

2014-2015 Outreach & Education Consultant Scope of Work

GHG OIR (R.11-03-012)

DRAFT

2014-2015 Outreach and Education Campaigns

Overview

The Commission's recent Decision (D.12-12-033) on the use of greenhouse gas allowance revenue directed the utilities (PG&E, SCE, SDG&E, PacifiCorp and CalPeco) to hire a consultant with marketing and public relations expertise to propose outreach and education activities for 2014 and 2015. The overall intent of outreach and education activities is to "expand awareness about the purpose and value of GHG allowance revenue."¹

In addition to recommending an overall outreach and education strategy, the consultant must also evaluate the feasibility and benefit of using a non-utility, third-party administrator to run outreach and education activities for 2014 and beyond.²

The Decision also gave Energy Division authority to work with the utilities to develop the consultant's scope of work. In addition to the two requirements above, Energy Division is adding a third primary element to the consultant's work: an evaluation of alternative means of returning the residential Climate Dividend to households, other than as an on-bill credit, as a way to achieve significant customer awareness about the return of greenhouse gas allowance revenue and the purpose of the Cap and Trade program.

Objectives

Primary Education Objective

Households should be aware that they are receiving a Climate Dividend as a result of the State's Greenhouse Gas Cap and Trade Program

Secondary Education Objectives

Households should know that the Climate Dividend represents a payment from large environmental polluters directly to the citizens of the State for releasing greenhouse gases into our atmosphere.

Households should know what the Cap-and-Trade program is (a cap on pollution; a requirement that polluters pay for their emissions; and an incentive to reduce emissions) and why it is important (it addresses the root cause of climate change, and is intended to preserve the sustainability and vibrancy of our economy for our own and future generations).

Program Requirements

Outreach and education must be competitively neutral and must not advantage one electricity provider

¹ D.12-12-033, p. 139

² Ibid, Ordering Paragraph 12.

over another (i.e. utilities over community choice aggregators or direct access providers). Revenue must be attributed to the State of California or the State of California's Cap-and-Trade Program

Targeting

At a minimum, the target population includes all households within the service territories of PG&E, SCE, SDG&E, PacifiCorp and CalPeco. Outreach and education for 2013 must target small business and industrial entities that will receive allowance revenue; however, outreach to these groups beyond 2013 is not required. The consultant should recommend whether continued outreach and education to these groups is warranted in 2014 and 2015.

Scope of Work

Evaluate Alternative Methods of Returning Climate Dividend to Households

What creative options, or combination of options, exist for delivering the Climate Dividend to residential customers (e.g. a gift card, as opposed to a bill credit) in a way that has a high potential to make progress toward overall outreach and education goals? Evaluate these options, and recommend which, if any, the Commission should pursue as an alternative to the semi-annual on-bill credit for residential customers. Questions to evaluate include:

- How can the mechanism of the revenue return increase awareness about the Climate Dividend and the Cap-and-Trade Program?
- What method of return would generate the most awareness that households are 1) receiving money, and 2) why they are receiving money?
- How is the education value of these various methods dependent on the amount of money actually returned to households per year?
- What entity would be responsible for implementing these alternative methods of returning revenue, and what would be the implementation costs?
- Do the additional outreach benefits of these alternatives justify higher costs to administer the revenue return (compared to the default option of a semi-annual on-bill credit implemented by the utilities)?
- Is there a positive outreach benefit of using one mechanism of returning money to households in an early year (when the costs of Cap-and-Trade will be low and the public education benefits high), and a different mechanism in later years (when the costs of Cap-and-Trade may be higher and it will be more important to maximize the amount of revenue being returned to households).

Devise Outreach and Education Strategy

Develop an overall outreach and education strategy. How and over what time period should funds be invested to achieve outreach and education objectives? The consultant should also evaluate how the need for and benefits of ongoing outreach and education may change over time. Should outreach and education activities persist for the duration of the Cap-and-Trade program, or is it primarily of benefit in the early program years?

Propose Campaigns:

Propose outreach and education activities for 2014-2015 based on the current design of the program (i.e. a semi-annual on-bill credit), as well as for a recommended alternative method of returning revenue, if the consultant makes such a recommendation.

Concepts: The proposals should include high-level concepts for actual education campaigns, as well as recommended budgets, and should explain what parties should be responsible for implementation. Concepts should account for possible regional, cultural and economic differences within the utility territories.

Messaging: The proposals should also include recommended messaging to achieve education objectives and competitive neutrality requirements. The consultant should identify how messaging should take into consideration cultural and linguistic differences among utility customers.

Timing: When should campaigns roll out, and how long will they last?

Metrics: How should success be measured? Will initial and follow-up surveys be necessary?

Outline Implementation

For the program as a whole, the consultant should evaluate whether outreach campaigns should be implemented by individual utilities, or whether it is reasonable to have statewide outreach conducted by an independent third-party. The consultant should evaluate the advantages and disadvantages of a single third-party outreach and education administrator (D.12-12-033, p. 139)

Ensure Coordination

The consultant should ensure that its recommended strategies and campaigns coordinate effectively with existing outreach, education and marketing efforts. In particular, the consultant should recommend how to coordinate outreach and education related to the return of GHG allowance revenue with the statewide marketing campaign, Energy Upgrade California.

Timeline

- April 1: Contract begins no later than this date.
- June 1: Draft recommendations presented to Energy Division
- July 1: Consultant submits final report.

Firm Experience

- Marketing and advertising
- Public relations

Budget

- \$500,000