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September 30, 2013

Advice No. 4545  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: California Solar Initiative Thermal Program (CSI-TP) Solar Water Heating (SWH) Market Facilitation Budgets and Activities (Market Facilitation Plan) for 2014 in Compliance with Decision (D.) 10-01-022**

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) the CSI-TP SWH Market Facilitation Plan for 2014 in compliance with D.10-01-022, shown as Attachment B.

**Purpose**

This complies with subparagraph b, Ordering Paragraph (OP) 13, of D.10-01-022 which orders the Program Administrators (PAs)<sup>1</sup> to:

Separately submit an Advice Letter with proposed California Solar Initiative Thermal market facilitation budgets and activities for each calendar year, which addresses the activities identified in Appendix A, no later than October 1 of the preceding year;

**Background**

On January 21, 2010, the Commission established the CSI-TP in D.10-01-022, allocating funds for both natural gas and electric displacing solar thermal system incentives, including SWH technologies in all investor-owned utility territories.

On April 1, 2010, SoCalGas filed Advice No. (AL) 4098 to comply with OP 6 of D.10-01-022, which ordered the PAs to submit separate advice letters. SoCalGas' AL 4098 included the proposed market facilitation strategic plan and detailed budget for the first two years of program implementation. On November 4, 2010, the Energy Division issued a Guidance Memo requesting the PAs re-file their Market Facilitation Advice Letters in response to the protests and feedback received. Additionally, in a conference call between the Energy Division and the

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<sup>1</sup> The PAs are SoCalGas, Pacific Gas & Electric Co. (PG&E), Southern California Edison Company (SCE), and the California Center for Sustainable Energy (CCSE) for San Diego Gas & Electric Company (SDG&E).

PAs on August 11, 2011, it was agreed that each PA would refile their Local Market Facilitation Plan in a supplemental advice letter and SoCalGas as the Lead Party would file the Statewide Market Facilitation Plan in a new joint advice letter by August 31, 2011.

In compliance with the Guidance Memo, on August 31, 2011, SoCalGas filed AL 4098-A, submitting its Local Market Facilitation Plan, to supplement in its entirety AL 4098. Additionally, in compliance with the conference call agreement, on August 31, 2011, SoCalGas, as the Lead Party, filed AL 4297, et al., a joint advice letter, submitting the Statewide Market Facilitation Plan. Both AL 4098-A and AL 4297, et al. were approved.

On September 28, 2012, Energy Division Staff approved the PAs' proposal to file extensions of their existing approved Local Market Facilitation Plans to cover the last six months of 2013, and to resume filing annual Market Facilitation Plans on Oct. 1, 2013, as originally prescribed in D. 10-01-022. On April 2, 2013, the PAs filed the six-month extensions of their Local Market Facilitation Plans. SoCalGas filed its AL 4481 which was approved on May 9, 2013.

### **Market Facilitation Plan and Budget**

SoCalGas' local campaign extends the goals, target markets, strategies, and tactics of the statewide campaign. The plan is designed to connect with markets through consistency of messaging, concise communications, a more experiential approach, and by maximizing synergies between statewide and local market presence. Working with the other PAs to continue a statewide presence, the plan will help establish consistency of messaging, communications and outreach.

SoCalGas' local campaign provides the additional local outreach and media support needed to help transition people from interested parties to applicants. Increased accessibility to engage with the technology and the streamlined communication to connect with target audiences in a more meaningful and concise capacity will help maximize the effectiveness of the local and statewide efforts.

Attachment B is SoCalGas' 2014 Local Market Facilitation Plan and Budget, which includes a common statewide component. The PAs jointly appointed Phelps Total Market (PTM), an integrated marketing and communications firm, to manage and provide continuity to the existing program based on the campaign's achievements, with the objective of continuing to increase awareness of the program.

### **Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this Advice Letter which is October 20, 2013. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). **A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.**

Attn: Sid Newsom  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: [snewsom@SempraUtilities.com](mailto:snewsom@SempraUtilities.com)

### **Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SoCalGas respectfully requests that this filing be approved on October 30, 2013, which is 30 calendar days from the date filed.

### **Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes parties in R12-11-005.

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Rasha Prince  
Director – Regulatory Affairs

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

**MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)**

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904G)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4545

Subject of AL: CSI-TP SWH Market Facilitation Plan for 2014

Keywords (choose from CPUC listing): Compliance, Solar

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.10-01-022

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL. No

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 10/30/13

No. of tariff sheets: 0

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed N/A

Pending advice letters that revise the same tariff sheets: None

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

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**ATTACHMENT A**

**Advice No. 4545**

**(See Attached Service Lists)**

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**ATTACHMENT B**

**Advice No. 4545**

**SoCalGas' 2014 Market Facilitation Plan and Budget**

**Statewide  
Local**

# California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)

## Background - Situation Analysis

In its Guidance Memo dated November 4, 2010, Energy Division staff recommended that the four Program Administrators (PAs) of the CSI-Thermal Program, Southern California Gas Company (SoCalGas®), Pacific Gas & Electric Company (PG&E), California Center for Sustainable Energy (CCSE) and Southern California Edison Company (SCE), “hire a specialized marketing and outreach firm to manage a statewide campaign building off the established *Go Solar, California!* program.”

In June 2011, the four PAs jointly appointed a marketing agency and prepared a Scope of Work for the campaign designed to develop a Statewide Market Facilitation Plan. Based on the Scope of Work, with input and contribution from the PAs, SoCalGas managed the appointed firm and the campaign. The goals of Statewide Market Facilitation campaign were to: 1) Build awareness and understanding of the CSI-Thermal Program to help motivate adoption; 2) Educate consumers about the advantages and availability of CSI-Thermal Program rebates; and 3) Drive consumers to the WaterHeatedbytheSun.com (WHBTS.com) site. Formative steps, planning and production of the campaign initiated 3Q2011 and ended 1Q2012. The campaign rolled out successfully with in-market activity from 2Q2012 until 2Q2013 (June).

In June 2013, the working group of the PAs jointly appointed Phelps Total Market (PTM), an integrated marketing communications firm, to manage and provide continuity to the existing program based on the campaign’s achievements, with the objective of continuing to increase awareness of the program and taking it to completion as originally envisioned in December 2013. The continuation program is based on digital marketing focused on extending the program’s online presence to further increase awareness and drive more traffic to the WHBTS.com site. The six-month continuation plan has been optimized for improved and increased efficiency.

In August 2013, the PAs jointly reconfirmed their intent to continue building on the success of the program, engaging PTM to prepare and develop a Statewide Market Facilitation Program for 2014. Subsequently, the working group activated primary research efforts to better understand current perceptions and attitudes towards solar technology, particularly SWH. Research learnings, additional secondary research data, post-wave 2012-13 campaign top-line results, as well as media recaps from the original efforts served as tools to refine, optimize and develop a new 2014 outreach campaign with the overarching goals of: 1) Increasing awareness and understanding of the CSI-Thermal Program and 2) Deepening engagement and interest to increase applications statewide.

Based on general learnings from activating local and statewide plans, PAs are planning a new approach for 2014 that will focus on a more engaging and motivating approach to encourage adoption. Data has revealed that customers have a number of misperceptions as a result of the lack of reliable information about SWH. Therefore, the working group concluded that the program needs to give consumers increased accessibility to view and engage with the technology, as well as streamline communication to connect in a more interactive and concise capacity. This will help further raise awareness and communicate the value proposition.

## **California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)**

The working group and PTM recommend addressing these barriers to entry through an integrated approach. The approach will drive consistency and alignment across all customer contact points over time. The goal is to increase awareness and understanding of SWH and deepen engagement by demonstrating the value of the systems. The approach incorporates multiple channels, builds buzz and leverages successes about the technology to gain more interest and action.

The 2014 marketing plan builds from learnings and elevates the success of the previous campaigns while setting the foundation for future phases for a long-term strategy. The plan establishes goals, objectives, strategies and tactics by target markets, and defines the campaign timetables and budget. The 2014 plan is designed to solidify the SWH position, increase awareness of the recent program expansions (new end uses and commercial/multifamily pool applications now accepted), connect with markets through meaningful consistency of messaging, communications and outreach statewide as well as integrate and complement each PA's Local Market Facilitation Plan. The statewide plan provides a solid marketing platform for disseminating the CSI-Thermal Program message across each service area. Approval of the 2014 plan is scheduled to be received 4Q2013 with in-market full rollout starting 1Q2014.



# California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)

## Goals & Objectives

The goal of the Statewide Market Facilitation Plan is to deliver a consistent and compelling message that leverages the learnings and successes of the past two years by focusing on increasing awareness and understanding, fostering engagement and encouraging consideration and adoption through an integrated (owned, earned and paid) approach amongst our key target audiences.

The statewide program will serve as the overarching campaign to deliver messaging across service areas and will work in conjunction with the Local Market Facilitation Plan designed and implemented by each of the four PAs. The statewide program is designed to accomplish the following objectives:

1. Increase awareness and understanding of the SWH technology and its benefits
2. Communicate the SWH value proposition and systems' processes in a concise and compelling format
3. Foster engagement with the technology and the program's offerings to stimulate interest and increase application volume

## Target Market

### Residential

1. Single-family residence homeowners
  - a. Female and male heads of household
  - b. Influencers: community leaders, schools, friends and extended family
2. Multi-family property owners and managers (condominiums, duplex, etc. including, but not limited to, properties featuring pools suitable for SWH)

### Business

1. Commercial and small-business enterprise operators, including but not limited to, gymnasiums, laundromats, hotel/motel, agricultural processing and related industrial operations
2. Contractors and installers

## Strategies

SWH marketing strategies are designed to overcome the barriers identified by the CSI-Thermal Program and serve as a guide for PAs in pursuing their own market planning. The working group has identified four primary barriers to SWH market growth, which will be addressed to expand the market. The barriers include:

Cost. Customers report high up-front and out-of-pocket costs and long payback periods that deter them from installing SWH technology.

# California Solar Initiative – Thermal Program

## Statewide Market Facilitation Plan and Budget (2014)

Awareness. The absence of widely accepted SWH in the public’s eye and confusion about its performance and capabilities create concerns and misunderstanding about the reliability of solar water heating technology; it is not perceived as functional for household energy needs.

Complexity. The time consuming and complex nature of purchasing and installing solar water heating systems discourages potential adopters.

Momentum. The lengthy decision-making process (education, decision to adopt, application, installation and procurement of rebates) and financial complexity of SWH systems result in low consumer adoption momentum.

For the program to be effective it must lead to actions: strong adoption consideration and application(s) submission. While the State SWH program does not directly sell SWH installations to customers, it will measure success in the form of applications. Starting with this direction in mind, the statewide program will focus on addressing the four major marketing barriers, overcoming consumer resistance and broadening the market by highlighting the technology’s value proposition, attributes and benefits.

PAs will take an owned, earned and paid engagement approach, based on the following key platform strategies:

1. Prioritize and focus on best prospects per market and channel
2. Develop compelling messaging and content across multiple platforms to be implemented consistently across defined touch points
3. Increase overall brand awareness, foster interest, deepen engagement and drive inquiries and adoption
4. Maximize impact through state and local program synergies

### **Tactics - Overall**

The tactics are designed to create a desire to further engage and learn more about SWH. Marketing tactics will guide how, when and where SWH can connect with their target audiences with the ultimate goal of consideration and adoption. State SWH tactics will serve as a critical path to information, clarifying how SWH works for them, explaining the general price/value equation and positioning the program and PAs as the fundamentally credible sources of information.

To support the strategy, the following key initiatives will drive tactical implementation of marketing activations to address and accomplish:

Brand Position: Refresh the SWH marketing campaign’s brand positioning and messaging based on research and findings to date

- Issue SWH brand guidelines

Messaging and Content: Based on revised positioning, develop consistent and concise communications tailored to highlight benefits for each priority audience respectively

## **California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)**

- Develop advertising and promotional content and guidelines for creative materials targeted and streamlined for each defined audience
- Achieve cost efficiencies in production for multi-platform use
- Design materials with the capacity to be repurposed for local efforts

Engagement: Deploy targeted communications consistently across defined owned, earned and paid channels

- **Owned**: Develop a more comprehensive online user experience for disseminating information to prospects
- **Earned**: Build credibility in the marketplace, communicate successes and implement a social platform for increased engagement
- **Paid**: Focus on targeting best prospects (including those impacted by the recent program expansion, i.e. industrial and non-residential pool applications), identify paid media channels that efficiently and effectively engage the defined targets, negotiate pricing and implement plan

Measurability: Establish campaign metrics, implement tracking, track performance and analyze and optimize the campaign ongoing

### Residential

#### Tactics – Research

- 1) Utilize the existing campaign post wave research results as the benchmark and pre-wave point of reference for 2014 campaign measurability.
- 2) Conduct post-wave campaign awareness and response research effort via an online panel survey conducted statewide.

#### Tactics – Owned

- 1) Optimize and improve the WHBTS.com user experience: Refresh content, call-to-action messages and update site with latest information with a more streamlined information flow.

#### Tactics – Paid

- 1) Develop an integrated marketing plan delivering on multiple customer touch points:
  - a. Paid search programming (Search Engine Marketing, SEM): Develop a targeted placement campaign for maximum visibility.
    - i. Develop, design and produce SEM copy
    - ii. Monitor and continually optimize
  - b. Online and/or Mobile Advertising: Develop a laser-targeted digital advertising effort for extended reach and frequency with advertising in relevant site content, network, social (infiltrate social networking space via Twitter promoted posts and Facebook right rail and newsfeed ads) and email sponsorship, plus re-marketing (site publishers and social).
    - i. Online media planning, buying, reporting and optimization
    - ii. Concept, design, develop and produce online and/or mobile advertising

## **California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)**

- c. Local Market Broadcast: Develop a local market television campaign to drive awareness and impact.
  - i. Cable TV media planning, buying and post-buy reporting
  - ii. Select stations with profiled viewership
  - iii. Conceptualize, develop and produce TV creative

### **Tactics – Earned**

- 1) Content Development: Create compelling content that effectively communicates the benefits, ease of adoption and community of like-minded SWH users with simple, targeted messaging derived from the new positioning.
  - a. Content accounts for new updates and will address the program’s expansion
  - b. Includes creative and copy for one user acquisition program on Facebook
- 2) Content Outreach Toolkit: Develop and share a social media toolkit that can be used by program administrators for their own channels, including a content calendar, sample postings, messaging, images and details about cross-promotion opportunities. The kit will be updated regularly and it will comprise feature story pitches highlighting various pitch angles including:
  - a. Launch of the creative platform and public education campaign
  - b. Cost/benefits of solar water heating for residential and commercial real estate
  - c. Solar hot water as part of the future of eco technologies
  - d. Profile of the new ‘eco chic’ consumer
  - e. Hall of fame users of solar hot water

### **Business**

#### **Tactics – Owned**

- 1) Business-customized Content: Add tailored California Solar Initiative SWH call-to-action messages exclusively for business customers on WHBTS.com featuring business-related information, engaging messages and more prominent delivery of the latest expansion information.

#### **Tactics – Paid**

- 1) Develop a direct mail marketing plan, analyzing, selecting and isolating best business prospects for delivery — commercial, industrial and small-business focus (including those subject to performance based incentives).
  - a. Direct Mail: Prepare a full direct mail campaign with multiple drops to deliver messages to select business categories
    - i. Concept, design, develop and produce direct mail packages
    - ii. List procurement, letter shopping production, postage and delivery
    - iii. Track program response via a unique business landing page and/or call-to-action on main landing page
- 2) Develop a digital marketing plan, testing business-to-business social networking via LinkedIn.
  - a. Identify best prospects via profile pages, industries and job titles
  - b. Engage with digital and/or mobile advertising ads

## **California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)**

### Tactics – Earned

- 1) Develop a marketing campaign targeted to business customers to update them about the latest on solar water heating systems, available rebates and program expansion to capitalize on SWH opportunities.
  - a. SWH Business Champion Profiles: Identify targeted business customers such as LEED certified hotels or industrial businesses that have installed SWH and can act as a case study example to seed with statewide and local media
  - b. Business/Commercial Outreach: Reach out to and garner coverage by various associations, trade organizations and media outlets that influence decision makers and owners of businesses with operations that rely on hot water, such as hotels/resorts, sports clubs, spas, etc. Such associations and publications may include but not be limited to:
    - California Hotel & Lodging Association
    - California Lodging Magazine
    - Dayspa
    - HotelExecutive.com
    - GreenBuilding News
    - GreenBiz.com
    - GreenBuzz
    - California Spa Association
    - Today's Facility Manager
    - Hotel Business
    - Hospitality Design

## California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)

Tactics – Campaign Timetables

Statewide Market Facilitation Plan 2014						
	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
CPUC Program Approvals						
Production, campaign development						
In-market Live						
Refresh/release WHBTS.com						
Earned, Paid Search, Social and Online Advertising						
Broadcast TV						
Direct Mail Marketing						
Post-wave Market Research						

## California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)

### Budget

State wide Marke tFacilitationPlan 2014	
<b>Tactics -Re se arch</b>	
Hard Costs, market research post-wavepanel.	\$ 50,000.00
Agency Fees, strategic and project management.	\$ 6,000.00
<b>Tactics- Messaging</b>	
Agency Fees, strategic management, concept development, project management.	\$ 35,000.00
<b>Tactics - Owned</b>	
Redesign and refresh WHBTS.com site, includehard costs site development.	\$ 55,000.00
<b>Tactics - Paid</b>	
Hard Costs, campaign production and media placement.	\$ 1,035,000.00
Paid Search, Online and Print Advertising, Broadcast TV, Direct Mail and Social programming.	
Agency fees, campaign production, implementation, optimizationand and reporting. Creative development and project management.	\$ 229,000.00
<b>Tactics - Earned</b>	
Agency Fees, strategic management, concept development, Social and PR project management.	\$ 90,000.00
<b>Re se rve</b>	
Unplanned marketing opportunities.	\$ 325,222.56
<b>TOTAL</b>	<b>\$ 1,825,222.56</b>

### Budget – Breakout by Target Market

	Residential	Business	Total
Research.	\$ 33,600	\$ 22,400	\$ 56,000
Messaging.	\$ 21,000	\$ 14,000	\$ 35,000
Redesign WHBTS.com	\$ 38,500	\$ 16,500	\$ 55,000
Marketing campaign: broadcast & digital media, paid search, direct mail, social and public relations.	\$ 543,000	\$ 492,000	\$ 1,035,000
Production costs.			
Public Relations & Social.	\$ 54,000	\$ 36,000	\$ 90,000
AgencyFees.	\$ 137,400	\$ 91,600	\$ 229,000
	\$ 827,500	\$ 672,500	<b>\$ 1,500,000</b>
	55%	45%	
Residentialincludes: Single-and Multi-familyhome ownersand property managers			
Business includes: Commercial& Small-businessoperations and Contractors & Installers			

## California Solar Initiative – Thermal Program Statewide Market Facilitation Plan and Budget (2014)

### Cost-sharing Amounts by Program Administrators

In order to allow the statewide continuation effort to be implemented, and because it is more cost efficient to co-fund a statewide digital effort than individually fund separate ones, CCSE, PG&E and SoCalGas will contribute their proportionate shares of the budget using the same percentages as the two-year statewide market facilitation plan (Table A). PG&E has notified the PAs that they will be contributing a portion of their proportionate share towards the statewide component of the 2014 Local Market Facilitation Plan from January to December 2014. The budget is revised to \$1,825,222.56 to reflect this adjustment from PG&E's share, which was originally \$798,800 and is now \$624,022 (Table B). To accommodate the reduction in budget based on PG&E's share, funds were reduced in the "reserve" funds.

Table A

<b>PROPORTIONATE SHARES</b>	SCG	40.80%	\$ 816,000.00
	PG&E	39.94%	\$ 798,800.00
	CCSE	10.06%	\$ 201,200.00
	SCE	9.20%	\$ 184,000.00
			<b>\$ 2,000,000.00</b>

Table B

<b>REVISED STATEWIDE IF APPROVED</b>			
	SCG	40.80%	\$ 816,000.00
MINUS ELECTRIC	PG&E	39.94%	\$ 624,022.56
	CCSE	10.06%	\$ 201,200.00
	SCE	9.20%	\$ 184,000.00
			<b>\$ 1,825,222.56</b>



# California Solar Initiative – Thermal Program

## SoCalGas Local Market Facilitation Plan and Budget (2014)

### Background

#### Situation Analysis

In its Guidance Memo dated November 4, 2010, Energy Division staff recommended that the four Program Administrators (PAs) of the CSI-Thermal Program implement a statewide campaign building off the established *Go Solar, California!* (i.e. Statewide Market Facilitation Plan). The campaign was envisioned with the main goal of generating awareness and understanding of the CSI-Thermal Program to help motivate adoption. The Guidance Memo also requested PAs to activate Local Market Facilitation Plans. The plans are designed to complement and supplement the efforts of the Statewide Facilitation Plan. The statewide plan is being executed in cooperation with all PAs.

In March 2013, SoCalGas appointed Phelps Total Market (PTM), an integrated marketing communications firm, to manage and provide continuity to the local program, optimizing as possible and taking it to completion as scheduled in December 2013. The overarching goal of the local continuation program is to connect with customers at a community level.

Focus groups research was implemented in August 2013 to better understand current perceptions and attitudes towards solar technology, particularly SWH. The research concluded that customer understanding of SWH systems varies within each community and it was determined that some customers are not convinced SWH will work for their specific uses and that a number of misperceptions still exists among customers, where word-of-mouth communication plays a strong role on how information is disseminated. In conclusion, marketing programs need to give consumers increased accessibility to engage with the technology at their own pace as well as streamline the communication to connect with target audiences in a more meaningful and concise capacity. This will also help with awareness and the value proposition.

The 2014 marketing plan outlines the goals, objectives, strategies and tactics by target markets as well as defining campaign timetables and budget. The plan is designed to connect with markets through consistency of messaging, concise communications, a more experiential approach and maximum synergies between Statewide and Local Market Facilitation Plans by increasing awareness of recent program expansions (including new technologies and non-residential pool applications now accepted). Approval for implementation of the 2014 plan is scheduled to be received in 4Q2013 with in-market full rollout starting 1Q2014.

#### Budget Background

In Decision 10-01-022, the Commission adopted a Market Facilitation Budget of \$31,250,000 over the eight-year span of the CSI-Thermal Program, with 40% of the budget or \$12,500,000 to be spent in the first two years of the Program (2010/11) and the remaining 60% allocated equally across the subsequent six years of the Program at \$3,125,000 per year.

SoCalGas' proportionate share of the overall budget was 40.8% or \$12,750,000 with 40% or \$5,100,000 allocated for the first two years and \$1,275,000 for each of the six subsequent years (Table 1).

## California Solar Initiative – Thermal Program SoCalGas Local Market Facilitation Plan and Budget (2014)

Table 1  
Original Statewide and SoCalGas Budget Allocations

<b>Combined</b>	<b>Total Budget</b>	<b>2010</b>	<b>2011</b>	<b>2012 - 2017</b>
	100%	20%	20%	10% per year
	\$ 31,250,000	\$ 6,250,000	\$ 6,250,000	\$ 3,125,000
<b>SoCalGas</b>	40.8%	20%	20%	10% per year
	\$ 12,750,000	\$ 2,550,000	\$ 2,550,000	\$ 1,275,000

In its Guidance Memo dated November 4, 2010, Energy Division staff recommended that the four Program Administrators (PAs) hire a specialized marketing and outreach firm to manage a statewide campaign to which each of the PAs would contribute 40% of the first two years of their marketing facilitation budgets (\$5,000,000).

In accordance with the staff recommendations, the PAs hired Fraser Communications to develop and implement a two-year market facilitation plan and budget from July 1, 2011 to June 30, 2013, that was submitted by SoCalGas in Advice Letter AL 4274, et al, on August 21, 2011, and approved effective September 30, 2011. The statewide plan budgeted \$4.5 million of activities with Fraser Communications and \$500,000 for other statewide marketing activities.

In its corresponding Local Market Facilitation Plan for the two-year period from July 1, 2011 to June 30, 2013, SoCalGas noted campaign marketing expenses of \$84,051 from January 21, 2010 to June 30, 2011. The SoCalGas share of the \$5,000,000 two-year statewide market facilitation plan was \$2,040,000 (40%) and its noted local budget for the two-year local market facilitation plan was \$3,060,000 (60%) to equal its two-year allocation of \$5,100,000.

Accordingly, the first two-year's allocation shifted from a calendar year 2010 & 2011 expenditure to a 7/1/2011 to 6/30/2013 expenditure and expenses from 1/22/2010 to 6/30/2011 were at a reduced level since there was not an approved market facilitation plan yet in place. A revised budget was devised to account for the reduced spending levels in the first 18 months of the program that allocated the unspent funds evenly across the subsequent program years (Table 2).

Table 2  
Revised SoCalGas Budget Allocations #1

<b>SoCalGas</b>	<b>TOTAL</b>	<b>1/2010 – 6/2011</b>	<b>7/2011 – 6/2013</b>	<b>7/2013 – 12/2013</b>	<b>2014 – 2017 Per year</b>
	\$12,750,000	\$ 84,051	\$5,100,000	\$ 840,661	\$ 1,681,322

Over the course of the two-year statewide and local market facilitation plans, SoCalGas spent approximately \$3,336,228 of the \$5,100,000 budgeted. While virtually all of the \$2,040,000 allocated for the statewide campaign was expended, SoCalGas spent less than its budgeted amount for the local effort for several reasons:

1. The statewide paid media materials such as the TV commercial and the radio spots were not created until April, 2012, and thus were not available for almost half of the two-year term;

**California Solar Initiative – Thermal Program  
SoCalGas Local Market Facilitation Plan and Budget (2014)**

2. SoCalGas worked with its agency, Fraser Communications, to implement a micro-targeted paid media strategy aimed at promoting workshops located throughout the service territory that was based on spending what was needed to be effective on TV, radio, and in print without waste or over-buying. This approach also leveraged the statewide paid media buys for maximum efficiency and allowed SoCalGas to build awareness cost-efficiently on a region-by-region basis;
3. SoCalGas had anticipated executing an Earth Month 2013 paid media schedule that became unnecessary when the statewide Spring Finale Media Plan was implemented during that time frame.

While SoCalGas expended less on its local market facilitation efforts than anticipated it did so without compromising its strategy. Now that the statewide marketing campaign has been building momentum over the past year-and-a-half, the pace of spending locally has been increasing. With the expansion of the Program into additional technologies and applications like nonresidential swimming pools, it makes sense to build on the infrastructure that has been created and expend the unspent available funds to sustain a statewide effort, reach new target markets, and accelerate outreach to sectors that may now have a stronger business justification to participate in the Program (Table 3).

Table 3  
Revised SoCalGas Budget Allocations #2

<b>SoCalGas</b>	<b>TOTAL Budget</b>	<b>1/2010 – 6/2011 Actual</b>	<b>7/2011 – 6/2013 Actual (Unaudited)</b>	<b>7/2013 – 12/2013 Approved</b>	<b>2014 Proposed</b>	<b>2015,16,17 Proposed</b>
	\$12,750,000	\$ 84,051	\$3,336,228	\$ 1,253,200	\$2,521,983	\$1,851,512

# **California Solar Initiative – Thermal Program**

## **SoCalGas Local Market Facilitation Plan and Budget (2014)**

### **Goals & Objectives**

The goal of the Local Market Facilitation Plan is to deliver a consistent and compelling message that leverages the statewide campaign and its successes of the past two years. It focuses on increased awareness and understanding, fostering engagement and encouraging consideration and adoption through an integrated approach amongst key target audiences.

The statewide program will serve as the overarching campaign that will deliver messages across service areas and will work in conjunction with Local Market Facilitation Plans designed and implemented by each of the four PAs. The local and statewide programs are designed to accomplish the following objectives:

1. Increase awareness and customer understanding of the SWH technology and its benefits
2. Communicate the SWH value proposition and systems processes in a concise and compelling format
3. Foster engagement with the technology and the program's offerings to stimulate interest and increase adoption of solar technology.

### **Target Markets**

1. Single-family residence homeowners
2. Multi-family property owners and managers (condominiums, duplex, etc. with focus on properties featuring pools subject to SWH rebates)
3. Commercial and small-business enterprise operators, including but not limited to, gymnasiums, laundromats, hotel/motel, agricultural processing, food processing, etc.
4. Contractors and installers

### **Local Strategies**

The 2014 program is designed to inform customers about recent program expansions and to build a marketing platform for complementing the statewide efforts and strengthening the SWH message at localized/community levels. With the statewide efforts focusing on increased awareness and broad-base reach supported by multiplatform messaging and content, the local efforts can drill down deeper within the region to support localized events and hands-on interactivity. General awareness and a richer engagement are also addressed to accompany and balance the statewide initiatives. To be most effective, an integrated approach involving owned, earned and paid channels will be utilized. The program activates based on the following key platform strategies:

1. Leverage statewide plans/creative materials to create an integrated local-level campaign, customizing statewide content creation with an increased localized impact and relevancy
2. Develop an experiential approach for residential and business customers to gain familiarity with the systems and SWH technology
3. Develop and implement programming capitalizing on vehicles that can offer maximum coverage among local business and residential customers

# California Solar Initiative – Thermal Program

## SoCalGas Local Market Facilitation Plan and Budget (2014)

### Tactics

To support the strategy, defined local tactics are designed to complement the marketing tactical efforts of the finalized statewide plan, deploying strategic communications consistently across targeted channels.

### All Target Market Segments

#### Tactics – Overall

- 1) Refresh and update SoCalGas.com Solar site to include latest program information, 2014 local event schedules, informational and educational videos, community-driven information and latest updates regarding program's expansion.
- 2) Repurpose and refresh statewide creative materials for consistent messaging and leveraging opportunities throughout localized efforts.
- 3) Develop an integrated marketing plan delivering on multiple customer touch points.
  - a. Online and/or Mobile Advertising: develop a comprehensive localized digital advertising effort for increased reach and frequency
  - b. Broadcast and/or Online Radio Advertising: negotiate and implement a radio advertising campaign utilizing select stations formats
  - c. Localized Broadcast Media: develop a local market television campaign enhancing statewide flights to drive awareness and impact

### Single- and Multi-family

#### Tactics – Experiential

- 1) Develop an experiential marketing plan for customer education through activation of a mobile home or traveling exhibit(s) for live customer demonstrations of SWH technology.
  - a. Concept, design, produce and activate a SWH mobile exhibit
  - b. Concept, design, develop and produce point-of-sale materials for distribution at experiential events (include and refresh content with updates on recent program expansion and new technology availability)
- 2) Print Advertising: research, negotiate and implement a print advertising campaign utilizing community publications to deliver and promote the traveling display(s) appearances.

#### Tactics – Social and Public Relations

- 1) Event Outreach Support: Integrate with owned and paid efforts to create experiential events, conduct outreach to attract media attendance and generate coverage.
- 2) Social Media Integration: Develop engaging social media posts for SoCalGas' Facebook and Twitter profiles about the program; create compelling content with the goal of encouraging followers to share it with their friends and family.

# **California Solar Initiative – Thermal Program SoCalGas Local Market Facilitation Plan and Budget (2014)**

## Commercial and Small-business

### Tactics – Media

- 1) Online Webinar Transmissions: Develop and implement a series of webinar educational workshops for commercial and small-business customers to further development and training and inform business customers of new technologies and program expansion.
- 2) Print Advertising: Research, negotiate and implement a print advertising campaign utilizing trade and business publications to promote the webinar program and increase overall SWH awareness.
- 3) Direct Mail: Develop a direct mail marketing campaign to communicate and promote the webinar program.

### Tactics – Social and Public Relations

- 1) SWH Business Testimonials: Identify local businesses with installations to highlight through local media outreach detailing the rebate, savings and operational benefits of SWH. Share links to media coverage on Facebook and Twitter.

**California Solar Initiative – Thermal Program  
SoCalGas Local Market Facilitation Plan and Budget (2014)**

Tactics – Campaign Timetables

SoCalGasLocal Market FacilitationPlan 2014					
	4Q13	1Q14	2Q14	3Q14	4Q14
CPUC Program Approvals					
Production, campaign development					
In-market Live					
SoCalGas Solar Site: refresh/update and release					
Media: TV, Radio, Paid Search, Print and Online Advertising					
Experiential/Guerilla Marketing: program activation					
DirectMailMarketing					
Online Webinar Training Series					

**Budget**

SoCalGas Local Market Facilitation Plan 2014	
<b>Tactics - Overall</b>	
Update and refresh SoCalGas Solar page, including hard costs site re-development.	\$ 25,000
<b>Tactics - Targeted</b>	
Hard Costs, including campaign production, event execution and media placement.	\$ 1,130,000
Agency fees, including event production, program implementation, optimization and reporting, Creative development, media planning and buying and project management.	\$ 210,000
<b>Tactics - Social and Public Relations</b>	
Agency Fees, strategic management, concept development, Social and PR project management.	\$ 35,000
<b>TOTAL</b>	<b>\$ 1,400,000</b>

**Total Budget by Category**

CATEGORY	BUDGET
Local Market Facilitation Plan – Agency	\$ 1,400,000
Trade Shows, Community Events	\$ 77,000
Statewide Market Facilitation Contribution	\$ 816,000
Marketing/Outreach Labor	\$ 228,983
<b>TOTAL</b>	<b>\$ 2,521,983</b>