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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
ON USE OF STATEWIDE MARKETING AND OUTREACH
FUNDS TO SUPPORT ENERGY UPGRADE CALIFORNIA
WEB PORTAL IN 2012**

1. Summary

In this Ruling, I authorize expenditures from the statewide energy efficiency marketing, education, and outreach budget remaining from the Engage 360 campaign, to support maintenance and ongoing enhancements to the web portal for the Energy Upgrade California program, in cooperation and coordination with the California Energy Commission and certain other local government programs. The limited expenditures authorized in this ruling only for 2012 do not require a utility advice letter filing because they constitute less than one percent of the overall budget, and do not prejudice the outcome of pending Commission decisionmaking on the overall statewide market and outreach effort for energy efficiency.

2. Background

On October 13, 2011, I issued an Assigned Commissioner's Ruling (ACR) which directed Southern California Edison Company (SCE) to cease Engage 360 expenditures. The Engage 360 brand had been approved for use in a statewide

energy efficiency marketing, education, and outreach (ME&O) campaign approved in Decision (D.) 09-09-047 for the years 2010-2012 at the level of \$60 million. My authority to freeze Engage 360 statewide ME&O expenditures was rooted in D.09-09-047, Ordering Paragraph 53, which states:

The assigned Commissioner and assigned Administrative Law Judge are authorized to take all procedural steps, including modifications to the schedule set forth herein, to promote the objectives in this decision and to provide clarification and direction as required to assure the effective, fair and efficient implementation of this decision in this proceeding or in the Energy Efficiency Rulemaking 06-04-010 or its successor.

The October 13 ACR also solicited parties' comments on continuation of a statewide ME&O program for energy efficiency, under one of several brands (Engage 360, Energy Upgrade California (EUC), or Flex Your Power), or no brand. Party comments and reply comments on this topic were subsequently received and are under review.

Meanwhile, in September 2011, the California Energy Commission requested consideration by my office of use of energy efficiency ratepayer funds to maintain the EUC web portal starting in April 2012. The Energy Commission established the EUC web portal in cooperation with this Commission, investor-owned utilities (IOUs), publicly-owned utilities, and certain local government administrators of the American Recovery and Reinvestment Act (ARRA) programs in mid-2010, in order to provide a single source of information on the EUC whole-building programs. EUC programs are funded both by ARRA and IOU ratepayer energy efficiency funds. Under U.S. Department of Energy rules, Energy Commission-managed ARRA funds supporting the EUC web portal must be fully expended by the end of March 2012.

3. Rationale and Authorization for Expenditure of ME&O Funds

The EUC program is an important and relatively new program in the utilities' portfolios designed to help consumers achieve greater energy efficiency savings. It represents an innovative programmatic approach to encouraging Californians to take a "whole building" view of the energy use in their homes and businesses. If successful, this program could become a model for other programs in the future.

Currently, most existing ARRA and IOU-funded EUC marketing materials direct consumers to the EUC website for further information about the program. I have reviewed information provided by Energy Division¹ that indicates that contractors participating in the EUC program currently identify up to one-third of their EUC job leads from the web portal. I also understand that already-funded and planned EUC marketing materials will continue to direct potential customers to the EUC web portal in 2012. Finally, I understand that new residential energy efficiency financing authorized under ABx1 14 (Skinner, 2011), will aim to support increased EUC participation, and that maintenance of the site is important to local governments with locally-tailored EUC programs.

For all of these reasons, it is important that the EUC web portal be maintained, and enhanced in a limited fashion, subsequent to the expiration in March 2012 of ARRA funds devoted to this purpose. Thus, I amend my October 13, 2011 ruling to allow statewide energy efficiency ME&O funds to be expended for this limited purpose on the EUC web portal, pending further

¹ Efficiency First. "Survey of California Contractors Participating in the Energy Upgrade California Program." *Memorandum to Energy Upgrade California Statewide Steering Committee dated August 31, 2011*, at 1

decisionmaking by the Commission on the overall strategy for use of the statewide ME&O funds in the future.

Energy Division staff have informed me that several IOUs volunteered to take up the EUC web portal contract management on behalf of the other IOUs and the existing EUC statewide steering committee, offers which I welcome. The simplest contract path for continued maintenance of the web portal seems to be between San Diego Gas and Electric (SDG&E), via the Local Government Commission (LGC), to Renewable Funding, the current EUC web portal contractor. This makes the most sense given that the LGC is already managing the EUC contractor Renewable Funding through its involvement in the ARRA-funded portions of this work.

Currently, ARRA funds are being utilized by both the Energy Commission and by Los Angeles County via the Better Buildings Programs, to maintain the EUC web portal. As part of this existing partnership, a decisionmaking and governance structure is already established that can be readily utilized to continue appropriate review of web portal information prior to posting, and to provide individualized EUC county-by-county pages on which local governments can provide information regarding rebates and events in their jurisdictions. It is desirable to continue the existing structure, with modifications as needed, to continue to provide these benefits for the utilities, the Energy Commission, and the local governments involved in the program. However, because this ACR addresses redirection of energy efficiency statewide ME&O funding only, other funding arrangements will likely still need to be made should local governments wish to continue to update the local information associated with renewable energy or water conservation activities during 2012.

To determine the amount of funding that should be authorized for

maintenance of the EUC web portal, on December 18, 2011, the Energy Commission shared with my office estimates by the web portal contractor, Renewable Funding, of the costs of the ongoing maintenance and enhancement of the EUC web portal in 2012. These estimates are given in the table below.

Budget Item	Monthly Cost		Total Cost: April-December 2012	
	Low	High	Low	High
Basic maintenance and support	\$25,000	\$35,000	\$225,000	\$315,000
Regular enhancements and ongoing directory updates	\$5,000	\$18,000	\$45,000	\$162,000
EUC partner web portal governance support	\$7,000	\$9,000	\$63,000	\$81,000
Updating local government access to content management system	\$1,667	\$3,333	\$15,000	\$30,000
Total	\$38,667	\$65,333	\$348,000	\$588,000

The estimate for EUC portal basic maintenance and support activities includes server costs, bug fixes, software updates and integration, statewide content management, minimal contractor/rater registration, and web portal and dashboard reports. The estimate for moderate web portal enhancements and ongoing EUC directory update costs includes items such as improved Action Plan incentive and financial product management elements, statewide and local content management, full contractor/rate registration and directory management support. EUC partner web portal governance support covers the LGC oversight costs, including coordination and management of the levels of review necessary to include information on the site, as well as costs of convening monthly and quarterly partner meetings and conference calls to handle issues as they arise. Finally, updating local government access to content management

system ensures that the local government partners have limited ongoing ability to maintain the accuracy of the information posted about their programs.

Because the total amounts of between \$348,000 and \$588,000 are both less than one percent of the total 2010-2012 energy efficiency statewide ME&O budget,² no Advice Letter is required for the utilities to execute the approval of these funds. I encourage SDG&E and the contractors to keep costs towards the low end of the budget as much as possible. In addition, nothing in this ruling is intended to convey any ownership or licensing right to the EUC brand, web portal, or web portal content. These issues should be handled in the contracts that are developed, in coordination with Commission and Energy Commission staff. Finally, this action today also does not prejudice upcoming decisionmaking in response to my October 13, 2011 ACR.

Therefore, **IT IS RULED** that:

1. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company (combined) are authorized to expend up to, but no more than, \$588,000 collectively in 2012, from the energy efficiency statewide marketing, education, and outreach budget, on maintenance and limited enhancements to the Energy Upgrade California program web portal.

2. San Diego Gas & Electric is authorized to enter into a contract with the Local Government Commission, who will continue its contractual relationship

² See the December 22, 2012 ACR Clarifying Fund Shifting Rules and Reporting Requirements, Attachment A and the *Energy Efficiency Policy Manual*, version 4, available at: <http://www.cpuc.ca.gov/PUC/energy/energy+efficiency/>.

