

Valerie Bengoa
Michael Shue
DDB San Francisco
600 California Street
San Francisco, CA 94108

valerie.bengoa@ddb.com
mshue@ddcpublicaffairs.com

October 9, 2018

ADVICE LETTER DDB-5

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT

Submission of DDB Group's Residential Rate Reform Final Media Plan

PURPOSE

DDB Group is submitting Tier 1 Advice Letter DDB-5 to comply with Ordering Paragraph 4 of (D.) 17-12-023 that includes the updated, final approved San Diego Residential Rate Reform (RRR) and Vision Media Plan, comprising the Statewide (SW) Vision Media Plan and Budget (Appendix A), in relation to the Blueprint update (Advice Letter DDB-4¹) and achieves Deliverable 2 of the RRR SW Marketing, Education & Outreach (ME&O) Scope of Work on behalf of the California Public Utilities Commission (CPUC). This media plan goes into market from October 2018 - December 2019.

The purpose of the Blueprint update is to comply with Decision (D.) 17-12-023 in Rulemaking (R.) 12-06-013. DDB Group requests that this Advice Letter be effective from August 27, 2018. We are submitting this information within 90 days of the approved contract.

BACKGROUND

RRR, Time of Use (TOU) default and the SW communications mandate are a result of decisions dating back to 2001 aiming to eliminate demand peaks on the energy system and to encourage Californians to make greater use of underutilized renewable energy.

DDB Group's Blueprint update submitted on April 16, 2018 includes a prototypical media plan. The provided \$65MM 3-year prototypical plan, found significant cost saving opportunities relative to the blueprint's initial \$100MM recommendation. Informed by a broad range of Investor Owned Utilities (IOUs), CPUC, and commissioned research to improve effectiveness, the plan is based on initial assumptions including a broad awareness objective that would rotate both Vision and Time of Use messaging based on IOU's needs and default dates.

¹ <https://energyupgradecommunity.org/wp-content/uploads/2018/05/RRR-TOU-MEO-Blueprint.pdf>

In consultation with the IOUs and CPUC, and through our own audience research, the plan establishes that the optimal time for launching the EUC Vision messaging should be at least six months prior to the local IOU RRR campaigns. The original Blueprint research by Greenberg suggested an even more extensive period of time would be required ahead of the IOU's local RRR campaigns.

Additionally, as the campaign aims to build a long term relationship with energy, maintaining an ongoing presence was determined to be needed in order to sustain awareness and keep the message top of mind. Therefore while the 3-year plan has ongoing media activity note the following:

- Roll-out is based on IOU direction
- Media channels are flighted and all are not on at the same time
- Weight levels are adjusted for launch versus sustaining periods

UPDATES TO MEDIA PLAN

- Plan budget reduced from \$100MM to \$65MM net
- Daypart mix evolved to heavier investment in Digital, addition of Radio and Magazines
- Flighting updated per IOU roll-out and campaign launch guidelines

COST EFFICIENCIES

- Our holistic EUC planning and buying approach (which takes into account that RRR/TOU and EE operate as integrated behavioral campaigns under the more emotional Vision platform) generated \$35MM in media savings from the \$100MM Greenberg media plan.
- Additionally we also garnered staffing efficiencies for the length of the contract with savings upwards of ~\$750K as we are leveraging existing EE staff for RRR with minimal additional staffing (estimated ~\$500K for savings for part of an Associate Director, a Supervisor and an Assistant Strategist) and lowered commission rates across most channels (estimated ~\$250K).

CONCLUSION

The final media plan — which already incorporates significant cost savings from the initial strategic blueprint — will achieve further campaign efficiencies via campaign optimizations during and derived from SDG&E's default roll out, as well as via campaign timing strategies that ensure broadcast media effectively delivers on campaign goals.

DDB Group will optimize SDG&E's throughout the 15 months (10/18-12/19), and the analysis of the post-campaign measurement (change in KPIs versus target goal) available by early 2020 will inform adjustments to PG&E's and SCE's final plans.

We request the Energy Division to convene a meeting of the MEO Working Group in Q1 of 2020, based on available information from IPSOS, to review any learnings from the SDG&E rollout. DDB Group will file the final media plan for SCE and PG&E by Tier 2 advice letter in Q2 of 2020.

As such, the DDB Deliverable 2 Advice Letter should be approved without modification.

EFFECTIVE DATE

DDB believes that this filing is subject to the Commission's Energy Division disposition and should be classified as Tier 1 pursuant to (D.) 17-12-023. DDB respectfully requests that this filing become effective on October 9, 2018.

PROTEST

Anyone may protest this Advice Letter to the CPUC. 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 October 29, 2018, which is 20 days after 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, 4th fl.
San Francisco, CA 94102

Copies of the protest should also be sent via email to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. A copy of the protest should also be sent via email to the addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Valerie Bengoa
DDB
600 California Street
San Francisco, CA 94108
Email: valerie.bengoa@ddb.com

Attn: Michael Shue
DDB
600 California Street
San Francisco, CA 94108
Email: mshue@ddcpublicaffairs.com


NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in (D.) 17-12-023, by providing them a copy here of, either electronically or via the U.S. mail, properly stamped and addressed. Address changes should be directed to the email above.

See Appendix A: Final Approved Media Plan



VALERIE BENGOA
COO at DDB



MICHAEL SHUE
Executive Vice President at DDC



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

☐ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person:

Phone #:

E-mail:

E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other:

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

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

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☐ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☐ No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

ATTACHMENT A:

Final Approved Media Plan

ENERGY UPGRADE

California

CY'18-19 Rate Reform Media Recommendation

June 25th 2018



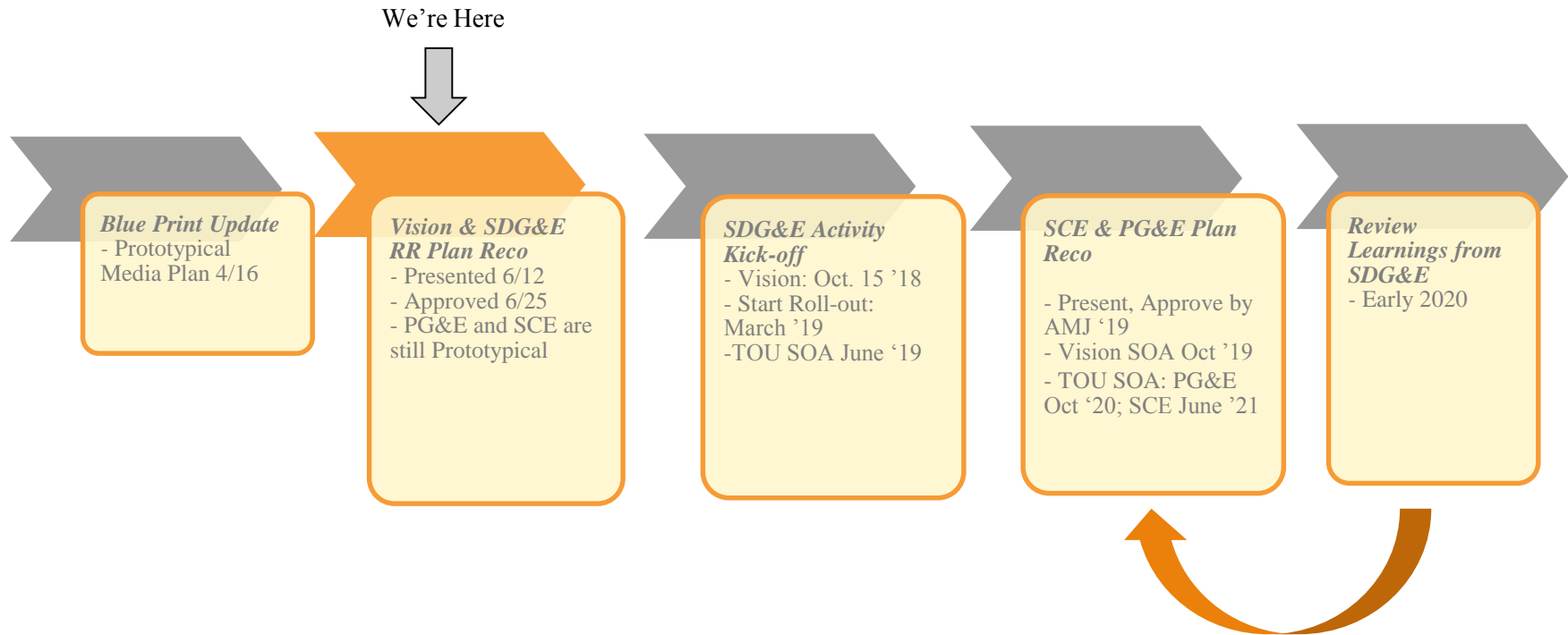
Purpose

Gain alignment on SDG&E's Rate Reform and CY'18-19 Statewide Vision media recommendations

Agenda



Timeline & Milestones



Planning Parameters

Media Objectives

1. Increase message awareness among Californians 18+
2. Drive intent to take action by leveraging multi-channel mix to reach the right people, at the right place and time

Goal: Reach ~85+% of Californians 10X in average 4-week during Peak-Shifting

- ✓ Broad reach required to maximize awareness
- ✓ Campaign needs message frequency to move customers from awareness to intent
- ✓ Customers have a variety of actions to adopt
- ✓ MB has shown multiplier effect of cross-channel delivery

Total Plan Measurement TBD per alignment with Evaluator

Target Priorities

Behavioral

- Rational Participants, Spirited Promoters and Quiet Advocates

Demographic

- Multicultural: Hispanic and Asian
- Low-Income
- People with Disabilities
- Seniors



Plan Recommendation

Scheduling & Flighting

Messaging Strategy

- 12 months of Vision
- 5 months of TOU
- Vision/TOU Vision light in priority periods

Vision

- SDG&E SOA 10/18
- PG&E and SCE 10/19

TOU

- SDG&E SOA 6/19
- PG&E SOA 10/20
- SCE SOA 6/21

Net Budget allocation per CPUC (does not include commission or staffing fees)

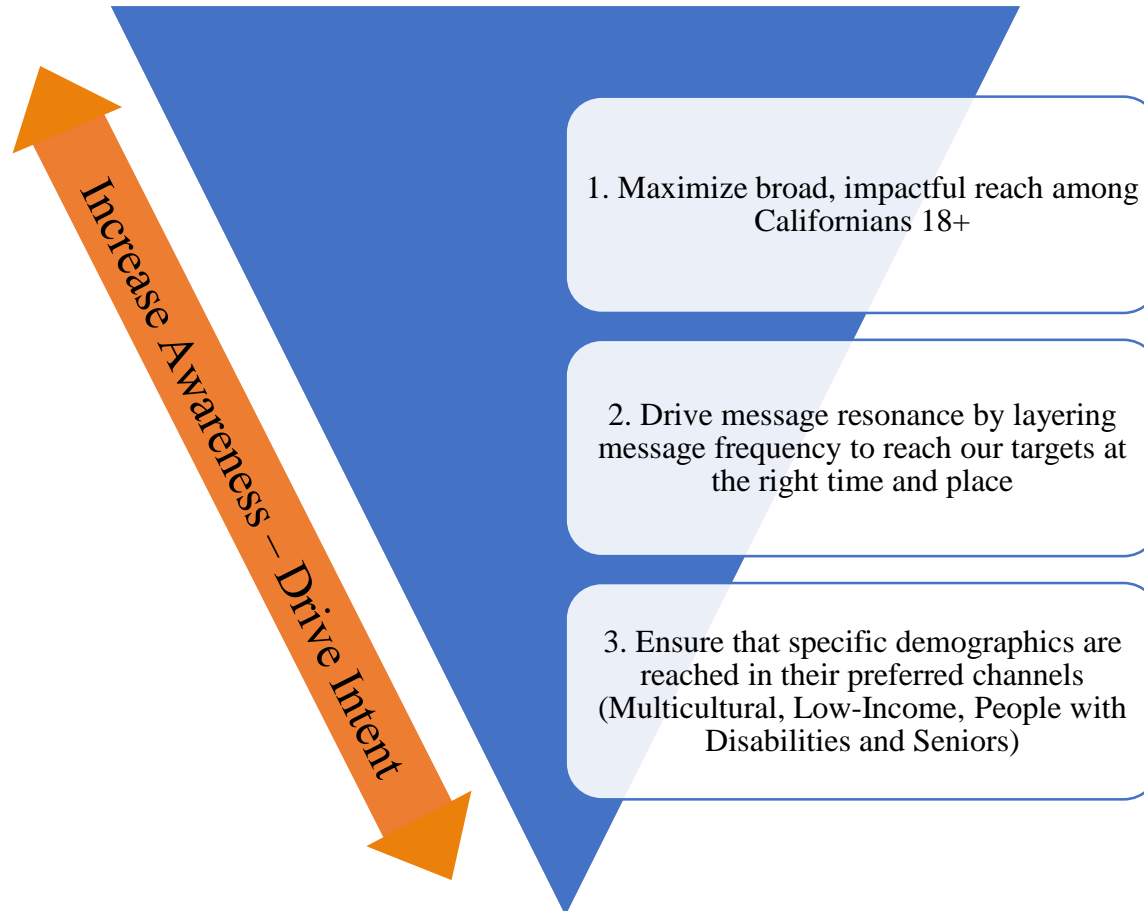
\$65MM October '18 - October '21

- PG&E - 45% (\$29M)
- SCE - 42% (\$28M)
- SDG&E - 13% (\$8M)
 - Ornge County coverage during SW periods funded by SCE

Other Considerations

- Holistic planning for RR and Vision taking into account EE and IOU's priorities
- Milward Brown Y1 learnings for EE
- Strategic spending in light of 2020 elections and Olympics

Objectives to Strategies



Geography & In-Language Prioritization

- For budget purposes, each of our 12 California DMAs has been assigned to the sole or primary IOU
- Recommend including DMAs with Hispanic and/or Asian households 1.5X versus U.S.
 - PG&E in-language DMAs for consideration to add vs EE plan: Sacramento for both and Santa Barbara for Spanish Language



# of DMA's	DMA	% Hispanic (TV Households)	% Asian (TV Households)
8	Bakersfield	45%	5%
	Chico	12%	3%
	Eureka	9%	2%
	Fresno	47%	6%
	Monterey-Salinas	36%	6%
	Sacramento-Stockton-Modesto	21%	10%
	San Francisco-Oakland-San Jose	17%	23%
	Santa Barbara-Santa Maria-San Luis Obispo	26%	4%
3	Los Angeles	35%	13%
	Palm Springs	36%	3%
	Yuma-El Centro	63%	2%
1	San Diego	25%	10%
California (TV Households)		29%	13%
US (TV Households)		13%	5%

Indicates in-language
media support

Source: Nielsen 2018

Energy Efficiency Findings & Considerations

Leverage Millward Brown brand study learnings from Energy Efficiency campaign with RR

Key Findings

Our multi-media Energy Efficiency launch campaign successfully raised

Aided Awareness state-wide and among all key targets

+11pts Overall

+7pts Quiet Advocates

+15pts Spirited Promoters

+9pts Rational Participants

+16pts Spanish dominant

+17pts Chinese dominant

+17pts AAPD members

+8pts HHI < \$40K

Multi-channel exposure is a key driver of KPI gains, yet most were exposed to only one medium - especially those in Tier 2 markets*

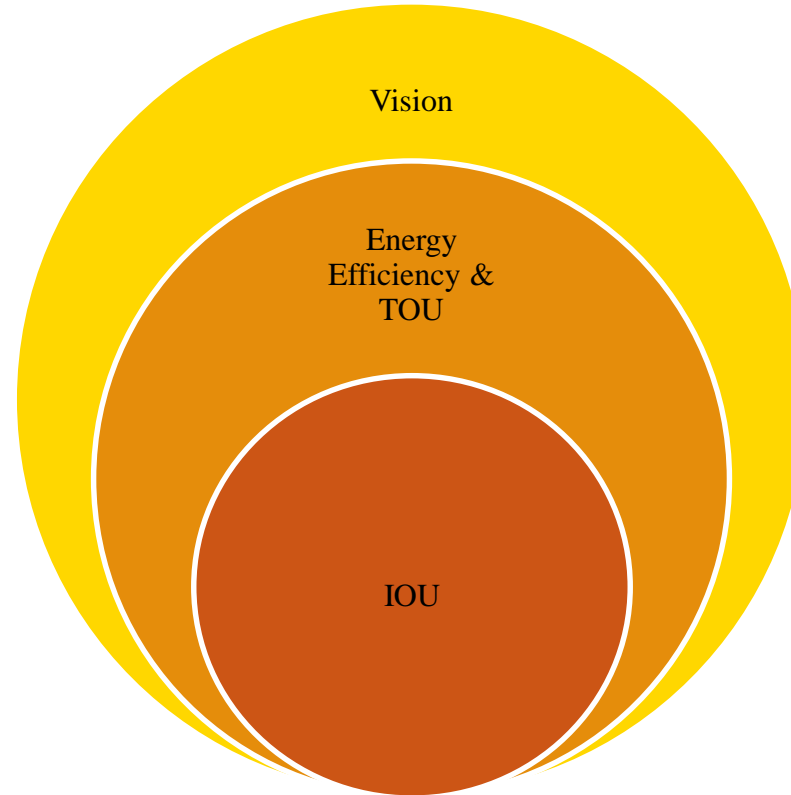
- Though more limited in their reach, Print and Cinema led significant Aided Awareness gains and intent to take actions
- TV+ Print was a particularly powerful combination, and generated more Awareness together than apart

Considerations

- For more balanced segment impact consider dialing up QAs and RPs with target-preferred, high-performing vehicles

- Broaden Media Mix to increase message frequency and overlap
- Consider expanding Tier 1 activity to all markets: cinema, OOH (GM and In-language), newspaper (GM and In-Language)
- Increase use of re-targeting tools

Holistic Communications Planning



Scheduling by IOU

- Each IOU has made recommendation on when to start advertising in to support their rollout
- Ideal support for Vision kicks-off 12 months prior to roll-out, given short window for SDG&E up-weight media for 8 months followed by 5 solid months of TOU
 - PG&E's and SCE's Vision will be heavied-up for first 3-month of launch and 3-month crescendo leading up to TOU SOA
- March-May '19 take Vision statewide to help defend against potential backlash from SDG&E's roll-out
 - EE will rotate in Vision message during statewide coverage periods

			SDG&E Rollout Begins						PG&E/SCE Rollouts Begin								
			Q1			Q2			Q3		Q4						
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
2018	EUC Y1 Y2	Statewide	EE Y1			EE Y2											
	Vision	SDG&E															
2019	EUC Y2 Y3	Statewide	EE Y2			EE Y3											
	Vision Peak Shifting	Statewide				Statewide to align w/SW press from SD default											
		SDG&E				Vision (Light)											
		SDG&E				SDG&E											
2020	Vision	Statewide	Vision (Light)						Vision			Vision (Light)					
	Peak Shifting	PG&E										PG&E					
2021	Vision	Statewide	Vision (Light)														
	Peak Shifting	PG&E SCE		PG&E				SCE									



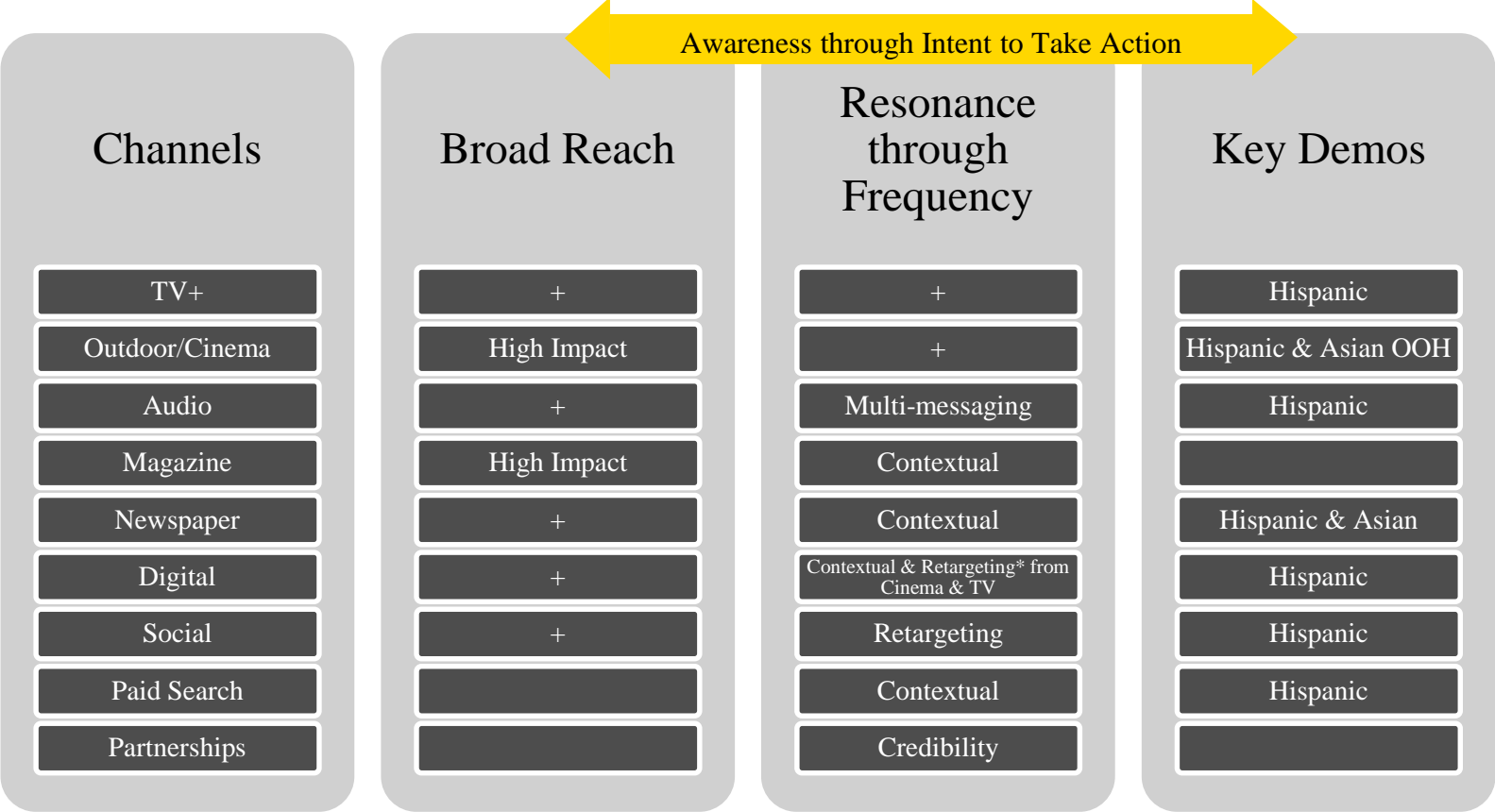
SDG&E Plan Recommendation

(Prototypical activity for PG&E and SCE)



Channel Roles

Each channel can play 1 or more roles – from broad, mass reach to highly specific audience targeting. Our integrated multi-channel approach ensures many touchpoints with all of our different Californian audiences



Channel Overview



Television+

Drive awareness through high-rated, broad reaching programming on a powerful storytelling platform

V TOU

- Prioritize heavier weekly weight (100 GRPs) during Vision & PS rollout, then scale back weight
- Launch Vision with 30:70 of :60s to :30s, then shift to 100% :30s for TOU
- Layer in Spanish-Language weight per gap analysis
- Supplement plan with zoned cable in Orange County
- Includes 20% Full Episode Player content within weekly weight levels

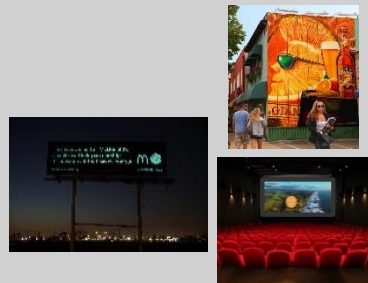


Outdoor/ Cinema

High impact OOH placements and cinema to drive awareness and excitement

V TOU

- Painted murals and billboards for impact
- Capitalize transit's dwell time for peak-shifting education
- General Market and In language (Spanish and Asian)
- Captivate audiences at highly anticipated movie releases and continue the conversation by re-targeting on mobile devices



Newspaper

Preferred vehicle of 2 of the 3 core segments & credible environment

TOU

- ½ PG Weekday and weekend insertions in General Market and In-Language publications (Spanish, Vietnamese, Chinese and Tagalog)



Magazine

Drive awareness and impact through broad general interest magazines

V TOU

- Full Page insertions supporting Vision and/or Peak Shifting
- Opportunity to create impact with light activated creative or other engaging formats for Vision launch
- Californians over-index on consumption of celebrity entertainment content vs U.S.



Audio

Drive efficient frequency and cross channel exposure, with a layer of credibility

TOU

- Total Market Audio on English and Spanish language AM/FM terrestrial and streaming stations; could include live reads and radio remotes



Custom Content

Leverage seasonal 'moments of relevance' for deeper engagement

V TOU

- Examples of 'moments of relevance': Earth Day; Partners TBD from any channel

Vision

TOU



Channel Overview

Digital

Extend the reach of TV and drive cross channel exposure to video message

V

TOU

- Identify trending topics & interests for core segments with Programmatic video through Amobee
- Leverage TV re-targeting via Alphonso
- Increase message resonance through alignment with premium, credible & trusted partners: CNN & NYT
- Reach & engage Californians on their trusted news & entertainment sites with local network buy through MNI
- Implement data-driven programmatic buy to reach specific audiences: People with Disability, Low Income & Multicultural
- Brand safety tracking through IAS

[a·mo·bee] alphonso

The TV Data Company

The New York Times

CNN

MNI

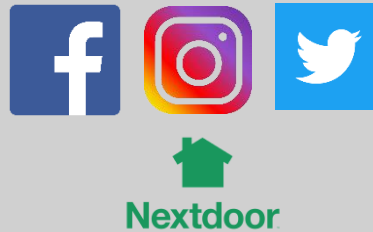
Social

Promote social posts to generate awareness, drive advocacy

V

TOU

- Instagram and Facebook have shown efficiency and ability to scale California residents
- Explore Inclusion of Nextdoor and Twitter to become apart of the conversation around sustainable energy, energy vision and energy efficiency
- Utilize out third parties social Sync tool to align messaging / ads with TV spots to customize a second screen experience



Paid Search

Search delivers a consumer actively looking for information and primed to take action

V

TOU

- Always on campaign to capture traffic for searchers interested in learning more about rate reform and how they can adjust their usage habits
- Align with IOUs during keyword creation to avoid unnecessary bidding competition and achieve highest efficiency

Google

Grand Total SDG&E	\$ 1,302,132
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Demographic targets consume all vehicles

Media Reach/Frequency						
	Low Income	Seniors	People with Disabilities	Hispanics	Asians	Adults 25-54
TV+, Cinema	X		X	X	X	
Digital / Social / Search		X		X	X	
Out-of-Home				X	X	
Print/Newspaper			X	X	X	
Radio		X		X		
TV Plan's Average 4-wk Reach and Frequency for TOU	82%/12x	93%/13x	84%/9x	73%/5x	60%/4x*	73%/6x

Source: Optv (Los Angeles proxy). R/Fs only include TV

*English language TV delivery against Asian, no Asian language TV

Vision Plan Recommendation



- Reflects all California DMAs, except San Diego
- Vision and TOU plans beyond '19 will be shared at a later date

Media Plan Highlights

Comparison to Energy Efficiency Media

- Many plan elements in common with EE plans as objectives and targets are similar
- However, RR plans have been refined to take into account learnings from EE, holistic campaign approach and individual IOU priorities
 - ✓ Expanded plan to include new channels and partners
 - ✓ High impact media placements for campaign breakthrough
 - ✓ Expanded multicultural support across more markets based on IOU direction
 - ✓ Moved away from market tiering to ensure cross channel support
 - ✓ Exploring weather triggering in digital, voice search and a community app

Media Plan Highlights in Songs and Quotes

No market left behind

- “Bush-ish”

Something to Talk About

- Bonnie Raitt

“Most of the world will make decisions by either guessing or using their gut. They will be either lucky or wrong.”

- Suhail Doshi, CEO Mixpanel

- Kumbaya

- The Weavers

Next Steps

- CPUC approved Monday, 6/25
- OMD securing media