BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission’s Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities’ Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations.

Rulemaking 12-06-013
(Filed June 21, 2012)

ADMINISTRATIVE LAW JUDGE’S RULING SEEKING ADDITIONAL COMMENT ON STATEWIDE MARKETING, EDUCATION, AND OUTREACH

On April 14, 2017, the assigned Administrative Law Judges issued a ruling seeking comment from parties on the next steps for statewide marketing, education, and outreach (ME&O) on residential rate reform. Opening comments on the April 14, 2017 ruling were filed by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), the Office of Ratepayer Advocates, the Center for Accessible Technology, the Consumer Federation of California, and the CCA Parties.1 Reply comments were filed by PG&E, SCE, and SDG&E.

Most of the parties expressed support for engaging DDB, the selected implementer of the statewide Energy Upgrade California (EUC) campaign, as a consultant for the residential rate reform ME&O campaign. Parties cited the potential benefits of engaging DDB as a consultant including the increased

1 The CCA Parties consist of the City of Lancaster, Marin Clean Energy, Peninsula Clean Energy, Silicon Valley Clean Energy Authority, and Sonoma Clean Power Authority.
likelihood that messages to consumers will be more effective, coordinated, and self-reinforcing; the ability to leverage efforts and resources; and increased cost-effectiveness of both outreach efforts. However, parties had differing views regarding the appropriate scope of DDB’s role and responsibilities. Several parties identified the need to more clearly define the scope of work prior to selecting any consultant for statewide rate reform ME&O.

SCE proposes a phased approach to engaging a consultant for statewide rate reform ME&O. Under SCE’s proposal, the investor-owned utilities (IOUs) would immediately contract with DDB but in a limited capacity for a planning phase, which would include addressing key conclusions and open issues from the ME&O Blueprint. Subsequent to the planning phase, SCE proposes that the Commission expand DDB’s contract scope, initiate formal requests for proposals, or consider other opportunities for implementation and evaluation phases.

A phased approach may be a feasible and prudent path forward on statewide rate reform ME&O and we seek additional comment from DDB and parties regarding this approach. Under this phased approach, PG&E, the holder of the contract with DDB for the EUC contract, would immediately contract with DDB for an incremental expansion of DDB’s role as EUC implementer to provide more of an emphasis on rate reform ME&O issues. The first phase (Phase I or the strategy and content development phase) would be limited in scope and would include strategy updates and development based on the ME&O Blueprint and current EUC campaign, content development and creative design, and content development surveys and testing. A potential scope of work for the statewide

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2 Greenberg’s Marketing, Education & Outreach Blueprint v.2. A copy of the ME&O Blueprint can be found on the Docket Card for this proceeding.
rate reform ME&O is attached as Attachment A to this ruling. Upon completion of Phase I, a competitive solicitation or other procedures could be employed for the subsequent phase (Phase II or the implementation and evaluation phase) of the campaign.

In order to determine whether a phased approach should be adopted, additional information is required. There is currently a lack of information in the record regarding an appropriate budget for the scope of work for the strategy and content development phase as described in Attachment A. Accordingly, we request that DDB provide a budget for the scope of work described in Phase I of Attachment A to this ruling. DDB is not a party to this proceeding and is unable to file documents in this proceeding. Therefore, PG&E is directed to file and serve the document on DDB’s behalf. All parties, including PG&E, will have an opportunity to submit additional information regarding an appropriate budget and comments to DDB’s response.³

**IT IS RULED** that:

1. DDB is requested to submit a budget on the scope of work found for Phase I: Strategy and Content Development described in Attachment A to this ruling to Pacific Gas and Electric Company (PG&E) within 7 days of this ruling. Upon receipt of DDB’s response, PG&E shall file and serve DDB’s response in this proceeding on behalf of DDB.

³ This additional information could include a market survey as recommended by ORA.
2. Parties may file and serve comments on DDB’s response within 7 days of the filing of DDB’s response.

    Dated July 20, 2017, at San Francisco, California.

    /s/ S. PAT TSEN for
    Sophia J. Park
    Administrative Law Judge
ATTACHMENT A

Residential Rate Reform Marketing, Education and Outreach

Background:

Decision (D.)15-07-001 set forth steps to transition California’s default residential rate structure from tiered, non-time-varying rates to time-of-use (TOU) rates by 2019. In that Decision, the Commission addressed the need for customer education and outreach to facilitate a successful transition and required the creation of a Working Group on marketing, education and outreach (ME&O) issues (ME&O Working Group). On December 17th, 2015, the assigned Commissioner and Administrative Law Judge issued a ruling directing the investor-owned utilities (IOUs) to hire a consultant to advise the working group on appropriate ME&O metrics, goals and strategies to meet those goals. The consultant, Greenberg Inc., delivered a comprehensive report, the ME&O Blueprint in August of 2016. The Blueprint contained a strategic action plan for both statewide and local utility marketing. The statewide marketing for rate reform suggested by Greenberg is very similar in intent and message as the current statewide marketing initiative, Energy Upgrade California (EUC).

In Application (A.)12-08-007, the Commission hired a consultant, DDB, to conduct statewide outreach for energy efficiency and energy management using the state-owned Energy Upgrade California brand. This consultant, DDB, is also tasked with aligning other Commission-led energy marketing campaigns and providing a limited amount of content on other Commission-led energy management programs and initiatives, such as rate reform and the Energy Savings Assistance (ESA) program. To facilitate consistency and coordination between statewide energy management marketing campaigns, the Commission is exploring the possibility of expanding DDB’s contract to allow them to develop additional rate reform content in line with Greenberg’s initial Blueprint and aligned with current EUC content. This is detailed in Phase I below. Phase II of this statement of work may be awarded through a competitive request for proposal process or other mechanisms as developed at a later date.
Phase 1: Strategy and Content Development

Deliverable 1 – MEO Blueprint Updates

Under the CPUC mandate to transition residential electricity customers through a series of rate changes, the Contractor will develop a statewide Marketing, Education, and Outreach (ME&O) campaign coordinated and aligned with the Energy Upgrade California (EUC) efforts to increase Californian’s understanding of their energy use and the benefits of taking action to manage that energy use. The Contractor will coordinate with EUC administrative staff and the rate reform ME&O Working Group to refine the statewide campaign portions of the current ME&O Blueprint. The Contractor will provide written feedback and specific suggested improvements on the Blueprint within thirty (30) days of the contract date. The Contractor will collaborate with the EUC administrative staff and the rate reform ME&O Working Group to incorporate changes within sixty (60) days from the receipt of the feedback and comments.

The updated Blueprint must support the following goals and objectives:

- Develop a complementary and coordinated statewide marketing communications plan based on the existing research in the Blueprint that will also leverage EUC;
- Identify additional targeted populations and refine strategies to be inclusive of diverse and hard-to-reach populations. Targeted markets will include language specific, culturally specific, disproportionately affected, low-to-moderate income populations, disabled populations and other hard-to-reach communities;
- Coordinate with EUC administrative staff and the rate reform ME&O Working Group to integrate strategies across all partner channels, including IOUs and Community Based Organizations (CBOs);
- Recommend and develop alternative outreach strategies, including but not limited to digital media, social networking, and grassroots community outreach tactics to leverage alternative platforms outside of traditional paid media to extend the reach of campaigns;
- Provide a Public Relations plan;
The Contractor will provide the first update within ninety (90) days of the contract date.

**Deliverable 2 – Content Development, Content Testing and Creative Design**

The Contractor is expected to conceptualize, develop, and produce creative campaigns and contents. The Contractor will develop a research plan to test creative concepts using methods such as focus groups and surveys. The advertising campaigns will complement the current EUC strategies and advertisements (ads) while adding new and original content that will continue to improve on the updated ME&O Blueprint.

The Contractor may produce intellectual capital that includes:
- Creative brief(s) that align with the identified campaign strategies, messages, and target populations in the updated Blueprint to educate and increase awareness of the target audience;
- Background research and calculations;
- Focus groups and surveys to validate concepts before content production;
- Creative content to align with the updated Blueprint including but not limited to:
  - Social media creative content across social media platforms;
  - Community outreach fairs and events;
  - Traditional print media; and
  - Other alternative media channels.
- Translation, adaptation, and localization of ad content and marketing collateral. The Contractor must coordinate with service providers to produce in-language materials that are appropriate for the identified populations;
- Public Relations content;
- Additional marketing collateral upon request to support program needs;

The Contractor must obtain the approval of the EUC administrative staff prior to submission and will submit the final content creation no more than five (5) months from contract date.
Deliverable 3 – Updates and Maintenance

The contractor is expected to provide updates to the ME&O Blueprint at least annually through 2019 and as requested by the EUC administrative staff to adapt to changes according to the needs of the program. These updates should be provided to the Phase II contractor. Updates may include but are not limited to:

- Updates to the Public Relations plan;
- Social media creative content;
- Campaign updates;

The Contractor will create an update schedule with EUC administrative staff following the conclusion of Deliverable 2, no more than six (6) months from contract date.

Phase II: Implementation and Evaluation

Deliverable 1 – Paid Media Implementation

The Contractor will create a cost-effective paid media strategy that aligns with the Blueprint to engage different target market segments. The Contractor will manage all paid media to be purchased in the marketplace and ensure that they meet the following objective and program needs:

- Identify most cost-effective media placement to maximize exposure with specified media channels and mediums;
- Coordinate media plan with Phase I contractor;
- Consult best practices, lessons learned, and interim outcomes of current or previous campaign efforts when developing paid media plan;
- Disseminate ads through channels specifically targeted to the low-income, linguistically and culturally specific, geographically isolated, disabled and other hard-to-reach audiences;
- Track monthly media placement in a detailed log, including but not limited to:
  - Implementation timeline of each ad;
r.12-06-013  sjp/ek4  meo scope of work

- expected outcomes;
- budget;
- media monitoring updates;
- media buy reports, including;
  - target demographic segments;
  - vendor, network, or stations for each media;
  - days aired and time(s) of day, if applicable;
- post-analysis, including
  - total impressions delivered, as applicable;
  - actual ratings delivered, as applicable; and
  - digital key performance indicators, such as click-through rates, cost per clicks, etc.
- interim evaluation of strategy effectiveness based on metrics defined by euc administrative staff and me&o working group

deliverable 2: alternative outreach efforts

the contractor will implement new strategies developed in the content development phase for alternative outreach platforms to ensure full coverage of market segments with various preferences. alternative outreach efforts shall align with the goals and objectives of the updated blueprint, and must include but are not limited to the following:

- purchase media placement in alternative platforms that align with new strategies that will be developed in phase i;
- develop and curate social media and digital media content to increase online presence and improve user’s experience with the current euc online platform and website; and
- coordinate with iou community partners and cbo’s to disseminate creative content and materials customized for the low-income, linguistically and culturally specific, geographically isolated, disabled and/or other hard-to-reach populations.

(End of attachment a)