PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

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December 10, 2018

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Ratesetting

TO PARTIES OF RECORD IN APPLICATION 12-08-007 et al.

This is the proposed decision of Administrative Law Judge Roscow. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's January 10, 2019 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, ex parte communications are prohibited pursuant to Rule 8.2(c)(4)(B).

/s/ ANNE E. SIMON
Anne E. Simon
Chief Administrative Law Judge

AES:mph
Attachment

Decision **PROPOSED DECISION OF ALJ ROSCOW (Mailed 12/10/2018)**

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
And Related Matters.	Application 12-08-008 Application 12-08-009 Application 12-08-010

DECISION AUTHORIZING RENEWAL OF THE CONTRACT WITH THE CURRENT IMPLEMENTER OF THE ENERGY UPGRADE CALIFORNIA PROGRAM, TO EXTEND THROUGH THE END OF 2021.

Summary

This decision authorizes and directs the renewal of the contract with the current implementer of the Energy Upgrade California program, to extend through the end of 2021.

1. Background

In Decision (D.) 13-12-038, the Commission determined that its Energy Upgrade California (EUC) brand would serve as an integrated umbrella brand for statewide marketing, education, and outreach (ME&O) messaging in order to foster increased and more effective energy management activities by residential and small business customers. The Commission adopted measures to further refine the program in D.16-03-029, including several modifications to EUC's

vision, goals and governance structure. The Commission also established a competitive solicitation process to select the entity that would implement and administer the program beginning in 2017. Pursuant to Ordering Paragraph (OP) 1 of D.16-03-029, the winning bidder would be awarded a three-year contract to administer the statewide ME&O program from 2017 through 2019. Also pursuant to OP 1, the contract would be renewable for an additional two-year term (2020 through 2021) "if the implementer's performance is successful. The decision to renew or not renew shall be at the Commission's sole discretion."[1]

The competitive solicitation process culminated with the selection of DDB San Francisco (DDB) as the EUC program implementer. The Commission adopted and ratified that selection in D.16-09-020.[2] That decision also determined that the contract with DDB should cover the period from October 1, 2016 through September 30, 2019 and directed PG&E to enter into the contract and continue to serve as the fiscal manager of the statewide ME&O program.

As directed in D.16-09-020, DDB undertook a collaborative, record-based planning process and worked with local program administrators, other stakeholders and Commission staff to develop a five-year ME&O Strategic Roadmap (Roadmap) and annual Joint Consumer Action Plans (JCAPs) for Statewide ME&O. DDB submitted the resulting Roadmap and first annual JCAP on April 5, 2017. The Commission approved both documents on August 10, 2017

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[1] D.16-03-029, OP 1.

[2] D.16-09-020, OP 3.

in Resolution E-4871. DDB submitted the second annual JCAP on March 30, 2018 and that plan will remain in effect until March 30, 2019.[3]

Today, as the end of 2018 approaches, Commission staff is beginning to work with DDB and the EUC stakeholders to organize the collaborative process that will culminate with the third annual JCAP, which will be in effect until March 30, 2020. Because DDB's contract ends prior to that date, it is necessary to decide whether to renew DDB's contract for an additional two years.[4]

As noted above, pursuant to D.16-03-029 the decision to renew or not renew DDB's contract for an additional two-year term shall be at the Commission's sole discretion "if the implementer's performance is successful." At this time, the Commission's evaluator, Opinion Dynamics, has reviewed DDB's implementation activities for only the first 6 months of its work on the EUC campaign.[5] On October 3, 2018 the assigned Commissioner issued a ruling in this proceeding (ACR), inviting parties to this proceeding to consider these

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[3] The Commission's oversight of DDB's contract involves ensuring that the contract's Scope of Work is effectively incorporated into the Roadmap and the JCAPs, so that the JCAP process is afforded the flexibility necessary to implement real-time needs while still adhering to the Scope of Work.

[4] DDB is also under contract to provide certain services in support of the Commission's Residential Rate Reform proceeding (Rulemaking (R.) 12-06-013). In that proceeding, in D.17-12-023 the Commission authorized amendments to the EUC contract to include strategy and content development regarding the upcoming Residential Rate Reform Time-Of-Use (TOU) Campaign. Thus, as the implementer of the "umbrella" EUC brand, DDB has responsibilities for two major campaigns within that brand: the energy efficiency-focused statewide ME&O campaign and the residential TOU campaign. In this decision, we have clarified parties' references to these campaigns in their comments in order to avoid confusion. Where comments referenced "EUC" but clearly referenced only the energy efficiency-focused statewide ME&O campaign, we have replaced that reference with "[EE]."

[5] *See* 2017 STATEWIDE ME&O TRACKING SURVEY, Final Results, 12/21/2017, available at http://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=6442455859

preliminary results, as well as their experiences as stakeholders in their interactions with DDB, and assist the Commission's decisionmaking by responding to two simple questions:

1. Should the Commission renew the DDB contract for an additional two-year term? Why or why not?
2. If a party recommends that the Commission not renew the DDB contract, what actions should the Commission take instead?

Comments in response to these questions were filed and served on October 17, 2018 by Southern California Edison Company (SCE), jointly by Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E), and the Center for Accessible Technologies (CforAT). On October 24, 2018 reply comments were filed and served by Pacific Gas and Elerctric Company (PG&E), SCE, The Utility Reform Network (TURN), the Greenlining Institute (Greenlining) and CforAT.

As will be seen below, most parties submitted comments that answered the ACR's questions in some qualified manner. Some parties also provided information, or made proposals, not sought by the ACR. This decision reflects the input provided in parties' comments and reply comments in response to the questions posed in the ACR and, where appropriate, the other issues raised by parties.

2. Opening Comments

In opening comments, SCE and (jointly) SoCalGas and SDG&E support renewal of the DDB contract for an additional two-year term, while CforAT recommends that the contract not be renewed.

SCE bases its recommendation on its belief that it is premature to determine whether DDB's performance can be deemed "successful."

Nevertheless, SCE cites the Opinion Dynamics tracking survey results and suggests that "early results have shown DDB to be effective in furthering the Commission's statewide long-term and short-term goals, as adopted in D.16-03-029, thus far."[6]

SoCalGas and SDG&E support renewal of the DDB contract, and also recommend additional actions by the Commission. Regarding renewal of the contract, SoCalGas and SDG&E support renewal for the following reasons:

- DDB's collaboration with the utilities and other stakeholders has helped improve long-term planning and coordination around various marketing efforts;
- DDB has submitted timely reports as required by Commission Resolution E-4871;
- DDB has been making progress toward the goal of making EUC a statewide, umbrella brand, "providing California residents with information about energy concepts, programs, services, rates, and the associated benefits of taking action to manage energy usage;" and,
- "the contemporary, creative approach DDB has taken with the campaign has given the EUC brand an engaging, fresh look, appealing to a wide audience of diverse Californians, and based on results of the Opinion Dynamics tracking survey, awareness has been improving over time."[7]

Apart from their comments in response to the ACR, SoCalGas and SDG&E make two additional recommendations:

1. The Commission should direct an independent evaluation, measurement, and verification (EM&V) study following a similar process as is performed within the Energy Efficiency (EE) portfolios. This can be managed by the

[6] SCE opening comments in response to ACR at 2.

[7] SoCalGas and SDG&E opening comments in response to ACR at 3.

Energy Division, or contracted with an IOU, and should utilize a public stakeholder process to set research objectives. The results of the EM&V study should be submitted to the Energy Division for determination of successful performance, and posted to the California Measurement Advisory Council website.[8]

2. SoCalGas and SDG&E note that since DDB is responsible for both the [EE] and TOU campaigns, "SoCalGas and SDG&E expect DDB to balance its resources to ensure both campaigns are equally handled so as not to diminish the [EE] campaign while servicing the extensive requirements of the TOU campaign." The utilities recommend that the Commission require DDB to include in the 2020 and 2021 JCAPs "a commitment that a two-year continuation of the [EE] statewide ME&O campaign will be adequately supported in addition to DDB's separate commitment to the TOU campaign." The utilities state that the JCAPs "should detail how DDB will manage both [EE] and TOU campaigns, how resources will be dedicated to each, and how DDB plans to avoid duplication."[9]

CforAT recommends that the DDB contract not be renewed, and that the Commission search for a new EUC implementer at the conclusion of DDB's contract. CforAT makes three assertions in support of its recommendation:

1. DDB has not been effective at reaching hard-to-reach Californians;
2. DDB has not been receptive to stakeholder input; and
3. Anticipated synergies with TOU outreach have not materialized.

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[8] *Ibid.*

[9] *Id.* at 4.

3. Reply Comments

SCE supports the recommendation by SoCalGas and SDG&E that the Commission require DDB to include in the JCAPs a commitment that the [EE] campaign and the TOU Campaign will be adequately supported.[10]

In addition, SCE recommends that the JCAPs provide metrics that align with the TOU Campaign metrics, which can be used across both campaigns.[11]

PG&E takes no position at this time on whether the DDB contract should be renewed[12] but states that it "shares the concerns expressed by both CforAT and Sempra on how DDB has performed under the existing contract, and how the CPUC should independently evaluate DDB's performance, particularly the cost-effectiveness of its contract deliverables and coordination with the utilities' ME&O activities, prior to deciding whether to extend the contract."[13] That said, PG&E acknowledges that "PG&E is not in a position to substitute its judgment for the CPUC's on what performance criteria the CPUC could apply before determining whether to extend the contract at the present time, or to ensure

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[10] SCE reply comments in response to ACR at 2.

[11] *Ibid*. SCE asserts that "this supports the guidance provided in D.17-12-023, which directed the electric Investor-Owned Utilities to coordinate and align statewide energy efficiency and demand response marketing, education and outreach with the Residential Rate Reform TOU Campaign." SCE cites D.17-12-023 at pages 7 and 32, and Finding of Fact 12. We have reviewed the cited material, and disagree that the Commission directed the utilities to coordinate and align statewide EE and DR ME&O with the Residential Rate Reform TOU Campaign. Rather, FOF 12 states "It is necessary for the residential rate reform ME&O campaign to be coordinated and integrated with the EUC campaign" and throughout D.17-12-023 the Commission emphasizes the importance of aligning and integrating its other electricity marketing campaigns under the EUC brand. However, this is a task we have assigned to DDB, not the utilities.

[12] PG&E reply comments in response to ACR at 3.

[13] *Id.* at 2.

prudent and cost-effective performance by DDB as the contract moves forward."[14]

TURN states that due to resource constraints it did not participate in the stakeholder process that selected DDB, and has not participated in ongoing stakeholder meetings.[15] Despite this "limited firsthand knowledge of DDB's performance as the EUC implementer" TURN states that CforAT's opening comments "detail many concerns with DDB's performance that warrant the Commission's consideration."[16]

Greenlining contends that CforAT's opening comments "reveal disturbing inconsistencies between the Commission's goals for EUC and DDB's actions, specifically regarding its community engagement with hard-to-reach and low-income customers."[17] Greenlining provides no information that verifies or confirms CforAT's allegations, but nevertheless recommends that if the Commission decides to renew DDB's contract, it should direct DDB to create and implement a ME&O strategy that will prioritize engagement with low-income and hard-to-reach communities.[18]

CforAT submitted reply comments in order to "describ[e] information that has become available since opening comments were submitted." CforAT references the October 24, 2018 quarterly EUC stakeholder meeting, and states

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[14] *Ibid.*

[15] TURN reply comments in response to ACR at 1.

[16] *Ibid.*

[17] Greenlining reply comments in response to ACR at 1.

[18] *Id.* at 2.

that it could not verify DDB's report at the meeting regarding EUC attendance and participation at a recent convention of nonprofit organizations.[19]

4. Discussion

As explained below, we find that a two-year extension of the DDB contract is warranted. We base our finding on the results reported by Opinion Dynamics, and the supportive comments submitted by SCE, SoCalGas and SDG&E in response to the ACR.

However, before we discuss our reasoning we address CforAT's opening and reply comments, and the allegations made therein. CforAT opposes renewal of the contract based on its assertion that DDB has not been effective at reaching hard-to-reach Californians and has not been receptive to stakeholder input, and because synergies with TOU outreach have not materialized. In support of these assertions, CforAT makes numerous allegations regarding DDB's performance to date. No other parties made similar allegations in comments; no other party verified CforAT's allegations in reply comments. CforAT also made new allegations for the first time in reply comments, thus leaving other parties no opportunity to respond. For these reasons, we should accord little weight to CforAT's unsubstantiated allegations.[20] Nor do we rely upon any information that CforAT may have provided in the May 30, 2018 *ex parte* communication referenced in CforAT's opening comments.

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[19] CforAT reply comments in response to ACR at 2.

[20] Public Utilities Code Section 1701.2(e) requires that a decision "shall be supported by findings of fact on all issues material to the decision, and the findings of fact shall be based on the record developed." Because TURN has not participated in this proceeding, we give no weight to TURN's reply comments regarding CforAT's allegations. Similarly, we accord little weight to Greenlining's recommendations because Greenlining provides no information of its own to verify or confirm CforAT's allegations.

It is important to note that this Commission has emphasized the importance of conducting outreach to hard-to-reach communities and populations from the beginning of its ME&O efforts.[21] This emphasis has been carried forward to our most recent decisions on the EUC program. At the same time, as CforAT also notes in its comments, under the Commission-adopted "RASCI" governance model for EUC, CforAT and other consumer advocates are included in the "consulted" category.[22] As defined by the Commission, the stakeholders in this category are "those whose opinions are sought for input and/or buy-in and with whom there is two-way communication."[23] As such, CforAT is not an "accountable" stakeholder ("the ultimate authority who assigns and approves the deliverable," *i.e.*, the Commission and the California Energy Commission)[24] nor is CforAT the "responsible" stakeholder ("the one charged with delivering the successful outcome," *i.e.*, DDB).[25]

CforAT acknowledges that they "do not have our own outreach channels, nor do we have expertise in marketing"[26] and we do not expect them to have such capacities. CforAT provides a number of anecdotal descriptions of

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[21] *See*, for example, D.07-10-032 in R.06-04-010, the Commission's post-2005 energy efficiency rulemaking. We ordered the utilities to jointly develop a statewide energy efficiency strategic plan and, in OP 8, directed the utilities to include specific training strategies for reaching minority, low-income, and other disadvantaged communities in their plan.

[22] RASCI is an acronym for "Responsible, Accountable, Supportive, Consulted, and Informed" and is the means adopted by the Commission to define the roles of the diverse group of EUC stakeholders. *See* D.16-03-029 at 50.

[23] *Ibid.*

[24] *Ibid.*

[25] *Ibid.*

[26] CforAT opening comments in response to ACR at 2.

instances where DDB did not respond to CforAT's recommendations or suggestions, but to us that is consistent with the "two-way communication" that should occur between DDB and any "consulted" stakeholder. While DDB is expected to consider input from parties in the "consulted" category and to create an environment for open input, DDB is not required to take direction from CforAT or the other stakeholders in the "consulted" category. Indeed, the annual budget for EUC is considered to be moderate with respect to our goals for the program, so we expect DDB to manage its limited resources with consideration of the diverse needs of stakeholders. Thus, all parties in the "consulted" category should remember the need for DDB to balance competing objectives. We encourage CforAT's continued contributions to this proceeding within the collaborative process and governing structure that we first established in D.13-12-038; we will rely on Commission staff to continue to ensure that the contributions and concerns of all stakeholders are equally considered and addressed.

PG&E raised related issues for the first time in its reply comments. This left other parties no opportunity to reply to the concerns raised by PG&E:

> PG&E shares the concerns expressed by both CforAT and Sempra on how DDB has performed under the existing contract, and how the CPUC should independently evaluate DDB's performance, particularly the cost-effectiveness of its contract deliverables and coordination with the utilities' ME&O activities, <u>prior to</u> deciding whether to extend the contract. [27]

[27] PG&E reply comments in response to ACR at 2, emphasis added.

PG&E's reply comments are also not accurate. The opening comments of SoCalGas and SDG&E did not express concern "on how DDB has performed under the existing contract" nor did they include a recommendation that the Commission should evaluate DDB's performance prior to deciding whether to extend the contract, as PG&E suggests. CforAT's comments also do not recommend that an evaluation be conducted prior to the Commission's decision on whether to renew DDB's contract. Due to these inaccuracies in PG&E's reply comments, we should accord them little weight.

To be clear: we do not wish to discourage stakeholders like CforAT or PG&E from raising concerns about the EUC program, but those concerns must be raised within the Commission's adopted governance structure. Any concerns that are raised should be resolved quickly and decisively by Commission staff, but only in a way that is consistent with, and respectful of, the RASCI model and out prior decisions in this proceeding. The Commission adopted the RASCI model earlier in this proceeding after consideration of extensive comments by the same stakeholders that filed comments in response to the October 3, 2018 ACR. In providing clarity regarding stakeholder roles, the Commission intended to establish a governance framework that would function in the background and allow the substantive work of the EUC campaign to proceed smoothly.

Turning to supporters of renewal, SCE, SoCalGas and SDG&E base their recommendations on verifiable information in the results of the tracking survey conducted by Opinion Dynamics. We summarize the seven "key findings" from those results below:

1. Energy Upgrade California Awareness & Familiarity

   Key Finding: Awareness of the Energy Upgrade California brand is increasing over time.

2. Brand Response

   Key Finding: Most tracking survey respondents believe Energy Upgrade California is relevant and needed but are less likely to find it trustworthy.

3. Energy Management Motivation

   Key Finding: Renters believe there are more opportunities to increase the efficiency of their homes and change their behaviors to save energy compared to owners, and are more likely to act on these opportunities.

4. Energy Education: Awareness of Energy Management Options

   Key Finding: Respondents most frequently suggested they could make common behavioral changes, but also suggested making more advanced changes, such as shifting use to off-peak times (unaided).

5. Alignment of Campaign Themes with Californians' Beliefs about Energy

   Key Finding: Respondents' beliefs align with EUC marketing strategies (beliefs in the importance of climate change and doing their part to make California more energy efficient).

6. Baseline Measurement of Campaign Priorities

   Key Finding: There is a large potential market for smart thermostats and customers are moderately interested in smart thermostat programs. Just over half of all respondents have heard of TOU rates.

7. Comparison of Energy Upgrade California Awareness Results from the Implementer and Evaluator Surveys

   Key Finding: The wording of DDB's question elicits greater awareness of Energy Upgrade California compared to Opinion Dynamics' wording. Different sample sources also had an impact.

As parties noted in comments, these results reflect only the first six months of DDB's activities, but the results are encouraging and indicate that DDB's

approach is beginning to show success. We must base our decisions on the facts available to us, and on that basis we conclude that it is reasonable to renew DDB's contract for an additional two years.

At the same time, we acknowledge that SCE, as well as SoCalGas and SDG&E, each qualify their support for DDB in some manner. SoCalGas and SDG&E seek assurances from DDB that its work supporting TOU will not distract from its EE campaign, and SCE supports this recommendation. SoCalGas and SDG&E also recommend that the Commission order an independent EM&V study, while SCE recommends that the JCAPs provide metrics that align with the TOU Campaign metrics.

We agree with SoCalGas and SDG&E that an EM&V study would be worthwhile, and include that direction in this decision. Such a study will evaluate the continued effectiveness of DDB, including reaching out to hard-to-reach Californians. In D.13-12-038, the Commission directed the Commission's Energy Division staff to lead a collaborative process to create a road map for EM&V of statewide and local marketing activities, and set aside a portion of the total EUC budget for evaluation activities. This staff-led process resulted in the completion of two EM&V studies in 2016: the *2013-2015 Statewide ME&O Program Verification and Integrated Effectiveness Study* and the *2013-2015 Statewide ME&O Cross-Cutting Process Study*. The results of those studies have informed DDB's implementation of Commission directives via the 5-Year Roadmap and the JCAPs. Commission staff should continue to manage the process of intitiating, scoping, and overseeing the new evaluation ordered in this decision. Selection of evaluators is the responsibility of Commission staff and shall continue to follow State of California rules for competitive solicitations.

Stakeholders shall continue to have input into the evaluation process via the Project Coordination Group process led by the Energy Division.

Regarding DDB's dual responsibilities for EUC's energy efficiency and residential TOU campaigns, we do not find it necessary, as suggested by SoCalGas and SDG&E, to require DDB to include in the JCAPs "a commitment that a two-year continuation of the [EE] statewide ME&O campaign will be adequately supported in addition to DDB's separate commitment to the TOU campaign." The fact that DDB is contracted to perform this work is sufficient reassurance. And it is certainly appropriate that the JCAPs "should detail how DDB will manage both [EE] and TOU campaigns, how resources will be dedicated to each, and how DDB plans to avoid duplication."[28] We will rely upon Commission staff to ensure that the next JCAP includes this information.

We also agree with SCE that in the next JCAP, DDB should provide metrics that align with the actual or anticipated metrics for the TOU Campaign.[29]

Having concluded that we should exercise our option to renew the DDB contract through the end of 2021, in this decision we direct the current counterparty with DDB, PG&E, to execute that renewal. The contract shall be amended to terminate on December 31, 2021. The annual budget shall remain unchanged, but the renewal should reflect that EUC funding for the EE campaign shall be provided for the months of October, November and December, 2019 as well as the calendar years of 2020 and 2021.

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[28] SoCalGas and SDG&E opening comments in response to ACR at 4.

[29] SCE reply comments in response to ACR at 2.

5. Comments on Proposed Decision

The proposed decision of ALJ Roscow in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, by _____. Reply comments were filed on _____, by _____.

6. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner and Stephen C. Roscow is the assigned ALJ in this proceeding.

Findings of Fact

1. D.16-03-029 established a detailed Request for Proposal process to be used to select the implementer of the Statewide Marketing, Education and Outreach program beginning in 2017. The selection of the winning bidder was ratified by the Commission in D.16-09-020.

2. D.16-03-029 directed that the winning bidder shall be awarded a three-year contract, commencing in October 2016, to administer the Statewide Marketing, Education and Outreach program from 2017 through 2019. The contract will be renewable for an additional two-year term (2020 through 2021) if the implementer's performance is successful. D.16-03-029 also directed that the decision to renew or not renew shall be at the Commission's sole discretion.

3. In D.16-09-020 the Commission authorized funding for implementation of the Statewide Marketing, Education and Outreach program from October 1, 2016 through September 30, 2019.

4. The final results of the "2017 Statewide ME&O Tracking Survey" conducted by Opinion Dynamics indicate that the first six months of DDB's

activities have shown encouraging results and that DDB's approach is beginning to show success.

5. A "RASCI" governance structure, where "RASCI" is an abbreviation for Responsible, Accountable, Supportive, Consulted and Informed, is often used to define roles on projects with multiple stakeholders.

6. In D.13-12-038 the Commission adopted a "RASCI" governance structure for Energy Upgrade California (EUC). The Commission stated that it intended to leave the details of running the statewide marketing campaign to the EUC implementer, while also (1) providing for strong oversight by the Commission and the California Energy Commission and (2) allowing the utilities and other stakeholders to provide input, advice and collaboration.

Conclusions of Law

1. As implementer of the Commission's Energy Upgrade California program, DDB's actions have been consistent with the governing structure adopted in D.13-12-038.

2. It is reasonable to renew DDB's contract for an additional two years.

3. The Commission should authorize additional funding for implementation of the Statewide Marketing, Education and Outreach program from October 1, 2019 through December 31, 2021. The amount of annual funding should remain at current levels.

4. The ratepayers of PG&E, SCE, SDG&E and SoCalGas should continue to fund the budget of the Statewide Marketing, Education and Outreach program according to the existing percentage shares contributed by each utility: 46.5% for PG&E, 32.4% for SCE, 12.6% for SDG&E and 8.5% for SoCalGas.

5. Future Statewide Marketing, Education and Outreach program budgets should continue to be allocated functionally according to the allocation

percentages adopted in D.13-12-038: Marketing (44%), Education (17%), Outreach (21%), Research (4%), EM&V (4%), statewide implementer administrative expenses (7%), and investor-owned utility administrative expenses (3%).

6. Commission staff should manage a process for intitiating, scoping, and overseeing an EM&V study of the EUC energy efficiency program. Stakeholders should have input into the evaluation's scope of work through the Project Coordination Group process led by Energy Division staff.

7. In the upcoming JCAP, DDB should provide metrics that align with the actual or anticipated metrics for the TOU Campaign adopted in R.12-06-013.

8. For PG&E, the cost recovery proposals authorized in D.13-12-038 should remain in effect.

9. For SCE, the authorization in D.13-12-038 to include authorized Statewide Marketing, Education and Outreach program funding in its Public Purpose Programs Adjustment Mechanism so that it is collected from October 1, 2019 through December 31, 2021 through Public Purpose Programs Charge rates should remain in effect.

10. The recorded operation of SCE's Statewide ME&O Balancing Account should continue to be reviewed and verified by the Commission in SCE's annual Energy Resource Recovery Account Review application to ensure that the costs recorded are stated correctly and are consistent with this decision.

11. For SDG&E, the cost recovery mechanism authorized in D.13-12-038 for the Statewide Marketing, Education and Outreach program should remain in effect.

12. For SoCalGas, its authorization in D.13-12-038 to recover the costs of the Statewide Marketing, Education and Outreach program from the Gas Public Purpose Program Surcharge tariff should remain in effect.

13. PG&E should continue to serve as the fiscal manager for the contract with the Energy Upgrade California program implementer.

14. The existing contract between the Energy Upgrade California program implementer and PG&E should be amended within 90 days of the date of this decision, solely to reflect the determinations made in this decision.

15. In its role as the fiscal manager for the contract with Energy Upgrade California program implementer, PG&E should not have control over the design of, or modifications to, the Statewide Marketing, Education and Outreach program.

O R D E R

IT IS ORDERED that:

1. For the 2020-2021 statewide marketing, education, and outreach campaign, Pacific Gas and Electric Company (PG&E), on behalf of itself, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, shall amend its existing contract with the program implementer within 90 days of the date of this decision. The contract shall be amended to terminate on December 31, 2021. PG&E shall submit the final contract and budget to the Commission's Energy Division in a Tier 1 Advice Letter filing as soon as the contract is executed.

2. The Statewide Marketing, Education, and Outreach program budget shall remain at current annual levels, and shall continue to be allocated functionally according to the allocation percentages adopted in Decision 13-12-038:

Marketing (44%), Education (17%), Outreach (21%), Research (4%), Evaluation, Measurement and Verification (4%), statewide implementer administrative expenses (7%), and investor-owned utility administrative expenses (3%).

3. Commission staff shall manage a process for initiating, scoping, and overseeing an Evaluation, Measurement and Verification study of the Energy Upgrade California energy efficiency program. Stakeholders shall have input into the evaluation's scope of work through the Project Coordination Group process led by Energy Division staff.

4. In the upcoming Joint Consumer Action Plan, DDB shall provide metrics that align with the actual or anticipated metrics for the Time-of-Use Campaign adopted in Rulemaking 12-06-013.

5. The ratepayers of Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) shall continue to fund the budget of the statewide Marketing, Education, and Outreach program according to the existing percentage shares contributed by each utility: 46.5% for PG&E, 32.4% for SCE, 12.6% for SDG&E and 8.5% for SoCalGas.

6. After the Tier 1 Advice Letter required by Ordering Paragraph 1 is filed, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall each file Tier 1 Advice Letters specifying the dollar amounts of their respective statewide Marketing, Education, and Outreach budgets for the period October 1, 2019 through December 31, 2019, and annually thereafter for the twelve month periods ending December 31, 2020 and December 31, 2021.

7. Pacific Gas and Electric Company shall continue to serve as the fiscal manager of the contract with the statewide Marketing, Education, and Outreach

(ME&O) program implementer without exercising control over design of, or modifications to, the statewide ME&O program. Those approvals are the purview of the Commission and the California Energy Commission.

8. Southern California Edison Company shall include its share of the statewide Marketing, Education, and Outreach funding authorized in this decision in its Public Purpose Programs Adjustment Mechanism to be collected through Public Purpose Programs Charge rate levels.

9. Southern California Edison Company shall submit for review and verification the recorded operation of its Statewide Marketing, Education, and Outreach Balancing Account in its annual Energy Resource Recovery Account Review application to ensure that the costs recorded are stated correctly and are consistent with this decision.

10. Application (A.) 12-08-007, A.12-08-008, A.12-08-009, and A.12-08-010 remain open.

This order is effective today.

Dated _____, at San Francisco, California.