changed roles for the IOUs, if we had been satisfied with the existing approach in place at that time. We appreciate CSE's expressed willingness to take a leadership role, while working in partnership with the IOUs, and we expect the IOUs to accept this change and to act as fully cooperative partners with CSE."[68]

Having clarified its expectations regarding the role of the utilities vis-a-vis the statewide administrator, the Commission went on to establish the structure of the new statewide ME&O program by clarifying the goals of the program, as

[67] D.13-12-038 at 11.

described above, as well as establishing five strategies for achieving those goals, and nine measurable objectives "that should be pursued in order to implement the strategies."[69] The Commission then adopted fourteen metrics and associated target values, and seven "performance indicators" that CSE would be held responsible for meeting.[70] The Commission also ordered CSE to follow an additional process "in order to ensure that choices made by CCSE and marketing agencies are coordinated with local utility efforts and in compliance with our direction regarding the program":[71]

> CSE shall submit semi-annual plans, one quarter ahead of time, to the Commission that identifies the concepts that it will share with identified target audiences, as well as the tactics and channels it will use to reach each target audience during the upcoming sixth month period.
>
> The plan should also include any metrics and target values, KPIs, or tracking statistics that are relevant to each campaign.
>
> CSE shall request input from the utilities and RENS prior to developing its plans and the utilities shall provide the requested input.
>
> CSE should share the plans prior to submittal, so that utilities, RENs and CEC may raise any concerns with Commission staff. Commission staff may direct modifications based on feedback from these reviewers.

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[68] *Id.* at 59.

[69] The strategies and objectives adopted in D.13-12-038 are reproduced in Attachment A of this decision.

[70] *Id.*, Ordering Paragraph 3. CSE was directed to submit modified metrics pursuant to a "collaborative process" described in the decision.

[71] *Id.*, Ordering Paragraph 4.

The Commission then directed all stakeholders to engage in a collaborative process to create a road map for EM&V of statewide and local marketing activities, including the types of information that is needed, the types of evaluations that should be conducted, and a timeline for conducting them "to enable study results to inform at least part of the next statewide marketing program cycle." It is this EM&V report that will soon be submitted to the Commission, and will then be discussed at the workshop ordered in this decision.

Finally, the Commission resolved utility challenges to the legality of the governance structure that it was adopting in D.13-12-038, a structure that the Commission described as "while leaving the details of running the statewide marketing campaign to CSE, also provides for strong oversight by the Commission and the CEC, while also allowing the utilities and others to provide collaborative input and advice."[72] The governing structure included a list of twelve specific components that delineated roles and responsibilities for CSE, the utilities and RENs, and Commission staff.[73] The Commission, in consultation with the California Energy Commission, has the overriding authority on all decisions regarding the program. PG&E serves as the fiscal manager of the contract with CSE without exercising control over design of or modifications to the statewide ME&O program.

In designating CSE to be the statewide administrator, the Commission endorsed CSE's proposal to use the so-called "RASCI" model to define the roles and responsibilities for the entities that manage or participate in the statewide

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[72] *Id.* at 70.

ME&O program. That model, as summarized by CSE in its 2013-2014 Marketing Plan, is presented below:

[73] *Id.,* Conclusion of Law 27.

Role	Description of Role	Entity
RESPONSIBLE	The one charged with delivering the successful outcome; Leads, coordinates, implements; can delegate to others as supportive	CSE
ACCOUNTABLE	(also Approver): The ultimate authority who assigns and approves the deliverable	CPUC CEC
SUPPORTIVE	Those who provide resources or play a supporting role in implementation or outcome and deems its success	Advisory Board IOUs RENs
CONSULTED	Those whose opinions are sought for input and/or buy-in and with whom there is two-way communication	IOUs RENs
INFORMED	Those kept up-to-date, often only upon completion, and with whom there is just one-way communication	Stakeholders Public

4.3.2. Opening Comments

The Joint Utilities support statewide coordination of ME&O efforts through an administrator to be selected through a competitive solicitation process, but also note the need to ensure adequate supervision of the administrator's work. The Joint Utilities recommend that a "formal and structured process" be created to provide input for statewide ME&O program implementation, direction and strategy, and cite the Commission's creation of the Energy Efficiency Coordinating Committee structure approved by the Commission in D.15-10-028. as an ideal model for such a governance structure: "the statewide ME&O administrator, along with the other program administrators (IOU, REN, and CCA) and other statewide ME&O stakeholder group members would serve as committee members with equal input

opportunities."[74]The Joint Utilities suggest that this structure would provide a formal and structured process to provide input on statewide ME&O that is lacking today.

Referring to the RASCI model, the Joint Utilities state that their status has slipped from "consulted" to "informed," a role that "does not lend itself well to a seamless coordination between statewide and local ME&O efforts." Instead, Joint Utilities seek to be in the "supportive" role to fully support the statewide ME&O administrator and help optimize the customer experience prior to key decisions being made, rather than simply reacting to statewide ME&O activities, campaigns, and creative collateral.[75]

SCE states that a successful statewide ME&O program requires that all stakeholders collaborate with clear roles and responsibilities, and proposes the following roles for statewide ME&O stakeholders after 2016:

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[74] Joint Utilities Opening Comments at 4-5.

[75] Joint Utilities Opening Comments at 7-8.

Entity	Responsibility
Commission	Serve as the brand owner in conjunction with the CEC and provide regulatory oversight.
CEC	Serve as the brand owner in conjunction with the Commission and participate in the statewide ME&O team.
IOUs	Serve as the program administrators for EE and DR portfolios of programs and are also responsible for local program marketing; participate in the statewide ME&O team with formal decision-making input on campaign strategies and tactics (see SCE's response in Section F, Contract and Governance).
Contracting Agent (typically an IOU)	Hold the contract with the statewide ME&O program implementer.
Program Implementer	Responsible for program design and coordination and meeting the program's objectives and metrics; brand manager per licensing agreement with CPUC and CEC.
RENs	Serve as the PAs and implementers of regional programs related to EUC Home Upgrade and participate in the statewide ME&O team.

SCE also recommends two enhancements to strengthen the oversight of statewide ME&O by the Commission and the CEC. First, the Commission should amend its governance structure to increase transparency in statewide ME&O expenditures by requiring that the details of program expenditures be made available for review. This would enable the IOUs to verify that costs are consistent with the approved statewide marketing plan. Second, SCE recommends creation of a formal and structured process to provide input for statewide ME&O program direction and strategy. SCE describes the current process to provide input for the statewide ME&O Integrated Communication Plan and the statewide ME&O Creative Briefs as "inconsistent and unclear,"

though also noting that "preliminary discussions regarding a more clearly structured process have begun."[76]

PG&E states that "the current structure of the statewide ME&O program can and should be improved."[77] PG&E finds fault with the "RASCI" model that underlies the structure of the statewide ME&O program. As described by PG&E, in this model,

> CSE is primarily responsible for the strategy and implementation of the statewide ME&O campaign and receives direction and guidance from the Commission through a separate reporting and accountability structure, whereby the Commission is solely responsible for selecting the program implementer, setting the program's direction, and judging the implementer's performance.
>
> …the IOUs are not authorized any responsibility or oversight of the implementers' management, operations, planning, or budget allocations.
>
> This approach thereby removes the PAs from fully participating in ME&O, thereby leading to misalignment with the PAs' programs, products, and services.[78]

PG&E recommends dispensing with the independent implementer altogether, instead adopting a new model where there is joint administration of statewide ME&O by the program administrators through a Steering

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[76] SCE Opening Comments at 8-9.

[77] PG&E Opening Comments at 15.

[78] *Ibid.* PG&E provides no analysis in support of its conclusions.

Committee.[79] PG&E believes this would better connect statewide marketing with the underlying programs administered by the local PAs:

> The [Steering] Committee is intended to be the managerial body responsible for proposing and overseeing Energy Upgrade California's marketing, education, and outreach efforts. It would be comprised of one representative from each PA, an appropriate Commission staff member, and one rotating, non-voting representative…[80]

According to PG&E, this new structure that would (1) leverage the success, experience, and strengths of individual PA programs, (2) build upon the work that EUC has undertaken, and (3) develop campaigns following a "targeted marketing model."

BayREN reemphasizes that statewide ME&O should remain responsible for general energy efficiency messaging (such as the Bear campaign) and should direct leads to the appropriate program administrator as seamlessly as possible.[81] BayREN states that the long-term goal of statewide ME&O, for Californians to make well-informed demands in the energy marketplace for "products, services and rates for their homes and businesses" can be accomplished with "enumerated responsibilities" for the statewide ME&O administrator *and* the program administrators, with the latter group leading the local and regional marketing efforts with support from statewide ME&O.

BayREN supports the stakeholder process adopted in D.13-12-038 that directs CSE to "convene and chair a stakeholder group consisting of

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[79] PG&E's proposed collaborative model is based on a Massachusetts program called "Mass Save".

[80] *Ibid.*

[81] BayREN Opening Comments at 6.

representatives of the utilities, the CPUC, the CEC, the RENs and other local implementers, the environmental and consumer advocacy community, the contracting community, and academia." However, BayREN requests that the Commission go one step further and form a decision-making committee consisting of Energy Division, CEC, IOUs and RENs, while allowing other stakeholders to stay informed: "since the RENs and utilities are responsible for achieving the objectives in D.13-12-038, it makes sense for us to have some formal part of the decision making process."[82] BayREN also recommends that the Commission require the statewide ME&O administrator, with input from the utilities and RENs, to develop a process for stakeholders to provide feedback in a timely manner so that it can be considered by CSE without delaying or halting marketing efforts.

SoCalREN also supports a statewide ME&O program that provides a visible campaign across the state, but emphasizes that linking these statewide initiatives to local communities must be accomplished through collaboration with local DSM program teams. SoCalREN agrees that delineating clear responsibilities and roles in statewide ME&O will bring significant benefit to all parties, and proposes the following RACI (Responsible, Accountable, Consulted, Informed) matrix for statewide ME&O activities:[83]

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[82] BayREN Opening Comments at 8-9.

[83] SoCalREN Opening Comments at 6.

	CPUC	CEC	SW ME&O Program Administrator	IOUs	RENs	CCAs and Municipal Utilities	DSM Program implementers & other energy management stakeholders
Responsible			X				
Accountable	X	X					
Consulted				X	X	X	
Informed							X

MCE thinks the current governance structure is meeting the goal for strong oversight. However, MCE also states that that a more collaborative planning process and closer coordination of ME&O activities between the statewide ME&O administrator and different stakeholders will be crucial in creating a more seamless experience for consumers with the statewide EUC brand, the ME&O administrator, and demand-side resource service providers. MCE also suggests that "providing the statewide ME&O administrator the ability to develop a holistic action plan with different stakeholders in advance can ensure more efficiency in executing ME&O activities. The Commission should also enable the ME&O administrator to develop a set of standard metrics with stakeholders to hold program implementers accountable to their program objectives."[84]

ORA suggests that the program administrators and the statewide implementer should closely coordinate to ensure that efforts are not duplicative and that the messages are similar or at least reflective of the Energy Upgrade brand. ORA notes that "responsibility for this coordination does not simply lie

[84] MCE Opening Comments at 4-5.

with the organization chosen to lead the effort; all of the organizations involved with energy efficiency in the state need to do their part to make sure that those efforts are complementary." ORA observes that "given that the IOUs currently see [energy efficiency] as integral to their marketing and customer outreach, one can reasonably foresee some conflict in this area."[85]

TURN generally supports the existing governance structure of the statewide ME&O program and continued strong Commission and CEC oversight and contract management, and supports the continued administration of the statewide ME&O program by an independent program administrator. TURN believes that the current approach of developing ME&O in separate by overlapping silos does create some confusion for customers and is also likely to result in some waste of ratepayer funds and duplication of effort. More coordination is needed to reduce waste, inefficiencies and customer confusion. TURN also recommends that since the Energy Upgrade brand is now recognizable and familiar to customers, the Commission should continue to leverage this investment and remove most ME&O activities from the jurisdiction of regulated IOUs. Instead, the statewide ME&O program administrator would be given responsibility for coordinated ME&O activities that cover all of the IOUs' service territories. "This will also help ensure that customers receive consistent and concise messaging regarding demand-side resources and the specific incentive programs available."[86]

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[85] ORA Opening Comments at 3-4.

[86] TURN Opening Comments at 3-4. TURN describes the IOUs as "essentially regional enterprises, not statewide and their core competencies are not brand building or marketing."

Finally, TURN recommends that the Commission establish a formal and structured process to provide greater opportunity for stakeholders to provide input on the proposed implementation of the statewide ME&O program. In order to enable consumer advocates and other stakeholders to participate in the statewide ME&O planning process, TURN states that the Commission should provide access to intervenor compensation for their participation.

CforAT recommends that the Commission await the results of the current evaluation process before taking other steps to modify the governing structure. That said, CforAT also states that additional action is needed to bring the currently "disjointed" ME&O efforts within various conservation, efficiency and demand-response programs together into a coherent structure. In order to accomplish this, CforAT notes that there must be a comprehensive review of what is taking place among all Commission programs and the various stakeholders in order to determine what, exactly, is being integrated: "only when an inventory is fully developed can all components of ME&O be considered for integration and effectiveness."[87]

Greenlining recommends that the Commission continue to own the EUC brand and, in consultation with the California Energy Commission, have the overriding authority on all decisions regarding the program, which will enable the Commission to continue to control funding and supervising the implementation process to ensure that the program is meeting the Commission's goals. Greenlining hopes to provide more informed and comprehensive recommendations after the EM&V report is released.

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[87] CforAT Opening Comments at 5.

Addressing the question of integration, Greenlining states that "since D.13-12-038, lack of coordination in demand-side ME&O has only slightly improved."[88] Greenlining notes that ME&O issues and budgets are still raised in multiple proceedings and multiple applications, and reminds the Commission that it is the role of EUC to integrate all local ME&O efforts under one cohesive strategy. Greenlining urges the Commission to adhere to D.13-12-038 and continue to require individual utilities requesting program and funding authorization for local ME&O efforts outside of the statewide plan to provide clear justification for the need for separate authorization. Greenling expects to provide additional comment on any EM&V assessments of the progress toward integration between the statewide program and local or utility-specific ME&O programs.

CSE supports continuation of the Commission's current role in the governance structure established by D.13-12-038, subject to the potential need to increase the involvement of other California agencies in the future. CSE describes the existing structure of statewide ME&O approved in D.13-12-038 as a "siloed planning and funding process" that involves separate planning and funding of program-specific ME&O efforts led by program administrators, followed by coordination with statewide ME&O efforts through a working group and a shared promotional calendar. According to CSE, this process inhibits the statewide ME&O administrator and program administrators from

[88] Greenlining Opening Comments at 15.

working and planning together to provide consistent messaging, leverage cost-efficiencies, and create seamless consumer experiences.[89]

CSE proposes a new model where "collaborative planning and deeper coordination is a foundational part of all ME&O efforts":

> For each overarching topic, the statewide ME&O administrator would coordinate the development of a single "Joint Consumer Engagement Action Plan" with the input and collaboration of California agencies, regulated utilities, market solutions providers and other stakeholders.
>
> Each "Joint Consumer Engagement Action Plan" would include the goals and objectives, target audiences, high level approaches and strategies, metrics, and implementation roles and responsibilities for each strategy. These joint action plans would describe pathways to action, making it clear how Californians can move between ME&O channels of the various ME&O actors without getting lost.[90]
>
> The statewide ME&O administrator would request CPUC staff approval of the joint action plan through an advice letter.

CSE also suggests that having a single joint action plan for each prioritized topic will also make it much more efficient for California agencies and consumer advocates to hold ME&O actors accountable for meeting objectives and metrics and reducing duplicative spending.[91]

4.3.3. Reply Comments

Joint Utilities note that opening comments generally shared the common view that coordination and alignment between statewide and local marketing

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[89] CSE Opening Comments at 11.

[90] *Id.* at 12.

[91] *Id.* at 14.

"has room for improvement"; the Joint Utilities repeat their recommendation for the creation of a statewide ME&O "coordinating committee" structure as the best way to ensure continuing improvements in coordination and alignment between statewide and local marketing.[92] Joint Utilities propose detailed modifications to the 12 components of the governance structure adopted by the Commission in D.13-12-038.[93]

Joint Utilities also oppose TURN's recommendation that the Commission remove most ME&O from the utilities and give all marketing responsibility to a statewide ME&O administrator, describing it as outside the scope of this proceeding and lacking empirical basis because the evaluation of the program has not yet been completed. Finally, Joint Utilities assert that local program administrators are in the best position to market to their customers.[94]

SCE also states that the utilities should maintain administration of local marketing activities. SCE states that TURN's recommendation is flawed because "the IOUs and RENs need to maintain flexibility to quickly adjust messaging, tactics, and timing to align with changing strategies to achieve DSM goals." SCE asserts that regional marketing also provides the benefit of more customized and detailed information for customers based on regional or PA-specific programs or enrollment processes. Finally, SCE asserts that the IOUs have "a core competency in marketing DSM programs and have done so with proven

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[92] Joint Utilities Reply Comments at 2.

[93] *Id*. at 4-7, citing D.13-12-038 at 74-76.

[94] *Id.* at 7-8.

success", citing SCE's own experience with its 2014 Summer Readiness Campaign.[95]

SCE also recommends that the Commission reject CSE's proposed collaboration and coordination structure, and instead adopt the collaboration and coordination process SCE described in its opening comments or the collaborative model based on the Mass Save Campaign proposed by PG&E. While SCE agrees with CSE that stakeholders "have greatly increased coordination and collaboration" over the 2014-2015 implementation period, "deficiencies remain in the current collaboration process and CSE does not propose any specific ways to improve the collaboration." According to SCE, "the current process for statewide ME&O collaboration and coordination is unclear and inconsistent. Roles and responsibilities of PAs are not clear and the process for PAs to provide feedback for strategic plans is not consistent."[96]

PG&E dedicates four pages in its reply comments to addressing parties' opening comments on the proper roles for various organizations participating in statewide ME&O; we do not summarize that material here. PG&E agrees with other parties on the value of collaborating and agreeing in advance on campaign specifics, stating "we believe that a more collaborative process can generate significantly greater results, across more campaigns and topics, than is currently possible."[97]

TURN also noted that parties' comments "reflect a general consensus that more coordination is needed between statewide, regional and local ME&O

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[95] *Id.* at 5.

[96] SCE Reply Comments at 3.

[97] PG&E Reply Comments at 4 and 5.

efforts and messaging. More coordination would reduce customer confusion and duplicative spending and use of resources."[98] TURN generally agrees with recommendations for a formal and structured process to provide input for statewide ME&O program implementation, direction and strategy; TURN believes that a formal process will allow for greater collaboration between the various implementers on program direction and strategy.[99] TURN also agrees with Greenlining that contrary to the intent of D.12-05-015, coordination in demand-side ME&O is still lacking:[100]

> The Commission should reaffirm the intent of D.12-05-015, to eliminate duplicative and potentially contradictory spending on separate marketing by individual utilities or by program type and continue to use EUC as a holistic platform and "one-stop shop" for DSR programs and actions. EUC should be a convenient platform for customers to use to take actions to effectively manage their energy usage and utility ME&O activities should be limited to situations where it is necessary to supplement statewide efforts.

Greenlining urges the Commission not to re-create a system of roles that has failed in the past.[101] Greenlining repeats that statewide ME&O's role should primarily be to drive customers to take direct actions to reduce or manage their energy usage, but adds the common-sense observation that "when a program effectively reaches and informs customers, which is already difficult to achieve, it should take advantage of the customer's attention by making it as simple as

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[98] TURN Reply Comments at 1.

[99] *Id.* at 2.

[100] *Ibid.* TURN cites Greenlining, p. 15 referencing D.12-05-015, at 302.

[101] Greenlining Reply Comments at 2.

possible for a customer to sign up for or take advantage of energy programs." As such,

> The third-party administrator's role should be to design, coordinate, and implement the strategies and objectives of the program. These roles lead to greater accountability and a unified vision and goals for statewide ME&O.
>
> Greenlining's recommendations align with TURN's argument that "[t]he Commission should remove most ME&O activities from the jurisdiction of regulated IOUs and make the statewide ME&O program administrator responsible for coordinated ME&O activities that cover all of the IOUs' service territories."
>
> The IOUs and RENs should continue to play the vital role of supporting the Commission and administrator by providing the administrator with information on local ME&O program activities that is pertinent to the creation and implementation of a statewide program plan.[102]

CSE responds to comments by SoCalREN and BayREN by clarifying that "our proposed role for the SW ME&O administrator under the proposed joint statewide ME&O planning structure would provide greater support and resources to ME&O efforts by CBOs, RENs, CCAs, and other local and regional ME&O actors." CSE envisions that joint statewide planning of ME&O efforts would channel more resources to CBOs and other local and regional partners.[103]

4.3.4. Discussion

We have summarized parties' comments at some length because we found them extremely helpful in informing our next steps regarding the governance structure of the statewide ME&O program that we adopted in D.13-12-038. On

[102] *Id.* at 3.

the one hand, although some respondents offered comments with broader recommendations that would involve wholesale changes to the structure created by the Commission in D.13-12-038, these recommendations ignored the Commission's reasons for creating that structure. These recommendations provided only vague references to possible problems, without offering even anecdotal evidence to illustrate any such problems. That said, the Scoping Memo did ask how statewide ME&O activities should integrate with other demand-side marketing efforts after 2016, and every party responded by suggesting in some fashion that greater integration and coordination is necessary, thus either explicitly or implicitly criticizing current efforts in this regard.

We prefer that these matters be explored in greater detail at the upcoming workshop, where the assigned ALJ can explore the extent of follow-up that may be required to ensure that D.13-12-038 is being implemented properly by all responsible parties, and create a record-based process for that inquiry. However, we see that based on comments we should provide clarity now on several issues in order to provide clear guidance for the RFP, and any related discussions that take place at the workshop.

First, each utility used their responses to propose a re-structuring of the current statewide ME&O program, and each proposal shares one common component: returning the utilities to a controlling role in statewide ME&O. As noted by Greenlining, this would be similar to the Engage 360 model, the failure of which prompted the creation of the current model. As we explained in detail above, the Commission removed the utilities from a controlling role in

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[103] CSE Reply Comments at 5 and 6, emphasis added.

D.12-05-015, and affirmed and solidified that change in D.13-12-038. We do not intend to entirely preclude discussion of this matter at the workshop, but we expect that discussion to focus on ways to improve the governance structure adopted by D.13-12-038, not change it.[104] We were not convinced by comments that the current RASCI model, with the CEC and the CPUC as the "accountable" party and the statewide administrator as the "responsible" party, should be changed. Parties at the workshop may discuss further enhancing the RASCI matrix to reflect their joint understanding of their respective roles and decision-making responsibilities in the statewide ME&O program.

Second, we disagree with PG&E that the current governance structure "removes PAs from fully participating in ME&O, thereby leading to misalignment with the PAs' programs, products, and services." As was contemplated under the current structure, PG&E and the other PAs have indeed taken advantage of the multitude of opportunities created in D.13-12-038 for participation in stakeholder meetings, evaluation design, campaign strategies, and creative marketing concepts. We are informed by Commission staff that coordination has increased since implementation of the program began. For example, recently a collaborative process between CPUC staff, stakeholders, and the PAs resulted in a consensus-driven process that led to the current Integrated Communications Plan IV.

Third, for annual planning we find CSE's proposed model wherein EUC is at the center of all demand side marketing to be needlessly complicated and possibly disruptive of progress made to date. However, in today's decision we

[104] The proper route for the latter endeavor would be a petition for modification of D.13-12-038 that met the requirements of Rule 16.4 of the Commission's Rules of Practice and Procedure.

do adopt refinements to the current governance structure that we believe will address the short-term need identified in comments for improved coordination.

Most parties suggest that an important immediate step towards fuller integration of statewide and local ME&O should be better coordination of local program administrator marketing with statewide activities. This need for improvement is identified at the local level by the utilities, RENs and MCE, and at the statewide level by CSE. Non-participants in the program (ORA, TURN, CforAT and Greenlining) simply urge improvement as soon as possible.

Therefore, we modify the current structure of the statewide ME&O program to be based upon an integrated planning process that includes preparation of a five-year "ME&O Strategic Roadmap" and annual communications action plans. This process will also provide a bridge between our statewide ME&O program and our energy efficiency rulemaking.

1. ME&O Strategic Roadmap: To improve longer term planning and coordination, after the utilities file their energy efficiency business plans in R.13-11-005, all stakeholders in this proceeding should collaborate in a process to develop a five-year "ME&O Strategic Roadmap" that will outline long-term goals, metrics, and strategies, with consideration of what contribution ME&O will play in complying with Senate Bill (SB) 350. Commission staff shall lead this process. The Roadmap shall be filed and served in this proceeding by the statewide administrator, no later than January 31, 2017.[105]

2. Annual "Joint Consumer Action Plan"

[105] Stats. 2015, ch. 547. SB 350 amends portions of the Public Utilities Code governing ratepayer-funded energy efficiency (EE) programs. The bill also imposes deadlines for certain Commission actions relating to EE.

a. Commission staff shall develop a preliminary proposal which prioritizes program areas on an annual basis.

b. The preliminary staff proposal will then go to stakeholders for their comments and suggestions.

c. The statewide administrator shall revise and finalize the proposal and file the resulting Joint Consumer Action Plan as a Tier 1 Advice Letter.

d. The Commission's Energy Division will review and approve the Advice Letter.

e. Topics that are ranked as a high priority through this process will be the subject of a one year "Joint Consumer Action Plan" similar to the approach described by CSE in its opening comments:

> Each "Plan" would include the goals and objectives, target audiences, high level approaches and strategies, metrics, and implementation roles and responsibilities for each strategy.

This staff-led collaborative process is similar to the process used to produce the current Integrated Communications Plan IV: each Joint Consumer Action Plan will be developed by all stakeholders, and where appropriate, the plan will include strategies for co-branding of EUC with the PAs. Participants in the RFP process should take note of our decision today, and our reasons for this change. Workshop participants should be prepared to make suggestions to refine or improve the process we adopt here.

4.4. Budget

With respect to the recommended budget for statewide marketing, education, and outreach beginning in 2017 and going forward, the October 2015 Amended Scoping Memo posed the question as follows:

> In D.13-12-038 and D.15-08-033, the Commission authorized roughly $21 million per year for statewide ME&O, allocated to specific functions and funded proportionally by ratepayers of the four IOUs. Is $21 million the appropriate annual funding level? Why or why not? Please address the functional allocation in your response.

Before turning to parties' comments, we note that in D.15-08-033 the Commission authorized a statewide ME&O budget equal to $23,675,034 for calendar year 2016. With respect to the functional allocation of that budget, in D.13-12-038 we allocated program spending among the categories of Marketing (44.0%), Education (17.0%), Outreach (21.0%), Research (4.0%), EM&V (4.0%), CSE administrative expenses (7.0%), and IOU administrative expenses (3.0%).[106]

4.4.1. Opening Comments

Given the information available today, the Joint Utilities support a not-to-exceed annual statewide ME&O budget of $21 million, with contributions from the IOUs at the current annual levels. The RFP process should be the mechanism by which to set the budget for the administrator contract, with each proposal justifying the budget necessary to achieve the goals and vision of statewide ME&O.[107]

SCE states that it is premature to determine the appropriate annual funding level and functional allocation while the Commission is still determining the vision, goals, and general scope for statewide ME&O activities after 2016.[108]

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[106] D.13-12-038, Conclusion of Law 38.

[107] Joint Utilities Opening Comments at 7.

[108] SCE Opening Comments at 8.

PG&E suggests that the budget should be derived based on the objectives and tactics to be undertaken under the contract.[109]

BayREN cannot comment on the prospective budget without the 2017 scope and goals or the upcoming analysis of the current year spending.[110]

SoCalREN does not have a specific comment regarding whether the current statewide ME&O budget of $21 million per year is sufficient.[111]

MCE does not have specific inputs on the appropriate annual funding level.[112]

ORA states that the Commission should review the results of the ME&O evaluation before adjusting the annual funding level.[113]

TURN states that the currently authorized budget is likely an appropriate annual budget for the statewide ME&O program but because the Commission is still determining the general scope for statewide ME&O activities after 2016 the budget may change depending on the adopted scope of activities.[114]

CforAT believes that any budget must be developed through a process that takes into consideration various sources of funding that currently exist for ME&O efforts in multiple Commission proceedings.[115]

Greenlining states that two significant challenges stand in the way of determining the appropriate funding level in this matter: (1) existing local

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[109] PG&E Opening Comments at 14.

[110] Bay REN Opening Comments at 7.

[111] So Cal REN Opening Comments at 7.

[112] MCE Opening Comments at 5.

[113] ORA Opening Comments at 4.

[114] TURN Opening Comments at 5-6.

ME&O efforts and the amount dedicated to these efforts are still unknown; and (2) the evaluation of statewide ME&O, which determines whether CSE met its objectives, is still pending. Thus, Greenlining "strongly" requests that the Commission direct all administrators of ratepayer-funded ME&O activities to report the necessary details of these activities, to inform the Commission in its determination of an appropriate budget for statewide ME&O. Greenlining also recommends that the Commission use the upcoming evaluation results to determine a reasonable budget for statewide ME&O post-2016.[116]

Like most other comments on the budget, CSE states that whether the current funding level will still be the appropriate annual funding level after 2016 depends on the approved objectives for 2017 and beyond.

4.4.2. Reply Comments

SCE and TURN support recommendations to postpone determination of the statewide ME&O budget until objectives are approved and EM&V recommendations are reviewed.

PG&E's reply to parties' comments on the budget for statewide ME&O is linked to PG&E's proposed restructuring of the program, which we address elsewhere in this decision.

Greenlining states that the statewide ME&O budget must take into account existing efforts and their effectiveness:

> In the context of the issues in this proceeding, the Commission does not have a clear record that shows exactly what kinds of ME&O programs and budgets the local program administrators

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[115] CforAT Opening Comments at 6.

[116] Greenlining Opening Comments at 18-19.

> are implementing and whether the current plan and metrics for these various programs are successful.
>
> Thus, the Commission would not be able to determine whether bidders' proposed plans and budgets duplicate an existing effort or if the proposed plans have already failed in the past.
>
> The Commission should require all local program administrators to report all existing ME&O activities, the goals and objectives of these activities, and the allocated budget for each activity.

CSE reiterates the need for a reasonably long program authorization period (10 years) and contract term for the RFP (5 years) to support the achievement of the long-term goal of leading Californians to take action on DSR opportunities.

4.4.3. Discussion

We agree with the consensus expressed in parties' comments that until a contractor is chosen and evaluation results are received, it is premature to set a budget for 2017. For the purposes of the upcoming RFP process, parties may assume a budget level no lower than the current amount of approximately $23 million per year. Parties should also assume the same functional allocation as adopted in D.13-12-038.[117] In the event that bidders propose a budget materially different from this amount, we expect that the request will be justified by either the upcoming EM&V results or by reference to discussions at the post-EM&V workshop.

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[117] We note here that the current functional allocation includes funding for the EM&V study that we have referenced throughout this decision. We expect that similar studies will be beneficial with respect to post-2016 program activities. We will provide further guidance on the specific nature of these activities following the upcoming post-EM&V workshop.

We also agree with Greenlining that we should require all administrators of ratepayer-funded ME&O activities should report the necessary details of these activities, to inform the Commission in its determination of an appropriate budget for statewide ME&O. We direct the assigned ALJ to issue a ruling to obtain this information and include it in the record of this proceeding.

5. Conclusion

Today's decision takes steps to strengthen the effectiveness of the statewide energy management marketing, education, and outreach program adopted by the Commission in D.13-12-038. We revise and reinforce our vision and goals to empower consumers to understand their energy consumption and take actions to reduce energy use, reduce energy bills and to adopt more customer-owned renewable energy technologies. The Commission establishes a competitive solicitation process that will be used to select the entity that will implement and administer the program beginning in 2017. As we implement these steps to move to a fully integrated, cost-effective marketing, education, and outreach strategy, the Commission should continue to strive for increased coordination across its various ME&O programs, providers, and related proceedings.

6. Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____ by_____, and reply comments were filed on _____ by_____.

7. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner and Stephen C. Roscow is the assigned ALJ in this proceeding.

Findings of Fact

1. A five-year contract to administer the statewide ME&O program from 2017 through 2021 could coincide with a Commission requirement for a strategic ME&O plan for the same period, and would be consistent with the new Energy Efficiency Rolling Portfolio Business Plans that the utilities have proposed in the Commission's energy efficiency R.13-11-005.

2. The 2008 Long-Term Energy Efficiency Strategic Plan and its 2011 update articulated a vision for statewide ME&O.

3. The Commission articulated the current long-term and short-term goals of statewide ME&O in D.13-12-038.

4. In D.13-12-038, the Commission adopted five strategies to achieve its statewide ME&O goals, as well as nine measurable objectives that should be pursued in order to implement the strategies.

5. The current governance structure of the statewide ME&O program was established by the Commission in D.13-12-038.

6. At this time insufficient information is available about the results achieved by the program in 2014 and 2015 to objectively evaluate parties' recommendations regarding program strategies, objectives, and governance structure.

7. Improved coordination of local program administrator marketing with statewide activities would be an important immediate step toward fuller integration of statewide and local ME&O.

8. The record in this proceeding does not include information about the full universe of annual Commission-approved revenue requirements for each category of ratepayer-funded ME&O activities for each utility.

9. The results of the Commission-ordered EM&V study of this program are expected by April, 2016.

10. In D.15-08-033 the Commission authorized a statewide ME&O budget equal to $23,675,034 for calendar year 2016. Until a 2017 administrator is chosen and evaluation results are received, it is premature to set a budget for 2017.

Conclusions of Law

1. A Request for Proposal (RFP) process should be adopted in order to select the entity that will implement the statewide ME&O program beginning in 2017. The RFP process should be led by Commission staff and allow for collaboration among all interested parties. Ratepayer advocates that are currently parties in this proceeding and that participate in the RFP process should be eligible for intervenor compensation. The final bid should be awarded by Commission decision. The winning bidder should be awarded a five-year contract to administer the statewide ME&O program from 2017 through 2021.

2. The October 2015 Scoping Memo did not invite comments on foundational matters that were resolved in detail in D.13-12-038, but the Commission should provide clarity now on several issues regarding its statewide ME&O program in order to provide clear guidance to parties as they work on the upcoming RFP process, and as they prepare for the workshop ordered in this proceeding.

3. The vision for statewide marketing, education and outreach articulated in the 2008 Long-Term Energy Efficiency Strategic Plan and its 2011 update should be revised to reflect not only the statewide ME&O program as it stands today,

but also the growing body of Commission decisions that focus on empowering customer choice and consumer decision making.

4. The Commission should revise its long-term and short-term goals for statewide ME&O in order to reflect the progress made since D.13-12-038.

5. Parties' suggested revisions to the strategies and objectives adopted in D.13-12-038 should be informed by the results of the soon-to-be concluded study of program results to-date.

6. The workshop ordered by this decision will review the results of the Commission-ordered EM&V study of the statewide ME&O program. The workshop should also include discussion of the post-2016 vision, goals, governance structure and budget of the statewide ME&O program.

7. The proper route to change the governance structure of the statewide ME&O program established by the Commission in D.13-12-038 is a petition for modification of that decision that meets the requirements of Rule 16.4 of the Commission's Rules of Practice and Procedure, "Petition for Modification".

8. In order to begin to improve coordination of local program administrator marketing with statewide activities, the current governance structure of the statewide ME&O program should be modified to be based upon an integrated planning process that includes preparation of a five-year "ME&O Strategic Roadmap" and annual communications action plans.

9. For the purposes of the upcoming RFP process, parties should assume a budget level no lower than the current amount of approximately $23 million per year. In the event that bidders propose a budget materially different from this amount, these requests should be justified with reference to either the upcoming EM&V results or by reference to discussions at the post-EM&V workshop.

10. The record in this proceeding should include complete information about the full universe of annual Commission-approved revenue requirements for each category of ratepayer-funded ME&O activities for each utility in order to inform the Commission in its determination of an appropriate budget for statewide ME&O.

O R D E R

IT IS ORDERED that:

1. A Request for Proposal (RFP) process is adopted in order to select the entity that, beginning in 2017, will implement the statewide marketing, education and outreach (ME&O) program adopted by the Commission in Decision 13-12-038. The adopted RFP process is outlined in Section 3.2 of this decision. The RFP process shall be led by Commission staff and allow for collaboration among all interested parties. Ratepayer advocates that are currently parties in this proceeding and that participate in the RFP process shall be eligible for intervenor compensation. The final bid shall be awarded by Commission decision. The winning bidder shall be awarded a five-year contract to administer the statewide ME&O program from 2017 through 2021.

2. The vision for statewide marketing, education and outreach that was articulated in the 2008 Long-Term Energy Efficiency Strategic Plan and its 2011 update is revised as explained in Section 4.1.4 of this decision. The revised vision is provided in Attachment A of this decision.

3. The long-term and short-term goals for statewide marketing, education and outreach adopted in D.13-12-038 are revised as explained in Section 4.2.4 of this decision. The revised goals are provided in Attachment A of this decision.

4. The current governance structure of the statewide marketing, education and outreach (ME&O) program is modified as discussed in Section 4.3.4 of this decision, to be based upon an integrated planning process that includes preparation of a five-year "ME&O Strategic Roadmap" and annual communications action plans. The governance structure, as modified in this decision, is provided in Attachment A of this decision.

5. The assigned Administrative Law Judge shall schedule a workshop to discuss the results of the upcoming evaluation, measurement, and verification study of statewide marketing, education and outreach. The workshop topics shall include the 2017 vision, goals, budget and governance structure of the program, and shall incorporate the revisions and guidance on these topics provided in this decision.

6. Application (A.) 12-08-007, A.12-08-008, A.12-08-009, and A.12-08-010 remain open.

This order is effective today.

Dated _____, at San Francisco, California.

Attachment A

Adopted Vision

All Californians will be engaged as partners in the state's energy efficiency, demand-side management and clean energy efforts by becoming fully informed of the importance of energy efficiency and their opportunities to act. Statewide marketing, education and outreach should serve as a lead generator for local and regional programs and drive consumers to directly take actions to reduce or manage energy use in other ways.

Adopted Long-term Goal

Statewide marketing, education and outreach will lead consumers to products, services and rates that empower all Californians to take actions that will lead to lower bills, higher energy efficiency, and more customer-owned renewable energy technologies.

Adopted Short-term Goal

The short term goal for the next two years of the statewide marketing, education and outreach program is that Energy Upgrade California is an integrated, umbrella statewide marketing, education and outreach effort that provides California residents and small business owners with information about energy concepts, programs, services, rates and benefits of taking action so that all Californians are empowered to (1) understand their energy use, the opportunities available for them to act, and the benefits of their action, and (2) take well informed action to better manage their energy use.

Current strategies for achieving long-term and short-term goals[1]

Expand Energy Upgrade California:

Expansion of the Energy Upgrade California brand to become an umbrella brand that includes information about energy management, opportunities available for residential and small business consumers to act, and benefits of their action.

Targeted, Integrated Marketing:

For residential customers- the development of messages that are targeted to specific customer groups, are aligned with local marketing efforts, are integrated, and are delivered using multiple channels including partnerships with a range of energy participants including local governments, retailers, realtors, and community based organizations and that incite residential consumers to take action.

For small business owners- the development of effective integrated tactics and piloting of methods to communicate with small business owners. Segmentation analysis will be used to develop effective integrated tactics and identifies interests, awareness, needs, and barriers to energy efficiency, distributed generation, demand response enabling technologies, and time of use concepts.

Social Marketing:

Use of social marketing techniques to create emotional and intellectual drivers for consumers to make a commitment to change and participate in energy efficiency, demand response, or distributed generation opportunities.

Web portal:

Creation of a web site that enables consumers to identify information, options and actions that are relevant to them and provides them with a path to get more information or take an action.

Statewide, Regional and Local Coordination:

Ongoing information exchange between statewide, regional and local marketing leads, to optimize efficiency of messages and ensure consistency of messages that are communicated to customers that enable consumer action.

[1] D.13-12-038 at 63.

Current measurable objectives for Statewide Marketing, Education, and Outreach (D.13-12-038, Ordering Paragraph 2)

i. Use the Energy Upgrade California brand to educate consumers about the Home Upgrade programs, why energy use matters, how California homes and businesses use energy, as well as energy efficiency, demand response, distributed generation, and energy management actions available to them.

ii. Encourage consumers to engage with resources and tools to learn more about their energy use.

iii. Inform consumers about the benefits of participating in local program opportunities, seasonal opportunities, or no/low cost actions.

iv. Provide direction about how consumers can learn more about and enroll in local program opportunities and time sensitive opportunities, or how to take no/low cost actions.

v. Identify and pilot messaging and message delivery for partners that complements existing utility partnerships, including, local governments, community-based organizations, retailers, and realtors.

vi. Identify and pilot methods to provide information to small business owners.

vii. Work with a marketing firm, and use behavior research to develop a social marketing campaign.

viii. Coordinate local, regional, and statewide marketing efforts, messaging, and tactics.

ix. Develop an Evaluation, Measurement and Verification roadmap for utility local marketing, and statewide marketing to understand the impacts of local, utility-led marketing, and how local and statewide efforts can best be coordinated and complimentary.

Governance Structure (D.13-12-038, COL 27: "the specific features of the governance structure described in this Decision should be adopted)

i. The CPUC, as owner of the EUC brand, in consultation with the CEC, has overriding authority on all decisions.

ii. CCSE, as program administrator for the SW ME&O program, shall have program design, coordination and implementation responsibility for the strategies, objectives, and metrics detailed elsewhere in this decision.

Adopted modification:

The Commission modifies the current structure of the statewide ME&O program to be based upon an integrated planning process that includes preparation of a five-year "ME&O Roadmap" and annual communications action plans.

3. ME&O Strategic Roadmap: To improve longer term planning and coordination, after the utilities file their energy efficiency business plans in R.13-11-005, all stakeholders in this proceeding should collaborate in a process to develop a five-year "ME&O Strategic Roadmap" that will outline long-term goals, metrics, and strategies, with consideration of what contribution ME&O will play in complying with Senate Bill (SB) 350. Commission staff shall lead this process. The Roadmap shall be filed and served in this proceeding by the statewide administrator, no later than January 31, 2017.

4. Annual "Joint Consumer Action Plan"

   a. Commission staff shall develop a preliminary proposal which prioritizes program areas on an annual basis.

   b. The preliminary staff proposal will then go to stakeholders for their comments and suggestions.

   c. The statewide administrator shall revise and finalize the proposal and file the resulting Joint Consumer Action Plan as a Tier 1 Advice Letter.

   d. The Commission's Energy Division will review and approve the Advice Letter.

e. Topics that are ranked as a high priority through this process will be the subject of a one year "Joint Consumer Action Plan" similar to the approach described by CSE in its opening comments:

> Each "Plan" would include the goals and objectives, target audiences, high level approaches and strategies, metrics, and implementation roles and responsibilities for each strategy.

iii. CCSE shall be responsible for achieving Objectives 1-7, and jointly responsible with the utilities and RENs for achieving Objective 8. Commission staff will take the lead for achieving Objective 9, as defined in this decision.

iv. CCSE shall be responsible for providing any deliverables that Commission staff or the Commission itself requests regarding statewide marketing development, implementation, and evaluation.

v. The utilities and RENs shall be responsible for providing CCSE with timely information and data on their local marketing programs that relate to the SW ME&O activities that CCSE are charged with implementing. "Information" includes any marketing campaigns the utilities and the RENs conduct that are targeted to the residential and small business sectors. CCSE will inform the parties of any additional information needed, and when they will need it. Provision of this information will follow the standard format and timeframe to be approved by the Commission in the Advice Letter required by performance metric 6.

vi. The utilities shall be responsible for providing any deliverables that Commission staff or the Commission itself requests related to local marketing development, implementation, and evaluation.

vii. PG&E shall hold the contract with CCSE and act as the fiscal manager. The Commission is responsible for reviewing materials and insuring that CCSE complies with orders of the Commission.

viii. Any change that CCSE proposes to make from one budget category to another that exceeds $250,000 shall require consultation with, and approval by, the utilities and Commission staff.

ix. Upon approval of the request by Commission staff, the utilities shall provide aggregated and anonymous customer data requested by CCSE for ME&O purposes, in a manner that complies with existing privacy rules. Data may include and is not limited to anonymous customer data for segmentation and targeting purposes.

x. CCSE shall convene and chair a stakeholder group consisting of representatives of the utilities, the CPUC, the CEC, the RENS and other local implementers, the environmental and consumer advocacy community, the contracting community, and academia. This stakeholder group should be formed to educate and inform CCSE on program direction and strategy. This group should meet as needed as determined by CCSE, but no less than once every quarter. Individual members should be considered as a resource on an ad-hoc basis. This group will ensure that CCSE has access to the expertise that will lead to program success. However, the stakeholder group does not have authority over CCSE's decision-making.

xi. CCSE will provide brand guidelines as they pertain to the use and coordination of the EUC brand, and take the lead on ensuring that RENs, IOUs and any other entities are properly and consistently using the EUC brand.

xii. CCSE will be a participant in the EUC Home Upgrade program coordination, and take a leadership role when matters relate to protecting the EUC brand, and statewide marketing program goals, objectives and strategies.

(End of Attachment A)