

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 5, 2019

Advice Letter 5521-G

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas Company
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

SUBJECT: California Solar Initiative (CSI) Thermal Program (TP) Solar Water Heating (SWH) Local Market Facilitation Budgets and Activities (Market Facilitation Plan) for 2020 in Compliance with Decision (D.) 10-01-022.

Dear Mr. van der Leeden:

Advice Letter 5521-G is effective as of October 30, 2019.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division



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@socalgas.com

September 30, 2019

Advice No. 5521
(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 2020 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 2020 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.

On November 7, 2018, the CPUC approved AL 5361, which outlined the marketing facilitation plan for 2019.

SoCalGas' single-family general market funds and low income/DAC funds have been exhausted and are currently over-subscribed. SoCalGas recommends reducing some ME&O mass marketing campaign elements for the remainder of 2019 and 2020. Those include broadcast TV, radio, digital video and static banner ads, and paid social media. In AL 5514 submitted on September 20, 2019, SoCalGas recommended that a total of \$500,000 be shifted from ME&O to the general market single family market and the low income/DAC market. While AB 797 required that ten percent of the total program budget be reserved for industrial applications and 50% for low income/DAC applications, it also includes the following language, "The commission may revise the percentage if the budget for other types of customers becomes depleted." Due to this program status, and the program sunsetting in 2020, the marketing and outreach will be drastically minimized.

The PAs will continue to communicate on a monthly basis in 2020 to discuss updates and share best practices.

Market Facilitation Plan and Budget

The 2020 Local Market Facilitation Plan, submitted herein as Attachment A, outlines the approach that the SoCalGas SWH campaign will take to sunset the marketing and outreach portion of the program. In 2020, SoCalGas intends to update marketing materials to reflect the sunset of the program, and focus messaging of any kind on SWH technology, with no rebate and incentive messaging. No mass market campaign will be in effect for any segments. The 2020 Market Facilitation Plan is scheduled to begin in the first quarter of 2020 until the program sunsets in July 2020.

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 20, 2019. 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@socalgas.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. Therefore, SoCalGas respectfully requests that this submittal be approved on October 30, 2019, 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: 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:

ATTACHMENT A

Advice No. 5521

California Solar Initiative (CSI) - Thermal Program (TP) Solar Water Heating (SWH) Local Market Facilitation Budgets and Activities (Market Facilitation Plan) for 2020 in Compliance with Decision (D.) 10-01-022

California Solar Initiative (CSI) – Thermal Program

SoCalGas Local Market Facilitation Plan and Budget (2020)

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 2019, 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 2019, 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 (2020)

The 2020 Local Market Facilitation Plan outlines the approach that the SoCalGas SWH campaign will be sunsetting the marketing and outreach portion of the program, to align with the sunsetting of the program in July 2020. In 2020, SoCalGas intends to minimize its marketing and outreach efforts and focus remaining dollars into previously contracted obligations, support for remaining marketing mediums, and local outreach efforts.

Budget Breakdown

Approved SoCalGas Budget Allocations

| SoCalGas | 2018 Approved | 2019 approved | 2020 proposed |
|----------|---------------|---------------|---------------|
| | 1,979,000 | 1,374,000 | \$40,000 |

Goals & Objectives

The overarching goal of the 2020 SoCalGas Market Facilitation Plan is to sunset the SWH program by scaling down messaging of the incentive and rebates offerings on any remaining marketing and outreach mediums, such as socialgas.com, and provide alert messages of the program end date. Continued messaging will speak to education of and benefits of SWH technology. The facilitation plan is focused on informing customers of the remaining time left to apply for rebates, with clear notices of depletion of funds, or end of the program, whichever comes first.

The SoCalGas program is designed to accomplish the following objectives:

1. Educate understanding of SWH and its benefits via owned media such as socialgas.com
2. Scale down messaging to align with sunsetting of program or depletion of segment funds
3. Training courses for contractors on the SWH technology

Target Market Segments

1. Socialgas customers searching for energy savings tips on socialgas.com
2. Contractors and self-installers that install SWH systems

Local Strategies

The 2020 program is designed to scale down the program marketing and outreach efforts to align with the program sunset in July 2020. The 2020 program will activate based on the following key platform strategies:

1. Fulfill previously contracted obligations
2. Minimal presence at local events to educate customers on SWH technology and its benefits
3. Update marketing mediums to reflect the sunsetting of the program or depletion of funds.

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.

California Solar Initiative (CSI) – Thermal Program SoCalGas Local Market Facilitation Plan and Budget (2020)

Total Market Targeted Tactics

Tactics – Owned

- 1) Leverage the SoCalGas website to inform customers of program end, but retain information on technology and benefits.
- 2) Utilize SoCalGas social media channels to announce program updates including depletion of funds or sunseting of program.

Tactics – Earned

- 1) Participate in previously contracted community events/ where SoCalGas will promote SWH technology

| | 1Q20 | 2Q20 | 3Q20 | 4Q20 |
|-------------------------------------|------|------|------|------|
| CPUC Program Approvals | | | | |
| Messaging update to owned platforms | | | | |
| Contractually obligated outreach | | | | |

Budget

No new funds will be allocated to the 2020 M&O budget. Funds used will be moved into the 2020 budget from 2019 contingency dollars.

| SoCalGas Local Market Facilitation Plan 2020 | |
|---|-----------------|
| Tactics - Overall | \$40,000 |
| | |
| TOTAL | \$40,000 |

| 2020 SoCalGas SWH Budget | |
|---|-----------------|
| Category | Budget |
| Local Market Facilitation Plan – Agency | \$0 |
| Trade Shows, Community Events | \$0 |
| Marketing Outreach and Labor | \$35,000 |
| Seminars and Training | 5,000 |
| TOTAL | \$40,000 |