



August 18, 2014

CPUC, Energy Division  
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**SUBJECT:** Reply to Protests of CSE Advice Letter 49: Revised Proposed Performance Metrics and Indicators for the 2014-2015 Statewide Marketing, Education, and Outreach Program and California Climate Credit Education and Outreach

Pursuant to Rule 7.4.3 of General Order 96-B, the Center for Sustainable Energy (CSE), hereby replies to Protests of CSE Advice Letter 49 (AL 49), filed by Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SCG) (together, the Joint Utilities), Southern California Edison Company (SCE) and The Utility Reform Network (TURN).

### **BACKGROUND**

In May 2012, the California Public Utilities Commission (Commission) issued Decision (D.)12-05-015 (Guidance Decision), providing guidance for the utilities' 2013-2014 energy efficiency portfolios, as well as direction regarding statewide marketing, education, and outreach (SW ME&O). The Guidance Decision directed the transition of the Energy Upgrade California brand from its previous association only with whole house retrofits and associated programs to an umbrella brand for all residential and small business demand-side management topics and action (including low and no cost and statewide programs). The Guidance Decision further directed that the California Center for Sustainable Energy, now known as the Center for Sustainable Energy (CSE), serve as the statewide implementer of the SW ME&O program to transition the Energy Upgrade California brand.

On October 17, 2013, the Commission issued Resolution E-4611, which ordered PG&E, SCE and SDG&E to consign their 2013 greenhouse gas (GHG) revenue return education and outreach budgets to CSE to develop and administer a competitively neutral, statewide outreach and education program for the California Climate Credit (CCC E&O) under the Energy Upgrade California brand umbrella.

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On December 27, 2013, the Commission adopted D.13-12-038 (Decision), approving CSE's marketing plan for this brand transition and the SW ME&O program and setting forth goals and objectives for the SW ME&O program in 2014-2015. The Decision also provided program performance metrics (PPMs) and indicators to be used as a guideline to develop metrics, target values, and performance indicators. The Decision further directed that CSE provide draft PPMs to stakeholders and hold a workshop to receive feedback and input before the filing of an Advice Letter.

On December 31, 2013, CSE submitted Advice Letter 45 (AL 45) proposing PPMs for CCC E&O as required by Ordering Paragraph (OP) 8 of Resolution E-4611. On January 21, 2014, PG&E, SCE and SDG&E jointly protested AL 45. CSE responded to the Joint Protest on January 28, 2014 and on January 29, 2014, AL 45 was suspended for 120 days by Energy Division.

On February 26, 2014, CSE served draft metrics and indicators to stakeholders for the SW ME&O program in compliance with D.13-12-038 and solicited written feedback. A workshop to discuss the metrics was then held on March 19, 2014. On April 3, 2014, CSE submitted Advice Letter 46 (AL 46), proposing revised metrics and indicators based on feedback from stakeholders. All the IOUs and TURN protested AL 46, primarily on the grounds that the metrics lacked numerical targets. CSE withdrew AL 46 on May 7, 2014.

CSE withdrew AL 45 on June 9, 2014 at the request of Energy Division. CSE was later directed by Energy Division staff to combine the CCC E&O metrics and overall SW ME&O metrics into one consolidated Advice Letter. Staff also provided further direction to CSE regarding modifications to the proposed metrics in order to address issues raised in the Joint Protest and other changes requested by Energy Division staff.

On July 21, 2014, CSE filed Advice Letter 49 (AL 49) to propose revised performance metrics and indicators for the 2014-2015 SW ME&O Program and CCC E&O. On August 11, 2014, PG&E, the Joint Utilities, SCE and TURN protested AL 49. On August 15, 2014, Energy Division suspended CSE AL 49 for 120 days pending staff review. CSE hereby submits this Reply to Protests of AL 49 pursuant to Rule 7.4.3 of General Order 96-B.

## **PROTEST**

PG&E, the Joint Utilities, SCE and TURN protested CSE AL 49. The utilities provided comments on both the SW ME&O and CCC E&O proposed performance metrics while TURN focused only on SW ME&O. The protests focused on the following:

- 1) Clarity in defining the metrics and methods for evaluating them
- 2) Further information related to target values and their rationales
- 3) Process and communication concerns and clarification

**RESPONSE**

CSE appreciates the range of comments provided by the protesting parties both generally and for specific metrics, and also appreciates the acknowledgement of its effort to improve the proposals from those previously filed.

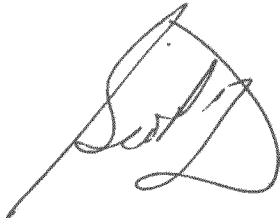
AL 49 was prepared in response to the Commission's directives with consideration of workshop discussion and the protests of AL 45 and AL 46, as well as discussion and feedback from CPUC staff and input from CSE's SW ME&O implementation partners responsible for advertising, earned and social media and website development.

CSE agrees with the Joint Utilities that guidance and expertise of EM&V experts is needed to adequately meet the requirements outlined in D.13-12-038 for setting performance metrics, including the target values required for one metric, and notes that it consulted with Opinion Dynamics Corporation (ODC), the assigned evaluation consultant working with Energy Division on the proposed metrics. CSE does not agree with PG&E that Energy Star is not useful as a comparative brand. Energy Star is the most recognized energy brand in the U.S. and an active brand by which to benchmark in the California market. CSE does agree that Mass Save is also a valuable comparative brand, and the team is tracking key indicators in relation to its performance. We note that ODC has evaluated Mass Save and is well qualified to draw comparisons in its evaluation. CSE agrees with SCE and PG&E that brand familiarity is a valuable metric along with awareness, and we appreciate their suggestions related to small business research, though we do not think those suggestions related to goal setting and research design should be incorporated into the small business metric for the 2014-15 program period.

ODC has conducted an initial evaluation in consultation with Energy Division staff and CSE on the April CCC E&O campaign to ensure data was collected in a timely manner after the April campaign ended. This evaluation was conducted using an Internet panel and supplemental phone surveys to non-English speakers and developed in consideration of the Targetbase recommendations. Also, the process proposed by TURN for D.13-12-038 regarding including measurable goals in the six-month plans and a related holdback of administrative funds for CSE has been adopted and is underway. The second six-month plan has received comments from the IOUs and RENs and is currently under review by Energy Division staff. ODC has also drafted the evaluation plan for the SW ME&O program and shared this draft on August 15, 2014 with CSE and other members of the program-coordinating group working with Energy Division on the development of the ME&O EM&V roadmap and related plans. This draft plan addresses many of the verification and methodology issues raised in these protests. Also on August 15, 2014, Energy Division issued a suspension of this AL 49 pending its further review.

**CONCLUSION**

CSE will seek further direction from Energy Division staff pending its review of the AL 49 and related protests and in compliance with the Energy Upgrade California governance structure. We very much appreciate the time and attention paid to this matter as demonstrated by the protests.

A handwritten signature in black ink, appearing to read 'Siobhan Foley', with a stylized, cursive script.

Siobhan Foley  
Director, Energy Upgrade California  
Center for Sustainable Energy

cc: Ed Randolph, Director, Energy Division  
Service List R.12-08-007, et al.  
Service List A.13-08-026, et al.  
Meredith Allen, PG&E  
Rasha Prince, Sempra Utilities  
Megan Scott-Kakures, SCE  
William R. Nusbaum, TURN