

RTR Appendix

Southern California Edison, Pacific Gas and Electric, Southern California Gas, and San Diego Gas and Electric (“Joint Utilities” or “Joint IOUs”) developed Responses to Recommendations (RTR) contained in the evaluation studies of the 2013-2015 Energy Efficiency Program Cycle. This Appendix contains the Responses to Recommendations in the report:

RTR for the 2013-2015 California Statewide Marketing, Education, and Outreach Program: Cross-Cutting Process Study (Opinion Dynamics, Calmac ID #CPU0110.04, ED WO #ED_O_MEO_4)

The RTR reports demonstrate the Joint Utilities’ plans and activities to incorporate EM&V evaluation recommendations into programs to improve performance and operations, where applicable. The Joint IOUs’ approach is consistent with the 2013-2016 Energy Division-Investor Owned Utility Energy Efficiency Evaluation, Measurement and Verification (EM&V) Plan¹ and CPUC Decision (D.) 07-09-043².

Individual RTR reports consist of a spreadsheet for each evaluation study. Recommendations were copied verbatim from each evaluation’s “Recommendations” section.³ In cases where reports do not contain a section for recommendations, the Joint IOUs attempted to identify recommendations contained within the evaluation. Responses to the recommendations were made on a statewide basis when possible, and when that was not appropriate (e.g., due to utility-specific recommendations), the Joint IOUs responded individually and clearly indicated the authorship of the response.

The Joint IOUs are proud of this opportunity to publicly demonstrate how programs are taking advantage of evaluation recommendations, while providing transparency to stakeholders on the “positive feedback loop” between program design, implementation, and evaluation. This feedback loop can also provide guidance to the evaluation community on the types and structure of recommendations that are most relevant and helpful to program managers. The Joint IOUs believe this feedback will help improve both programs and future evaluation reports.

¹ Page 336, “Within 60 days of public release of a final report, the program administrators will respond in writing to the final report findings and recommendations indicating what action, if any, will be taken as a result of study findings. The IOU responses will be posted on the public document website.” The Plan is available at <http://www.energydataweb.com/cpuc>.

² Attachment 7, page 4, “Within 60 days of public release, program administrators will respond in writing to the final report findings and recommendations indicating what action, if any, will be taken as a result of study findings as they relate to potential changes to the programs. Energy Division can choose to extend the 60 day limit if the administrator presents a compelling case that more time is needed and the delay will not cause any problems in the implementation schedule, and may shorten the time on a case-by-case basis if necessary to avoid delays in the schedule.”

³ Recommendations may have also been made to the CPUC, the CEC, and evaluators. Responses to these recommendations will be made by Energy Division at a later time and posted separately.

Response to Recommendations (RTR) in Impact, Process, and Market Assessment Studies

Study Title: 2013-2015 California Statewide Marketing, Education, and Outreach Program: Cross-Cutting Process Study
Program: ME&O
Author: Opinion Dynamics
Calmac ID: CPU0110.04
ED WO: ED_O_MEO_4
Link to Report: http://calmac.org/publications/PY2013-2015_MEO_Cross-Cutting_Process_Evaluation_Report_FINAL_2016-11-11.pdf

Item #	Page #	Findings	Best Practice / Recommendations (Verbatim from Final Report)	Recommendation Recipient	Disposition	Disposition Notes
				If incorrect, please indicate and redirect in notes.	Choose: Accepted, Rejected, or Other	Examples: Describe specific program change, give reason for rejection, or indicate that it's under further review.
1	3	Based on interviews with key stakeholders, the evaluation team found that coordination has improved over time, including increased two-way communication, more collaborative quarterly stakeholder meetings, and earlier opportunities to provide feedback on creative materials. Stakeholders, however, continue to identify challenges that need to be overcome moving forward. These include the separate ME&O planning processes, insufficient time or resources to provide feedback, and uncertainty about whether feedback is incorporated into SW ME&O design. Notably, many of these challenges may be alleviated by the development of Joint Consumer Action Plans.	As the parties embark on the integrated planning process and closer alignment moving forward, the CPUC should consider utilizing an independent facilitator to design this process. Using an independent party will ensure that the arbiter does not favor any particular outcome.	CPUC	N/A	This is not a recommendation for the IOUs, but we offer this comment: This and the subsequent recommendation are outdated. We suggest that this recommendation be revised to allow the new ME&O administrator time to work with the PAs to see if a satisfactory collaboration process may arise "organically." Perhaps the recommendation could be revised to suggest that the ME&O administrator and the PAs gather feedback in early 2018 to identify whether an independent facilitator is needed. We also recommend that the design of the collaboration process itself be collaborative so that all stakeholders are invested in the process.
2	3		Given the nature of the collaborative process envisioned, we recommend that the CPUC or a designated party establish formal rules and procedures for the group. If feasible, these procedures may be established through collaboration among the CPUC, SW ME&O implementer and ME&O stakeholders.	CPUC	N/A	This is not a recommendation for the IOUs, but we offer these thoughts: Establishing several key rules and procedures for the SW ME&O stakeholder group could benefit its effectiveness and efficiency, if applied in moderation. Establishing procedures should not be conditional based upon the "feasibility" of a collaborative approach, as ODC suggested, but rather be the default approach. Furthermore, ODC's suggestion that by-laws could be part of this process seems excessive and may create an excessive administrative burden. as well as limit the creative process that is inherent to marketing. We recommend that the parties in the Responsible, Accountable, and Supportive areas of the RASCI governance model collaboratively identify which rules and procedures to establish, and propose those to the Commission for adoption. An example would be outlining the steps that are part of annual plan development, such as setting objectives, strategies, tactics, campaign briefs, creative briefs, and collaboration opportunities (e.g. co-marketing). Each step would identify the parties RASCI roles and include clear expectations and timelines.

3	3-4		To codify institutional arrangements in a way that is transparent to all parties, the SW ME&O administrator should expand on the most recent RASCI model to indicate the different levels of responsibility by stakeholder for different implementation activities. The model currently outlined in Decision 16-09-020 is a good starting point, but not sufficient given the different areas where collaboration needs to occur and the fact that roles and responsibilities of a given participant could differ across those areas.	SW ME&O admin	N/A	This is not a recommendation for the IOUs, but we offer this comment: The IOUs agree that further clarification in relation to the current RASCI model would be helpful, as we have outlined in our response to Recommendation 2, but that it need not be “codified.” Regarding stakeholder engagement, the new SW ME&O implementer suggested a collaborative process to “customize the best approach to suit their particular situation”. We are encouraged by the proposal to lay out a stakeholder engagement plan which includes defining roles and responsibilities, frequency of communications, and key deliverables and milestones, among other things.
4	4		The SW ME&O administrator should establish a formal feedback loop so that it is clear how information or input provided by the PAs has been used to inform campaign design.	SW ME&O admin	N/A	We agree with this recommendation, as feedback is critical for the collaborative process to work. As ODC states in its report, formal feedback could extend program timelines and add substantial staff hours. While it is likely to result in additional effort during the start-up phase, we believe that added effort will diminish as the parties become familiar with working together.
5	4		Given the differing positions, perspectives, and incentives of stakeholders in the ME&O Proceeding, we recommend a collaborative approach to developing SW ME&O metrics (including program implementers, administrators, and evaluators). As noted in the SW Verification and Integrated Effectiveness Study, the CPUC, SW ME&O administrator, PAs, and evaluation team have important roles to play in determining the key metrics for ME&O efforts. Each of these parties bring different expertise and all have valuable perspectives on what aligns with campaign goals, what can reasonably be measured, and how related measures can be triangulated to provide a fuller picture.	CPUC, SW ME&O admin, all IOUs	Accept	<p>We agree with this recommendation. In support of a collaborative process, we make the following recommendation for the Joint Sempra Utilities to lead the development of metrics.</p> <p>The Joint Sempra Utilities will offer to take the lead in convening a technical working group to;</p> <ul style="list-style-type: none"> a) Develop guidelines for ME&O metrics using lessons learned in the 2013-2015 SW ME&O evaluation, as well as in the development of PPMs and MTIs for D.09-09-047. b) Draft metrics based on DDB’s scope of work and agreed-upon SW ME&O objectives. c) Coordinate ME&O metrics with metrics used by the SW market transformation efforts and local marketing efforts. d) Chair a workshop to present working group findings and solicit feedback from the broader stakeholder group. <p>Because these activities are part of program implementation and subject to the EM&V firewall, the technical working group would consist of IOU EM&V leads, DDB’s EM&V agency Targetbase, and Energy Division staff and advisors who will not be evaluating the implementation. Given the February 28 deadline to file the roadmap and first annual plan (which needs to include metrics), this suggested approach would need to be agreed upon as soon as possible.</p> <p>The original metrics outlined above in the attached are not tied to any specific objective. DDB recommended “assigning multiple specific metrics to each objective to get a cleaner, more multi-dimensional understanding of performance against each objective. Orienting around the objective and not the metric will help the team understand performance against the objective vs. performance against a metric.” Sample metrics provided by DDB are</p>

					an "increase in awareness (by a certain percent), positive change in sentiment (by a certain percent), etc." We are encouraged by this line of thinking and recommend that an approach of using multiple metrics for each objective be adopted, preferably through the process outlined above.
		<ul style="list-style-type: none"> 5A: The SW ME&O administrator should include metric development as a specific activity in the updated RASCI model and, as noted in the SW Verification and Integrated Effectiveness Study, metrics should be in place in advance of program deployment. 	SW ME&O Admin	N/A	We agree that the implementer of statewide ME&O should play an important role in the development of metrics. D.16-09-020 already directs the SW implementer and local program administrators to develop metrics as part of the 5-year ME&O Strategic Roadmap and Annual Joint Consumer Action Plans. All recommendations should defer to the Decision. Our preference is for a collaboratively governed metrics development process as described in our response to Recommendation 5.
		<ul style="list-style-type: none"> 5B: CPUC staff involved in the ME&O Proceeding should coordinate with their counterparts in other proceedings, including those that support Energy Efficiency, Electric Vehicles, Demand Response, Customer-Owned Generation, and the Residential Rate Reform Proceeding to determine the desired level of alignment between the metrics used for all efforts. As an example, based on preliminary information, it appears that there is consistency between the construct being developed by the retail rates team and that developed by statewide ME&O. These include awareness, attitudes, knowledge, self-efficacy/barriers, and actions taken. 	CPUC	N/A	We are encouraged by ALJ Roscow's comments at the November 29 SW ME&O workshop that establishing a CPUC governance committee is now being discussed. It is critical to collaborate with other proceedings that have an ME&O component in order to prevent duplication of efforts, conflicting messaging, and market confusion. We see the strongest need for coordination and collaboration with the Residential Rate Reform Proceeding. As part of that proceeding and the marketing proposals that were filed for it, the IOUs suggested the appointment of a consultant to identify the scope of a statewide Rate Reform campaign and level of coordination with SW ME&O. We believe there are commonalities and overlaps between the two initiatives, and further CPUC-IOU discussion of the approach to collaborating with other ME&O initiatives would be appreciated.
		<ul style="list-style-type: none"> 5C: CPUC staff should engage the SW ME&O evaluator in developing program performance metrics using the PTLM as a guide. The CPUC should consider giving the evaluation team a greater role in the development of program performance metrics. In the 2014-2015 period, the evaluation team was asked to comment on draft metrics and provided input regarding potential measurement challenges. Expanding this role would help ensure that the metrics provide a more holistic view of program performance. 	CPUC	N/A	The Joint Sempra Utilities outlined an approach to metrics development as part of our response to Recommendation 5. We therefore suggest that this recommendation is outdated. The Commission has consistently provided direction that metrics development is the responsibility of the program implementers (D.09-09-047, D.15-10-028, D. 16-09-020). While we understand ODC's view that evaluation experts bring context and experience, it is important that SW ME&O evaluators are not part of the development process to ensure objectivity in any evaluation studies that may follow, and to maintain the evaluator/implementer firewall established in D.05-01-055. The utilities and DDB each have internal evaluation experts who will be engaged throughout the metrics development process.
6	4	Take a holistic view of campaign performance based on multiple metrics. As discussed extensively in the SW Verification and Integrated Effectiveness Study, and noted by stakeholders in the ME&O Proceeding, it is important to link metrics to key program objectives and clearly define what needs to be measured	CPUC, SW ME&O admin, all IOUs	Accept	We agree with this recommendation, but caution against overreliance on metrics. The benefits of each metric must be weighed against the costs of collecting the data, particularly when metrics must be gathered through a study. To be useful, metrics must be collected frequently enough to support decision-making, such as whether a course correction is needed. This means that the most

			to assess how a campaign is performing. Further, it can be difficult to establish a single metric to perfectly measure a particular concept. As such, it is important to look at multiple metrics and consider what they convey in aggregate. This triangulation of findings can help identify inconsistencies across different measurements and also provide multiple perspectives on a particular metric of interest.			useful metrics are those that use data that can be easily and inexpensively collected in the course of program implementation, such as timing of ad impressions and number of webpage clicks. Sempra Utilities is prepared to help apply lessons learned from past metrics development efforts..
7	5-6	The PAs develop and track a variety of program- and channel-specific metrics to assess the effectiveness of their activities. However, while all PAs indicate that they develop marketing plans as a key step in determining what ME&O activities to conduct, we found that their availability, the timing of their development, and their content varies across PAs, programs, and program cycles. Additionally, a review of 2013-2014 PA ME&O data indicates that, in some cases, the PAs did not identify or document metrics for their ME&O campaigns, and nearly two-thirds of 2013-2014 ME&O data received from the PAs did not include success criteria. Notably, when we revisited this issue and looked at 2016 marketing campaigns, we found that the PAs' documentation of metrics and success criteria was more robust than originally assessed.	<p>Require enhanced PA documentation of ME&O efforts. This evaluation reveals wide variations in terms of the level of documentation around PA marketing efforts in support of energy efficiency programs. While some variation is expected and reasonable, particularly for programs where the promotional aspect of marketing does not play an important role, or for smaller PAs with limited marketing budgets, the PAs should provide more documentation for major promotional campaigns so that the CPUC can ensure that ratepayer funds are being spent appropriately. The CPUC should work with each of the PAs to determine the extent to which they can do the following:</p> <ul style="list-style-type: none"> • 7A: Require annual reporting of ME&O budgets and expenditures. We found conflicting information about the amount of money budgeted for and spent on PA ME&O. Inconsistent information about budgets and expenditures makes it difficult for the CPUC to ensure that ratepayer funds for energy efficiency are truly being spent on energy efficiency messaging. As a result, we recommend that the PAs submit annual energy efficiency ME&O budgets and expenditure information for each program where PAs utilize promotional campaign marketing. This information should not be provided for approval by the CPUC, but as a record of what occurred. 	CPUC	N/A	It is not clear to us, from the information provided in ODC's report on this study, that more marketing documentation would have benefitted this evaluation. In the case of the IOUs, our marketing is wide-ranging and supports initiatives beyond the objectives of statewide ME&O. Those initiatives are reviewed by the Commission in other proceedings. We are not opposed to providing more documentation for all coordinated marketing efforts (per Recommendation 8), as long as it is helpful to the process and does not create an unnecessary administrative burden. Both the CPUC's and the PA's resources are limited, and requiring voluminous amounts of data without resources to analyze them would be an inefficient use of resources.
			<ul style="list-style-type: none"> • 7B: Require PAs to develop strategic marketing plans at the program or portfolio-level and share them on a post-hoc basis. Marketing plans are a valuable tool for aligning marketing tactics with overall program goals. Without an understanding of factors such as the current market, company and marketing objectives, and target audience, it is challenging to make informed decisions about which strategies to pursue, or whether PAs are achieving their promotional marketing goals. 	CPUC	N/A	The need for PA program/portfolio marketing plans may be diminished through the collaborative one- and five-year planning processes, per D.16-09-020. We are not opposed to strategic marketing plans, provided that they are for informational purposes only and allow for the PAs to follow existing internal processes in which these plans are developed. Strategic marketing plans do not apply in all cases. For example, if the target audience is very specific and narrow, the budget limited, and only one tactic (e.g. e-mail) selected, there is no need for a comprehensive plan. In those cases, a marketing brief is customary and we could certainly share those, as well. Comprehensive marketing plans are most valuable when

						multiple tactics are integrated, target a complex audience, and include multiple objectives, etc., as in the cases of AB 793, Residential Rate Reform, and Low Income.
8	7-8	The SW ME&O program focuses exclusively on promotion whereas PA marketing goes beyond promotion to include product, price, and place (i.e., the Four Ps). Given this distinction, it does not make sense for the CPUC to provide oversight of only the promotional aspect of PA ME&O in isolation from the program(s) it supports. As a result, we have number of recommendations to the CPUC regarding where, and how, to focus future oversight and guidance in the area of PA ME&O.	CPUC should focus its oversight on all <u>coordinated</u> efforts between the PAs and the SW ME&O program. By focusing on the areas where the PAs and SW ME&O program coordinate, the CPUC can ensure that the potential for customer confusion is minimized, and that PA led promotional campaigns support achievement of the SW ME&O vision. The Joint Consumer Action Plans outlined by the CPUC play an important role in this process by helping to identify high priority areas for SW ME&O in consultation with the PAs. Early attempts to implement this type of process through SW ME&O Quarterly Stakeholder Meetings were well received and provided an opportunity for the PAs to share information on how high priority topics related to their own programmatic efforts.	CPUC	N/A	We agree with this recommendation and would like to stress the importance of adhering to the roles and responsibilities outlined in the RASCI model, as this could greatly enhance coordination. We offer more detailed suggestions in our response to Recommendation 2.
			<ul style="list-style-type: none"> • 8A: Develop relevant metrics to assess how well the coordination process is working. Metrics for effective coordination can include a suite of qualitative and quantitative measurements that address the level and efficacy of coordination. The CPUC, working with a facilitator and stakeholder groups, should determine the most pertinent metrics for assessing the effectiveness of the collaborative process. Metrics to consider include: <ul style="list-style-type: none"> ○ Achievement of established coordination goals (i.e., were all issues addressed, were the solutions thorough, did the solutions address the issues) ○ Progress relative to the timeline (i.e., were tasks completed on time, were there delays) ○ Level of participant engagement (i.e., is the level of engagement or amount of time dedicated to the tasks appropriate) 	SW MEO Admin, IOUs	Reject	This recommendation is outdated now that there is a new SW ME&O implementer. Additionally, it is unlikely that collaboration can be assessed effectively in the abstract, as its measure is the extent to which collaboration results in more or less effective outcomes. Among other issues, setting a baseline and identifying metrics would be difficult. We suggest that the value and feasibility of this be discussed in the course of developing metrics on overall SW ME&O objectives. The benefits of developing and tracking another set of metrics may not justify the costs and resources required to oversee and respond to additional metrics.
			<ul style="list-style-type: none"> • 8B: Continue to ensure the SW ME&O program and PAs coordinate on messaging and content if both entities are promoting a particular program to California consumers. Focus group findings and other qualitative research conducted as part of this study indicate that customers prefer multiple sources of information and do not appear to be confused by multiple messages offered across administrators in the market. Moving forward, 	SW MEO Admin, IOUs	Other	This is addressed in D.16-09-020 through the Annual Joint Consumer Action Plans. This recommendation no longer seems necessary. We intend to comply with the decision and support coordinated messaging and content efforts.

			general energy management topics and program-specific information promoted by the SW ME&O program and the PAs should continue to be coordinated to ensure consistency, as well as accuracy, of content.			
9	8		Assess the effectiveness of <u>coordinated</u> efforts between the PAs and the SW ME&O program. An assessment of the effectiveness of coordinated marketing is essential to future SW ME&O campaigns, particularly when coordination of PA and SW ME&O efforts achieves both the short-term and long-term SW ME&O goals and vision. PA marketing is an essential component to supporting these goals and our team believes that there are currently core programmatic areas where measurement of coordinated effects is vital. These include all activities associated with lead generation for PA programs, as well as coordinated efforts to market specific programs such as the Energy Upgrade California® Home Upgrade Program. At present, the SW ME&O program performance metrics (PPMs) do not link statewide and PA efforts, but the development of a clear lead generation mechanism is an important step in linking statewide efforts to local program participation.	CPUC	N/A	We agree with the statement that “the development of a clear lead generation mechanism is an important step in linking statewide efforts to local program participation, and we are eager to learn how coordinated efforts can yield greater results than individual efforts.
10	8		The PAs, although not required to by the CPUC, should consider embedding a comprehensive assessment of marketing effects as part of program-specific evaluation efforts. The PAs should consider directing evaluators to assess the effectiveness of marketing campaigns in achieving programmatic goals—particularly for underperforming programs. We recommend focusing on those programs that are not achieving their goals, are not cost-effective, are newer initiatives, or have hard-to-reach target audiences. These evaluations should move beyond studying efforts, to also assessing <i>effects</i> . As noted above, PA ME&O goes well beyond promotion, making it more valuable to assess marketing effects as part of the evaluation of the program(s) it supports. To date, there have been few comprehensive assessments of marketing effects within existing program evaluations. Refer to Section 4 for information on what a more comprehensive assessment would cover.	All IOUs	Other	We agree with the value of assessing the effectiveness of those marketing campaigns in which the PAs are working in coordination with the statewide ME&O implementer. However, as discussed in our response to Recommendation 7, the IOUs’ marketing is wide-ranging and supports initiatives beyond the goals and objectives of statewide ME&O. Marketing for those initiatives is reviewed by the Commission in other proceedings and with regard to the programs that they support. For underperforming programs, the PAs will request that evaluators include in their scope of work an assessment of marketing campaign effectiveness, if budget permits.
11	53	As discussed in Section 4.3, metrics play an important role in assessing the performance of ME&O efforts. Without metrics and associated success cri-	Review the metrics on a regular basis and update the metrics when the SW ME&O program changes. There are bound to be course corrections during the	SW ME&O admin	N/A	This is not a recommendation for the IOUs.

		<p>teria, it is challenging to determine with any certainty how different channels or marketing activities are performing and whether the administrator is getting a reasonable return on its investment. As a result, there has been significant attention paid to metrics across both ME&O evaluation studies conducted for the 2013–2015 period. In the case of SW ME&O, the CPUC established metrics, but there has been debate about whether they measure the right things.</p>	<p>implementation of the SW ME&O program as the administrator sees how different channels are performing. Revisiting the program’s metrics will ensure that they continue to provide insight into the program’s performance.</p> <ul style="list-style-type: none"> • Regardless of a significant change in program implementation, the SW ME&O administrator should regularly revisit metrics to ensure that they are capturing the intended data and that any preliminary data suggest that the program is on track. 			
12	69	None found.	<p>While the PAs should be required to document marketing efforts (but not measure effects), the CPUC should measure both market efforts and effects for SW ME&O. In particular, SW ME&O efforts require an assessment of market effects in addition to efforts. For example, measuring <i>effort</i> involves answering questions about what and how much was accomplished (e.g., how many materials were distributed and how many people did the campaign reach), whereas measuring <i>effect</i> involves assessing the changes that result from a campaign (e.g., has there been change in awareness or behavior, what actions have people taken). We recommend that in the future, the CPUC work with the SW ME&O administrator to design campaigns to measure effects (or causal impacts associated with campaigns) through incorporating experimental or quasi-experimental research designs. In any cases where direct response tracking is available (e.g., where marketing staff can keep a record of those participants who were exposed to the marketing collateral and used that channel to participate in the program), incorporate this within the marketing campaign, and collect data to assess achievements. When experimental design is not an option, the evaluator should work to develop other methods for determining effects such as latent class discrete choice (LCDC), structural equation modeling, multi-level modeling, or other approaches, some of which were used in the previous ME&O evaluation work for the 2006-2008 program cycle.</p>	CPUC, SW ME&O admin	N/A	This is not a recommendation for the IOUs.