



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
Fax: 213.244.4957

RvanderLeeden@semprautilities.com

October 1, 2018

Advice No. 5361

(U 904 G)

Public Utilities Commission of the State of California

Subject: California Solar Initiative (CSI) - Thermal Program (TP) Solar Water Heating (SWH) Local Market Facilitation Budgets and Activities (Market Facilitation Plan) for 2019 in Compliance with Decision (D.) 10-01-022

Southern California Gas Company (SoCalGas) hereby submits with the California Public Utilities Commission (Commission or CPUC) the CSI-TP SWH Local Market Facilitation Plan for 2019 in compliance with D.10-01-022, shown as Attachment A.

Purpose

SoCalGas respectfully submits this Advice Letter seeking approval from the Commission to modify the existing program budget to reflect the changes in Advice No. (AL) 5262-A, et al., Supplement - Proposed Amendments to the California Solar Initiative (CSI) - Thermal Program Handbook, and support the continuation of the Local Market Facilitation Plan, which addresses the activities identified in Attachment A.

Background

On January 21, 2010, the Commission established the CSI-TP in D.10-01-022, allocating funds for both natural gas and electric displacing solar thermal system incentives, including SWH technologies in all investor-owned utility territories. On April 1, 2010, SoCalGas submitted AL 4098 in order to comply with Ordering Paragraph 6 of D.10-01-022, which ordered the CSI-TP Program Administrators (PAs)¹ to submit separate ALs. SoCalGas' AL 4098 included the proposed market facilitation strategic plan and detailed budget for the first two years of program implementation. On November 4, 2010, the Energy Division issued a Guidance Memo requesting the PAs to

¹ The PAs are SoCalGas, Pacific Gas & Electric Company, Southern California Edison Company, and the Center for Sustainable Energy®.

resubmit their Market Facilitation ALs in response to the protests and feedback received. In a conference call between the Energy Division and the PAs on August 11, 2011, it was agreed that each PA would resubmit its Local Market Facilitation Plan in a supplemental AL. In addition, SoCalGas, as the Lead Party, would submit the Statewide Market Facilitation Plan in a new joint AL by August 31, 2011.

On August 31, 2011, SoCalGas submitted joint AL 4274, et al., submitting the Statewide Market Facilitation Plan, on behalf of all the PAs, and resubmitted its Local Market Facilitation Plan in its supplemental AL 4098-A in compliance with the Guidance Memo. AL 4274, et al. and AL 4098-A were approved on October 13, 2011 and October 24, 2011, respectively, with both effective on September 30, 2011.

Based on the Guidance Memo and the recommendation by Energy Division staff, on August 21, 2014, the PAs jointly decided to not commit funds toward a collaboration statewide media plan for 2015 in order to provide each PA an opportunity to concentrate on local marketing efforts. This shift in approach enabled each individual PA to leverage the foundation of the statewide campaign, including creative assets. In addition, it enabled the PAs to take a more concentrated and targeted approach to increasing program awareness and encouraging adoption of SWH on a local level.

On December 19, 2017, the CPUC approved AL 5219, et al. on behalf of the PAs, to modify the existing program budget to reflect the changes authorized by Assembly Bill 797 and support the continuation of program operations through July 31, 2020. On May 30, 2018, the CPUC approved AL 5262-A et al. and included outlining the updated allocations to the Local Market Facilitation budget for 2018 and 2019.

The PAs will continue to communicate on a monthly basis in 2019 to discuss updates and share best practices.

Market Facilitation Plan and Budget

The 2019 Local Market Facilitation Plan, submitted herein as Attachment A, outlines the approach that the SoCalGas SWH campaign will take. It establishes goals, objectives, strategies, and tactics, as well as defines campaign timetables and budget. In 2019, SoCalGas intends to maximize and streamline our successfully performing advertising channels to precisely target our commercial and residential customers and to build on the momentum established over the last few years in creating adoption of SWH technology via benefits such as rebates, costs savings and environmental impact. Importantly, in 2019 the plan will be continued to reach qualifying single-family and multi-family low-income customers and disadvantaged communities. The benefits of the SWH system will be passed to low-income residents through reduced energy costs. Implementation of the 2019 Market Facilitation Plan is scheduled to begin in the first quarter of 2019 with in market full rollout starting the second quarter of 2019.

Protests

Anyone may protest this AL to the 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 within 20 days of the date of this AL, which is October 21, 2018. 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

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Ray B. Ortiz
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No.: (213) 244-4957
E-mail: ROrtiz@SempraUtilities.com

Effective Date

SoCalGas believes that this submittal is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. SoCalGas respectfully requests that this submittal be approved on October 31, 2018, which is 30 calendar days from the date submitted.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.12-11-005, CSI, SGIP, and Other DG Issues OIR. Address change requests to the GO 96-B service list should be directed by e-mail to tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by e-mail at Process_Office@cpuc.ca.gov.

Ronald van der Leeden
Director - Regulatory Affairs

Attachments



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:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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

ATTACHMENT A

Advice No. 5361

**California Solar Initiative – Thermal Program
SoCalGas Local Market Facilitation Plan and Budget 2019**

California Solar Initiative (CSI) – Thermal Program

SoCalGas Local Market Facilitation Plan and Budget (2019)

Background - Situation Analysis

In its Guidance Memo dated November 4, 2010, Energy Division staff recommended that the four Program Administrators (PAs) of the CSI-Thermal Program, Southern California Gas Company (SoCalGas), Pacific Gas & Electric Company (PG&E), Center for Sustainable Energy (CSE) and Southern California Edison Company (SCE), “hire a specialized marketing and outreach firm to manage a statewide campaign building off the established *Go Solar, California!* program.”

In June 2011, the four PAs jointly appointed a marketing agency and prepared a Scope of Work for the campaign designed to develop a Statewide Market Facilitation Plan. Based on the Scope of Work, with input and contribution from the PAs, SoCalGas managed the appointed firm and the campaign. The goals of Statewide Market Facilitation campaign were to: 1) build awareness and understanding of the CSI-Thermal Program to help motivate adoption; 2) educate consumers about the advantages and availability of CSI-Thermal Program rebates; and 3) drive consumers to the WaterHeatedbytheSun.com (WHBTS.com) site and to leverage from the benefits gained from statewide campaign to provide guidance for the local marketing plans.

In June 2013, the four PAs jointly appointed Phelps Total Market (PTM), an integrated marketing communications firm, to manage and provide continuity to the Solar Water Heating (SWH) program for both statewide and SoCalGas local efforts. In August 2013, SoCalGas and PTM activated primary research efforts (Focus Groups) to better understand current perceptions and attitudes towards solar technology, particularly SWH. It was concluded that: 1) the customer understanding of SWH systems vary; 2) customers have a number of misperceptions about SWH, due to the lack of reliable information; 3) word-of-mouth communications play a strong role in information dissemination; 4) creating an experiential component to the program, providing consumers with increased accessibility to engage with the technology, would help with misperceptions and increase awareness; and 5) streamlining communications to connect with target audiences in a more meaningful and concise capacity would benefit the program.

In 2014, PTM planned and executed a strategic Market Facilitation Plan for SoCalGas’ SWH program, building from past campaign efforts and research learnings and establishing the foundation for a long-term strategy. The plan was designed to connect with target audiences through consistency of messaging, concise communications, an enhanced digital platform and a more experiential approach. This experiential approach was planned to provide consumers with increased accessibility to engage with the technology. A new digital platform was also developed, which customers can use to learn more about SWH by watching informational videos and to locate eligible contractors for SWH installations. Implementation of the 2014 plan began in Q1 2014, with in-market full rollout starting Q2 2014.

The continuation of the Statewide Market Facilitation Plan into 2015 was evaluated by the four PAs. Based on the Guidance Memo and the recommendation by Energy Division staff, on August 21, 2014, the PAs of the CSI-Thermal Program jointly decided to not commit funds toward a collaborative statewide media plan for 2015. Instead, each PA concentrated on local marketing efforts. The PAs continued to communicate on a monthly basis in 2015 to discuss updates, share best practices and possibly pursue coordinated activities on an as-needed basis (such as a statewide conference sponsorship opportunity).

From 2016 through 2018, SoCalGas continued to focus on local marketing efforts that built on past campaign efforts and research findings to connect with target audiences through compelling communications, coordinated experiential efforts and an integrated digital experience through the upgraded socalgas.com website. The plan placed an emphasis on commercial & industrial SWH and the potential financial benefits via rebates and cost-savings. The plan also supported residential SWH to generate awareness of the technology and benefits for consumers. During 2018, SoCalGas implemented targeted tactics to reach qualifying single-family and multi-family low-income customers and disadvantaged communities. Research results indicated that the advertising was both well received and relevant and was able to deliver new information and generate interest in solar water heating among both business and residential customers.

California Solar Initiative (CSI) – Thermal Program

SoCalGas Local Market Facilitation Plan and Budget (2019)

The 2019 Local Market Facilitation Plan outlines the approach that the SoCalGas SWH campaign will take with goals, objectives, strategies and tactics as well as defining the budget and timetable. In 2019, SoCalGas intends to maximize and streamline our successfully performing advertising channels to precisely target our commercial and residential customers and to build on the momentum established over the last few years in creating adoption of solar water heating technology via benefits such as rebates, costs savings and environmental impact. Importantly, in 2019, the plan will be continued to reach qualifying single-family and multi-family low-income customers and disadvantaged communities. The benefits of the SWH system will be passed to low-income residents through reduced energy costs. Approval for implementation of the 2019 plan is expected in early Q1 2019 with roll-out in Q2 2019.

Budget Breakdown

Approved SoCalGas Budget Allocations

SoCalGas	2018 Approved	2019 Proposed
	1,979,000	1,914,000

Goals & Objectives

The overarching goal of the 2019 SoCalGas Market Facilitation Plan is to deliver an optimized, consistent and compelling campaign to increase awareness and understanding of SWH technology. The facilitation plan is focused on fostering engagement and encouraging consideration and adoption through a fully integrated (owned, earned and paid) approach among key target audiences.

The SoCalGas program is designed to accomplish the following objectives:

1. Continue to increase awareness and customer understanding of SWH and its benefits
2. Communicate the SWH benefits and systems processes in a concise and compelling format
3. Foster engagement with SWH technology and the program's offerings to create customer interest and encourage adoption
4. Training courses for contractors on the SWH technology

Target Market Segments

1. Commercial & Industrial and small-business enterprise operators and owners including facilities managers, COO, VP of operations, and sustainability/environmental management titles
2. Multi-family property owners and managers (condominiums, duplex, etc.)
3. Contractors and installers for multi-family developments including new construction and remodeling (i.e., architects, developers, designers, etc.)
4. Low-Income residential housing and disadvantaged communities building segments
5. Single-family residence homeowners
6. Contractors and self-installers that install SWH systems

Local Strategies

The 2019 program is designed to build upon the current messaging strategy, strengthening the SWH message at localized/community levels. The 2019 program will activate based on the following key platform strategies:

California Solar Initiative (CSI) – Thermal Program

SoCalGas Local Market Facilitation Plan and Budget (2019)

1. Develop messaging strategy utilizing research findings from 2018 to create an integrated local-level campaign to increase awareness and generate interest to customers to adopt SWH
2. Continue to have presence at local events to educate customers on SWH technology and its benefits to them and the community
3. Optimize tactical communications through an integrated owned, earned and paid media approach
4. Develop specific efforts to reach and engage lower-income targets and disadvantaged communities to provide education on the cost benefits of SWH systems and available rebates

Tactics

To support the defined strategies, specific tactical executions are recommended to deploy communications consistently across targeted owned, earned and paid channels for residential and commercial & industrial initiatives.

Total Market Residential and Business Targeted Tactics

Tactics – Owned

- 1) Leverage the SoCalGas website to maximize engagement with updated content including how-to information, educational videos, PDF download, etc.
- 2) Utilize SoCalGas social media channels featuring relevant content about SWH to potential customers
 - a. Develop engaging social media posts for SoCalGas' Facebook, Instagram, and Twitter profiles about the SWH program, making content shareable to encourage followers to repost or retweet to friends/family and business associates
- 3) Conduct Q4 2019 post campaign research to gauge campaign effectiveness and identify audience segments and opportunity areas for future campaigns

Tactics – Earned

- 1) Leverage existing SoCalGas events with presence of a Solar Water Heating booth and exhibit
 - a. Identify and participate in events that are in or near low-income and disadvantaged communities to reach lower-income customers
 - b. Conduct demonstrations and feature educational videos about SWH technology
 - c. Conceptualize, design and produce point-of-sale materials for distribution at events
- 2) Participate in community events/home shows where SoCalGas will promote SWH technology via booth; distribute educational materials and facilitate customer interaction with knowledge experts for lead capture
 - a. Target areas near low-income building communities to reach multi-unit housing owners and managers
- 3) Implement timely outreach support to generate pre-awareness of events and activities
 - a. Leverage both paid media and owned efforts to generate excitement to stimulate customer interest and attendance to the events
- 4) Conduct targeted outreach to generate media attendance to garner PR coverage in local papers, radio/broadcast channels and social media
- 5) Develop an ongoing social media strategy to be executed through SoCalGas' Facebook, Twitter, and Instagram to increase overall SWH awareness and generate interest and engagement among customers
 - a. Implement analytic optimization through social media management to continue the conversation with engaged consumers through paid and promoted posts, utilizing the feedback to target messaging

Tactics – Paid

- 1) Develop a culturally relevant, integrated, multi-channel paid media plan that will build upon 2018 awareness levels, generate and sustain additional awareness, engage with the target audiences and drive website visits to encourage content consumption
- 2) Build upon 2018 successful paid media performance and partnership programs. Integrate broadcast, print, digital, social and outreach efforts to develop a comprehensive integrated strategy that facilitates cross platform audience targeting
 - a. Leverage broadcast to generate broad reach and increase awareness

California Solar Initiative (CSI) – Thermal Program SoCalGas Local Market Facilitation Plan and Budget (2019)

- b. Build on successful media partnerships in 2019 to receive added value and additional content (integrated segment interviews, social media posts, announcements, community goodwill, etc.)
 - c. Utilize appropriate business/trade publications for targeted messaging (i.e. real estate/management, trade pubs) and highly targeted consumer magazines (i.e. upscale audience, environmental slant)
 - d. Utilize research learnings and customer insights to optimize channel selection and creative messaging to efficiently and effectively target key audiences
 - e. Employ digital and paid social media for online engagement by driving users to solar water heating content on the socalgas.com website
 - i. Maintain best performing channels and sites from 2018 campaign
- 3) Identify local influencer(s) (e.g. TV, radio, blogger, etc.) who already have a SWH system and can provide endorsements detailing the benefits of SWH to leverage their social media presence to their followers
- 4) New initiatives
- a. Implement targeted advertising to provide additional reach and continuity of message to low-income residential areas and disadvantaged communities (i.e. online, print, possible OOH, etc.)
 - b. Optimize paid search based on top performing keywords and ad copy from 2018 campaign with SWH webpages to organically show up on search engine top results
 - c. Explore rich-media units to further engage digital audience

Commercial & Industrial and Small-business Targeted Tactics

Tactics – Owned

- 1) Feature satisfied business customers and their testimonials on the SoCalGas website and social media channels to demonstrate the benefits of SWH technology
- 2) Update educational videos as needed to feature on SoCalGas website
- 3) Continue LinkedIn social media channel to reach the B2B target, based on new targeting capabilities

Tactics – Earned

- 1) Work with businesses to develop testimonial quotes and package as story ideas to place with key reporters at SoCalGas news outlets
- 2) SoCalGas will feature a local business on broadcast sponsored content (i.e., radio, TV). Local business owners have the opportunity to be part of sponsored content by submitting their story on how SWH has helped them save and be more efficient. Success stories with SWH can be promoted on SoCalGas owned channels (website, social media outlets).

Tactics – Paid

- 1) Extend the successful 2018 paid media plan based on best performance from broadcast, radio, print and digital channels
 - a. Continue successful broadcast partnerships to garner extended reach and significant added value
- 2) Utilize print to educate and provide detailed information about solar technology, available rebates and associated benefits to businesses, multi-unit housing and commercial developments who would benefit from SWH
 - a. Identify targeted business trade publications that provide editorial coverage of interest to the target (i.e., building owners, managers, real estate development, etc.)
 - b. Leverage business publications' digital and social media channels
 - c. Explore sponsorship opportunities
- 3) Use digital and paid social media to target key decision makers in top industries with large water consumption and who would benefit from the financial benefits of SWH
- 4) Continue to disseminate video content on relevant digital and social media channels to communicate SWH rebates and financial benefits to commercial business targets

**California Solar Initiative (CSI) – Thermal Program
SoCalGas Local Market Facilitation Plan and Budget (2019)**

	1Q19	2Q19	3Q19	4Q19
CPUC Program Approvals				
Campaign and production development				
In – Market Live				
Media: TV, Radio, Paid Search, Print, OOH and Online Advertising				
Events, Trade Shows and Partnership Activations				
Post Campaign Research				

Budget

SoCalGas Local Market Facilitation Plan 2019	
Tactics - Overall	
Post campaign research	\$35,000
Tactics - Targeted	
Hard Costs: Media placement (i.e., TV, radio, digital, print, outdoor, paid social media) and campaign production (print, outdoor, videos, digital, radio, event materials, etc.)	\$1,090,000
Agency fees: Includes strategic planning and research, creative development and production, media planning and buying, social media oversight and project management. Covers campaign implementation, ongoing optimization and reporting.	\$290,000
TOTAL	\$1,415,000

2019 SoCalGas SWH Budget	
Category	Budget
Local Market Facilitation Plan – Agency	\$1,415,000
Trade Shows, Community Events	\$55,000
Marketing Outreach and Labor	\$414,000
Seminars and Training	\$30,000
TOTAL	\$1,914,000