



BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

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

Application 12-08-007  
(Filed August 2, 2012)

And Related Matters.

Application 12-08-008  
Application 12-08-009  
Application 12-08-010

**OFFICE OF RATEPAYER ADVOCATES COMMENTS  
ON PROPOSED DECISION REGARDING STATEWIDE  
MARKETING, EDUCATION & OUTREACH**

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March 7, 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

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**I. INTRODUCTION**

Pursuant to Rule 14.3(a) of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure and the Proposed Decision (“PD”) *on Phase 3 Issues: Post-2016 Statewide Marketing, Education, and Outreach Activities* issued on February 16, 2016, Office of Ratepayer Advocates (“ORA”) submits these comments to the PD.

In the comments ORA makes the following recommendations:

- ORA Supports the PD’s determination that Statewide Marketing Education & Outreach (“ME&O”) should both influence consumers to directly take actions and act to generate leads for local and regional Energy Efficiency (“EE”) programs. Many consumers may be influenced to adopt energy saving behavior even if they don’t immediately sign up with a Program Administrator (“PA”) sponsored EE program. The energy savings available through these behavior changes are important and should be one goal of Statewide ME&O.

- ORA supports having an independent administrator with significant operational autonomy for Statewide ME&O. While local and Statewide ME&O need to be coordinated, the creation of a strategic roadmap operationalized in annual Joint Consumer Action Plans should help foster greater coordination without undermining the effectiveness of Statewide ME&O.
- ORA supports the competitive solicitation process for choosing an ME&O PA outlined in the PD.

**II. ORA SUPPORTS THE PD’S DIRECTION THAT STATEWIDE ME&O SHOULD DRIVE CONSUMERS TO DIRECTLY TAKE ACTIONS TO REDUCE OR MANAGE ENERGY USE IN ADDITION TO GENERATING LEADS FOR LOCAL PA PROGRAMS.**

ORA endorses the PD’s direction that Statewide ME&O not only provide marketing for local and regional programs, but also focus on encouraging consumers to directly take actions to reduce or manage energy use.<sup>1</sup>

Marketing campaigns should create consumer awareness regarding the numerous local and regional programs that can help them save energy and money. Inexpensive energy savings based on behavioral actions can be achieved through marketing campaigns that create a greater awareness on the part of consumers to use energy more efficiently. Marketing should strive to appeal directly to consumers to encourage them to modify their behavior where feasible and inform them of simple changes that might help the State meet its EE goals.

Encouraging consumers to modify their behavior is a smart strategy and smart use of ratepayer funds. By encouraging this sort of immediate and incremental action on the part of consumers, Statewide ME&O can help reinforce the consumers’ commitment to saving energy and make them more predisposed to seeking the information needed to enroll in an appropriate local or regional EE program.

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<sup>1</sup> February 16, 2016 Proposed Decision on Phase 3 Issues: Post-2016 Statewide Marketing, Education, and Outreach Activities (“PD”).

### **III. ORA SUPPORTS THE PD CONTINUING TO KEEP ADMINISTRATION OF STATEWIDE ME&O INDEPENDENT FROM GENERAL EE PROGRAM ADMINISTRATION.**

Section 4.3 of the PD<sup>2</sup> discusses the proper governance structure for Statewide ME&O and in particular the proper way to coordinate between Statewide ME&O and the needs and messaging of more local, Investor Owned Utility (“IOU”) marketing campaigns.

ORA supports the PD's plan to continue along the path established in Decision (“D.”) 13-12-038 in making Statewide ME&O independent of Program Administrators’ control while still allowing them meaningful input in terms of developing both long-term strategic priorities and short-term concerns about coordinated messaging. The proposal to strengthen coordination through the development of a ME&O Strategic Roadmap to be operationalized in annual Joint Consumer Action Plans is a sensible step that will facilitate better coordination while preserving the independence of Statewide ME&O.

### **IV. ORA SUPPORTS THE PD REQUIRING THAT A COMPETITIVE SOLICITATION DETERMINE THE ENTITY THAT WILL IMPLEMENT AND ADMINISTER THE STATEWIDE ME&O PROGRAM BEGINNING IN 2017.**

ORA supports the use of a competitive solicitation to determine who will implement and administer Statewide ME&O starting in 2017. California Ratepayers benefit when bidders compete in the marketplace to deliver energy efficiency goods and services. When correctly designed, a competitive solicitation process can help assure ratepayers that they are contracting the services of the highest quality and most cost-effective service provider available while motivating the market to create more innovative offerings.

The PD proposes the selection of a statewide administrator through a request for proposal (“RFP”) process, managed by the investor owned utility (“IOUs”). In addition, the PD proposes that RFP bids be scored by a Scoring Committee consisting of the following categories of stakeholders:

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<sup>2</sup> PD, pp. 44-69.

1. Regulatory (CPUC, California Energy Commission);
2. Program Administrators (Investor Owned Utilities, Regional Energy Networks, Community Choice Aggregators); and
3. Ratepayer advocates (TURN, ORA, Greenlining, and the Center for Accessible Technology).

The PD proposes that the average score provided by each group will be weighted at 33.3 percent towards the overall score, thereby giving each stakeholder category one third of the influence over the final recommendation.<sup>3</sup> ORA does not oppose the RFP structure. As the PD points out, ORA proposed that while it is reasonable for an IOU to administer the RFP process, Energy Division staff should develop the RFP criteria and eligibility requirements, score bids, and decide the winning bid.<sup>4</sup> Also, ORA recommended that the Commission allow interested stakeholders (such as ORA) to participate throughout the RFP process. Though the PD adopts ORA's recommendations, in part, the PD also provides voting power for IOUs and other stakeholders. ORA's original recommendation was to have Energy Division staff score the bids to ensure that the scoring of RFP bids would be free of bias or conflicts of interest. ORA is concerned that the PD provides voting power to IOUs given the IOUs have not always been supportive of the notion of an independent administrator for Statewide ME&O or of the current Statewide ME&O administrator.<sup>5</sup> Given this concern,

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<sup>3</sup> PD, pp. 21-23.

<sup>4</sup> PD, pp. 17-18.

<sup>5</sup> "In order to better connect Statewide marketing with the underlying PA programs discussed above, we recommend moving away from an independent implementer and adopting a model where there is joint administration by the PAs through a Steering Committee." Comments of Pacific Gas And Electric Company (U39M) On Assigned Commissioner Carla J. Peterman's Amended Scoping Memo And Ruling, p. 15, (<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M156/K744/156744976.PDF>). ; "CCSE correctly surmises that 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 CCSE'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 CCSE." Decision 13-12-038: Decision on Statewide Marketing, Education, and Outreach Plans for 2014 and 2015; December 27, 2013; p. 59.

it is critical that the PD provides that final scoring of the RFP should be considered advisory and that the final decision on the winning bid is left to the Commission.<sup>6</sup>

## V. CONCLUSION

Office of Ratepayer Advocates appreciates the opportunity to file comments in this matter.

Respectfully Submitted,

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<sup>6</sup> PD, p. 23.