

## MARKETING AGENCY RFP: CREATIVE PITCH BRIEF

**Client contact information:** Regina Marston – [regina.marston@energycenter.org](mailto:regina.marston@energycenter.org) – 858.644.1196

**Project:** Energy Upgrade California – Launch brand with campaign to introduce California’s Greenhouse Gas Revenue Return, aka Climate Dividend and/or Climate Credit

---

### Background / Overview

California Public Utilities Commission (CPUC) Decision 12-05-015 directed that the Energy Upgrade California brand—developed under ARRA to promote deep energy retrofits and launched in 2010—transition to serve as the state’s umbrella brand to educate residential and small business consumers about energy management concepts, actions and programs that can help them better manage their energy use. This expanded mandate for the brand enables the State of California to be more comprehensive in its engagement of residential and small business consumers and to communicate a wider range of interrelated actions available to them that will both reduce their utility bills and help the state meet its short- and long-term energy and climate goals.

In November 2013 the CPUC called for Energy Upgrade California to be “one integrated approach that includes multiple demand-side options depending on the needs of the consumer” and noted short and long terms goals for the Statewide Marketing, Education and Outreach program (Statewide ME&O), which provides the frame for the Energy Upgrade California brand umbrella.

- The long-term goal for Statewide ME&O is “that Californians understand the value of energy efficiency, demand response, and distributed generation which leads to demand for products, services and rates for their homes and businesses. This demand leads Californians to take actions that save money, increase the installation of customer-owned renewable energy technologies, use energy more efficiently, and shift energy use away from peak hours as needed.”
- The short-term goal for the next two years (2014-2015) is that “Energy Upgrade California is re-launched as an integrated, umbrella Statewide Marketing, Education and Outreach effort that provides California residents and small business owners with information about energy concepts, programs, services, rates and benefits of taking action so that Californians (1) begin to understand their energy use, the opportunities available for them to act, and the benefits of their action, and (2) begin to take well informed action to better manage energy.

This new direction places Energy Upgrade California in a position to help lead consumer adoption and market transformation across the spectrum of demand-side energy management. The CPUC has stated that the brand “must also continue to build its usefulness in prompting home and building owners to take immediate steps to achieve deep energy retrofits” and also directs that “the messages that come under the Energy Upgrade California umbrella should not be limited to energy efficiency and should also

include generalized energy education and awareness, such as information related to demand response, dynamic rate options, enabling technologies, climate change impacts, the Energy Savings Assistance Program (low-income energy efficiency program), distributed generation investment, smart grid upgrades and any other general impacts of energy use for individuals or for the state as a whole.”

On October 17, 2013, the CPUC approved Resolution E-4611 directing CCSE as the brand manager for Energy Upgrade California to lead marketing, education and outreach to residential households and small business about California’s greenhouse gas (GHG) revenue return, currently known as Climate Dividend for residential consumers and Climate Credit for small businesses.

Scheduled for distribution as an on-bill credit starting in April, the GHG revenue return will be the introductory campaign of the newly transitioned Energy Upgrade California brand. This campaign must educate residents and small business about the GHG revenue return and its relationship to the state's efforts to combat climate change. It must also introduce Energy Upgrade California as a lasting resource for energy education and engage consumers in wanting to learn more and take action. Communicating the GHG revenue return is challenging. It’s important to convey why consumers are getting the money and where the money comes from, and at the same time, make them aware of the state’s efforts on climate action, without providing so much detail on the cap-and-trade program that consumers are turned off or become suspicious.

## **Summary of the Greenhouse Gas Revenue Return**

On December 20, 2012, the Commission adopted D. 12-12-033, which established a methodology by which the investor-owned utilities (IOUs) should return to ratepayers the revenues generated from the sale of greenhouse gas (GHG) allowances allocated to them by the California Air Resources Board (ARB). That decision directed five electric utilities doing business in California, including the large utilities Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE) and San Diego Gas and Electric Company (SDG&E) and the smaller in California Pacific Power and Liberty to distribute revenues to ratepayers in four categories, two of which will be marketed under the Energy Upgrade California brand, and two of which won’t be marketed at this time.

The two returns that will not be marketed as part of this campaign are an annual return to companies with businesses that are emissions intensive and trade exposed (EITE) and therefore likely to be more affected by the cap-and-trade program, and a volumetric monthly return that completely offsets the impact of GHG cap-and-trade in residential rates and will be applied to customer bills behind the scenes. The EITE customers will have other direct communication when their return is issued and have been involved in communication on their credit already.

The two returns that will be marketed as part of this campaign are:

1. A semi-annual, on-bill credit distributed equally to residential accounts regardless of energy consumption or bill amount, known as the “climate dividend.” This credit will appear on bills in April and October. The amounts for 2014 are:

PG&E - \$29.81  
 SDG&E - \$36.24  
 SCE - \$40.00  
 PacificCorp- \$194.37  
 Liberty- Approx. \$48 - TBD

2. A monthly, volumetric on-bill credit for small businesses (determined as commercial accounts with less than 20kW) known as the “CA climate credit.” This credit will also start in April.

Public Utilities Code Section 748.5 (b) requires the CPUC to adopt a customer education program to maximize public awareness of the distribution of GHG allowance revenue to ratepayers. To fulfill this mandate, D. 12-12-033 allocated a total of \$3.85 million to the IOUs for outreach and education activities in 2013. The revenue return was not initiated in 2013, and in Resolution E-4611 the Commission directed the utilities to consign their 2013 marketing, education and outreach budgets to CCSE to begin development and implementation of a competitively neutral marketing, education and outreach campaign to maximize awareness and positive acceptance of the return. The available budget for implementation of the first residential and small business returns is about \$3M. Please describe your recommendation for the expenditure of these funds and estimate what if any additional funds may be needed to maximize awareness of the initial returns in April.

## Requirements and Suggestions for Consideration

Please consider the following requirements and suggestions in developing this campaign:

- GHG revenue return marketing, education and outreach must be competitively neutral, which means the messaging must be developed in a way that does not advantage the IOUs over Community Choice Aggregator (CCA) and Direct Access (DA) generation service providers operating within their service territories – *this return is coming from the State of California*
- The Energy Upgrade California brand is being used for this communication because:
  - It provides a statewide, consumer-friendly, competitively-neutral platform that can connect the revenue return to California’s climate programs and also to opportunities for consumer action for demand reduction and reduced GHG emissions
  - It will be a lasting, evolving resource for consumer energy and climate education and can provide a place for continued consumer engagement rather than a one-off campaign just for the revenue return
  - It will launch about the same time as the first revenue return and the State would like to synergize its energy and climate communications rather than compete with itself to be more efficient and effective with its resources

- The GHG revenue return will be the first time many Californians become aware of the state's efforts to fight climate change, and they will likely be curious where the money comes from. Messaging should convey the source of the GHG revenue and communicate that the state is taking action on pollution/climate in simple, positive terms that will resonate with consumers and motivate them to take individual action with respect to their energy use.
- Message options should include connecting potential use of the return to opportunities for consumers to save energy, manage energy and reduce their grid demand. At the same time, we must not confuse consumers: the return is not a result of prior consumer action to save energy.
- Several channels may be used to communicate the return including direct marketing and outreach and earned, paid and social media. Energy Upgrade California can utilize any or all of these channels and must do so cost-effectively for the necessary reach as possible.
- Marketing, education and outreach delivered by Energy Upgrade California will be augmented by partners with existing channels, such as on-bill messages from the IOUs and outreach from community-based organizations. Please include in your recommendation assigned roles for each partner and its outreach.
- The revenue return can occupy a prominent position on the Energy Upgrade California website and CCSE has registered CAclimatecredit.com/.org etc. as well
- Marketing, education and outreach about the revenue return must occur in advance and concurrent with the distribution of GHG revenues.
- The revenue return must be attributed to the State of California and related to the state's climate programs. The term cap-and-trade is not suggested for use.
- There is opportunity to change the names of the return, so recommended names will be considered. The State is not readily inclined to stop use of climate in the name.
- The GHG revenue return plan developed for Energy Upgrade California must outline roles of each communicating partner and direct the use of partners' supporting channels.
  - Any communications from the IOU to CCA and DA customers in its service territory must include the logo of both the IOU and the CCA or DA customer.
  - The IOUs will, upon request of the Energy Division Director, distribute communications from the CPUC providing information about the GHG revenue return program

## **Research and other Background Information**

At the direction of the CPUC, the IOUs commissioned research and recommendations to inform the residential GHG revenue return in 2013. This report and a recent report on Californians' attitudes toward climate change as well as background information about the greenhouse gas revenue return will be provided with this brief. CCSE has identified some areas for desired follow-on research and may

choose to conduct message and medium testing before the campaign launch in April. We welcome any recommendations regarding research you may wish to include with your pitch.

### **Objective of GHG Campaign**

We want residents and small businesses to be aware of and to feel connected to and positive about California's leading climate policies and comprehensive approach to GHG reduction, and we want this awareness to empower them to take action to reduce their energy use and thereby their GHG emissions. We want them to do this by engaging with Energy Upgrade California to learn about their energy use and its impacts and about programs, services and behavior that can help them save energy and reduce their demand on the grid; thereby playing their part to reduce GHG pollution in California.

### **Target Audiences**

The target audiences for the campaign are:

- All residential customers to whom the IOUs distribute electricity. These customers may buy their energy generation from other Community Choice Aggregators (only active one currently is in Marin) or Direct Access providers (DA) or from the IOU directly. The vast majority of these customers get a bill from their local IOU even if they buy their electricity from another generation provider (the IOUs provides billing services to most generation providers).
- All small business customers in the state who receive distribution services from the electric IOUs. These also may include customers who buy their generation services from CCA or DA providers. Like residential customers, they likely receive an integrated bill from the IOU.

Municipal utilities, also known as publicly owned utilities or (POUs), are not participating. Some media markets include both investor-owned and publicly owned utility customers such as Los Angeles, which is largely served by Southern California Edison but also has several POUs such as LADWP and Pasadena Water and Power. Reaching diverse and disconnected populations with this campaign is very important. Materials must be easy to understand and accessible for all audiences and address the diverse population of California (consider various frames and barriers including language, regional variation and disabled accessibility etc.). The materials should provide a variety of ways to learn more about the greenhouse gas return to ensure that hard to reach populations and disadvantaged audiences have a clear path to get answers about the return.

### **The Single Most Important Thing to Say**

California is taking action on climate change and Californians are getting credit/benefit (to do our part). Residents and small businesses can reduce carbon pollution/greenhouse gas emissions and save money when they reduce their energy use. Learn more with Energy Upgrade California and take advantage of programs, products and services offered by your city, county, utility and local businesses.

## **Important Elements to Address**

We are looking to see how your team introduces the Energy Upgrade California brand along with the GHG revenue return and how you approach the brand at large considering all that it needs to encompass. Show us the GHG campaign and tell us how that will relate to other campaigns and to the brand over time. This brand must live for many years to come and evolve to encompass demand-side energy management as it evolves. How will you build a living brand built to evolve? How will you leverage this first campaign offering to set a new starting point for this ME&O effort? How will you develop the brand's persona through the use of the GHG return to customers? Most importantly, how will your agency define the brand attributes through the launch of the campaign and the introduction of this important step for California's clean energy future?

## **What The Campaign Should Achieve**

- Inform consumers about the dividend/credit
- Educate consumers on GHG and climate change
- Empower consumers to learn more about energy management through Energy Upgrade California.

## **Metrics of the Campaign**

- We will use the Targetbase research baseline to measure increased awareness and knowledge of the GHG return.
- We will be looking to the selected agency to work with CCSE to establish additional KPIs for the campaign.

## **Timing of the Campaign**

The campaign will need to launch in March 2014 in preparation of the April return and then run again (with any changes needed) in September in preparation of the October return.