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April 5, 2017

ADVICE LETTER DDB-1

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT

SUBMISSION OF DDB'S FIVE-YEAR MARKETING, EDUCATION AND OUTREACH
STRATEGIC ROADMAP

DDB hereby submits its proposed Five-Year Marketing, Education and Outreach (ME&O) Strategic Roadmap, as shown in the enclosed Attachment.

PURPOSE

The purpose of this Advice Letter is to submit DDB's proposed Five-Year ME&O Strategic Roadmap under the auspices of California Public Utilities Commission (Commission) Application (A.) 12-08-007.

BACKGROUND

In A.12-08-007, which opened in August 2012, the Commission ordered the utilities to file applications for a statewide ME&O effort. In March 2016, the Commission authorized an open solicitation for a new implementer for ME&O in 2017 and beyond (D16-03-029). In September 2016, the Commission approved the results of that solicitation in selecting DDB (D.16-09-020) as the statewide ME&O implementer. D.16-03-029 states that the implementer, DDB will:

Work with Commission staff to lead a process to create a 5-year ME&O roadmap for Energy Upgrade California and the Program Administrators (PAs). This will take into account of the IOU's business plans for energy efficiency, as well as (but not limited to) marketing strategies for customer-owned generation, demand response, rate structures, water/energy nexus, electric vehicles, the California Climate Credit, low income programs, and behavior change. This plan will outline

long term goals, metrics, and strategies for ME&O, and should explain how these strategies will lead to the greenhouse gas reduction and energy efficiency goals in CA Senate Bill 350. The Roadmap should state the roles and responsibilities of all participants.

Thus, DDB has produced a five-year Roadmap with two main sections: (1) the objectives, strategies, and metrics for customer engagement and how these strategies will lead greenhouse gas reduction and energy efficiency goals stated in CA Senate Bill 350, and (2) the integration and coordination with the priorities of the California Public Utilities Commission (CPUC).

DISCUSSION

The following is a brief description of the Roadmap. The details are available in Attachment A – FIVE-YEAR MARKETING, OUTREACH AND EDUCATION STRATEGIC ROADMAP.

The main goal of this Roadmap is to articulate the path to achieving the Commission's ME&O campaign goals of increasing progress on energy efficiency and reducing greenhouse gas (GHG) emissions through behavior change and lead generation. The roadmap will guide the next five years of statewide ME&O, driving toward the vision and goals stated in D. 16-23-029. Success is reliant on the coordination and cooperation of all parties; therefore, the roadmap clearly defines roles and responsibilities of each party.

The Roadmap presents a high-level look at what the next five years of statewide ME&O, while recognizing Commission priorities will change over time and, as the campaign matures, its focus will shift from awareness and education to driving participation and sustaining momentum. As such, tactical implementation and execution will be described through Joint Consumer Action Plans, to be filed on an annual basis.

COST RECOVERY

Per Decision, 16-09-020, 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 annual budget of the statewide Marketing, Education, and Outreach program according to the existing percentage shares contributed by each utility: 46.74% for PG&E, 32.68% for SCE, 12.43% for SDG&E and 8.14% for SoCalGas.

Further details on revenue requirements for each utility are available in the following approved advice letters:

- PG&E Advice Letter 3783-G/4963-E
- SDG&E Advice Letter 3025-E/2542-G
- So Cal Gas Advice Letter 5074
- SCE Advice Letter 3508E

EFFECTIVE DATE

DDB believes that this filing is subject to Energy Division disposition and should be classified as Tier 1 pursuant to A. 12.08-007. DDB respectfully requests that this filing become effective on April 5, 2017.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities 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 no later than April 25, 2017 which is more than 20 days of the date this Advice Letter was filed with the Commission. 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 at EDTariffUnit@cpuc.ca.gov. A copy of the protest should also be sent via e-mail to the addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Matt Perry
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600 California St,
San Francisco, CA 94108
E-mail: Matt.Perry@sf.ddb.com

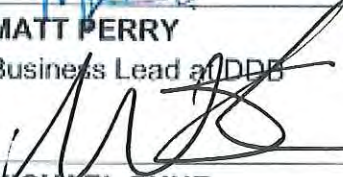
Attn: Michael Shue
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600 California St,
San Francisco, CA 94108
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NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in A.12-08-007, by providing them a copy hereof, either electronically or via the U.S. mail, properly stamped and addressed. Address changes should be directed to the email above.



MATT PERRY
Business Lead at DDB



MICHAEL SHUE
Executive Vice President of DDC

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

Company name/DDB

Utility type:

☒ ELC

☐ GAS

☐ PLC

☐ HEAT

☐ WATER

Contact Person: __Matt Perry and Michael Shue

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EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Tier: ☒1 ☐2 ☐3

Advice Letter (AL) #: __DDB-1__

Subject of AL: __ SUBMISSION OF DDB'S FIVE-YEAR MARKETING, EDUCATION AND OUTREACH STRATEGIC ROADMAP

Keywords (choose from CPUC listing): __Energy Efficiency, Compliance__

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other _____

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL n/a

Summarize differences between the AL and the prior withdrawn or rejected AL¹: __n/a__

Resolution Required? ☐ Yes ☒ No

Requested effective date: __April 5, 2017__

No. of Tariff Sheets: __0__

Estimated system annual revenue effect (%): __n/a__

Estimated system average rate effect (%): __n/a__

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: __n/a__

Service affected and changes proposed¹: __n/a__

Pending advice letters that revise the same tariff sheets: __n/a__

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:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

Attn: Matt Perry and Michael Shue

DDB

600 California St,

San Francisco, CA 94108

E-mail: Matt.Perry@sf.ddb.com

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¹ Discuss in AL if more space is needed.

Appendix A: Five-Year Marketing, Education and Outreach Strategic Roadmap

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FIVE-YEAR MARKETING, EDUCATION, AND OUTREACH STRATEGIC ROADMAP

1. Executive Summary

Per Decision 16-03-029, DDB has been charged with executing the statewide marketing, education, and outreach (ME&O) campaign (hereby known throughout the document as “customer engagement”), and so has produced a five-year Roadmap with two macro sections: (1) the objectives, strategies, and metrics for customer engagement, and how these strategies will lead greenhouse gas reduction and energy efficiency goals stated in CA Senate Bill 350, and (2) the integration and coordination with the priorities of the California Public Utilities Commission (Commission). The Roadmap articulates the path to achieving Commission customer engagement goals of increasing energy efficiency and reducing greenhouse gas (GHG) emissions through behavior change and lead generation.

The Roadmap will guide the next five years of the statewide customer engagement campaign and the Energy Upgrade California brand in its marketing efforts. A successful campaign depends upon the coordination and cooperation of all parties; therefore, the Roadmap clearly defines roles and responsibilities. The statewide customer engagement initiative is driven by the vision and goals, both long- and short-term, set forth in D. 16-03-029.

In late 2016, DDB began conducting quantitative and qualitative research to determine how best to implement the statewide campaign. The findings have influenced the campaign’s creative and communication approach, target audience segments, and integration efforts with Program Administrators (PAs) and other stakeholders. A 5,000-respondent Segmentation and Brand Tracking Hybrid Study has produced five audience segments to inform marketing, engagement, and outreach efforts to each target audience, including the economically disadvantaged and those that are hard to reach.

DDB developed two core, measurable customer engagement objectives – awareness and intent – that will drive energy consumption behavior change among Californians and small businesses. From the objectives emerge strategies and tactics, as well as the metrics upon which the campaign will be evaluated. The Energy Upgrade California creative platform, from which all customer engagement efforts will flow, also has been established to lift the brand and engage Californians in the Energy Upgrade California movement.

Integration on Commission priorities is a critical component of statewide customer engagement to ensure a cohesive campaign and consistent message. DDB has worked with the Commission and PAs to identify priority programs that will intersect, either via integration or coordination, with the customer engagement campaign.

The Roadmap presents a high-level look at the next five years of customer engagement, while recognizing Commission priorities will change over time and, as the campaign matures, its focus will shift from awareness to intent to act. As such, tactical implementation and execution will be described through Consumer Joint Action Plans, to be filed on an annual basis.

2. Compliance and Oversight

The customer engagement campaign, authorized as part of proceeding number Application (A.) 12-08-007, is subject to formal regulatory processes. Public workshops, comments, and reply comments from interested parties ensure collaboration and transparency throughout the process.

Regarding oversight and facilitation of the customer engagement plan as stated in Decision (D.) 13-12-038, the Commission adopted a governance structure for the statewide ME&O that was intended to provide for strong oversight and contract management by the Commission, while allowing for collaboration, input, and advice from the utilities and other stakeholders.

Therefore, the Commission, with input from Investor Owned Utilities (IOUs), Regional Energy Networks (RENs), Community Choice Aggregators (CCAs), and consumer advocates, will work with DDB to execute the statewide customer engagement campaign and ensure integration and coordination among Commission priorities.

2.1 Defining Parties Involved: RASCI Model

RASCI stands for Responsible, Accountable, Supportive, Consulted, and Informed and is often used to define roles on projects with multiple stakeholders. Going forward, the Roadmap will use the RASCI model when referencing affiliated parties. In this instance, the external vendor is the “Responsible,” the Commission is the “Accountable,” the Public Administrators (IOUs, RENs, and CCAs) are the “Supportive,” consumer advocate groups (such as those serving harder-to-reach audiences, and, in particular, serving California residents with disabilities) and other key stakeholders are the “Consulted,” and the public is the “Informed.” As suggested by Supportive stakeholders, delineation via the RASCI model will clarify and distinguish the players who are planning and executing the customer engagement campaign.

2.2 Roles and Responsibilities

The chart below defines roles and responsibilities of each party according to the RASCI Model:

Role	Entity	Description of Role
Responsible	Statewide Implementer (DDB)	The one charged with delivering a successful outcome; leads, coordinates, implements.
Accountable (also Approver)	Commission and CEC	The ultimate authority who assigns and approves the deliverables.
Supportive	Program Administrators (IOUs, RENs, CCAs)	Those who provide resources or play a supporting role in implementation or outcome and deems its success.
Consulted	Consumer Advocate Groups and other key stakeholders Consumer advocates	Those whose opinions are sought for input and/or with whom there is two-way communication.
Informed	Public	Those kept up-to-date, often only upon completion, and with whom there is just one-way communication through the proceeding service list.

2.2.1 Governance Structure

Furthermore, DDB, as the Responsible party, will:

- Execute the statewide customer engagement campaign across all channels
- Conduct quarterly in-person meetings with Accountable, Supportive, and Consulted
- Conduct monthly phone calls with Accountable, Supportive, and Consulted
- Provide a calendar to Supportive parties as to mitigate overlap and messaging redundancies with regional customer engagement efforts
- Seek information and guidance from subject matter experts on regional customer engagement efforts
- Provide campaign materials via an online sharing tool (currently Box)
- Submit performance metrics for comment

As the Accountable party, the Commission will:

- Set overall customer engagement goals, roles, and responsibilities
- Approve budgets and budget changes over \$250,000
- Oversee planning and coordination process
- Approve marketing plans and performance metrics

- Track and report on campaign performance
- Have access to all campaign materials available on Box
- Attend quarterly in-person meetings
- Participate in monthly phone calls

As the Supportive party, the PAs will:

- Attend quarterly in-person meetings
- Participate in monthly phone calls
- Provide Responsible party with information and expertise on regional customer engagement efforts
- Receive a regular calendar from Responsible party and have the opportunity to provide input as to mitigate overlap and messaging redundancies with regional customer engagement efforts
- Be provided access to campaign deliverables and assets via Box

As the Consulted party, the consumer advocate groups and other key stakeholders will:

- Attend quarterly in-person meetings
- Participate in monthly phone calls
- Receive a regular calendar from Responsible party and have the opportunity to provide input as to mitigate overlap and messaging redundancies with regional customer engagement efforts
- Provide general expertise and guidance to Responsible party
- Be provided access to campaign deliverables and assets via Box

As the Informed party, other stakeholders will:

- Attend quarterly in-person meetings
- Provide comments on performance metrics

2.2.2 Working with Supportive and Consulted Parties

To ensure integration and coordination on Commission priorities are consistent, DDB is committing to:

- Conducting Briefings. As the campaign gets underway, DDB will brief Consulted parties on the campaign progress, such as implementation of the campaign launch, opportunities to collaborate on community outreach or public relations efforts, and key audience segmentation findings. Due to the success of the February 2017 Integration workshop, in-person meetings will be interactive; therefore, Supportive and Consulted parties are responsible for participating and providing input to ensure statewide and regional efforts are complementary. These briefings will be more frequent in the initial stages, then less frequent once the campaign becomes more established. Throughout the campaign, in-person meetings will occur quarterly and conference calls will take place monthly.
- Dialogue with Consulted parties. DDB will maintain a frequent dialogue (such as quarterly in-person meetings and *ad hoc* communications) with Supportive and Consulted parties; communicating important updates and milestones among all parties will ensure consistency and transparency throughout the planning and implementation process. Furthermore, DDB, Supportive, and Consulted parties will collaborate securely and privately through the use of a digital enterprise tool (to be selected). In the short term, DDB will continue to share campaign materials and resources via Box.

- Calendaring. DDB regularly will submit a calendar to Accountable, Supportive, and Consulted parties on all Energy Upgrade California activities to ensure alignment in messaging and engagements across the statewide and regional customer engagement efforts.
- Optimizing. DDB continually will be improving statewide customer engagement, based on lessons learned, feedback, and campaign success. Supportive and Consulted parties will provide insight into how the campaign is performing and how DDB and PAs can complement each other to achieve success in the statewide and regional customer engagement campaigns.

3. Purpose of Statewide Customer Engagement

DDB is committed to planning and executing a customer engagement campaign that will be more than just a marketing campaign. It will create a movement empowering and inspiring California residents and small businesses to take ownership of their energy-management behavior and consumption. The heart of the statewide customer engagement campaign is built on simplicity and focus, streamlining messaging and outreach efforts while complementing PAs' regional efforts. In addition, DDB is taking an integrated marketing approach, based on research among residential consumers and small-business owners, to ensure the customer engagement initiative and the Energy Upgrade California brand program changes the energy consumption behaviors of Californians and is recognizable, relevant, and visible throughout the state.

3.1 Customer Engagement: Vision and Goals¹

3.1.1 Current Vision

The customer engagement vision has been clearly defined and enacted through Commission D.16-03-029. The current vision for customer engagement is the following:

All Californians will be engaged as partners in the state's energy efficiency, demand-side management, and clean-energy efforts by becoming fully informed of the importance of energy efficiency and other demand-side efforts and their opportunities to act. Statewide ME&O should serve as a lead generator for local and regional programs and drive consumers to directly take actions to reduce or manage energy use in other ways.

3.1.2 Current Goals

Below is the statewide long-term goal currently filed for the customer engagement campaign, per D.16-03-029:

Statewide ME&O will lead consumers to products, services, and rates that empower all Californians to take actions that will lead to lower bills, higher energy efficiency, and the adoption of demand-side solutions including customer-owned renewable energy technologies.

Below is the statewide short-term goal currently filed for the customer engagement campaign, per D.16-03-029:

¹ D. 16-03-029. Appendix A, p. 1.

Energy Upgrade California is an integrated, umbrella statewide ME&O effort that provides California residents and small-business owners with information about energy concepts, programs, services, rates, and benefits of taking action so that all Californians are empowered to 1) understand their energy use, the opportunities available for them to act, and the benefits of their action, and 2) take well-informed action to better manage their energy use.

3.2 Connecting Senate Bill 350 to the Customer Engagement Campaign

The DDB team anticipates the customer engagement campaign will grow and expand over time, building momentum year after year. Educating target audiences will be important throughout the course of the entire campaign, while behavior change and a long-term cultural shift will be built on the foundation established at the campaign's onset.

The campaign's aim is to support the goals of SB 350 to progress on energy efficiency efforts, lower GHG emissions, and create a cleaner environment by 2030. Through research-based strategies, targeted outreach, localized messaging, and accountability to campaign milestones, the customer engagement campaign will inform, empower, and engage California residents and small businesses to change their energy behaviors.

4. Initial Research

Over the next five years, much will change in California's energy marketplace. That's why DDB already is tapping into the signs and signals of change.

In terms of the customer engagement umbrella campaign, convincing Californians to change their behaviors is a tough goal. There are some strong elements of the existing campaign that should be retained, but there also are many new opportunities to strengthen the message and the connection to consumers to drive behavior. Below are initial observations DDB found in relation to the Energy Upgrade California customer engagements efforts done in 2013-15:

- **Observation 1: To change peoples' behavior, the Energy Upgrade California brand must forge an emotional connection.**

The Energy Upgrade California brand currently lacks an emotional connection; therefore, it must go beyond sharing practical tips for homes and small businesses. DDB recommends connecting with Californians' hearts – not just mind – by humanizing its story. When people can see themselves in a story, (and believe, "I see myself in that."), they are more apt to connect with the brand. In turn, they will feel invested and compelled to act. This is especially true in social media channels, where thought leaders regularly influence others.

Also, the brand which DDB recommends launching in the marketplace, its tone is energizing – and one that feels like it is from California for Californians. The narrative told by Energy Upgrade California must embody a storytelling style that is inclusive, celebratory, upbeat, empowering,

and mission-oriented. From early research, DDB confirmed people enjoy seeing and hearing messages that are proactive and reflective of California's diverse population.

- **Observation 2: To break through, the Energy Upgrade California brand must stand up for its cause – and stand out from the crowd.**

Energy Upgrade California's success depends upon creating and reinforcing a set of distinctive and memorable brand assets to tap into the emotional brain's use of schema and associations. The current campaign needs to connect in a more emotional way with consumers, requiring a tighter link to the actions consumers can take to get involved and why they should care. In addition, the current campaign leverages different styles, tonality, and graphical cues across various communications.

Therefore, DDB recommends building a single, cohesive set of brand cues and signals that come to life across multiple channels to create a tangible, hands-on approach toward which the emotional brain naturally gravitates.

- **Observation 3: The Energy Upgrade California brand must elevate its presence and engagement with Californians.**

The Energy Upgrade California brand exists to turn energy from an obscure, taken-for-granted concept into something that people care deeply about. That said, most Californians are not yet aware of the brand or its energy-stewardship mission.² Secondly, its messages across channels are inconsistent or lack coordination. Thirdly, each medium is not being best utilized. Moving forward, DDB recommends:

1. Developing a stronger presence with a targeted message to break through and capture people's attention. DDB is finding ways to intercept consumers where they already are and engage in a conversation they are already having rather than creating a new dialogue about energy management.
2. Better integrating its message into existing PAS' initiatives and better coordinating on every priority focused on achieving California's energy goals. When all entities work together, impact is maximized.
3. Leveraging the power of each medium and existing conversation about energy. For example, Energy Upgrade California might consider tweeting at other brands which have something to say about energy usage and conservation, thereby leveraging other brands' follower bases.

² [Opinion Dynamics, November 2016.](#)

4.1 Gathering Insights and Data

DDB aims to come from a place of knowledge to implement a successful customer engagement campaign, and so has been collecting the necessary background and research.

- **Creative Resonance:** Considering less than one-quarter of Californians, when prompted, had heard of Energy Upgrade California³ in the 2013-15 customer engagement cycle, DDB developed preliminary creative materials for the customer engagement campaign. In addition, DDB is and will continue to glean more consumer insight regarding conservation awareness, attitudes, behaviors, reactions to conceptual messages, and specific stimuli. This learning will inform activities, messaging, and creative going forward.
- **Communications Outreach:** DDB is auditing the communication channels used to reach our target audiences. DDB then will determine which channels and assets to continue using, which need fine-tuning before reintroduction to target audiences, and which to discontinue.
- **Relationships:** DDB has tapped into target audiences, as well as Informed and Consulted stakeholders, to glean in-depth perceptions about existing customer engagement efforts and what an “ideal” energy-management initiative would look like.
- **Barriers:** Initial research reveals “more than two-thirds (68 percent) believe they are doing all they can to reduce their bills even more.”⁴ DDB is exploring the barriers hindering target audiences from understanding the importance of personal energy management, participating in the Energy Upgrade California movement, or changing personal energy-consumption behaviors. These findings will determine how best to educate, inspire, and influence target audiences to act despite obstacles.

4.2 Methodology Approach

DDB took a hybrid qualitative and quantitative research approach to gain a 360-degree view of the customer engagement campaign’s target audiences, stakeholders, creative approaches, channels, and resources available. In building a comprehensive, timely, and actionable framework for the campaign, DDB conducted the following research:

4.2.1 Qualitative Research: In-depth Interviews with Program Administrators

DDB explored synergies between the Energy Upgrade California initiative and PA’s customer engagement programs, and now is determining how to leverage a symbiotic relationship and best move Californians through the lead-generation process. DDB asked the questions, “What’s working? What can be enhanced? What can be eliminated?” to better understand where customer engagement can improve going forward.

4.2.2 Qualitative Research: Round Table Discussions with Influencers and Community Leaders

DDB initiated roundtable discussions with Informed stakeholders (e.g., CBOs, policymakers, and key community leaders) critical to carrying the Energy Upgrade California message through their respective

³ [Opinion Dynamics, November 2016.](#)

⁴ [Deloitte Resources Study 2016. *Energy Management: Navigating the Headwinds.*](#)

platforms. During the conversations, DDB explored opportunities to intersect and collaborate with CBOs and their audience bases to fully harness the capabilities of the EUC program. DDB asked questions such as, “How can the program improve?” and “How would your members be best served by the campaign?” to improve engagement with these individuals and groups in the Energy Upgrade California movement.

4.2.3 Qualitative Research: Creative Focus Groups and In-Home and In-Business Ethnographic Interviews

Focus groups, as well as in-home and in-business ethnographic interviews, served as “gut checks” to understand how to optimize creative ideas and execution, and how to maximize the campaign’s resonance and power. DDB gleaned insights on the awareness, perceptions, and sentiments of the existing Energy Upgrade California campaign among Californians and small-business owners that fell into the active and inactive ends of the spectrum. Also, DDB dove deep into understanding their personal energy-management behaviors to explore, understand, and bring to life people’s energy consumption and conservation awareness, beliefs, attitudes, and behaviors.

4.2.4 Quantitative Research: Segmentation and Brand Tracking Hybrid Study

DDB conducted audience segmentation fieldwork to determine the optimal targets by identifying consumer mindsets, needs, and behaviors, as well as volume and worth of segments with most potential for change. The sample also takes small businesses into consideration, as with 9 percent of respondents identifying as owners of small businesses.

To define each audience, DDB surveyed 5,000 respondents (18 years of age and older). The sample size is representative of California in terms of age, ethnicity, gender, county and population, and was offered in English and Spanish (12 percent of the sample took the survey in Spanish). Below is the respondent breakdown by age:

- 18-24 (14 percent of the sample)
- 25-34 (19 percent of the sample)
- 35-49 (28 percent of the sample)
- 50-64 (24 percent of the sample)
- 65+ (15 percent of the sample)

The Segmentation and Brand Tracking Hybrid Study gives DDB a better understanding of the mindsets of Californians when it comes to energy savings and conservation. Specifically, the study aims to:

- Understand their mindsets, needs, and behaviors
- Inform motivations for each segment
- Identify current behaviors and how they differ among segments
- Outline profile segments in depth to inform media planning and purchases
- Profile segments in depth to understand key differences (e.g. media habits, motivators, activities, etc.)

While the primary focus of this research segmentation will inform development for the campaign (which will be further discussed in Section 5), this also establishes a baseline for key metrics used to measure the impact of customer engagement efforts over time.

4.2.5 Future Research

DDB recommends recruiting the same audience as the segmentation research (California residents and small business owners over 18 years old, demographically representative of the state) for ongoing brand tracking. This will help DDB understand how customer engagement communications impact the key measures (awareness, familiarity, motivation, participate, advocate), behaviors, and the reach and response of the communications. Base sizes permitting, data will be cut into key groups (for example, based on ethnicity or income) to see how awareness, perceptions, and behaviors change over time.

An ongoing Brand Health Tracking Study will be conducted on a semiannual basis. The study will run in winter (January and February) as well as summer (July and August) to account for seasonality and when people are using energy and thinking about using energy the most. (For example, the summer months of July and August are when Californians and small businesses use more energy to stay cool, and the winter months of January and February are when they use more energy to stay warm.)

In addition, DDB will conduct ongoing qualitative research to understand how in-market messaging, strategies, and tactics resonate and how best to tailor communications to specific segments and sub-segments, based on nuanced needs of harder-to-reach populations. DDB also recognizes the need to bridge the digital divide and ensure that all Californians and small businesses, including hard-to-reach audiences with limited or no access to internet services, are included in ongoing research. Going forward, the online survey findings will be augmented with face-to-face, self-administered survey methods. Thus, these individuals will be recruited in person, then asked to take the online survey in a designated facility.

4.3 Key Research Findings

Below are high-level themes and thoughts derived from the initial qualitative research query:

4.3.1 People Care but are Creatures of Convenience

Managing personal energy habits can be an additional burden; however, people will make an effort that is not “too” hard. People are willing to act if doing so can be integrated into their normal routine; therefore, it must be easy. (For example: “I’ll unplug the toaster, but I’m not crawling behind the TV.”)

4.3.2 When people discover who Energy Upgrade California is and what their mission is, it compels people to act.

The Commission has an opportunity, as trusted government entity, to legitimize the energy movement. Due to skepticism of utility companies being driven by self-interests, Energy Upgrade California will benefit from overtly identifying as a government, statewide effort. For example, a Fresno focus group attendee said,

“I don’t look at them as a bad guy – I just see them as protecting their interests. I didn’t know what Energy Upgrade California was. I hadn’t heard of it before now but after seeing this

(work), I think EUC is sincerely planting the seed and it will eventually have an impact. I actually think it's going to work."

Therefore, DDB has concluded that California residents and small businesses will interpret Energy Upgrade California's messages, incentives, and efforts to be a mixture of sincere citizenship and passion to improve the state.

4.3.3 While Baseline of Interest is High, Understanding of Energy is Low

For most Californians, energy bills are largely mysterious. People only have a vague sense of how energy costs work. They are aware of tiers, but cannot understand or explain exactly how or why they are in their tier, or how they could manage tiers or energy usage to save money.

4.3.4 No Singular Motivation is the Trigger for Efficient Behavior

Motivations are not binary; rather, there is a gradient of motivations in which residents and small businesses would be compelled to save energy. The Energy Upgrade California brand would be well-served to employ messaging and strategies speaking to many different motivations. The Energy Upgrade California's current creative platform focuses on love of the environment, which is just one top motivator amongst several, as well as California pride. While both motivate consumers, neither ranks as the top reason to act.

(To view the motivations DDB uncovered through qualitative focus groups and ethnographic interviews, go to Appendix 14.3).

4.3.5 An Anthemic, Unifying "Rallying Cry" is an Excellent Platform

- The idea is exciting because it is a new way to think about energy and is a principle that is universally understood and believed: "One change that I can do could impact the state – if millions of others are doing the same thing."
- When people discover there are many like them, they are motivated to take personal energy-management behaviors even further. Through a diverse yet inclusive platform, consumers can see themselves in the action they take: "That's me! That's my brother. That's my neighbor."
- Rather than telling people what to do in an authoritative way, an energetic and supportive creative platform celebrates what already has been done in the energy-management space and what Californians can achieve together.

5. Audiences

As mentioned in Section 4.2.4, DDB redefined target audience segmentations. Thus, the larger campaign narrative can be brought to life through a customized lens to impact specific audiences, resulting in a substantial payoff.

The customer engagement campaign is mandated to market to *all Californians*—both residents and small businesses; however, there must be prioritization and focus on the audiences in which behavior change is possible. DDB recognizes there is a range of awareness and action, and it will engage all California residents and small businesses throughout the continuum. Through the research done to

date, DDB is tapping into unifying insights that transcend differences at a macro “energy movement” level. As a result, DDB is developing complementary messaging that tailors Energy Upgrade California’s story to people’s important yet nuanced needs and differing underlying motivations to engage every audience, including harder-to-reach communities.

5.1 Audience Approach: Segmentation

Research plays an important part in reaching all Californians and understanding how different groups of people relate to the category, each other, and the world. DDB possesses a deep understanding of real people, the potential relationships they could have with the Energy Upgrade California brand, and where the greatest opportunities exist for influencing energy behavior and assisting all California residents and small businesses to be active energy stewards.

In its Segmentation and Brand Tracking Hybrid Study, DDB used a multi-phase, quantitative approach to produce relevant and actionable segments, which ultimately will result in maximizing long-term impact, including a confirmation of our initiative objectives and needs. This includes:

- **Targeting and Strategy.** Identification of groups based on shared attitudes and needs who will be responsive to our efforts while prioritizing groups with greatest opportunity for growth.
- **Marketing Communications Planning & Development.** Development and confirmation of messaging and creative platforms based on motivations and tensions found in the research.
- **Media Planning.** In addition to responses to media consumption found in the research, the study also will inform and link back to our media planning, purchasing, and behaviors across the initiative.
- **Future Research.** Should it be needed in the future, full and reduced variable typing tools with accuracy rates for identification of segments in future research.

5.2 Segmentation Findings

DDB’s Segmentation and Brand Tracking Hybrid Study revealed five segments of Californians and small businesses as follows:

- **Rationale Participant Segment: 30%**
 - These Californians are aware of issues, but not motivated to do anything.
 - Example: *“I don’t like to be wasteful, but other issues are more important”*
 - Percentage of Small Business Owners: 16%
- **Inactive Skeptic Segment: 16%**
 - These Californians care if there’s a personal interest, yet energy efficiency is not a priority.
 - Example: *“I’m aware of the issues but not sure how I can make a difference.”*
 - Percentage of Small Business Owners: 38%
- **Quiet Advocate Segment: 19%**
 - These Californians quietly advocates for change.
 - Example: *“It’s good to be thoughtful when it comes to the environment ”*
 - Percentage of Small Business Owners: 12%

- **Spirited Promoters Segment: 17%**
 - These Californians talk the talk, don't walk the walk.
 - *Example: "I'm a champion of change, but don't always practice what I preach."*
 - Percentage of Small Business Owners: 20%
- **Energy Steward Segment: 18%**
 - These Californians talk the talk AND walk the walk.
 - *Example: "I talk the talk and walk the walk."*
 - Percentage of Small Business Owners: 14%

The Energy Steward segment is the "North Star" of the statewide customer engagement campaign, because these are the residents and small businesses already doing the work and advocating for more energy-management behaviors. Assigning each segment a score based on attitudinal traits, the Energy Steward ranked the highest. With a composite score of 310, this segment is knowledgeable about energy-management practices, actively and consciously practices energy-management behaviors and is an advocate of energy conservation. While customer engagement is not actively targeting this segment, the Energy Stewards are the protagonists in Energy Upgrade California messaging and stories to inspire others to follow suit.

Customer engagement will focus on engaging Rationale Participants, Quiet Advocates and Spirited Promoters (each of which has a score above 100) and driving them toward becoming more like the Energy Steward segment. Inactive Skeptics, with a score of 96, are less of a focus of customer engagement, as they are the hardest to activate due to low awareness, low activity, and low advocacy. Please see the chart below.⁵

	Energy Stewards	Spirited Promoters	Quiet Advocates	Inactive Skeptics	Rational Participants
Environmental/energy engagement	High	High	High	Low	Low
Motivations	Intrinsic, greater good	Greater good	Intrinsic	Financial	Financial
Awareness of energy efficient actions	High	Low	High	Low	Moderate
Participation in energy efficient actions	High	Moderate	High	Low	Moderate
Energy consumption	Low	High	Low	High	Moderate
Advocacy	High	Moderate	High	Low	Moderate
Composite score	310	188	238	96	105

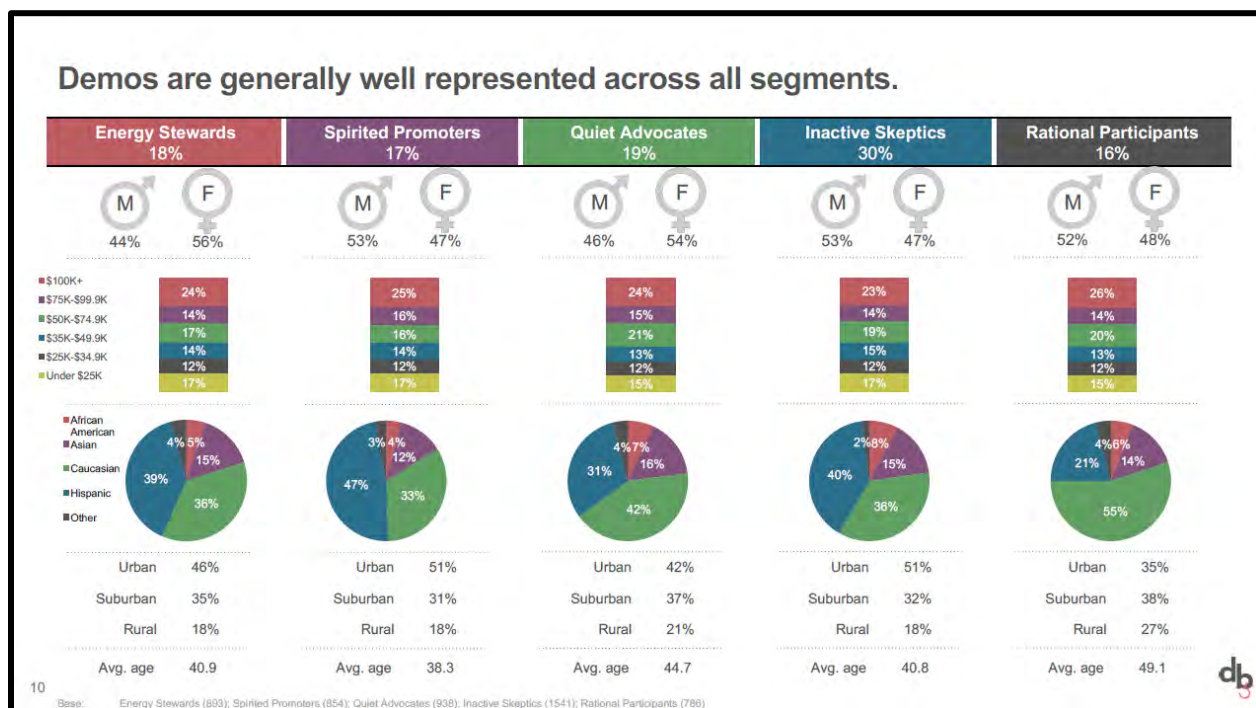
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⁵ "Understanding the California Energy Consumer." Appendix 14.5, p. 26

5.2.1 Rationale for Attitudinal Segmentation

If the Segmentation and Brand Tracking Hybrid study data was broken out by demographics, DDB risked making large assumptions and stereotypes about specific groups of people (example: “All Millennials believe climate change is real.”). Attitudinal segmentation provides each survey respondent an “individual voice;” therefore, DDB grouped respondents in like-minded groups and examined differentiators across segments. Sometimes demographics can largely skew within a segment, but in this case of the statewide customer engagement campaign, demographics were largely similar across all five segments. Please see the chart below.⁶



⁶ Understanding the California Energy Consumer.” Appendix 14.5, p. 10

5.2.2 Rationale for a Five-Segment Solution

DDB explored various segment solutions and arrived at a five-segment solution. In a four-segment scenario, critical differentiators between the Energy Stewards and the Spirited Promotors were lost. When the segmentation expanded to six, clearly distinguishing from one segment to the next was difficult. In addition, the additional segment was not clearly different from the others.

Therefore, a four-segment solution was too small to detect important differences. A six-segment solution was too big to detect clear distinction. A five-segment solution was just right: Each segment is distinct and has key defining differences.

5.3 Diversity

DDB recognizes that accessibility is a critical issue with regard to the effective communication of Energy Efficiency to all Californians.

As stated in Decision 13-12-038⁷, the customer engagement campaign will include:

Strategies for incorporating accessible information and technologies for Californians with disabilities and strategies and opportunities for reaching under-served, minority, and non-English-speaking communities.

To ensure the campaign reaches and connects with all audiences across the state, particularly economically disadvantaged and harder-to-reach audiences, DDB will take into account the cultural, socioeconomic, geographic, age, disability, residential-type, business size and type, and other diversity factors of the more than 39 million California residents. DDB's ongoing quantitative and qualitative research will be utilized to develop strategies for specific campaigns aimed at delivering our communications to particular harder-to-reach Californians and small businesses. Thus, the Brand Health Tracking Study will allow DDB to measure customer engagement success and optimize the campaign over time.

The semi-annual Brand Health Tracking Study (as referenced in Section 4.2.5) will help measure the success of the communications. The first wave of tracking research is due to commence in the third quarter of 2017, the output of which will assist in identifying older age and disability profiles within the data segments. This also will provide a quantitative read on how effective customer engagement communications are performing against the harder-to-reach audiences within the segmentation sample. Where supplemental data on harder-to-reach audiences without internet access is needed, DDB will consider using follow up questionnaires.

In the second quarter of 2017, DDB will conduct further qualitative research, specifically focused on harder-to-reach audiences, including Californians with disabilities, to enhance and refine DDB's understanding of these important sectors and how to more effectively communicate with them. DDB

⁷ D.13-12-038,p.36.

recommends conducting this research in partnership with the Center for Accessible Technology and other consumer advocate groups with a specific expertise in harder-to-reach audiences.

By targeting each of these audiences, the customer engagement campaign builds momentum to reach more households and small businesses in California. As a result, the customer engagement aims to encourage greater energy management and energy-efficiency practices among all California residents and small businesses, regardless of background.

6. Refined Objectives and Metrics

Below are the objectives currently filed for the customer engagement campaign, per Decision 13-12-038⁸:

- Use the Energy Upgrade California brand to educate about the Home Upgrade programs, why energy use matters, how California homes and businesses use energy, as well as energy efficiency, demand response, distributed generation, and energy-management actions available to them.
- Encourage Californians to learn more about their energy use via engagement with resources and tools.
- Inform Californians about the benefits of participating in local program opportunities, seasonal opportunities, or no/low low-cost actions.
- Provide direction about how Californians can learn more about and enroll in local program opportunities and time-sensitive opportunities, or how to take no-/low-cost actions.
- Identify and pilot messaging and delivery for allies complementing existing utility partnerships, including local governments, community-based organizations, retailers, and realtors.
- Identify and pilot methods to provide information to small business owners.
- Stakeholders to develop and implement lead generation process by defining what constitutes a “lead,” establishing goals as part of the Annual Joint Consumer Action Plan, documenting a process flow describing how leads are generated and handed off, and defining how lead generation activities are measured and tracked to inform improvement opportunities. (Replaced in D.16-09-020)
- Work with a marketing firm and use behavior research to develop a social-marketing campaign.
- Coordinate local, regional, and statewide marketing efforts, messaging, and tactics.
- Develop an Evaluation, Measurement, and Verification (EM&V) roadmap for utility local marketing and statewide marketing to understand the impacts of local, utility-led marketing, and how local and statewide efforts can best be coordinated and complementary.

In consultation with the Commission, Supportive, and Consulted parties, DDB has defined two key marketing objectives – awareness and intent – that will accomplish the goal of changing energy-consumption behaviors among California residents and small businesses. This program ultimately will

⁸ D. 13-12-038, p.21.

work towards supporting the goals enacted in SB 350. These key objectives, listed below, articulate the outcomes of the program based on the energy-efficiency measures and energy-management behavior Californians will take.

6.1 Refined Objectives

In late 2016, DDB identified five important measures of the statewide customer engagement campaign: awareness, consideration, motivation, participation, and advocacy. While all of these remain important, DDB has reclassified how each measure is reflected within the context of measurable objectives and targets (refer to chart in section 6.2). DDB's initial Segmentation and Brand Tracking study (which helped set benchmarks for levels of awareness and intent) has informed this shift in thinking. DDB concluded it is very difficult to get a clear read on metrics such as behaviors and advocacy, as they are intangible and are hard to quantify accurately. These intangibles also have compound variables, making measuring and attributing success difficult.

Because the primary statewide customer engagement effort is delivering marketing communications, measurable outcomes of this effort will be **Awareness and Intent (to act)**. These critical objectives lay the foundation for behavior shifts, because attitudes and perceptions shift prior to behaviors and actions. With finite resources, DDB is focusing on the most critical needs of the EUC brand.

- First, DDB will create a greater awareness of the Energy Upgrade California brand, its mission, and energy-management actions that California residents and small businesses can take to contribute to the statewide goal. This will be the primary focus of year 1.
- After Year 1 (and especially as Year 5 approaches), with rising awareness, the focus will move toward intent, measured in claimed changes in behaviors, lead generation, engagement with our content, and advocacy.

The chart in Section 6.2 outlines the objectives, key measurements, and measurement goals. After benchmarking has been completed for an entire year (accounting for shifts in seasonality), DDB will have a baseline to set targets for platform-specific intent goals.

DDB recommends the Commission adopt the following revised objectives:

6.1.1 Awareness of California's success and the importance of continued energy management.

DDB has fielded research that has revealed low awareness of the Energy Upgrade California brand, and there is confusion and/or lack of familiarity for those with aided awareness. DDB must address this issue to give the brand credibility and meaning, while pushing Californians to seize more opportunities for energy management. Key measures of awareness include:

- **Awareness of:**
 - Energy Upgrade California (both unaided and aided)
 - Awareness of ways California residents or small businesses can better manage energy usage
 - Awareness of the energy movement

- **Familiarity** with the energy movement and ways Californians and small businesses can become better energy managers
- **Motivation** of Californians to get on board with the energy movement

6.1.2 Intent of Californians to make energy-efficient purchases, participate in PA programs or services, and, above all, become more active and better energy managers and, ultimately, energy stewards.

To create real changes in behaviors and refer leads for PAs, it is imperative that statewide customer engagement efforts condition the environment for Californians to act through awareness. Key measures of intent include:

- Intent to **Participate (or take action)**: Likelihood to make change and more regularly take energy efficient action(s).
- Intent to **Participate (or engage)**: Likelihood to engage with statewide customer engagement content and be referred to PAs' websites.
- Intent to **Advocate**: Likelihood to advocate on behalf of the energy movement by amplifying the positive sentiment and actions of the program.

DDB believes the stated objectives, through which campaign success will be measured (see Section 6.2), offer a clear, action-focused path for all Californians to become active energy stewards.

6.2 Metrics

DDB is committed to having measurable and verifiable metrics determine the success of statewide customer engagement. To provide these metrics, DDB is using the data received to date and tracking data from the first iteration of post-launch research to accurately forecast a growth score and other quantifiable measures. With the data found in Year 1, DDB then can set accurate and realistic metrics for Years 2 and 3. Therefore, at the end of 2017, DDB will provide metrics for the entire campaign plus the 2018 Annual Joint Consumer Action Plan. As the Roadmap is a living document, it will be updated by the end of Year 1 to reflect the forecasted metrics.

Metrics which DDB is using to track success in Year 1 include:

EUC Measurement Plan

Marketing Objectives	Key Measures	Measurement Tools	Reporting Frequency	Goals	Year 1 Measurement Goals* / Benchmarking Windows
Awareness	Shift in aided awareness ¹ Shift in unaided awareness ²	DB5 Tracking Study	Semi-Annually	YOY % increase	Aided -2 - 6% pts (up from 64%) Unaided -1 - 3% pts (up from 1%)
	Shift in familiarity ladder ³				Shift in familiarity -4 - 7% pts (up from 27%)
Intent	Shift in motivation ³ I'm always seeking out ways to be more energy efficient	DB5 Tracking Study	Semi-Annually	YOY % increase	Shift in motivation** -2 - 5% pts (up from 74%)
	Shift in Intent to Participate ⁴ Increase in intent to take action				Benchmark to be set in July/August 2017 wave tracking
	Shift in Participation Increase in engagement with content Referral traffic to PA website	Platform-Specific Metrics	Quarterly		Google analytics tracked site referrals. Benchmarks to be set July '17 - June '18
	Shift in Advocacy (of messaging/content) Increase in sharing, mentions, likes, follows, comments Social community growth per platform				Benchmarks to be set July '17 - June '18

¹ We'd like you to think about how familiar you are with the program/initiative listed below. Please mark the box that comes closest to describing how familiar you are with that program/initiative.

² We'd like you to think about energy efficiency actions, programs, and initiatives. Please type below the name of the different programs and initiatives you have heard of including the brands/companies/government institutions promoting these programs/initiatives/actions. You can type as many as you like.

³ Using a scale of 1 to 5 where 5 means "strongly agree" and 1 means "strongly disagree," how well does each of the following statements describe you?

⁴ In the next 6 months, how likely are you to make changes in your daily routine to become more energy efficient?

*This target score is determined by the regression analysis and is modeled by the DB5 benchmarking study (March 2017) and projected 2017 media GRPs

**As determined by the movement in "very likely" or "somewhat likely" (i.e., top two box on 5 pt scale)

DDB

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7. Execution of the Customer Engagement Plan

The customer engagement campaign has three strategic components which will provide a pathway to the actual marketing: brand lift and leverage, engagements, and strategic partnerships. Consideration for reaching and engaging harder-to-reach populations, particularly Californians who are disabled, will be embedded in the overlying strategies, based on additional research as referenced in 4.2.5.

7.1 Brand Lift and Leverage

Energy Upgrade California is the brand powering this energy movement, pushing it forward, and championing energy efficiency across the state. Not only will the brand be amplified through marketing and advertising efforts, it will be strengthened through engagements and strategic partnerships appropriate for each target audience.

7.2 Community Engagement

Customer engagement, via educational and outreach opportunities, will raise awareness of target audiences throughout the state on the importance of energy management, how their consumption behaviors can make a difference in efforts to combat climate change, and smart energy choices (including, but not limited to, purchasing decisions). Over time, this will influence energy-management behaviors.

7.3 Collaboration with Supportive and Consulted Parties

Forming relationships and leveraging existing relationships currently existing between Consulted and Supportive parties, while strategically intersecting with these groups, organizations, and retailers, will create more opportunities to educate, engage, and facilitate behavioral change via the Energy Upgrade California platform.

In compliance with D.16-09-020, DDB has established a process for Supportive and Consulted parties to provide input and vice versa. For additional detail, please refer to Section 2.2.

7.4 Types of Channels

All three strategic components will employ a variety of channels to reach each target audience. The types of channels include:

- Website: Provide educational information and serve as a gateway to additional engagements.
- Social Media: Increase awareness of the program through educational and sharable messaging among digital audiences.
- Advertising: Expand campaign reach to create awareness of the program through paid, traditional, and digital advertising.
- Events: Direct engagement with audiences to inform and inspire them to learn more, act, and become more involved in energy management and stewardship. Events complement digital and traditional tactics.
- Public Relations: Leverage earned-media opportunities to amplify the brand through third-party channels.
- Community Engagement & Ongoing Programming: Ongoing engagements to connect with third parties (for example CBOs and influential community voices) and leveraging the right channels to effectively deliver messages to their audiences or constituents.

8. Energy Upgrade California: Creative Platform

All aspects of the customer engagement campaign will be expressed through a branded Energy Upgrade California platform embodying an energy-management movement. This will include creative elements, such as a tagline, color palette, and logo, to convey the campaign's look and feel while bringing to life the overarching vision for all Californians to become energy stewards. From advertising to educational toolkits to third-party outreach documents, all collateral and campaign materials will mirror the integrated brand campaign.

A cohesive, unified Energy Upgrade California creative platform will benefit the campaign over time. Through a singular, consistent creative platform, the campaign will stay true to a simplified, focused approach that complements marketing and outreach already being done by PAs. In addition, a streamlined creative platform will result in greater recognition and awareness with increased target audience retention and engagement.

8.1 Messaging

DDB has developed a sustained, overarching campaign to serve as a "rallying cry," driving awareness of the Energy Upgrade California brand and its mission to create a movement: "Do Your Thing." Within the creative platform, customer engagement will employ messages, both macro and micro, to condition the market, cultivate trust and ongoing engagement with key audience segments, and engage third-party stakeholders in authenticating the Energy Upgrade California movement.

While inherently personal, "Do Your Thing" can also be directed at families, organizations, and even entire cities. Messaging will be flexible enough to work in other languages, customized for each target audience, and delivered through multiple methods and channels. Collective ambitions and big ideas can be realized when California residents and small businesses join forces and focus on a common goal, whether that be reducing a small business's monthly energy bill by switching to energy efficient appliances or reducing a city's fossil fuel emissions by switching to more renewable energy sources.

When Californian residents and small business owners hear "Do Your Thing," they should feel inspired and empowered, knowing that Energy Upgrade California is their friend and ally in the march toward a state that champions more thoughtful, responsible energy consumption. In particular, the language used in the customer engagement campaign movement will encourage energy stewardship and management, launch a more overt rallying cry to get everyone on board, celebrate how Californians are unique yet united, emphasize not just the "one" action but *why* each action matters, and forge an emotional connection between each Californian and their actions.

8.1.1 "Do Your Thing" Tagline

"Do Your Thing" language works on two levels:

- "Do Your Thing" taps into the power of each individual California resident and small business and celebrates how, even though California residents and small businesses are doing different "things," each will be contributing to the energy movement to better manage personal energy consumption. This speaks directly to the customer (ex. "You") and invites every individual California resident and small business to get on board with Energy Upgrade California's energy movement.
- When "Do Your Thing" is localized, (examples: Do Your Thing Los Angeles; Do Your Thing Fresno; Do Your Thing Central Valley) it celebrates and taps into the power of the collective energy movement. The localized tagline also amplifies unification when all Californians (individuals, small businesses, neighborhoods, cities) come together and make a big impact.

Therefore, the Do Your Thing, California rallying cry captures how Californians are unique yet united.

8.2 Tone

The tone and manner of messaging will be consistent across different channels. It always will be inclusive, celebratory, empowering, and mission-oriented. Because the campaign must inspire Californians to take action, the campaign must be personal and convey a "California"-branded experience. It must also give a sense of urgency for the movement (for example, "*The time to engage is now!*").

8.3 Brand Behavior

Energy Upgrade California's brand embodies clout. It has the backing of the state, but it's not a boring public service announcement. It's smart but simple and makes getting involved easy. It captures people's minds and hearts—turning energy from an unknown, taken-for-granted concept to something that people care about deeply.

8.4 Logo Brand Mark

DDB's qualitative research (Creative Focus Groups detailed in Section 4.2.3) revealed that the Energy Upgrade California logo brand mark does not further statewide customer engagements' communication priorities. The current logo emphasizes the *home* and *upgrade* rather than *Energy* and *California*, which are the more important components to emphasize.

DDB is rolling out a new logo brand mark for Energy Upgrade California that places greater emphasis on *Energy* and *California* and communicates credibility coming from an impartial source, like the State rather than a corporation (which DDB found was the consumer perception), whom might have ulterior motivations. DDB anticipates rolling out this new logo as part of the new campaign communications that are launching on April 26, 2017. There will also be a *Home Upgrade* version of this new brand mark.

DDB understands that many of the PAs (as well as contractors and CBOs) will not be able to update all of their materials to reflect this updated mark immediately. DDB requests that as new materials related to Energy Upgrade California are designed and printed, partners would replace the new brand mark where possible.

9. Integration

Customer engagement, via the Energy Upgrade California brand, is an independent voice championing energy stewardship, but it also can fill in the gaps and create linkages between regional customer engagement programs. DDB is collaborating with PAs so regional efforts may benefit from the larger customer engagement campaign and vice versa. It is important to point out that the primary purpose of statewide integration is to create a broad level of awareness about these priorities while regional campaigns provide the details specific to each locality.

Moving forward, DDB will continually address coordination and integration with the Commission, Supportive, and Consulted based on current priorities. This Roadmap will define high, medium, and low priorities, and how the statewide customer engagement will integrate and coordinate with other priorities at this point in time. However, as customer engagement continues to engage new stakeholders and receives additional feedback year after year, this Roadmap will serve as a living document that may be updated on an annual basis, at the same time as the Annual Joint Consumer Action Plans.

Integration and collaboration is critical to the success of the customer engagement campaign to deliver targeted, complementary communications to all audiences. Successful integration and coordination will occur through:

- Awareness of Products, Programs, and Services. Showcasing energy management/efficiency tools (for example, encouraging “energy smart” purchases at point of sale) available to Californians through their energy provider or third parties will reinforce the brand.
- Streamlining of the Lead Generation Process. Create a process in coordination with PAs to deliver leads via the technological resources (ex. Energy Upgrade California website) available to the Energy Upgrade California brand and PAs.
- Execution of Tactical Co-branding Opportunities. Cross-promotion in marketing efforts will establish credibility for the Energy Upgrade California brand and reinforce the value of the energy provider.

9.1 Determining Priorities

Acknowledging that PAs have unique goals, DDB will work with the Commission, Consulted and Supportive parties to understand individual priorities and leverage synergies among the customer engagement campaign and stakeholders’ programs, products, and services. As stated in Advice Letter (AL) 5012-A, et al, (Supplement – Assembly Bill (AB) 793 IOU Joint Marketing Plan Pursuant to Joint Administrative Law Judge’s Ruling Providing Guidance on Compliance with AB 793 Activities):⁹

In accordance with the post-2016 Statewide ME&O Decision (D.) 16-03-029, Commission staff will develop a preliminary prioritization of areas to be pursued on an annual basis, and will provide it to stakeholders for comments and suggestions prior to the Statewide Implementer’s finalization and filing of the [Annual Joint Consumer Action Plan] as a Tier 1 advice letter.

In February 2017, DDB worked with the Commission and PAs to accurately define high, medium, and low priorities as they relate to integration or coordination with customer engagement. Whether customer engagement will integrate or coordinate with each particular program, product, or service will depend on the program’s priority ranking of high, medium, or low. Then, based on workshops with PAs and the Commission, review of the PAs’ 10-year business plans, and the content and specific plans outlined in AL 5012-A, DDB will continue working with PAs and the Commission on how customer engagement will either integrate or coordinate with each Commission priority.

As each program, product, and service is different, PAs have varying outreach needs, and because priorities may shift from year to year, integration and coordination for each priority will be individualized and will likely evolve over time. Going forward, DDB will continue collaborating with the Commission and PAs to amplify awareness efforts through customer engagement, maximizing lead generation in concert with PAs, and optimizing opportunities to ensure customer engagement is complementing the work already being done throughout the state.

9.2 Defining Integration and Coordination

Due to the unique nature of each priority, statewide customer engagement integration and coordination will take into account regional differences and provide complementary messages and tactics to regional customer engagement campaigns based on ongoing conversations with PAs. To clarify how customer

⁹ [\(AL\) 5012-A, et al.](#) p. 13

engagement will work with PAs and the Commission to promote specific priorities, DDB proposes defining the nomenclature as follows:

- Integration: Understanding and identifying points of intersection between customer engagement and specific programs or initiatives. DDB will integrate the Commission's high-priority programs and initiatives into customer engagement communications (high-level awareness messaging) as appropriate, in alignment with PAs.
- Coordination: Working with Commission staff across its many customer engagement programs to understand and coordinate with the marketing strategies implemented for all medium- and low-priority programs. When appropriate, DDB will leverage messaging of these other priorities in conjunction with PAs to streamline marketing efforts and mitigate confusion and/or mixed messaging. In some instances, regional customer engagement may not need additional statewide messaging to supplement their efforts.

To prevent diluting regional customer engagement efforts and vice versa, DDB is coordinating, via regular calendars, with PAs to ensure multiple messages on the same priority do not occur simultaneously. The specific channels with which statewide can integrate and/coordinate priority messaging (examples: website, direct marketing, events) will be included in the Annual Joint Consumer Action Plan.

(To understand how integrated and coordinated priorities will come to life via customer engagement, refer to Appendix 14.1.)

9.3 Integration with High Priorities

After gaining a clearer picture how both the Commission and PAs prioritize their respective programs, products, and services, the following are deemed as high-priority initiatives with which customer engagement will integrate. Recognizing the goal of integrating and coordinating, DDB has developed a strategic statement for each priority to guide customer engagement messaging surrounding each priority. The following "high-priority" programs, products, and services are ranked, in order of importance as it relates to the statewide customer engagement vision to fully inform California residents and small businesses of how they can become better energy managers and evoke behavior change.

9.3.1 Energy Management Behaviors

Although "behaviors" is not a program or product, it is a high priority because behavior change (whether it turning off a light, changing a lightbulb, or adjusting the thermostat) is a key goal for customer engagement and is embedded in the majority of Commission and PA priorities. For example, both Energy Management Technologies (EMT) and home energy reports are important Commission priorities. By looking at the larger picture, educating consumers on the impact their personal energy consumption has on their energy bill, all the way up to emissions in their communities, consumers will be primed to begin to invest in EMTs or enroll in a home energy report program.

- **Strategic Statement**: Because energy is a valuable resource and California must lower emissions, we need all Californians to do one more thing to become better active energy stewards.

9.3.2 Energy Management Technologies (EMT)

Commission and PAs are in agreement that EMTs will intersect with customer engagement. AL 5012-A, et al.¹⁰ states:

Emphasis will be placed on coordination among EMT-related Statewide and local ME&O activities on matters such as consistency in overarching messaging and timing. Per the post-2016 Statewide ME&O decision, EUC's role will be valuable in engaging Californians on the importance of energy efficiency and their opportunity to act and aligns well with Energy Management Technology and serving as a lead generator for local and regional EMT programs.

Thus, customer engagement efforts will initially focus on educating consumers and small businesses on the value of investing* in EMT (example: educating consumers about the value of a smart thermostat and providing access to purchasing the device). Later in the campaign, customer engagement will encourage consumers to act—to change their behavior as a result of using EMT (example: encouraging energy-management behaviors to complement the smart thermostat's capabilities).

- Strategic Statement: Technology is available in the market to help manage your energy. There are multiple tools—ranging from apps to smart meters to thermostats—that can help you become a better energy manager.

*It is important to note that AB 793 defines EMTs as “as a product, service, or software that allows a customer to better understand and manage electricity or gas use in the customer’s home or place of business,” and can include free tools, such as PG&E’s Home Energy Checkup.

9.3.3 Lighting

Lighting, specifically LED lights, are a high priority for the Commission. There are significant cost and energy savings associated with LEDs. PAs have indicated their messaging recommends the use of LED instead of incandescent or CFL lights. However, PAs and the Commission agree that Energy Upgrade California is an excellent platform from which to message the benefits of LED lights. Through awareness and educational messaging, the customer engagement campaign will encourage consumers to invest in LED bulbs.

- Strategic Statement: LED lightbulbs give you immediate energy savings and will last up to 20 years longer than regular lightbulbs.¹¹

9.3.4 Home Energy Checkup/Advisor

Home Energy Checkups/Advisor can be the gateway to understanding more about consumers’ energy habits, needs, and abilities to make their homes more energy efficient. In addition, this is the first stop on the “customer journey” to a better rate program for the consumer, which equips them with information about how they can make better energy decisions and, ultimately, become better energy

¹⁰ (AL) 5012-A, et al, p.14.

¹¹ [PGE.com, Savings Programs: LED Lighting.](https://www.pge.com/energy_efficiency/savings_programs/led_lighting)

managers. It also is a gateway to learning about efficient appliances, making a home more efficient, as well as behavior changes and other energy-saving ideas.

The user experience as to how consumers connect with their energy provider varies slightly across PAs, but it is agreed upon that customer engagement can help drive consumers to their designated energy provider to better understand their personal consumption habits.

- Strategic Statement: It's important to do regular "energy check-ups." Talk to your local energy provider to learn where you can find information about how your home or business is expending energy.

9.3.5 Residential Rate Reform (RRR) and Time of Use (TOU)

Residential Rate Reform and Time of Use (R.12-06-013) are high priorities for both PAs and the Commission. DDB recognizes this priority will shift in relevance and importance as PAs work toward their goals to ensure customers: (1) are aware that there are rate plans available to help mitigate electricity costs, (2) know where to go to get more information about rate options, (3) understand how the quantity and timing of when energy is used can impact their energy bills, (4) understand the financial and environmental benefits of lowering and/or shifting their energy use, and (5) are aware of rate options offered by their energy provider to help manage their energy bill.

Because RRR and TOU can get very complex very quickly, customer engagement will integrate topline awareness messaging and drive consumers to their energy provider to learn more. In the early stages of customer engagement, awareness messaging will condition the environment and get consumers thinking about when they use energy. As Energy Upgrade California matures and RRR/TOU ramps up, DDB, Consulted and Supportive parties, as well as the Commission will reassess customer engagement messaging and integrate awareness and educational efforts accordingly.

- Strategic Statement: When you use energy matters.

9.3.6 Energy Savings Assistance Program (ESA)

PAs currently use a multi-touch approach (such as direct mail and email, digital advertising and media, community events, and coordination with a variety of CBOs and ESA Program contractors) to engage eligible consumers in the Energy Savings Assistance (ESA) program. In addition, community events and coordination with CBOs present ESA (as well as CARE) as a solution for the economically-disadvantaged customer. For example, SoCalGas works with a local foodbank to coordinate enrollments in ESA. Statewide customer engagement can play a role in creating awareness about ESA among target audiences by ensuring CBOs involved in customer engagement are equipped with relevant ESA information (web content, fact sheets) to provide their constituents. To avoid duplication of efforts, DDB will work with PAs to ensure they cover the span of CBOs while not overlapping.

- Strategic Statement: Programs are available that can make energy efficiency more affordable or even free for your home. Contact your local energy provider to see if you qualify.

9.3.7 Energy-Efficient Appliances

Another way to create real behavior change and reduce GHG emissions, PAs have indicated, is communicating the long-term savings (energy and cost) and leading consumers to purchase energy-efficient appliances. Customer engagement intends to drive consumers interested in energy-efficient appliances to their local PA so they may discover opportunities to replace or upgrade their desired appliance(s).

- Strategic Message: When you upgrade your appliance to an energy-efficient model you are making an investment that has long-term savings, both energy and cost.

9.3.8 Home Upgrade Program

Though the product itself is not a PA priority, the idea of “whole house energy efficiency” is important and there are a variety of options available (including ESA for qualifying, economically disadvantaged customers and the Home Upgrade program for other residents). The Home Upgrade Program remains a high-priority product for the Commission, and statewide customer engagement will integrate messaging on this product in a way that is streamlined and makes it easy for customers to learn about and ultimately invest in a home upgrade. However, DDB recommends the product itself and the pathway to signing up for the Home Upgrade Program be improved so customer engagement efforts can promote the program effectively.

- Strategic Statement: Help is available to make improvements to your home that can significantly lower your energy bills and improve comfort. Learn more about the steps you can take to make your home more energy efficient.

9.4 Coordination with Medium Priorities

Coordination with medium priorities will require fewer customer engagement messages and tactics. However, statewide customer engagement efforts will work in lockstep with PAs to avoid overlapping messages and continue supporting PAs’ customer engagement campaigns and vice versa.

9.4.1 Heating, Ventilation, and Air-Conditioning (HVAC)

While there is a plethora of information on HVAC available to consumers, not much active awareness and education exists in the current market. Therefore, customer engagement messaging surrounding HVAC will be about awareness and education, and (like EMTs and home energy reports) it will have a natural inflection point to drive consumers to their local energy providers and encourage them to see the entire “energy-management picture.”

- Strategic Statement: HVAC is one of the biggest energy users in a home or building. Maintaining your HVAC system and knowing when to call a contractor is important to caring properly for your system, improving comfort, and being as energy efficient as possible.

9.5 Coordination with Lower Priorities

Statewide customer engagement coordination on low priorities will largely be about allowing visibility into each other’s plans and not interfering with existing regional customer engagement efforts to avoid consumer confusion.

9.5.1 Electric Vehicles

The electric vehicle market is in early development, and the role of the PAs here is being tested and modeled. Until there is a better understanding of how PAs will participate and the need for messaging to IOU ratepayers, customer engagement does not play a role in this priority. However, it should be noted that the priority may shift later as more information is available about the investment from PAs in 2018 and beyond.

- Strategic Statement: Driving an electric vehicle has environmental benefits (such as reduced operating emissions) and personal financial benefits (such as lower operation and maintenance costs) as well.

9.5.2 Rooftop Solar

The rooftop solar market is heavily marketed by solar infrastructure providers, so there is little need for heavy customer engagement efforts. However, PAs recommend customer engagement outreach use awareness and educational messaging on consumer protection to ensure customers do not fall victim to scams.

- Strategic Statement: Choosing the right solar provider for you starts with being knowledgeable of your options and your rights as a consumer.

9.5.3 California Alternate Rates for Energy (CARE) Program

The CARE program, across all PAs, has penetrated 90 percent of the eligible market; therefore, statewide customer engagement efforts are a lower priority. However, the economically-disadvantaged audience is still important to statewide customer engagement effort, therefore the messaging will be tailored accordingly.

- Strategic Statement: Programs are available to help you pay your energy bill. Contact your local energy provider to see if you qualify.

9.5.4 Climate Credit

PAs do not have a marketing budget tied to this credit. Therefore, opportunities for statewide customer engagement coordination or integration with the Climate Credit will be minimal. However, statewide customer engagement may employ inspirational messaging if there is a compelling consumer anecdote to elevate Energy Upgrade California and help tell the story that “California is doing great things to make our state even more energy conscious.”

- Strategic Statement: California is committed to rewarding its energy customers for doing their part in reducing California’s overall climate pollution by 2030.

9.5.5 Demand Response and AC Cycling

PAs and the Commission agree this is a lower priority and specific to each energy provider; therefore, there will be minimal statewide customer engagement messaging on demand response and AC cycling.

- Strategic Statement: Being an active energy steward has never been easier! Contact your energy provider to learn how they can help manage the energy used by your appliances.

9.5.6 Zero Net Energy

There is not a consistent Zero Net Energy effort across all PAs; therefore, minimal statewide customer engagement messaging will be done on this priority. However, like the Climate Credit, Zero Net Energy may be an inspirational story to tell to illustrate how California is leading the charge in the energy movement.

- Strategic Statement: California is doing its part as an energy steward to lower GHG emissions by declaring all new residential buildings must be Zero Net Energy (ZNE) by 2020 and all commercial buildings must be ZNE by 2030.¹² Learn more about ZNE practices in your area that are reducing emissions in California.

9.5.7 Community Choice Aggregation

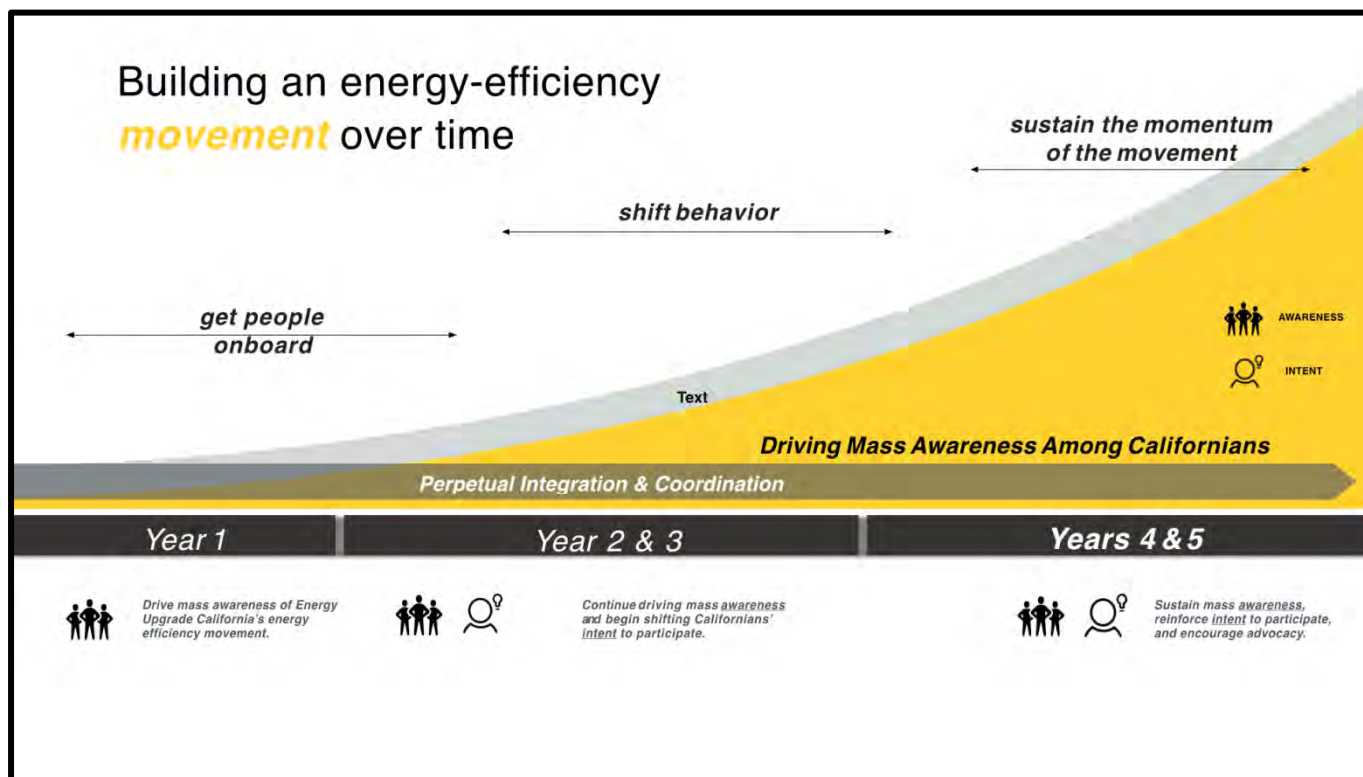
DDB understands more CCAs will become available for consumers throughout the course of the statewide customer engagement movement. Efforts will be made to coordinate with all PAs to ensure consumers understand they have a choice in how and from whom they receive their energy.

- Strategic Statement: The choice is yours to determine the best energy provider for you.

¹² [PGE.com, Savings Programs: Zero Net Energy Program.](https://www.pge.com/savings/programs/zero-net-energy-program)

10. Next Five Years at a Glance

DDB's approach in developing the five-year Roadmap is to focus on building awareness of the initiative within the state during the first two years. Upon achieving the campaign's awareness goal, DDB will seek to maintain those awareness levels across the state and start to shift efforts towards greater support of the motivation, education, and participation objectives. Prioritization of annual objectives will be evaluated on an ongoing basis and adjusted based on learnings to date.



Note: Because behaviors take longer to change than awareness and attitude, DDB is using both short- and long-term metrics to evaluate customer engagement success over the next five years. Metrics will be adjusted on a yearly basis, which will be determined based on the tracking study. Please refer to Year 1 Metrics table in Section 6.2 to see how DDB will track and measure success. Specifics will be included once the analysis is complete.

Year 1:

Prioritize establishing initial awareness of Energy Upgrade California and the energy movement among Californians, using mass-reach media channels.

Year 2

Continue increasing awareness of the initiative with mass-reach media tactics. Secondly, reinforce the familiarity of the brand and educate California residents and small businesses by keeping the initiative

top of mind and refining delivery to specific audiences and regions with relevant messaging. Encourage people to learn more and participate in the program with refined tactics (based on findings about each audience segment's specific motivators) based on prior-year campaign learnings.

Year 3

Calibrate Year 3 according to milestones set and reached from Year 1 and Year 2. Focus will shift towards increasing education and driving participation with strong call-to-action tactics and repeated exposure through efficient vehicles and retargeting. Begin amplifying engagement and generating excitement about the program by partnering with influencers.

Year 4 and 5

Sustain awareness and continue to power the movement among the masses by supporting "evergreen" thematic campaign messages. Based on learnings from prior-year efforts, DDB will lean into objectives needing increased support through targeted media, sequential messaging, and retargeting efforts. Expand partnerships with influencers to advocate for the Energy Upgrade California initiative.

Integration and Coordination

Integration: Realizing that each high priority has different periods of intensity, as well as different needs for customer engagement efforts, DDB will continue to gather information and gradually weave in high-priority messaging, as appropriate.

Coordination: DDB will coordinate throughout the entire lifecycle of medium and low priorities to de-conflict calendars and ensure communication efforts aren't being duplicated or confusing consumers.

11. Annual Joint Consumer Action Plan

Directed by D.16-03-029, the Commission staff develops the preliminary proposal and prioritizes the areas in which the campaign will focus on a yearly basis. Once drafted, Supportive and Consulted stakeholders will have the opportunity to review, comment, and make recommendations to the annual plan. Once finalized, the plan is filed as an Advice Letter.

11.1 2017-2018 Annual Joint Consumer Action Plan

The first annual plan, filed on April 5, 2017, includes specific information on the approaches DDB will use to achieve the objectives included in the five-year Roadmap, as well as collaborate with Supportive and Consulted parties to ensure a cohesive, consistent statewide customer engagement effort. Detailed statements pertaining to audience segmentation, campaign strategies and tactics, and measures of success are included. In addition, the Annual Plan articulates how DDB will execute on the three campaign pillars of brand lift and leverage, community engagement, and partnering with Supportive and Consulted parties.

12. Budget

As stated in Advice 3783-G/4963-E,

The total SW ME&O budget, for years 2016-2019, is \$73,040,877.¹³

DDB has provided a budget percentage split from in accordance with the Commission's budget framework adopted in D.13-12-038.

EUC FYRM October 2016 - September 2019 Forecast	Forecast	% - Forecast	\$ Expected	% Expected
Marketing & Education	48,364,511	70.93%	44,724,172	61.00%
Outreach	16,650,078	24.42%	15,396,846	21.00%
Research	3,171,443	4.65%	2,932,733	4.00%
EM&V	2,932,733	4.00%	2,932,733	4.00%
Investor Owned Utility Administrative Expenses	2,199,549	3.00%	2,199,549	3.00%
Grand Total	73,318,314		73,318,314	

DDB's budget incorporates the upfront research, strategy, and planning workflows between the months of October 2016 to March 2017. In addition, the budget includes forecasts for the Joint Consumer Action Plan communications period commencing April 2017 to March 2018 (reference Section 9 of the Action Plan).

This budget has been identified as a requirement to ensure a robust, impactful relaunch of the statewide customer engagement campaign. DDB's approach includes an up-weighted investment in media and material production for the period between April 2017 and March 2018.

This investment approach is an effective way to rapidly build campaign momentum, kick start the process of growing awareness of Energy Upgrade California key messaging, and provide brand assets for launch and through the initial 12-18 months of the campaign.

Future communication periods (between April 2018 and Oct 2019) will see media and production investment adjusted appropriately to maximize campaign effectiveness while staying within the parameters of the overall Statewide Consumer Engagement budget.

DDB will consider previous budget percentage splits as a guide for communications planning. However, budgets will be optimized to most effectively deliver against marketing objectives and within the specific requirements of the Joint Consumer Action Plan communications period.

¹³[\(AL\) 3783-G/4963-E.](#)

DDB recommends removing the “Statewide Implementer Administrative Expenses” line item from the budgeting framework. DDB has included administration expenses within its overall service fee instead of a separate expense item. This is reflected in DDB’s agreed contract with PG&E, financial management processes, and associated invoicing to date. This approach will meet future auditing requirements. DDB believes the Statewide Implementer Administrative Expenses line item has become redundant and recommends removing it from the budget framework.

13. Conclusion

It is the intent of the statewide customer engagement campaign to create a ripple effect of action that, over time, results in widespread behavior change in personal energy consumption habits that help reduce GHG emissions and achieve a cleaner environment for all Californians. The DDB team looks forward to collaborating with the Consulted, Supportive, Accountable, and Informed stakeholders to successfully accomplish the state’s clean energy goals as stated in SB 350. The five-year plan for the umbrella customer engagement initiative, described in the sections above, is the Roadmap to help all parties work towards those goals. Creating behavior change among Californians and supporting lead generation alongside Consulted parties are top priorities of the campaign. These priorities will be reflected in the tactical details of the Annual Joint Action Plan; the first has been filed on April 5, 2017.

14. Appendix

14. 1 Integration Matrix

Acknowledging that each Commission priority is unique and specific messaging and tactics will vary for each, the following chart presents, at a high level, how Commission priorities may be implemented through the various customer engagement channels over the course of the next five years. As the 2017-2018 high priorities have been identified in conjunction with the Commission, Supportive, and Consulted parties, DDB will begin to incorporate messaging of these priorities across channels in Year 1. Channels have been categorized as primary, secondary, and tertiary and are focused on broad messages to create awareness among California residents and small businesses about each priority.

Product/Service	Primary Channels		Tertiary Channels		Secondary Channel
	Digital		Paid Media	Public Relations/ Events	Community Outreach
	Website	Social			
Behaviors (free)	X	X	X	X	X
Energy Management Technologies	X	X	X	X	X
Lighting	X	X	X	X	X
Home Energy Checkup/ Advisor	X	X	X		X
RRR/TOU	X	X	X	X	X
ESA	X				X
Efficient Appliances	X	X		X	X
Home Upgrade Program / Whole House	X	X			X
HVAC	X	X			X
Zero Net Energy	X	X			
Rooftop Solar	X				
Electric Vehicles	X				
CARE	X				
Demand Response/AC Cycling	X				
Climate Credit	X	X			
Community Choice Aggregation	X				

Key:

	High Priority = Integration
	Medium Priority = Coordination
	Low Priority = Coordination

14.2 Products, Programs, and Services Guide

This guide offers top-level information about each of the services, programs, and products depicted in the five-year Roadmap and with which the customer engagement campaign will coordinate and integrate.

14.2.1 Energy Management Technologies

Energy Management Technologies are any product, service, or software allowing a customer to better understand and manage electricity or gas use in the customer's home or place of business. They typically are connected to the customer's Advance Metering Infrastructure (or smart meter). They can be everything from an app that tells you your energy usage (examples: Bidgley or Chai), to a "smart thermostat" as manufactured by Nest, Ecobee, and Honeywell.

14.2.2 Rooftop Solar and Solar Choice

Net Energy Metering (NEM) is a program for customers who install energy systems including solar, wind, and biogas (though about 96 percent of NEM customers use solar) on their premises. Customers are credited for the energy that is fed into the grid on their energy bill. In the case of solar, in the spring and summer months, often more energy is generated than is consumed on-site, and the excess is fed back into the grid in exchange for a credit. In turn, the credit may be used in the winter when solar production is lower. The credit maxes out at the annual energy bill, meaning that an individual's bill nets out at zero.

IOUs offer a Solar Choice program where customers can have a surcharge on their bills which will pay for a 100 percent solar portfolio. With this program, customers can "go solar" without installing solar panels. This is an ideal program for renters or for homes unsuitable for solar power.

14.2.3 Demand Response/AC Cycling

AC Cycling is a subscription-based program for utility customers. Once subscribed, they give their energy provider access to control their air conditioners so ACs can be powered down during times when the grid is close to capacity. During an event period, AC systems are shut down for 15 to 30 minutes every hour or the thermostat setting is raised by about four degrees.

14.2.4 Energy Savings Assistance Program (ESA)

This is an income-qualified program that provides weatherization services (such as weather-stripping and leak-sealing), efficient light bulbs, and in some cases, energy-efficient appliances (such as refrigerators, AC's, washers, water heaters) for economically-disadvantaged households. Utilities are PAs. Most information is on utility websites.

14.2.5 California Alternate Rates for Energy (CARE)

This program discounts the energy rate. Qualifying consumers receive a discount off their energy bill of 30 – 35 percent.

14.2.6 Electric Vehicles

Personal cars have been the vehicle of focus, but electrification of buses, municipal services, boats, and planes is now being explored. Special rates and incentives for EVs are available. In addition, energy providers are working with multi-family buildings and workplaces to install charging stations.

14.2.7 Climate Credit

The Climate Credit is a semi-annual credit on utility bills to ratepayers from a state program designed to fight climate change. All IOU electric ratepayers receive it. There is no natural gas climate credit at the time. The “ask” is to use the funding on anything reducing energy use. The amount of the credit varies by utility and changes depending on recent greenhouse gas allowance prices.

14.2.8 Lighting

LEDs save more than 50 percent energy over incandescent lighting and last much longer. Federal standards reduce ability to produce incandescents.

14.2.9 Energy-Efficient Appliances

Incentives are available to encourage homes and small businesses to purchase more energy-efficient appliances.

14.2.10 Home Energy Reports & Energy Advisor

Reports (such as those generated by O-Power) show a home’s total energy usage as well as usage disaggregated by hour. Customers are encouraged to take an Energy Advisor survey, which provides energy-saving tips based on responses to the survey questions.

14.2.11 Heating, Ventilation, and Air Conditioning (HVAC)

An HVAC system is the largest user of energy in a building, so it is important that it be properly designed for the building’s needs and well maintained. HVAC installation and maintenance are done by contractors, so the message should revolve around when to call a contractor, what sort of contractor to look for, and what to ask potential contractors.

14.2.12 Residential Rate Reform (RRR) and Time of Use (TOU)

Residential electricity customers are charged different rates based on how much electricity they consume each billing period. A 2001 COMMISSION decision created five rate tiers, which were consolidated into four tiers beginning in 2009. Over time, the difference between the lower and upper tiers increased dramatically. A 2015 rate reform decision (D.15-07-001) determined the number of tiers should be reduced to two and that the differentials between the tiers should be lowered. The result is that by 2019, electric rates will have only two tiers of usage, with the second costing 25 percent more than the first.

The same decision ordered PG&E, San Diego Gas & Electric, and Southern California Edison to default residential customers to time-of-use (TOU) rates in 2019, which means the price of electricity will

depend on the time of day when energy is consumed. TOU rates charge customers more when the cost to generate electricity is high (late afternoon and early evening) and less when the cost is low (all other times). This is a system beneficial for the electricity grid and allows customers to reduce their bills both by reducing total consumption and shifting consumption to off-peak hours.

14.2.13 Home Upgrade Program

Energy Upgrade California Home Upgrade¹⁴ evaluates all systems in customers' homes to determine which upgrades can reduce energy use and improve comfort. To get started with Home Upgrade, individuals must work with a participating contractor. All participating contractors and raters are certified and have been trained to look holistically at home energy usage and identify improvements to save the most energy and money. A participating Home Upgrade contractor or rater evaluates the home's heating, cooling, and water-heating systems, then recommends upgrades to make the home more energy efficient.

Two options are available:

- Home Upgrade: Receive up to \$3,000 in rebates by working with a participating contractor to install three or more upgrades.
- Advanced Home Upgrade: Customize energy-efficient home improvements and receive up to \$6,500 in rebates and incentives. Participating contractors or raters complete an energy assessment and then work with customers to identify the best ways to reduce energy use. Financing is available.

14.2.14 Community Choice Aggregation

Per enabling legislation from 2001, local governments are forming "Community Choice Aggregators." Under this arrangement, local governments may establish a Joint Powers Authority, which enables them to provide electric service to the residents and businesses in their jurisdictions. Customers living in the CCA regions are automatically "opted in" to the program.

14.2.15 Zero Net Energy (ZNE)

A "zero-net energy building" produces as much clean, renewable, grid-tied energy on-site as it uses when measured over a calendar year. ZNE goals state that all new residential construction be ZNE by 2020; and all new commercial construction by 2030. ZNE activities promote California's long-term energy goals through a portfolio of research, development, and demonstration (RD&D) projects around ZNE buildings together with complementary education, outreach, and information activities.

14.2.16 Behaviors

Behaviors are not a program; however energy-management behaviors, such as turning off a light switch, unplugging the toaster or turning down the thermostat when away from the home, are integral to changing consumer behavior over the long term to help California reach its efficiency and emissions goals.

¹⁴ [PG&E.com, Home Upgrade.](https://www.pge.com/energy_efficiency/home_upgrade)

14.3 Motivation Findings from “Qualitative Research: Creative Focus Groups and In-Home and In-Business Ethnographic Interviews”

The chart below depicts the motivations of Californians who participated in DDB’s qualitative study. This qualitative data informed the quantitative segmentation survey that we fielded with 5,000 Californians.

TOTAL MOTIVATIONS	TOTAL (34 Respondents)	
	Motivating	%
Cost savings on energy bill (sometimes dramatic)	31	91%
More energy independence / control	16	47%
Desire to help lower carbon emissions / help the environment	28	82%
To make home more comfortable	18	53%
To make home safer (e.g. updated, cleaner, safer, appliances / heater, etc.)	18	53%
To upgrade to technology with more exciting features	5	15%
To be true to your values	21	62%
To be a responsible, thoughtful human	29	85%
To pass responsible values to family/ children	22	65%
To not be wasteful (opposition to wasting anything)	27	79%
To use energy during times when it can more easily be provided by clean/renewable sources (off peak)	11	32%
To avoid the need for additional power plant construction	13	38%
To counter-act fossil fuel lobbyists who block renewable energy efforts	10	29%
To help a movement to keep California number one in energy efficiency	14	41%
To help California set an example that can be replicated by other States and Nations	15	44%
To help California meet it's 2030 goals of 50% renewable energy and 40% less carbon emmissions	19	56%
To not leave energy issues to the next generation	23	68%

14.4 Definitions and Commonly-Used Acronyms

14.4.1 Definitions

- Economically disadvantaged: An individual comes from a family with an annual income below a level based on low-income thresholds according to family size established by the U.S. Census Bureau, adjusted by the Secretary of the U.S. Department of Health and Human Services for use in all health profession programs.¹⁵
- Harder-to-reach audiences: Sub-groups of the California population that may be difficult to reach or involve in the statewide customer engagement campaign due to variety of factors, including but not limited to: language barriers, no access to Internet services, or a disability.
- Urchin Traffic Monitor (UTM)Code: a simple code that you can attach to a custom URL in order to track a source, medium, and campaign name
- Small business: a business with 500 or fewer employees

14.4.2 Commonly-Used Acronyms

- CBO – Community Based Organization
- CCA – Community Choice Aggregation; Programs that allow cities and counties to buy and/or generate electricity for residents and businesses within their areas.
- EUC – Energy Upgrade California
- EV – Electric Vehicle
- EMT – Energy Management Technology
- IOU – Investor Owned Utility; private electricity and natural gas providers.
- ME&O – Marketing, Education, and Outreach
- PA – Program Administrator; these include the IOUs, CCAs, RENs, etc.
- REN – Regional Energy Network; partnerships between local governments that can collaborate and pilot their own energy-efficiency programs.
- RRR – Residential Rate Reform
- TOU – Time of Use

14.5 Overview of Segmentation and Brand Tracking Hybrid Study

The following pages present an overview of findings from the Segmentation and Brand Tracking Hybrid Study.

¹⁵ [Scholarships for Disadvantage Students \(SDS\), p. 15.](#)

background & objectives

DDB is developing a campaign for Energy Upgrade California to help empower California residents to become energy stewards. A segmentation study was commissioned to gain a better understanding of the mindsets of Californians when it comes to energy savings and conservation.

More specifically, this aims to:

- Determine the optimal targets by identifying consumer mindsets, needs and behaviors
- Determine what motivates each of the segments
- Determine current behaviors for each segment and how this behavior differs across segments
- Profile segments in depth to understand key differences (e.g. media habits, activities, etc.)

While the primary focus of this research segmentation will help inform development for the upcoming campaign, this also establishes a baseline that will be used to measure the impact of the marcom over time.

methodology | quant

target audience



N=5000

- CA residents
- Ages 18+
- Demographics representative of CA (within +5%): ethnicity, gender, county population
- Survey offered in English or Spanish

methodology



Field Dates:
January 19 – February 7

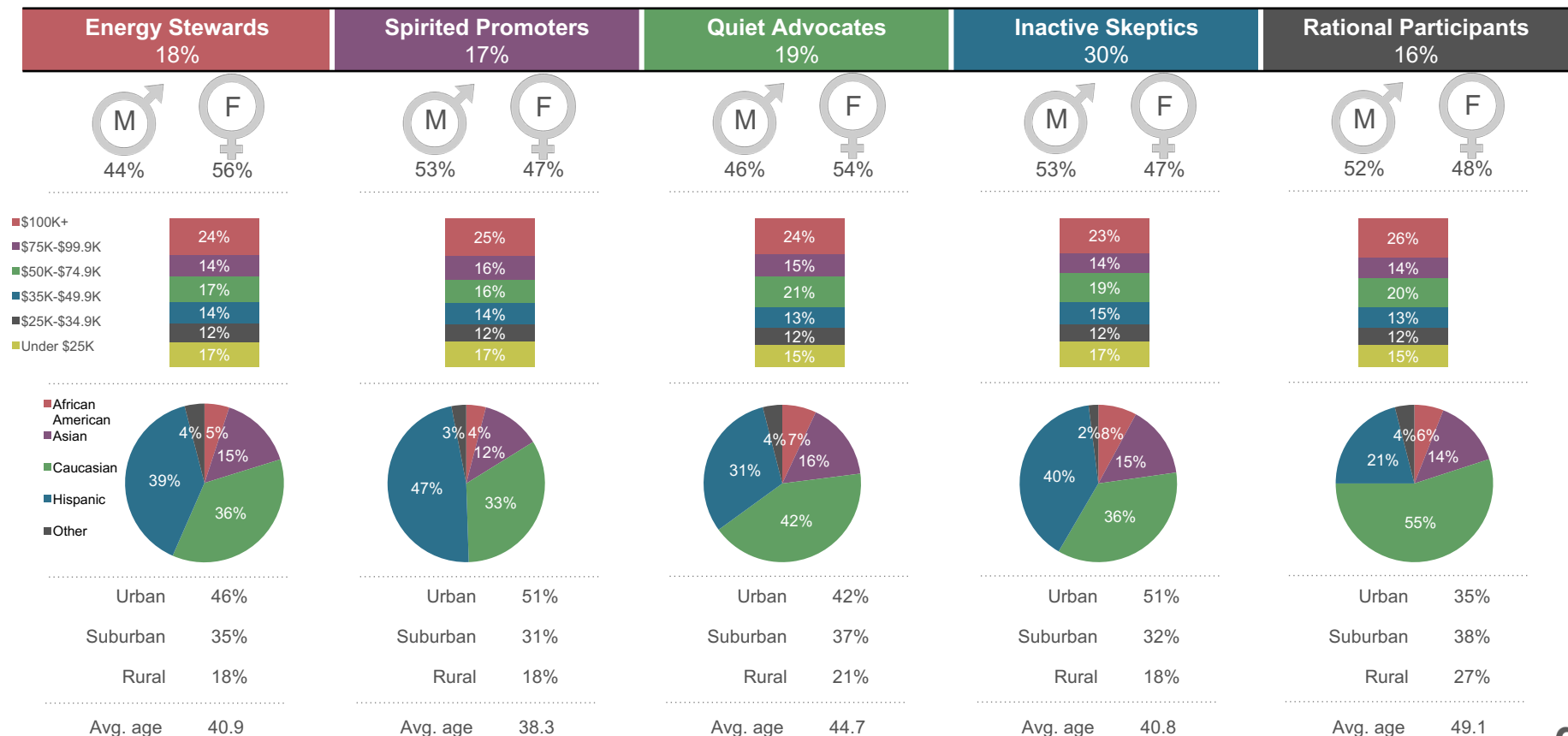


~25 min
online survey

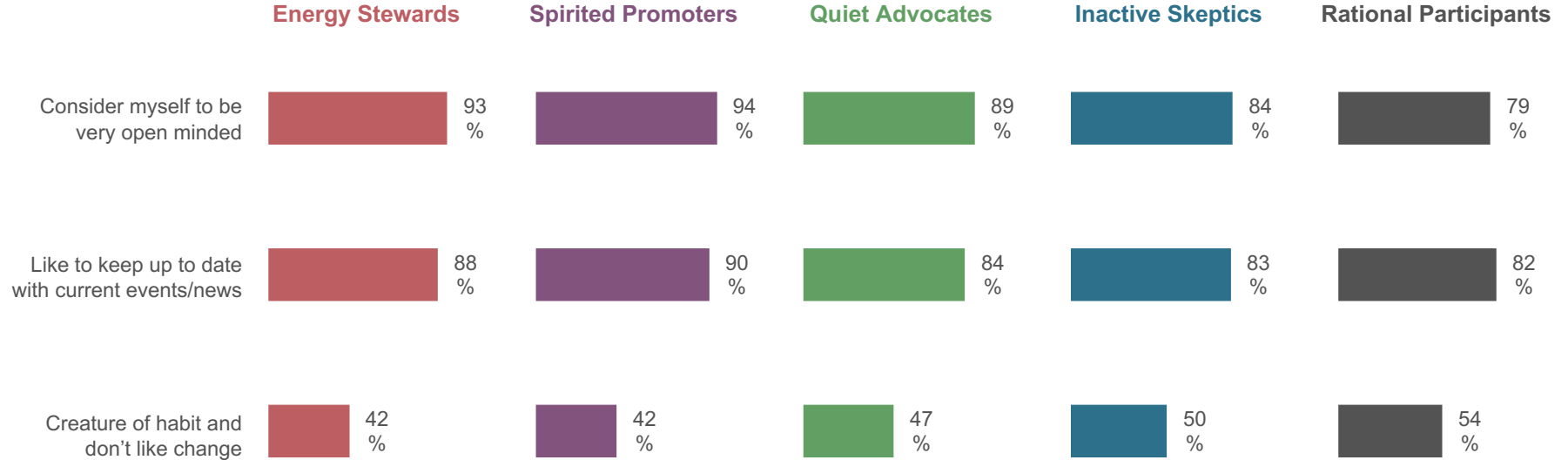
the 5 segments

Energy Stewards 18%	Spirited Promoters 17%	Quiet Advocates 19%	Inactive Skeptics 30%	Rational Participants 16%
<i>"I talk the talk and walk the walk"</i>	<i>"I'm a champion of change, but don't always practice what I preach."</i>	<i>"It's good be thoughtful when it comes to the environment"</i>	<i>"I'm aware of the issues but not sure how I can make a difference."</i>	<i>"I don't like to be wasteful, but other issues are more important"</i>
True energy stewards who practice what they preach, active on all fronts of the energy movement.	Vocal supporters of environmental and energy issues facing the state, but less participation in actions.	Energy efficiency champions who are highly engaged in the conversation privately, but not publicly.	Californians who acknowledge energy issues facing the state, but don't feel a personal responsibility to impact change.	Don't believe energy efficiency is a priority relative to other issues, but participate in energy management.
Altruistic and motivated by the greater good.	Desire to help CA reach energy goals and do good.	Though motivated by intrinsic values, they are also economical.	Motivated by cost savings.	Highly motivated by economical factors (costs savings, home upgrades).

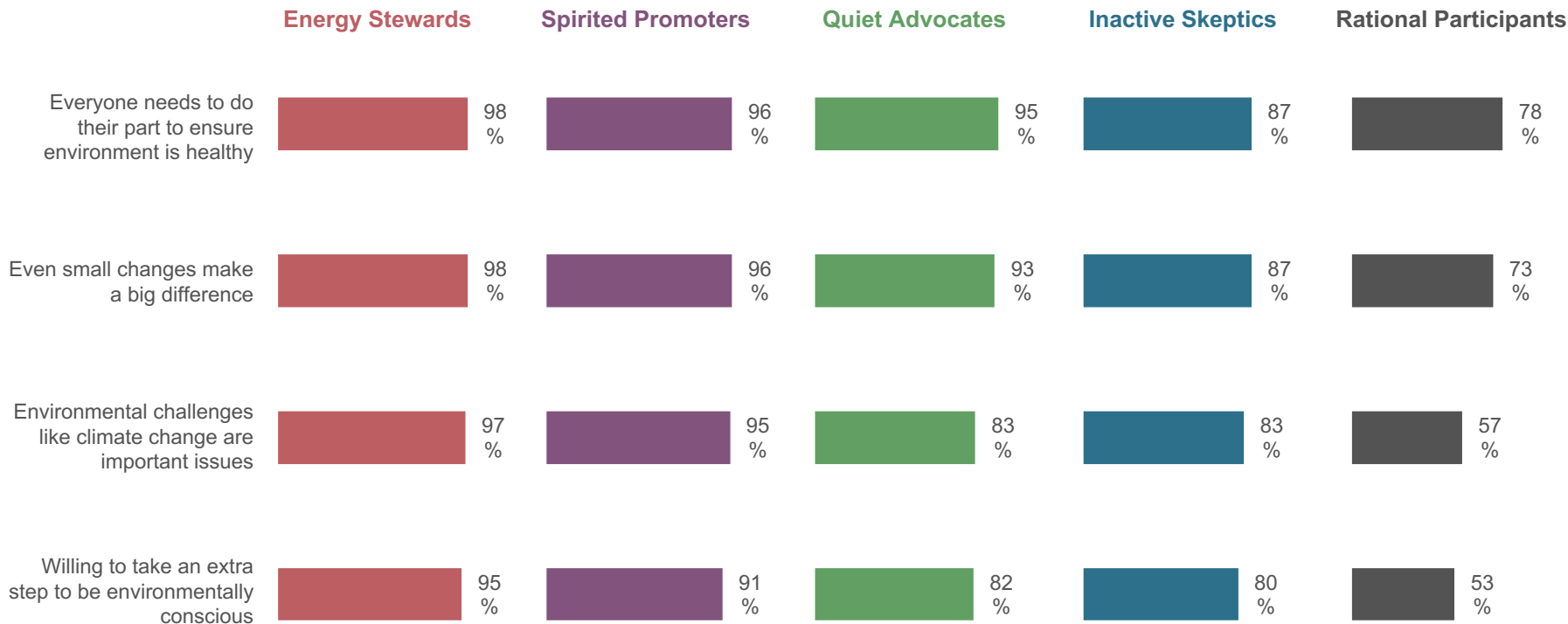
Demos are generally well represented across all segments.



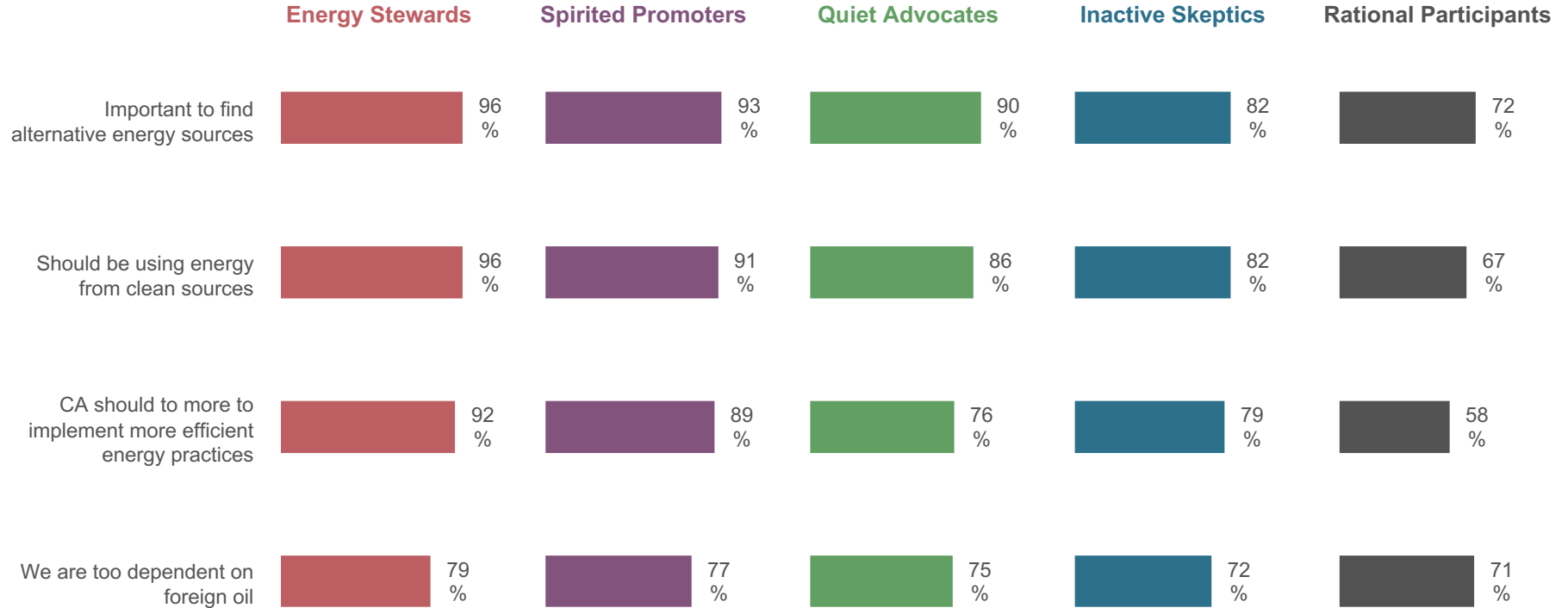
general psychographics



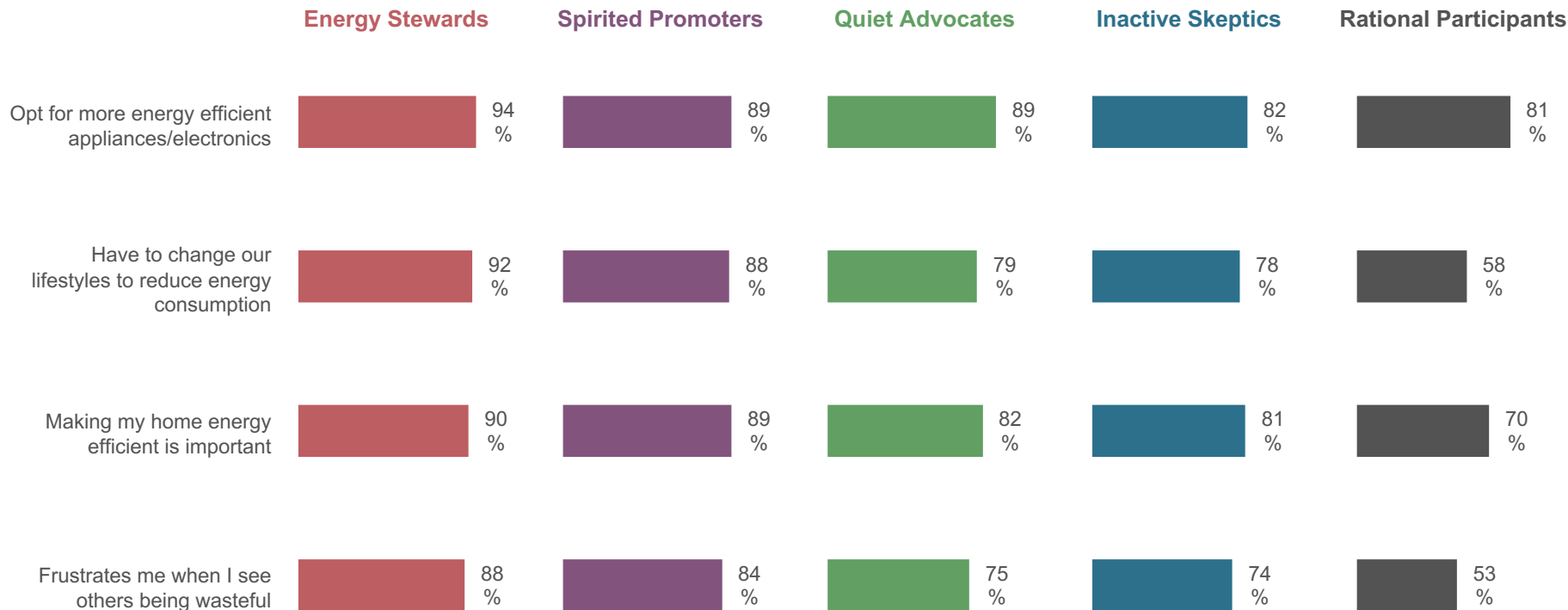
environmental attitudes



energy attitudes: macro



energy attitudes: individual



motivations: economical

Energy Stewards

Spirited Promoters

Quiet Advocates

Inactive Skeptics

Rational Participants

Cost savings on energy bill



4.36



3.60



11.3
3



11.5
6



17.09

Making my home safer (e.g.,
replacing old/faulty
appliances, eliminating dust,
etc.)



3.15



4.21



7.44



7.75



11.5
7

Making my home more
comfortable (e. g. warmer,
dryer, cooler, etc.)



0.74



1.51



4.10



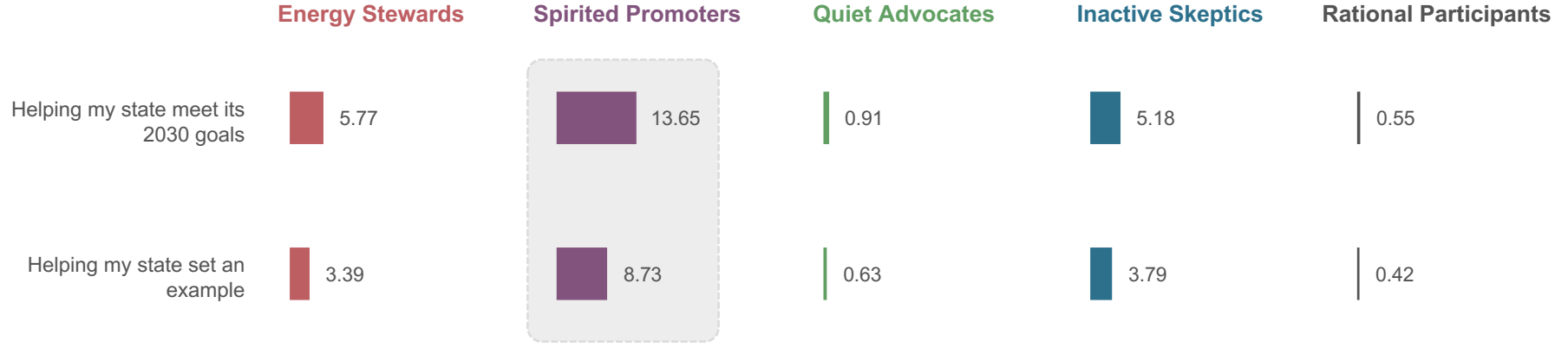
5.59



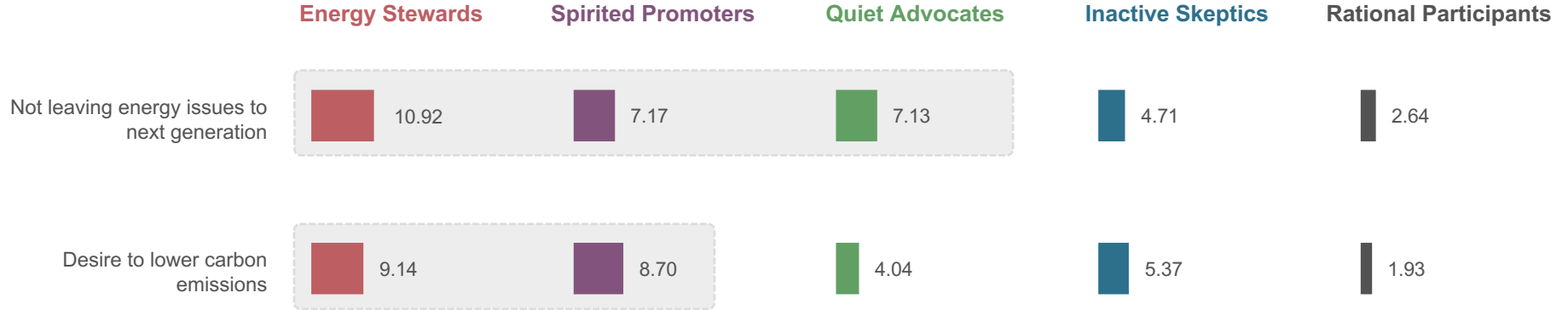
11.5
8

key defining differences across segments

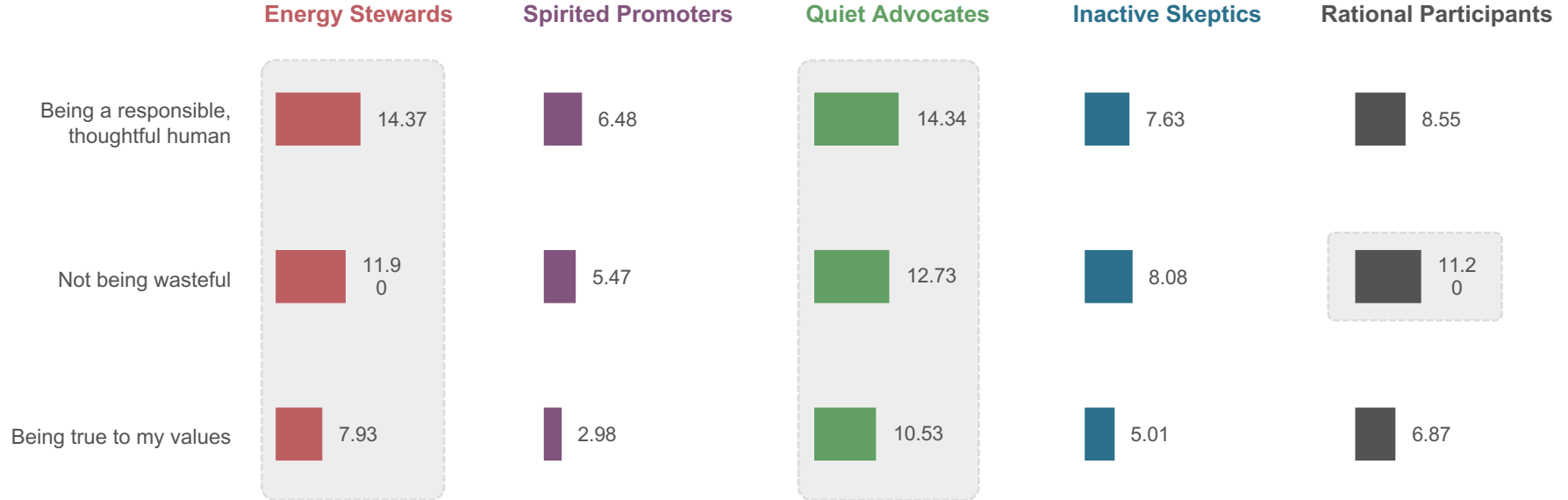
motivations: state-centric



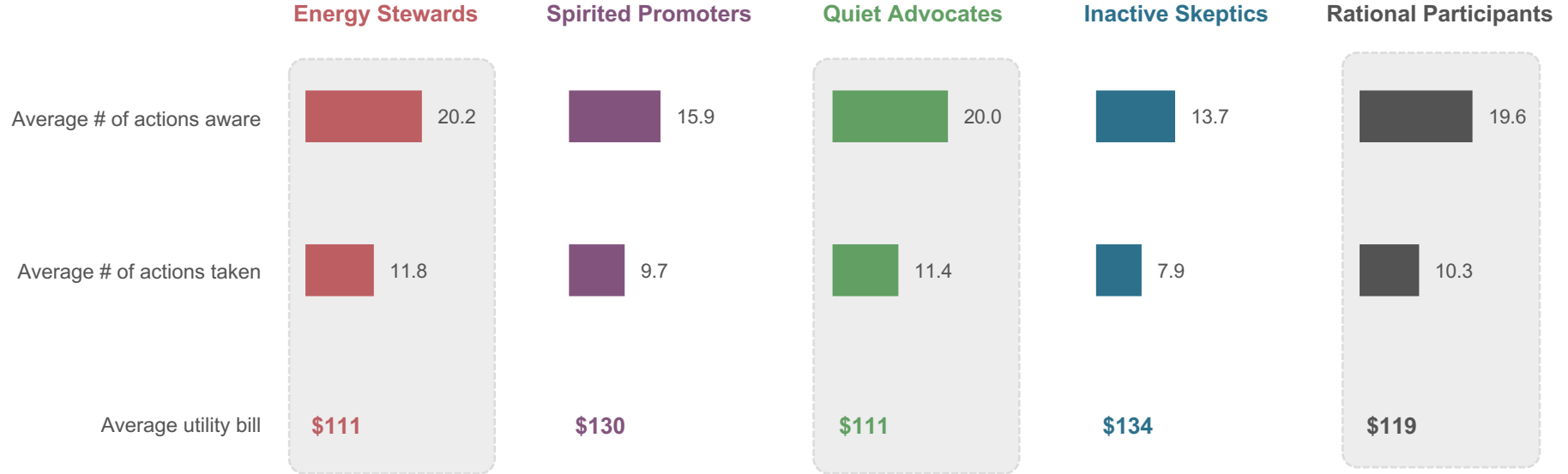
motivations: greater good



motivations: intrinsic



awareness, action, and consumption



environmental/energy skepticism

Energy Stewards

Spirited Promoters

Quiet Advocates

Inactive Skeptics

Rational Participants

Responsibility of the government to make sure we have enough energy



Should be spending our time on more important issues



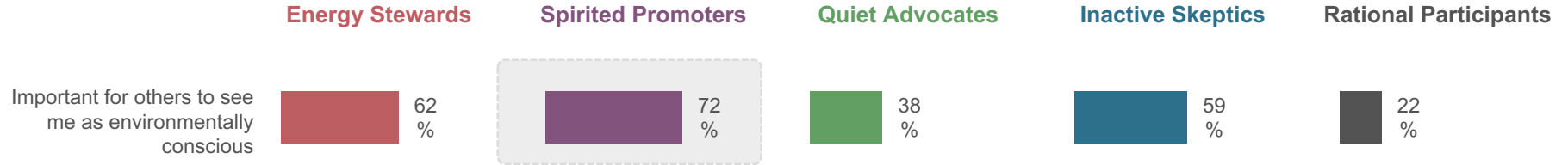
Government spends too much money on energy efficient initiatives



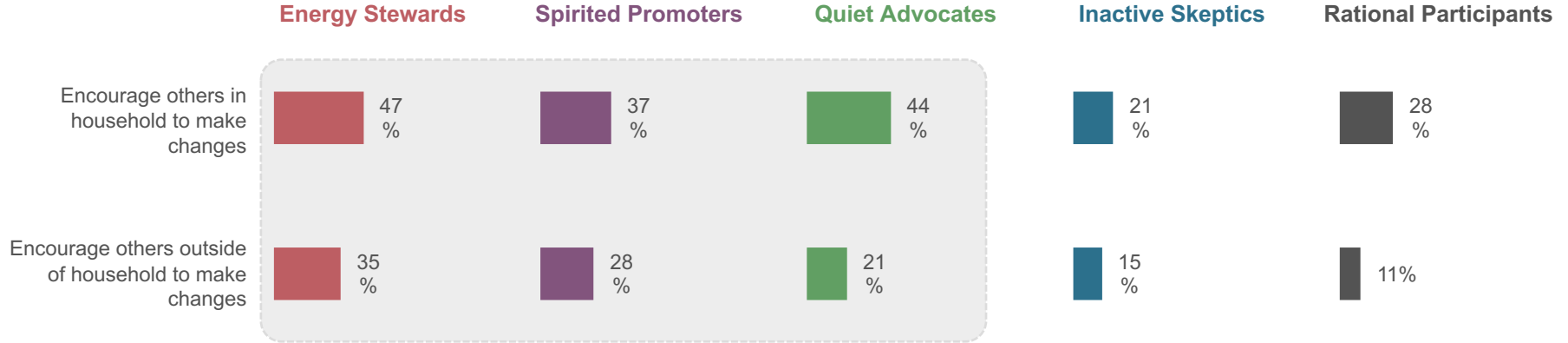
Takes too much effort to be energy efficient



outward environmental perception



advocacy



psychographics

Energy Stewards

Spirited Promoters

Quiet Advocates

Inactive Skeptics

Rational Participants

I am proud to be Californian



Actively recommend products/services/experiences



One of the first to buy new electronics

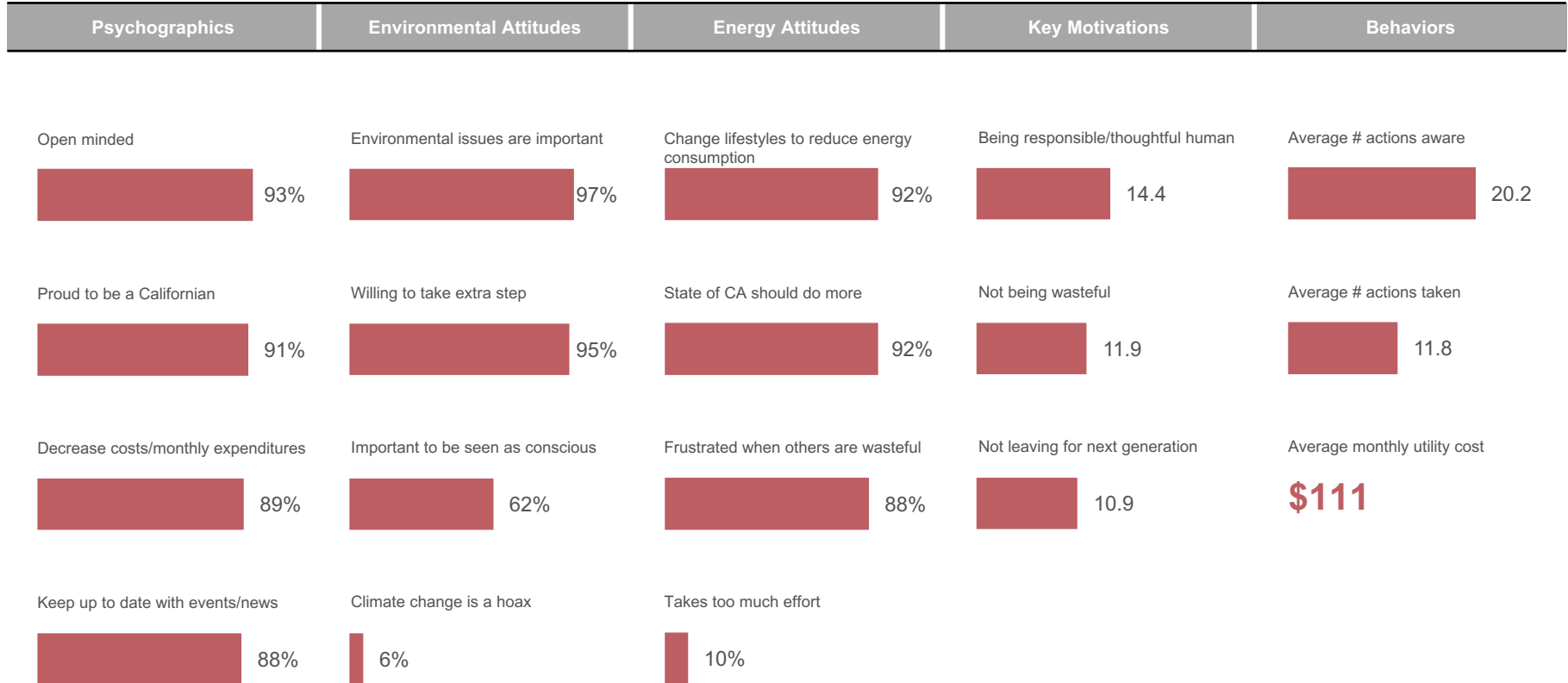


segment comparisons

	Energy Stewards	Spirited Promoters	Quiet Advocates	Inactive Skeptics	Rational Participants
Environmental/energy engagement	High	High	High	Low	Low
Motivations	Intrinsic, greater good	Greater good	Intrinsic	Financial	Financial
Awareness of energy efficient actions	High	Low	High	Low	Moderate
Participation in energy efficient actions	High	Moderate	High	Low	Moderate
Energy consumption	Low	High	Low	High	Moderate
Advocacy	High	Moderate	High	Low	Moderate
Composite score	310	188	238	96	105

segment overviews

energy stewards: an overview

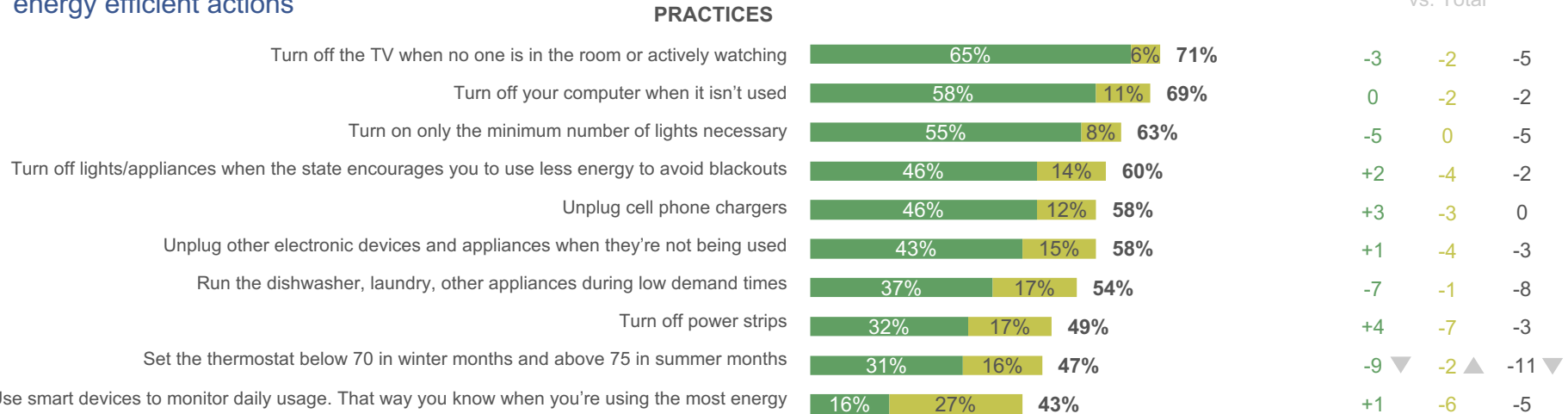


spirited promoters: an overview

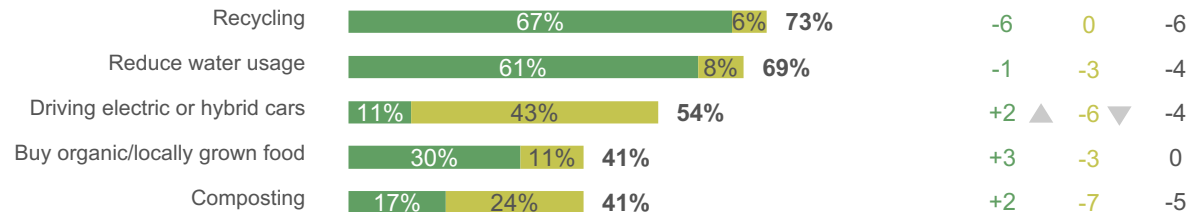


Spirited Promoters are less aware of energy efficient practices...

energy efficient actions



GENERAL PRACTICES



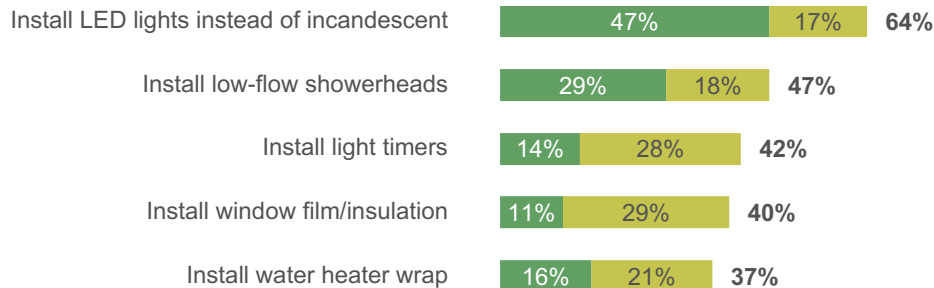
vs. Total: -1 0

■ Have done ■ Have not done ■ Aware

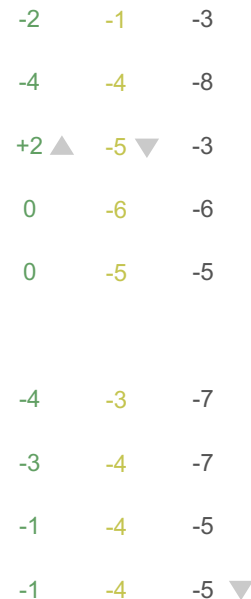
...and less likely to carry out energy efficient upgrades.

energy efficient actions

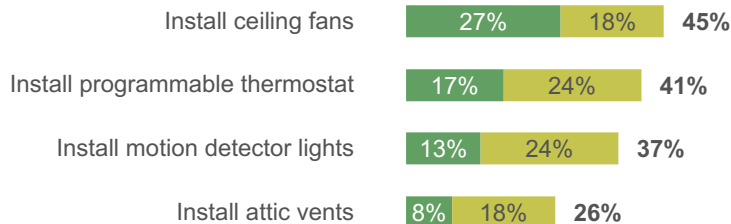
LOW COST ENERGY EFFICIENT PURCHASES



vs. Total



LOW-MEDIUM COST EQUIPMENT REQUIRING EXPERT



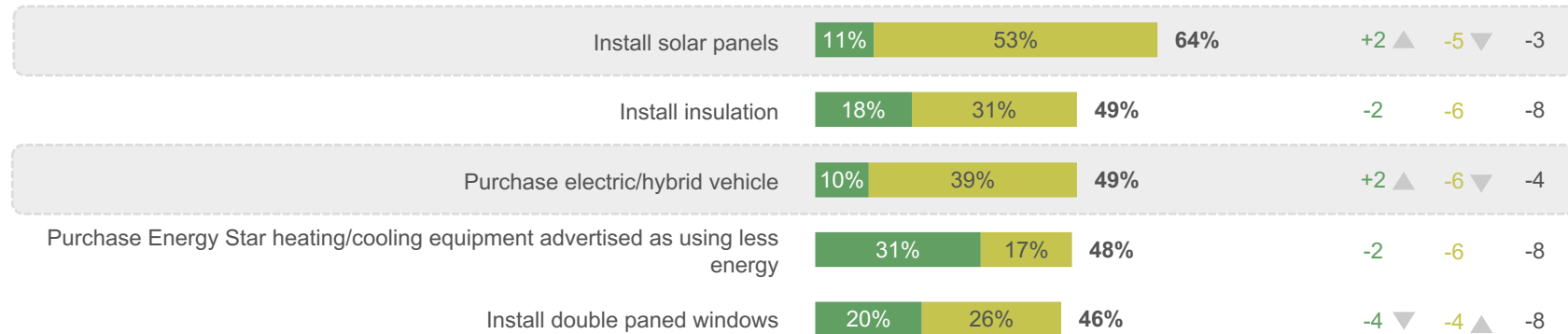
■ Have done ■ Have not done ■ Aware

Even so, they tend to purchase equipment with higher visibility (solar panels, green vehicles), and are advocates for energy efficiency.

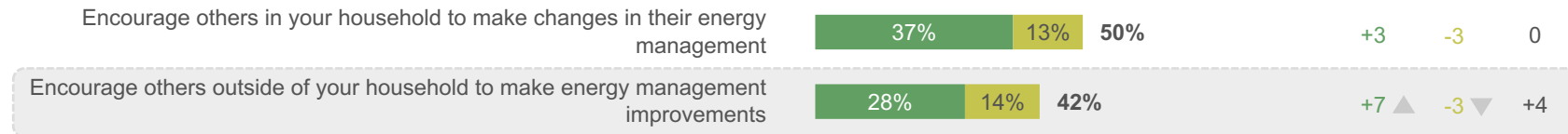
energy efficient actions

HIGH COST EQUIPMENT PURCHASES

vs. Total



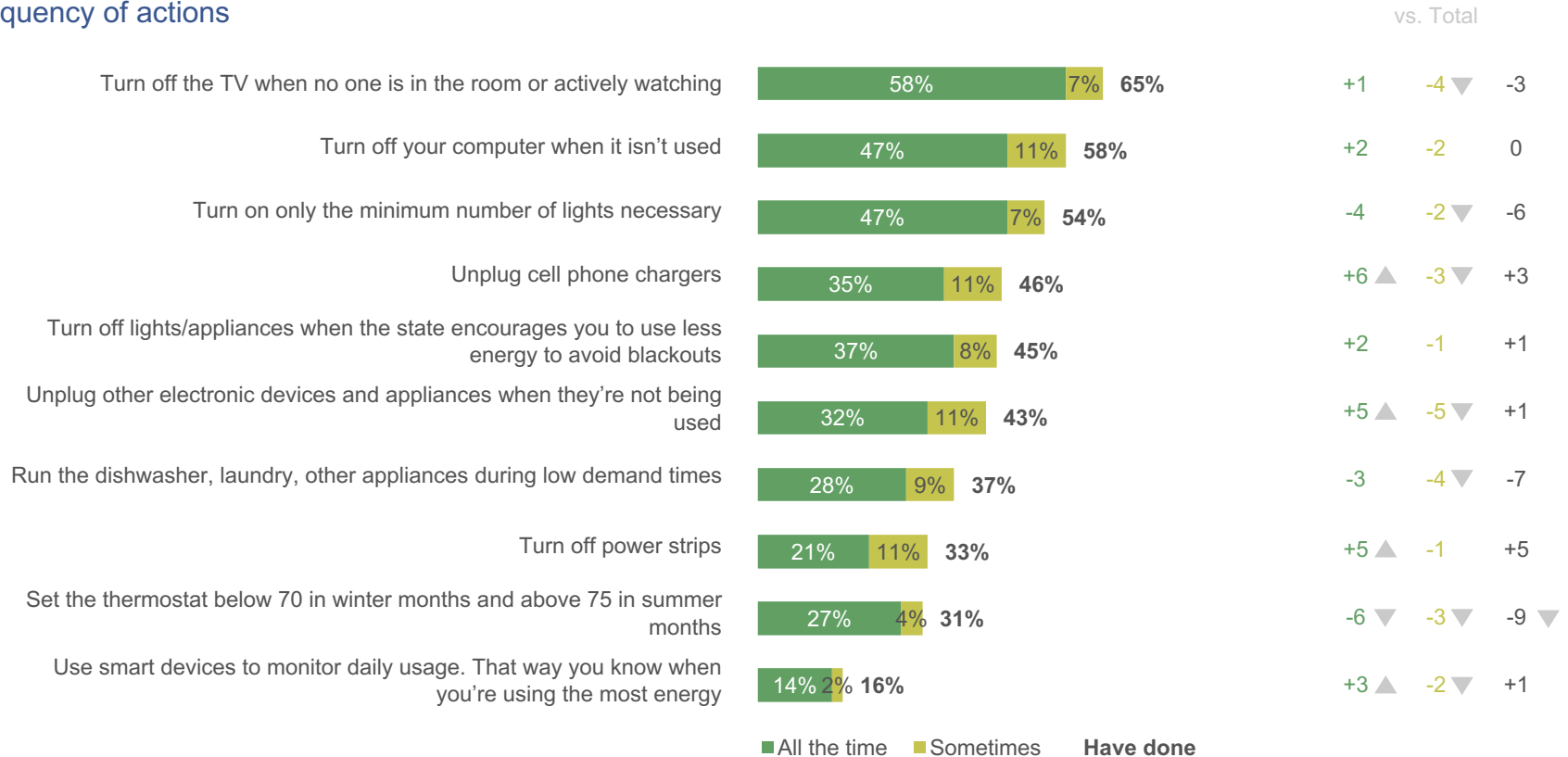
ADVOCACY



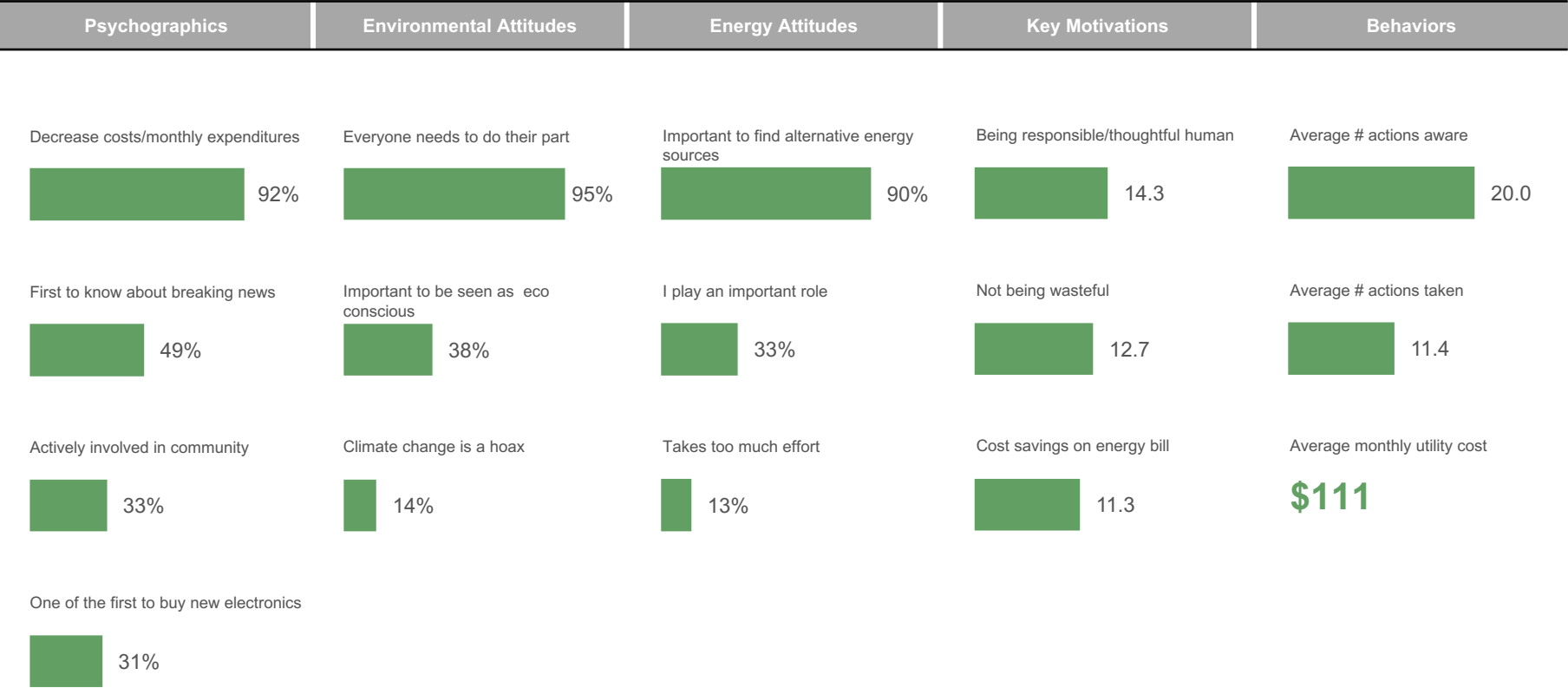
■ Have done ■ Have not done ■ Aware

Frequency is higher for actions with less obvious energy usage (i.e. unplugging, turning off power strips).

frequency of actions

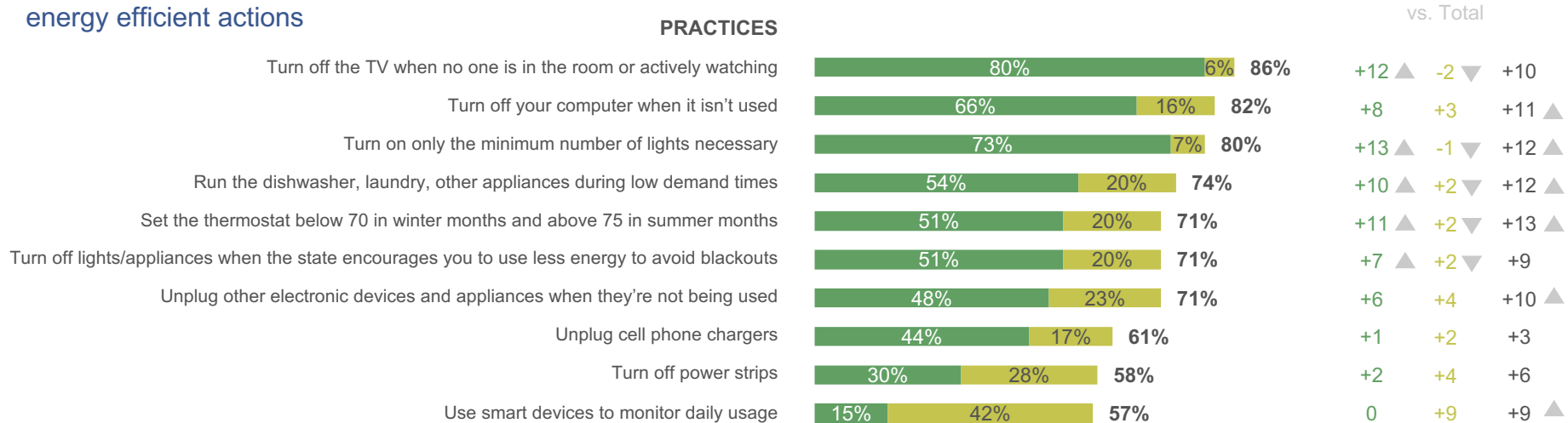


quiet advocates: an overview

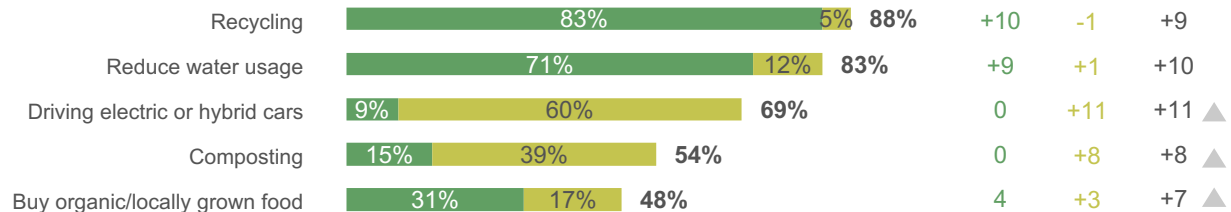


Quiet Advocates have a heightened awareness and propensity to practice energy management.

energy efficient actions



GENERAL PRACTICES



■ Have done ■ Have not done ■ Aware



vs. Total: +3

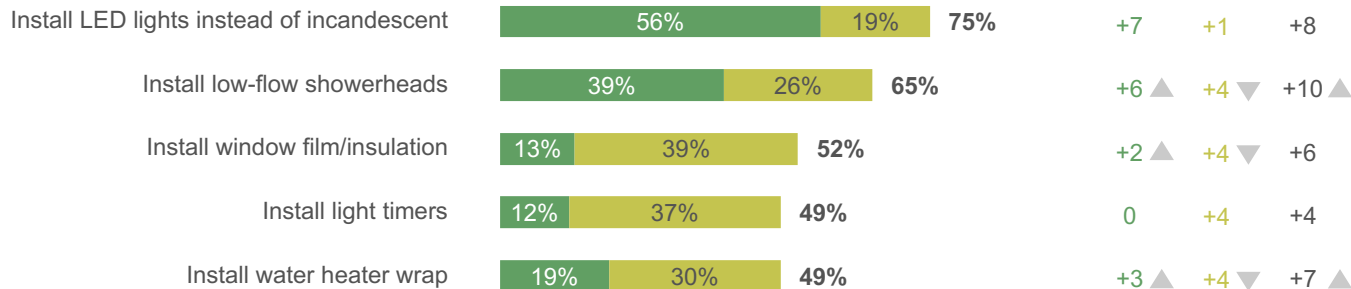
+1

And are more likely to install low to medium cost home upgrades...

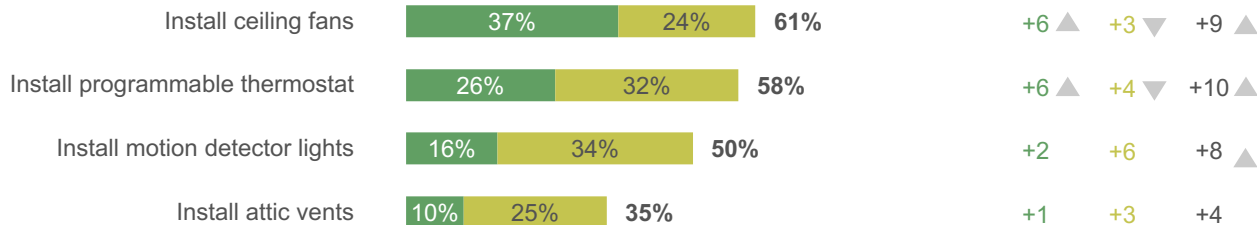
energy efficient actions

LOW COST ENERGY EFFICIENT PURCHASES

vs. Total



LOW-MEDIUM COST EQUIPMENT REQUIRING EXPERT



■ Have done ■ Have not done ■ Aware

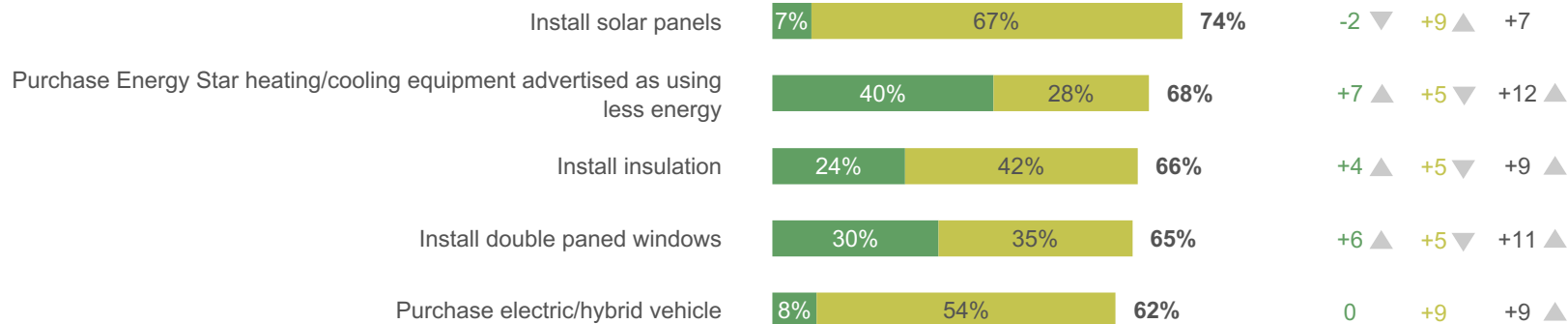
Base: Q4 Q4A
 Quiet Advocates (938); Total (5012)
 Below are a range of ways people can better manage their energy usage and be more energy efficient. Which are you aware of?
 And which of the following have you done?
 Indicates segment indexes higher than 115 / lower than 85 against average for segments

...as well as higher cost purchases. As expected, advocacy does not extend beyond the home due to their more introverted tendencies.

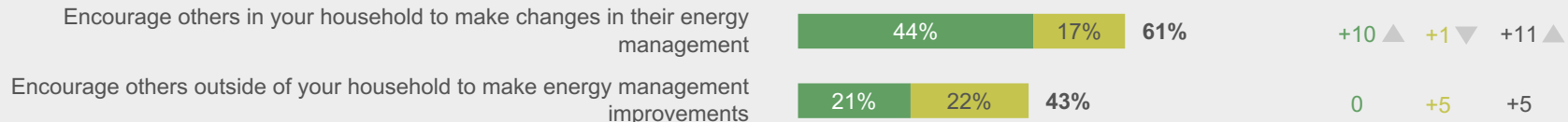
energy efficient actions

HIGH COST EQUIPMENT PURCHASES

vs. Total



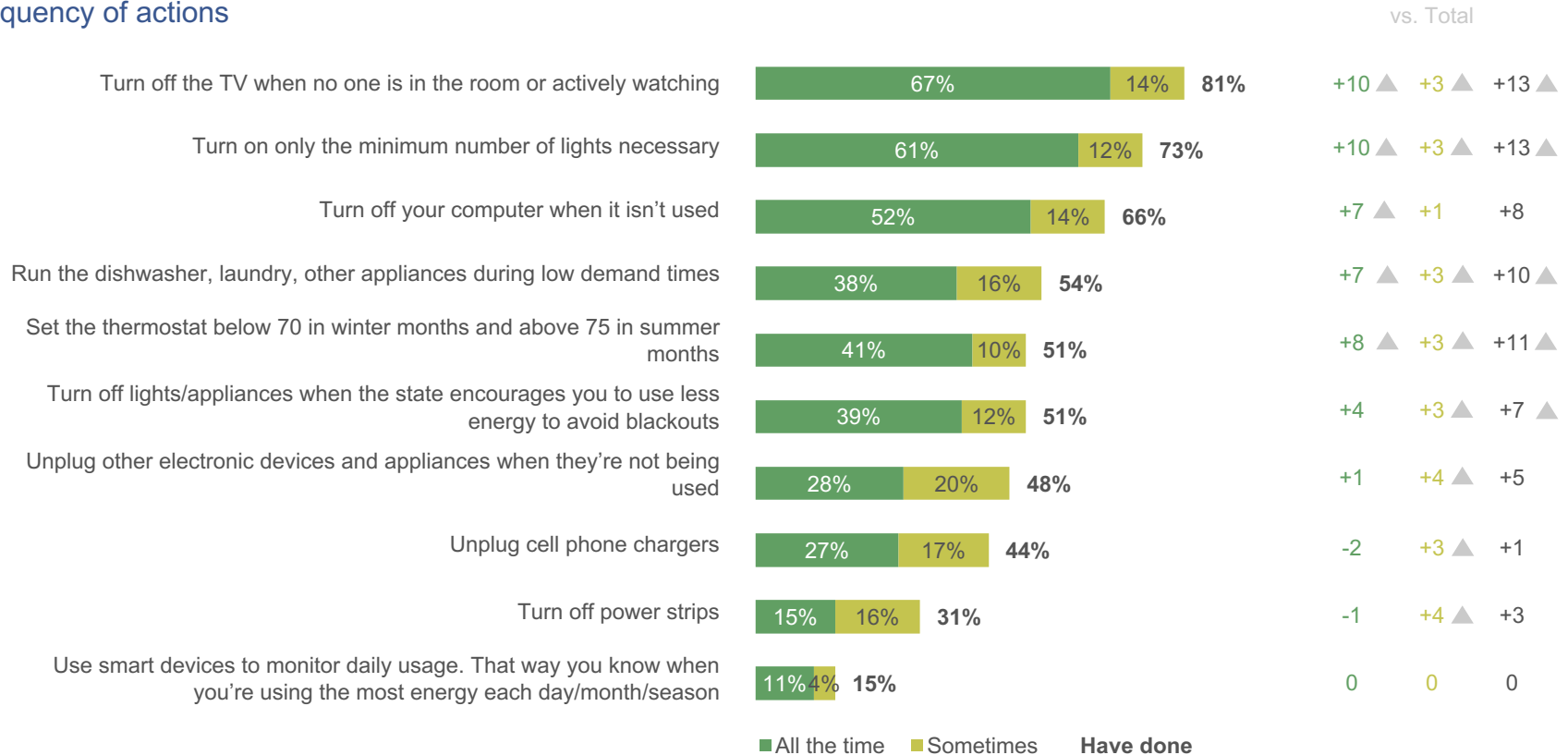
ADVOCACY



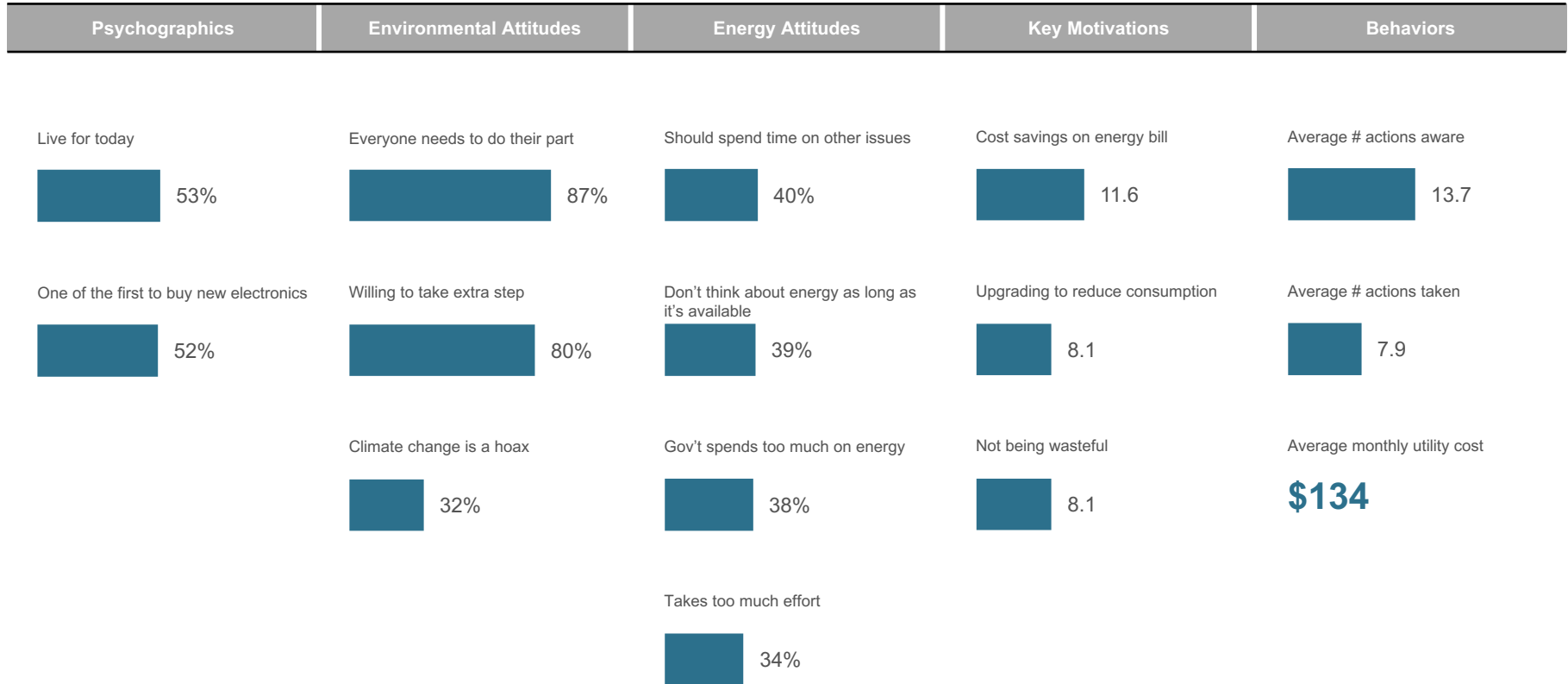
■ Have done ■ Have not done ■ Aware

Frequency is higher for actions where energy usage is more obvious, and done more consistently across the board versus other segments.

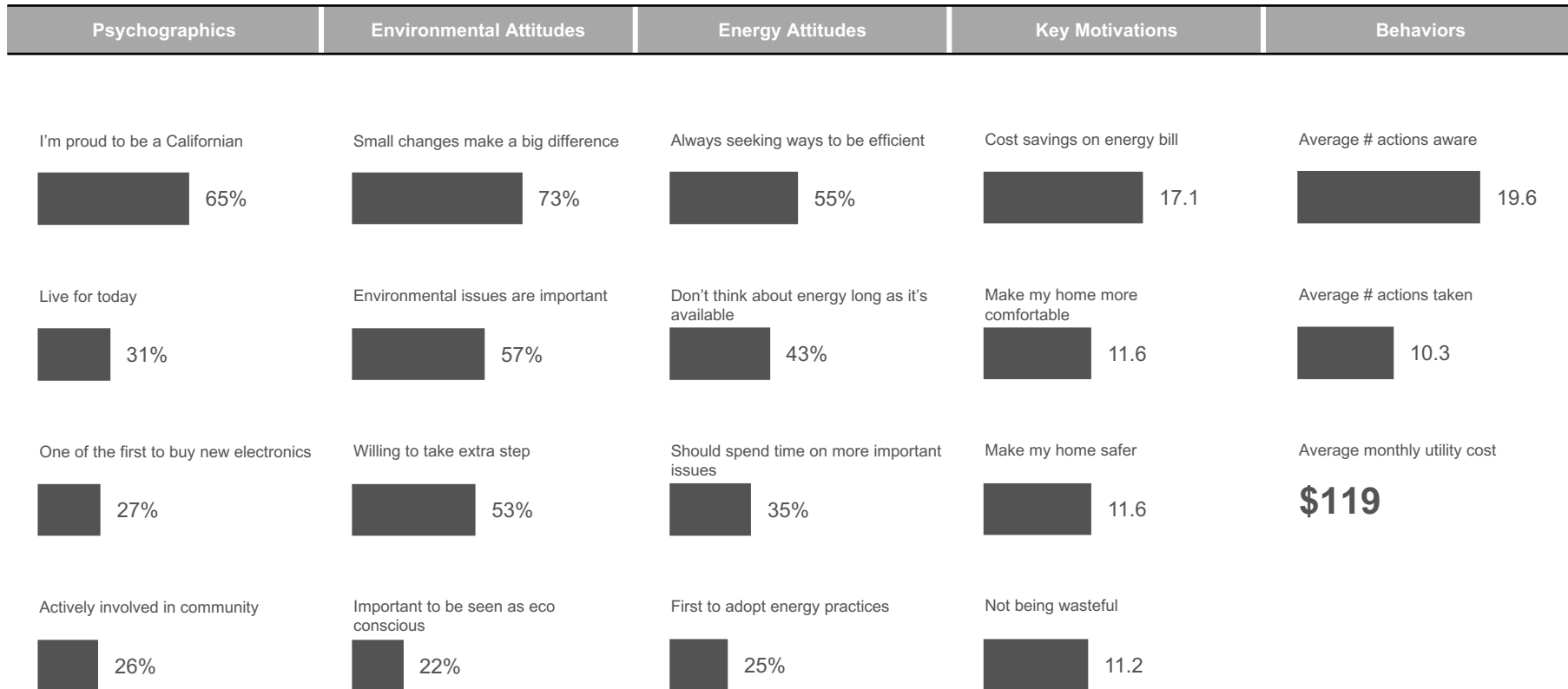
frequency of actions



inactive skeptics: an overview



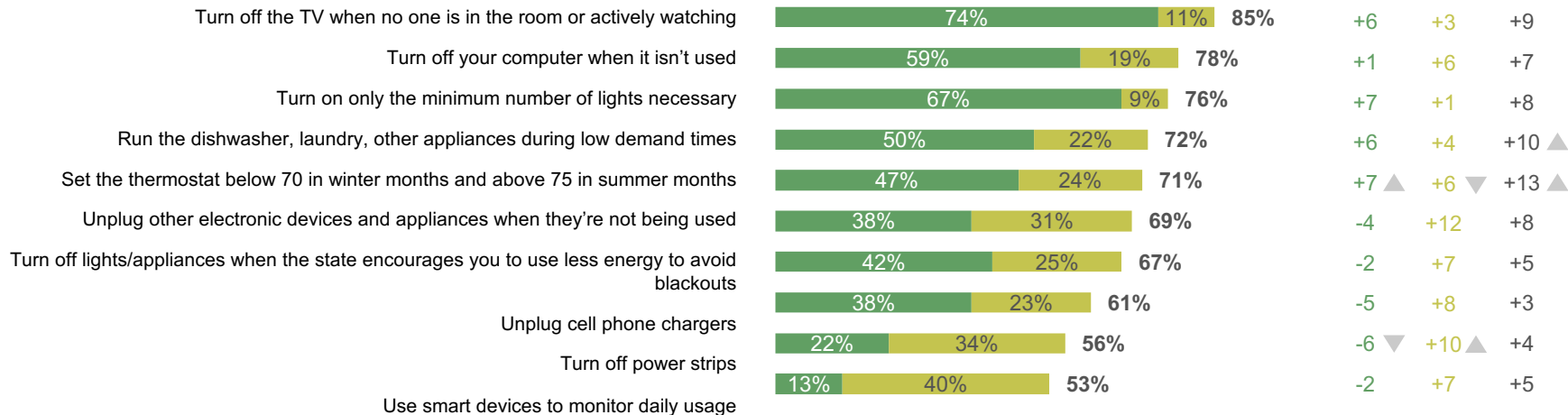
rational participants: an overview



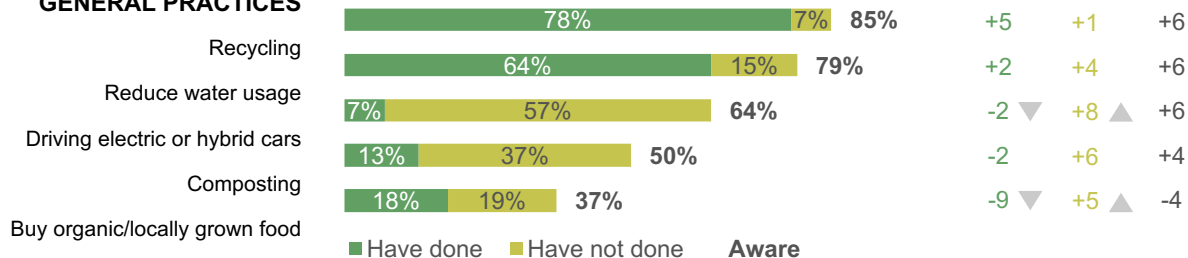
Rational Participants are mindful of energy efficient actions and participate in low effort practices like turning off the TV, computer or lights.

energy efficient actions

PRACTICES



GENERAL PRACTICES



20
Average #
actions aware

10
Average #
actions done

vs. Total: +3

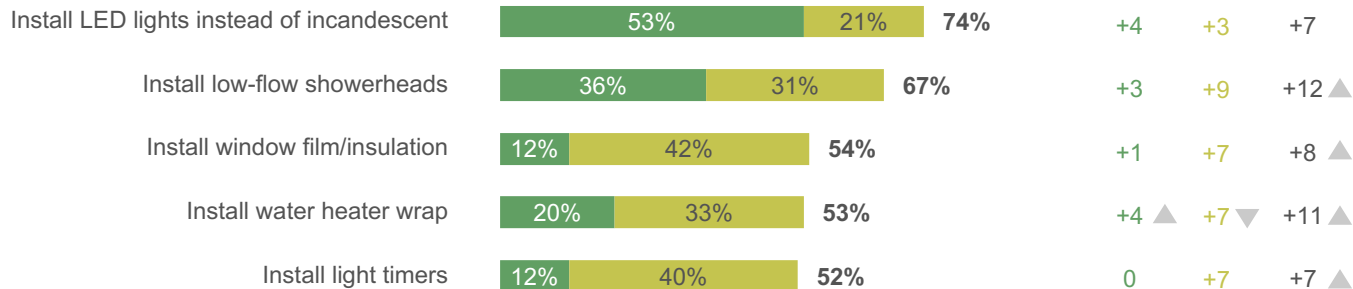
0

They are more likely to make low to medium cost home improvements...

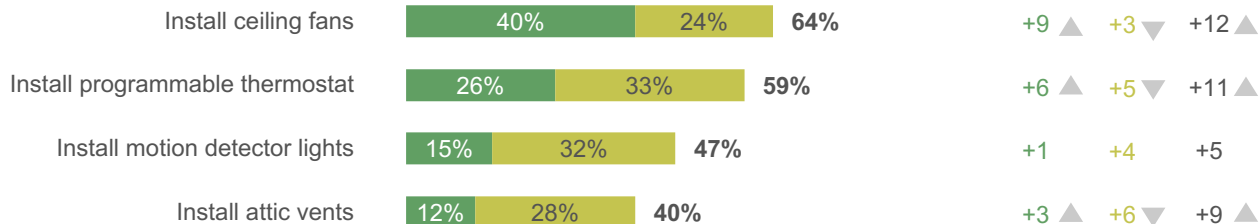
energy efficient actions

LOW COST ENERGY EFFICIENT PURCHASES

vs. Total



LOW-MEDIUM COST EQUIPMENT REQUIRING EXPERT



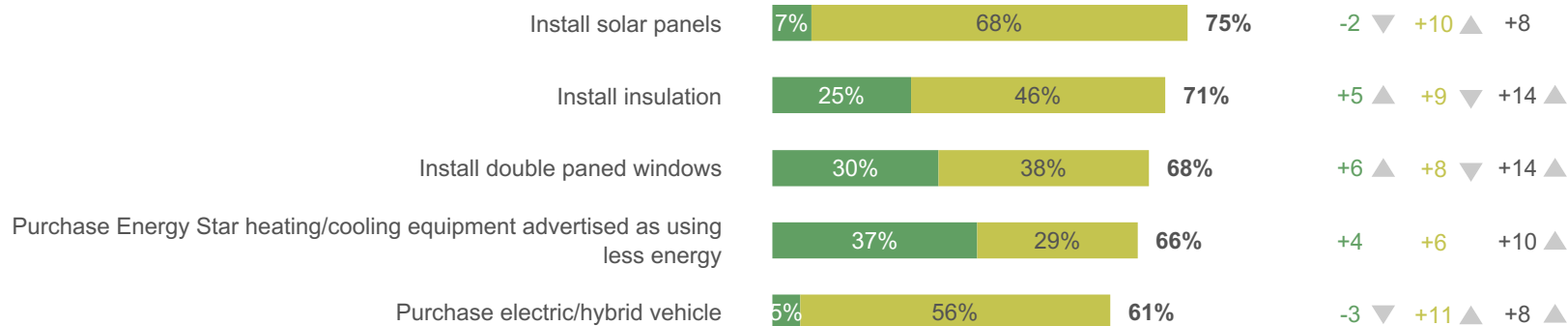
■ Have done ■ Have not done ■ Aware

...and purchase high cost equipment, though advocacy tends to be softer.

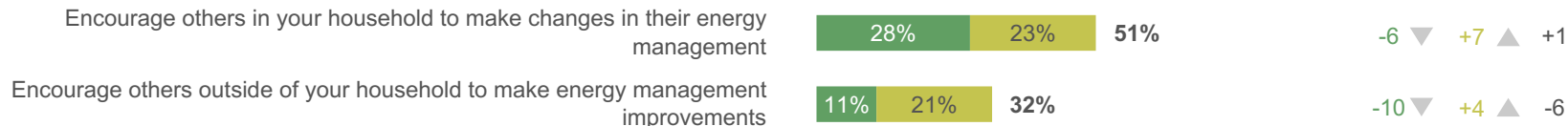
energy efficient actions

HIGH COST EQUIPMENT PURCHASES

vs. Total



ADVOCACY



■ Have done ■ Have not done ■ Aware

While frequency is higher for actions where energy usage is more obvious, there is opportunity to increase consistency.

frequency of actions

