



**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).

A.12-08-007
(Filed August 2, 2012)

And Related Matters.

A.12-08-008
A.12-08-009
A.12-08-010

**OPENING COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY
(U 902 M) AND SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)
ON PROPOSED DECISION APPROVING IMPLEMENTER FOR THE
2017-2019 STATEWIDE MARKETING, EDUCATION, AND OUTREACH
PROGRAM AND PROVIDING GUIDANCE FOR 2017 ACTIVITIES**

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SUBJECT INDEX

SUMMARY OF RECOMMENDATIONS

Joint Sempra Utilities believe the Proposed Decision represents a fair and balanced outcome for the issues raised by parties. There are discreet aspects of the Proposed Decision that merit consideration of proposed modifications, as follows:

- 1) The Proposed Decision should direct that the Finance Marketing, Education and Outreach (“ME&O”) efforts be incorporated under the Statewide ME&O effort, which will achieve greater synergy and avoid potential disorganization and resource sharing if these two programs operate independently.
- 2) The Proposed Decision should consider modifications to the governance of the Energy Upgrade California Home Upgrade Program.
- 3) Joint Sempra Utilities recommend that the 5-Year ME&O Strategic Roadmap filing be delayed until April 2017 to allow for the incorporation of the EE Business Plan filing and Evaluation Measurement & Verification study results.
- 4) The Commission should allow for comments on the “2013-2015 Statewide ME&O Cross-Cutting Process Study.”
- 5) ME&O metrics should be developed after completion of the Strategic Roadmap and action plans, and shared for feedback at a public workshop.

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2017-2019 STATEWIDE MARKETING, EDUCATION, AND OUTREACH
PROGRAM AND PROVIDING GUIDANCE FOR 2017 ACTIVITIES**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), San Diego Gas & Electric Company and Southern California Gas Company (hereafter referred to as “Joint Sempra Utilities”) hereby submit their Joint Opening Comments on the Proposed Decision Approving Implementer for the 2017-2019 Statewide Marketing, Education, and Outreach (“SW ME&O”) Program and Providing Guidance for 2017 Activities dated August 12, 2016 (“PD”) of Administrative Law Judge (“ALJ”) Stephen C. Roscow in the above-captioned proceeding.

The ALJ’s PD reaches a fair and balanced set of outcomes to the issues raised and considered in this proceeding and overall agrees with its findings and conclusions. There are discreet areas where Joint Sempra Utilities believe the PD should be modified to enhance the SW ME&O program in a manner that creates greater synergy with other Commission decisions.

I. The Finance ME&O Should Be Incorporated under the SW ME&O.

The Commission approved EE Finance Pilots in D.13-09-044. In that decision, the Commission stated that it was reasonable to allocate up to \$10 million of authorized EE financing pilot funds for customized ME&O, including:

Up to \$8.0 million to be released to specifically advance the newly authorized EE financing pilots as incorporated into, and complementary of, the statewide EE ME&O efforts¹

Further, Resolution E-4663 provides specific delegation to the SW ME&O administrator for the promotion and marketing of these Finance Pilots. Resolution E-4663's ordering paragraph 6 states:

The Joint Utilities shall release to [California Center for Sustainable Energy] CCSE up to \$8 million for statewide marketing on an as needed based on roles and associated budget allocation designated in the statewide finance pilot marketing plan CCSE will develop in its role as statewide ME&O administrator under D.13-12-038, as approved by the Commission.²

The Commission made this award because at the time CCSE was also the SW ME&O lead. To promote consistency going forward, Joint Sempra Utilities recommend that the new SW ME&O lead also take over finance marketing. Further, to advance what we understand as the intent of the Commission as stated in D.13-09-044 and Resolution E-4663, and to create better overall coordination, Joint Sempra Utilities recommend that Finance ME&O be specifically addressed in the 5-Year ME&O Strategic Roadmap. Having both ME&O efforts managed under the SW ME&O context makes sense in that it synergizes related efforts and avoids potential duplication of resources and the potential for disorganization, such as where two

¹ D.13-09-044 (*mimeo*), p. 111, COL 49.

² Resolution E-4663, p. 39, OP 6.

separate implementing agencies attempt to share one website for purposes of budgeting and administration.

Joint Sempra Utilities respectfully request that the PD add a finding of fact referencing D.13-09-044, and a conclusion of law directing the Finance ME&O to be addressed in the SW ME&O efforts.

II. Joint Sempra Utilities Recommend Modifications to the Governance of the Energy Upgrade California (“EUC”) Home Upgrade Program.

In its opening comments on the SW ME&O workshop, Joint Sempra Utilities proposed the following change to the governance of the EUC Home Upgrade Program:

The SW ME&O Administrator will be a participant in the EUC Home Upgrade program coordination, and take a leadership role when matters relate to protecting the EUC umbrella brand itself. Matters relating to meeting new statewide program goals, objectives and strategies, shall be subject to discussion by the Program Administrators.³

The PD states that “[t]he existing language is drafted imprecisely, but the Joint Utilities’ modification, depending on how it is interpreted, could be problematic.”⁴ The PD goes on to clarify that the original language was “. . . intended to limit this governance item only to matters regarding the EUC Home Upgrade program.”⁵ Joint Sempra Utilities concur with this intent to delineate the role of the SW ME&O administrator as brand steward and not Program Administrator (“PA”) with respect to the EUC Home Upgrade program. To address the PD’s well-placed concerns, Joint Sempra Utilities recommend adoption of the following revised proposal:

³ See “Joint Comments of San Diego Gas & Electric Company and Southern California Gas Company on Statewide Marketing, Education and Outreach Workshop,” April 22, 2016, p. 11.

⁴ PD, p. 52.

⁵ *Id.*

The SW ME&O Administrator will be a participant in the EUC Home Upgrade program coordination, and take a leadership role when matters relate to protecting the EUC umbrella brand itself. Direct implementation matters relating to meeting new statewide program goals, objectives and strategies for the EUC Home Upgrade program shall remain subject to discussion by the Program Administrators for said program.

III. The 5-Year ME&O Strategic Roadmap Filing Should Be Delayed until April 2017 To Allow for the Incorporation of the EE Business Plan Filing and Evaluation Measurement & Verification (“EM&V”) Study Results.

The Commission intended that the 5-Year ME&O Strategic Roadmap and Annual Plan be coordinated with the upcoming EE Business Plan applications. According to the original schedule, EE Business Plan applications were initially required to be filed by September 1, 2016, and the Strategic Roadmap was to be filed January 31, 2017.⁶ While the PD recognizes the delay in the filing of the EE Business Plan applications to January 15, 2017,⁷ it does not revise the end of January 2017 deadline for the 5-Year ME&O Strategic Roadmap completion. The EE Business Plan applications’ revised schedule would allow only two weeks, as opposed to the original five months, to incorporate information from the EE Business Plans and complete the 5-Year ME&O Strategic Roadmap. To allow for sufficient time to incorporate the EE Business Plan information into the Roadmap, it is appropriate to set an April 1, 2017 filing date for the Strategic Roadmap.

Joint Sempra Utilities further recommend that the statewide implementer focus on developing the first Annual Joint Consumer Action Plan prior to the 5-Year ME&O Strategic Roadmap to minimize disruption of the Energy Upgrade California campaign. This plan should include supporting the following ME&O plans:

⁶ See D.16-03-029, p. 4.

⁷ See PD at 59.

- 2017 ME&O goals outlined in each Investor-Owned Utilities’ Assembly Bill (“AB”) 793 advice letters (“ALs”), meant to promote Energy Management Technologies, filed on August 11, 2016;⁸ and
- 2017 ME&O goals outlined in the Residential Rate Reform ME&O plans, which will be filed on November 1, 2016.⁹

While Joint Sempra Utilities recommend delaying the filing of the 5-Year ME&O Strategic Roadmap until April 1, 2017, the statewide implementer and stakeholders should begin developing parts of the Roadmap well ahead of the proposed April 1, 2017 deadline as this information will be critical for completing the first Annual Plan by the end of February 2017. Joint Sempra Utilities recommend that the portions developed in the first quarter of 2017 for the 5-Year ME&O Strategic Roadmap include:

- A lead generation process, including a definition of what constitutes a “lead,” establishment of goals as part of the Annual Joint Consumer Action Plan, documenting a process flow describing how leads will be generated and handed off, and defining how lead generation activities will be measured and tracked to inform improvement opportunities;
- A governance structure, including roles and responsibilities, related to the strategies, objectives, and metrics to be outlined in the first Annual Plan; and
- A formal process for the local PAs to provide input to the SW ME&O program implementer and for the SW ME&O program implementer to provide feedback on whether and how their input was considered.

Joint Sempra Utilities acknowledge that ideally the 5-Year ME&O Strategic Roadmap should be developed before any Annual Plans. However, due to filing delays of the EE Business

⁸ See SoCalGas AL 5012-G, SDG&E AL 2505-G/2941-E, Southern California Edison Company (“SCE”) AL 3449-E and Pacific Gas and Electric Company (“PG&E”) AL 3746-G/4890-E.

⁹ See Rulemaking (“R.”) 12-06-013, “Administrative Law Judge’s Ruling Regarding Bill Comparisons and Directing Utilities to Develop Plans for Engaging New Customers,” July 22, 2016, p. 9.

Plan applications, it is prudent to allow for sufficient time to finalize the 5-Year ME&O Strategic Roadmap while beginning work on the 2017 Annual Plan, whose components will be incorporated into the Roadmap.

IV. The Commission Should Allow for Comments on the 2013-2015 SW ME&O Cross-Cutting Process Study.

The PD states that “ ... once the final version of the report is made available by ODC, the assigned ALJ may initiate a process for comments and reply comments on the report in order to ensure that the roadmap process makes full use of its findings.”¹⁰ Joint Sempra Utilities highly recommend that the PD clarify that a commenting process will be implemented, which will provide a mechanism with which parties can build a sufficient record, thereby fulfilling the intent of the PD’s ordering paragraph 12:

A collaborative, record-based process shall be followed by the statewide implementer, local program administrators, and other stakeholders to develop the five-year Marketing, Education and Outreach Strategic Roadmap and Annual Joint Consumer Action Plans as directed in Decision 16-03-029. (emphasis added)

To enable parties to comply with the directives of D.16-03-029, it is critical to develop the record by allowing stakeholders the ability to provide comments. Joint Sempra Utilities believe the PD recognizes this, and seek for a more affirmative directive on this point.

V. ME&O Metrics Should Be Developed after Completion of the Strategic Roadmap and Action Plans, and Shared for Feedback at a Public Workshop.

The PD would require the revised metrics be included in the 5-Year ME&O Strategic Roadmap when it is filed.¹¹ However, the Joint Sempra Utilities highly recommend a workshop to develop final ME&O metrics after both the 5-Year ME&O Strategic Roadmap and the Annual

¹⁰ See PD at 34.

¹¹ PD at 24.

Joint Consumer Action Plans have been completed. Metrics should be developed to track both short term progress in the Action Plan and long term progress in the Strategic Roadmap, but only after program objectives have been defined in these plans.

Furthermore, Joint Sempra Utilities recommend that both the 5-Year ME&O Strategic Roadmap and Action Plan contain proposed metrics, along with an articulation of how they will be interpreted given either an increase or decrease in the metric value, and how they would be used to support evaluation studies. These proposed metrics can be presented in the ME&O metrics workshop so that public stakeholders can provide feedback and ask questions about the use of the metrics, resulting in more effective and robust metrics. D.15-10-028 articulated the value of public input and discussion:

The past experience in developing the PPM and MTIs [program performance metrics and market transformation indicators] should not be lost. The principles and frameworks for considering and developing the metrics and discussed in Workshops and meetings are still relevant today, even if the metrics themselves may need to be updated. In addition, experts in EM&V should contribute their expertise on process and impact evaluations to development of metrics.¹²

Therefore it is important to have a workshop to discuss the proposed metrics before finalizing them for inclusion in the 5-Year ME&O Strategic Roadmap. The final metrics can then be incorporated into the 5-Year ME&O Strategic Roadmap and submitted through a Tier 1 advice letter process.

Currently, the PAs are leveraging past experience in refining a framework of indicators to link both short-term and long-term program metrics with market metrics for use in the Business Plans and Implementation Plans, as part of R.13-11-005. Joint Sempra Utilities recommend that the ME&O metrics be developed using this same framework, and that the SW ME&O

¹² D.15-10-028, p. 54.

Appendix A

PROPOSED MODIFICATIONS TO THE PROPOSED DECISION

Findings of Fact

[add] 9. In D.13-09-044, the Commission concluded that it was reasonable to release up to \$8.0 million of authorized energy efficiency financing pilot funds to specifically advance the newly authorized energy efficiency financing pilots as incorporated into, and complementary of, the statewide ME&O efforts.

Conclusions of Law

17. ~~The assigned ALJ should determine whether the~~ final version of the “2013-2015 Statewide ME&O Cross-Cutting Process Study” should be subject to comments by parties in this proceeding.

[add] 20. The new statewide ME&O implementer should assume the role of statewide lead for the finance pilot marketing.

[add] 21. Modifications to the governance of the Energy Upgrade California (“EUC”) Home Upgrade Program should be adopted:

The SW ME&O Administrator will be a participant in the EUC Home Upgrade program coordination, and take a leadership role when matters relate to protecting the EUC umbrella brand itself. *Direct implementation* matters relating to meeting new statewide program goals, objectives and strategies *for the EUC Home Upgrade program* shall *remain* subject to discussion by the Program Administrators *for said program*.

Ordering Paragraphs

11. Once the final version of the “2013-2015 Statewide ME&O Cross-Cutting Process Study” is made available by Opinion Dynamics Corporation, the assigned Administrative Law Judge ~~may~~ will initiate a process for comments and reply comments on the report.

[add] 15. The contract with the statewide ME&O program implementer will include responsibility for leading the marketing of the finance pilots approved in D.13-09-044.