

FER/acr 10/13/2011



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10-13-11
12:16 PM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine the Commission's Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues.

Rulemaking 09-11-014
(Filed November 20, 2009)

**ASSIGNED COMMISSIONER'S RULING
REGARDING STATEWIDE MARKETING AND OUTREACH PROGRAM**

Last month during my office's review of our statewide Energy Efficiency Marketing, Education and Outreach (ME&O) program – operating under the brand "Engage 360" – it came to my attention that the program involved expenditures of almost \$800,000 per month. I also had Commission staff perform preliminary inquiries into the effectiveness of the brand. It is my belief that building a brand is an extremely difficult undertaking, and I am not convinced that as currently implemented the "Engage 360" effort is creating enough ratepayer benefit to warrant this level of expenditure. Given the scarcity of ratepayer dollars and the importance of having an effective Energy Efficiency marketing effort, I concluded that action was necessary.

In order to better understand the efficacy of our existing program and to assess its current status and future direction, I directed Southern California Edison Company (SCE) – the utility given the responsibility of running the Engage 360 contract – to freeze further spending on the program, pending further review. Specifically, I asked SCE to bring contractor and utility

expenditures on Engage 360 to zero, or as near thereto as possible. This ruling memorializes that oral direction under the authority delegated to me in Decision (D.) 09-09-047, Ordering Paragraph 53, and spells out the next steps in deciding whether to 1) continue a statewide ME&O program, and, if so 2) what the program should be and how much it should cost.

This ruling directs SCE to take the following steps:

- 1) SCE shall immediately issue a stop work order to Draftfc (the Engage 360 contractor) and its subcontractors (Draft) directing Draft to stop all spending associated with Engage 360 and the statewide ME&O, so that expenditures by Draft and its subcontractors borne by utility ratepayers are at zero. I understand that SCE has already done so orally and that Draft and its subcontractor expenses are already zeroed out, but SCE shall issue the written stop work order nonetheless.
- 2) SCE shall make an informational Advice Letter compliance filing demonstrating that it has given such notice.
- 3) SCE shall stop all of its own work associated with Engage 360 as well, except as necessary to assist Commission staff in its investigation of next steps for the program, and redirect personnel to other tasks pending direction from this Commission on next steps.
- 4) To the extent any expense is not at zero, SCE shall file, on its own behalf or with regard to SCE, Draft, or any subcontractors, with the foregoing informational Advice Letter filing, an explanation of that expenditure.

While encompassed in the foregoing directive, I wish to make clear that all work on the Engage 360 website/web portal shall cease. The site may be "frozen" as is, but no additional upgrades or maintenance shall take place pending further notice.

I also ask all parties to this proceeding to file and serve responses, within 20 days of the date of this ruling, to the following questions regarding a

statewide ME&O program for Energy Efficiency. Parties may file and serve reply comments on others' responses within 5 days of the date of the initial responses:

- a. Should the Engage 360 campaign continue in any form? Explain.
- b. Should a statewide ME&O campaign continue? If yes, explain its basic elements, objectives and any changes from current practice that you advocate.
- c. If your answer is yes to (b), under what brand should it operate (if legally and logistically permissible) and why?
 1. Engage 360
 2. Energy Upgrade California
 3. Flex Your Power
 4. Other
- d. What should the budget range of a statewide ME&O program be?
- e. How should it be administered and overseen?
- f. Provide any other input you deem relevant for my consideration regarding Engage 360, SCE's and the other IOUs' performance related to it, or a statewide ME&O program.

I further direct Commission staff to use the foregoing responses, and any other data it has received or developed related to Engage 360 or the details of the program's operations, to make recommendations to me on next steps, no later than January 15, 2012. Commission staff shall, in the time allotted, investigate the legality, feasibility, and usefulness of the brands noted above, of any other brands suggested by the parties, and of the continued use of current contractors. Staff shall also lay out the basic program components of any recommended future statewide ME&O program.

IT IS SO RULED.

Dated October 13, 2011, at San Francisco, California.

/s/ MARK J. FERRON

Mark J. Ferron
Assigned Commissioner