California's Climate Dividend Public Outreach Program: Request for Proposals (Rev. 4)

A. Purpose

The work being contracted under this RFP is for the development of a report that provides guidance for a 2014/15 strategic education and outreach plan in support of the State of California's Cap-and-Trade Program and the distribution of Green House Gas (GHG) Allowance Revenues.

The California Public Utilities Commission (CPUC) in Decision (D.) 12-12-033 requires that education and outreach activities, for 2014 and beyond, seek to expand awareness about the purpose and value of GHG allowance revenue in order to achieve the goal of section 748.5b of the California Public Utilities Code of "maximum *feasible* public awareness of the crediting of greenhouse gas allowance revenues." While the education and outreach plan *must* strive to meet that broad objective, it should also set an intelligent balance between the costs involved with outreach and the fact that the associated communications budget will be deducted from the revenues to return to customers.

The firms participating in this RFP will be evaluated by a committee of the three large utilities in California (SDG&E, SCE and PG&E), the CPUC Energy Division, and other relevant stakeholders. The selected firm will operate under contract with [which utility or group of utilities?]

B. Background Issues

In 2006, California passed AB 32, landmark legislation designed to combat climate change via the reduction of Greenhouse Gas (GHG) emissions.

That, in turn, eventually led to the adoption of "Cap-and-Trade" as way to achieve the stated objectives. The EPA defines "cap-and-trade" as "a market-based policy tool for protecting human health and the environment by controlling large amounts of emissions from a group of sources. A Cap-and-Trade program first sets an aggressive cap, or maximum limit, on emissions. Sources covered by the program then receive authorizations to emit in the form of emissions allowances, with the total amount of allowances limited by the cap. Each source can design its own compliance strategy to meet the overall reduction requirement, including the sale or purchase of allowances (from non-polluters), installation of pollution controls, and implementation of efficiency measures…."

In California, the Cap-and-Trade program is established by the California Air Resources Board (CARB). In late 2012, the California Public Utilities Commission (CPUC) adopted requirements that guide investor-owned electrical utilities' (SDGE&E, SCE, and PG&E, often called the "IOUs" or "Joint IOUs", as well as PacifiCorp and CalPeco) participation in this program.

Starting in 2013, residential California electric customers will receive a biannual on-bill credit (called the "Climate Dividend") resultant from the utilities' sale of some of the allowances that CARB freely allocated to them on behalf of their customers. Other customers will receive credits – either on bill or as a separate check – that will help protect them from some cap-and-trade costs.

Over time, customers will begin to experience the costs of statewide efforts to reduce GHG emissions. Some will experience these costs through their electricity rates, but most will experience them through the price of goods and services in the economy.

All of which puts special burdens on the public education component of Cap-and-Trade to communicate the financial benefits of the Cap and Trade program. Californians need to know about the urgent need for GHG reductions, the central role Cap and Trade plays in reducing emissions and mitigating climate change, and the value of taking these steps for present and future generations. But they also need to know that they are receiving financial benefits from the Cap and Trade program.

D. Broad Audience Description.

Primary target: Utility customers receiving a GHG allowance revenue. Includes customers who participate in direct access or community choice aggregation

- Specific focus on households, especially those in "hard-to-reach" communities
- While business targets are included in 2013, only households are a required audience in years following.

C. The Public Outreach Framework

For calendar year 2013, the CPUC made each individual utility responsible for the introduction of the Cap-and-Trade concept within their service areas. At the same time, the Commission also required the IOUs to retain a firm with "advertising and public relation's expertise to propose the customer education activities through 2015.

Essentially this is a road-mapping assignment: Our goal is to partner with the selected firm to provide the Commission with a series of recommendations about program architecture, high level creative concepts, standard program components, budgets options, and metrics.

Once approved, this document then will become an organic guidance document—a combination marketing plan and creative brief— as the program is implemented in succeeding years

D. RPF Deliverables

The report you deliver, as well as its underlying methodology, should be geared to providing guidance in 9 keys areas:

1. Understanding audience perceptions and connections to California's Greenhouse Gas Cap and Trade program, climate change, and the return of GHG allowance revenue to customers, the residential Climate Dividend in particular.

2. Setting achievable objectives for outreach and education activities in 2014 and 2015.

3. Defining strategies geared to those objectives

4. Articulating main and secondary messages to achieve overall outreach and education objectives, and demonstrating how they would work as high level creative concepts

5. Assuring cross-cultural relevance and impact

6. Recommended advertising and public relations tactics (including how these efforts will synergistically link to other statewide marketing, education and outreach ("ME&O") programs, especially Energy Upgrade California)

7. Budget options and allocations to implement proposed strategies

8. Establishing metrics and the best way to evaluate results

9. Defining the right program architecture and organization to achieve the metrics (including an analysis of the feasibility and benefits of using a 3rd party administrator versus continued IOU implementation)

10. Evaluating various off-bill methods of returning the residential Climate Dividend to households, including assessing the costs and benefits of these methods compared to an on-bill return. (Examples of off-bill methods might include rebates via mail or Climate Dividend gift cards.). In particular, the Commission's Energy Division has expressed an interest in comparing the potential awareness value of off-bill return methods versus the costs that might be involved with alternative approaches.

Additionally, your response should indicate your view of how you would interface with the Joint IOU working group, other energy providers and stakeholders, and the Commission itself.

E. Amplifying Key Concerns.

The importance of the "carbon signal": Within the Commission, and other stakeholder groups, there is a strong sense that Californians should become informed about the cost of carbon as an incentive for appropriate behavior changes. Knowing that, the plan should consider ways to acknowledge this interest while suggesting ways to optimize positive awareness of the Cap and Trade Program and engagement with GHG-reduction opportunities over time.

Message integration to ignite customer engagement: There are a number of customer-facing energy efficiency, demand response, and other potential GHG-reduction programs sponsored by the state, the IOUs, and other utilities. Your report should indicate how best to leverage these existing communication resources as a low-cost way to increase awareness.

<ins>Making the message relevant to each segment</ins>: Diversity is a durable California strength, and previous environmental campaigns have leveraged unique cultural characteristics for wide public benefit. To mirror that previous success, we need to understand how to best present these outreach and education activities in a multi-cultural context. Similarly, as noted in the audience description, there is a particular requirement to focus on “hard to reach” audiences who may be less responsive to traditional tactics.

<ins>Achieving “maximum feasible awareness”</ins>: As part of its Decision, the Commission established “maximum *feasible* awareness” as a key goal–recognizing that scale is a function of available resources. The question is how to assess what budget levels will deliver what degree of awareness, and what kind of tactical options those allocations might enable.

<ins>Appropriate scaling that emphasizes return to customers.</ins> On page 90 of its Decision, the Commission states: "We also agree with the Joint Utilities that any customer education program should be low-cost. We strongly support the objectives of customer outreach and education, while at the same time focusing our efforts first and foremost on maximizing the amount and therefore benefit of GHG allowance revenue returned to customers." Also note that small multi-jurisdictional utilities (SMJUs) are also participating in this RFP and the program should include cost appropriate solutions for the SMJUs.

<ins>Building performance into the program architecture</ins>: The plan should also provide recommendations on the best way to organize the program, as a whole. This should include perspectives on continuing the current CPUC policy of implementation via each market-serving utility versus coordination through a 3rd party implementer. In this context, it will be critical to create a cost-efficient structure that allows and encourages coordinated, cooperative, and non-competitive stakeholder efforts in support of the message on a localized basis.

<ins>Allowing for program evolution</ins>: Like any effective market, brand or creative brief, we expect this plan will evolve during execution (which may be the subject of one or more subsequent RFPs). As a result, we are not looking for a “paint by the numbers” approach, so much as a reasoned evaluation of outreach and education objectives and strategies that will allow for organic iteration and enhancement over time within the approved budget.

G. Project Budgets, Logistics and Selection Process

The maximum budget for this project is $500,000 and will be inclusive of all costs, including time-of-staff, research, meeting and presentation costs (including potential workshops), and all other ordinary expenses.

Invited firms should plan to submit their written proposals, limited to 10 pages including cover letter, by the date indicated below. These responses will then be scored by a committee comprised of the joint IOUs, small and multi-jurisdictional utilities ("SMJUs"), CPUC Energy Division and other relevant providers. Based on the results, the committee may request a 1-hour conference call/discussion with the top three firms to answer questions and check chemistry.

Though a committee will evaluate the firms' proposals, the selected firm will operate under contract with [which utility?]

In order to make the plan actionable for 2014, the current schedule is as follows:

RFP published: March 11

Written proposals due: March 18

Scoring by review committee. Optional conference call/discussion with firms as needed: March 18 through March 22

Project Award: March 29

Contract begins: April 1

First status-check on progress: May 15

Second status check on progress and draft recommendations to JIOU and Energy Division: June 17

Final plan recommendations: July 1

Any work associated with the implementation of the 2014 to 2015 strategic education and outreach plan will be bid under a separate RFP. The contractor who successfully secures a purchase order associated with this RFP, to develop the education and outreach plan and administrative approach, will NOT be eligible to participate in any subsequent joint IOU –administered RFPs associated with the implementation of the plan.

California Public Utilities Commission (CPUC) website/URL:

http://docs.cpuc.ca.gov/DecisionsSearchForm.aspx