

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for  
Approval of Statewide Marketing, Education and Outreach  
Program and Budget for 2013-2014. (U39M)

And Related Matters.

Application 12-08-007  
(Filed August 3, 2012)

Application 12-08-008  
Application 12-08-009  
Application 12-08-010  
(Filed August 3, 2012)

**COMMENTS OF THE GREENLINING INSTITUTE ON PHASE 2**

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## COMMENTS OF THE GREENLINING INSTITUTE ON PHASE 2

### I. Introduction

In the Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach (Guidance Decision), the California Public Utilities Commission (the Commission) directed the investor-owned utilities (IOUs) to apply for approval of their statewide marketing, education and outreach (ME&O) programs for 2013-2014 and associated budgets by August 3, 2012.<sup>1</sup>

On August 3, 2012, Pacific Gas and Electric Company (PG&E) filed the instant application, proposing its 2013-2014 Statewide ME&O Program and Budget.<sup>2</sup> Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), and Southern California Gas (SCG) also filed 2013-2014 Statewide Marketing, Education and Outreach Program and Budgets on August 3, 2012.<sup>3</sup>

On January 18, 2013, the Assigned Commissioner and Administrative Law Judge issued a Scoping Memo and Ruling, indicating comments on Phase 2 Budgets and Activities were to be filed by March 26, 2013. However, after Center for Sustainable Energy (CCSE) requested a 2-day extension to submit the Statewide Marketing, Education, and Outreach (ME&O) Marketing Plan, the deadline for opening comments was similarly extended by two days to March 28, 2013. Thus, these comments are timely filed.

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<sup>1</sup> D.12-05-015.

<sup>2</sup> A.12-08-007.

<sup>3</sup> A.12-08-008, A.12-08-009, A.12-08-010.

## **II. It is Critical to Prioritize Low-Income Customers, Limited English-Proficient, and Harder-to-Reach Customers in the ME&O Marketing Plan.**

Generally, Greenlining commends CCSE for taking a “people-oriented approach” in addressing the statewide ME&O initiative.<sup>4</sup> Greenlining also applauds the purposeful efforts of the CCSE to prioritize customers from low-income, limited English-proficient, and harder-to-reach communities. As Greenlining has often stated, and as CCSE accurately recognizes, “the state of California is the most populous and diverse in the nation and a comprehensive multicultural communications strategy is essential for any customer brand to succeed in California.”<sup>5</sup> Accordingly, in the Energy Upgrade California 2013-2014 Marketing Plan (Marketing Plan), CCSE proposes to make some of the most vulnerable segments of California’s population – and Greenlining’s constituents – target audiences for statewide ME&O.

CCSE states that its target audiences include 1) residential customers “who need energy management education and are disconnected from California’s energy ambition, including representatives of California’s diverse and hard-to-reach audiences”, 2) residential customers “who have a variety of barriers, including but not limited to cultural, housing stock, income and apathy toward energy conservation, and 3) “small business owners and managers many of whom have not been marketed to in the past with targeted brand messaging.”<sup>6</sup> According to the Marketing Plan, some of the individuals who fall in the disconnected category include those who are the most limited financially in their ability to take action, have the greatest barriers overall to action, those that are more than twice as likely to rent rather than own a home, and it has the largest number of low-income individuals (62% in the 2009 study, compared to all other segments combined at 33%) and it has a greater proportion of Latino/Hispanic and African

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<sup>4</sup> A people-oriented approach is described in CCSE Energy Upgrade California Marketing Plan, p. 27.

<sup>5</sup> CCSE Energy Upgrade California Marketing Plan, p. 61.

<sup>6</sup> *Id.* at 54.

American households (50% compared to all others at 23%, and 14% to all others at 5%, respectively).<sup>7</sup>

Greenlining agrees with CCSE that those who are “disconnected” and face “barriers” should be a targeted audience. Targeting the members of these segments of the population will ensure the success of the statewide ME&O by reaching as many people as possible. As CCSE explains, targeting the disconnected “further[s] California’s goal of inclusivity in getting the message out about the benefits of energy management and to better support the state[‘s] income-qualified programs.”<sup>8</sup>

However, CCSE and the IOUs should keep in mind that ethnic communities have very high levels of environmental tendencies. Accordingly, it should not be assumed that customers from low-income, limited English-proficient, and harder-to-reach communities are “disconnected from California’s energy ambition” although they fall within that category label of consumer segmentation in the Marketing Plan. Quite to the contrary, recent polls demonstrate that these populations have strong environmental sentiments and care a great deal about environmental impacts. Many are more likely to live in or near the worst of those impacts. For example, the California League of Conservation Voters Education Fund recently released the results of a new poll of California Latino voters on their environmental values, which found that two-thirds of Latino voters identify as conservationists and overwhelmingly believe it is possible to “protect the environment and create jobs at the same time.”<sup>9</sup>

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<sup>7</sup> CCSE Energy Upgrade California Marketing Plan, p. 57.

<sup>8</sup> *Id.* at 54.

<sup>9</sup> Jenesse Miller, California League of Conservation Voters Education Fund, Press Release (Oct. 2012), *California League of Conservation Voters Education Fund Releases Results of New Statewide Poll on California Latino Voters’ Environmental Values*, available at <http://www.clcvedfund.org/what-we-do/research-and-polls/latinos/new-statewide-latino-environmental-poll/latino-poll-release/>.

Additionally, the Smart Grid Consumer Collaborative recently completed a study focused on low income customers (a segment that predominantly constitutes Latinos and African Americans) that found that customers want to save energy, for financial and environmental reasons, but do not know how.<sup>10</sup> As such, this is an opportunity to close the communication gap in the energy efficiency field with customers from low-income, limited English-proficient, and harder-to-reach communities, especially because these groups were found to have a higher awareness of Energy Upgrade California than other segments and ranked helping the state lead the nation in meeting its energy efficiency goals as a motivator for energy action.”<sup>11</sup>

This all shows that where the disconnect may actually lie is in meaningful energy and environmental education targeted to these communities in a way that they can relate to, and in what we can realistically expect of people with limited financial means and little authority to improve their dwelling’s efficiency. CCSE and the IOUs should strive to provide meaningful and realistic options for all communities to take action. As CCSE states, “the statewide ME&O campaign is in the public interest and potentially can move the disconnected into another category where they will be more likely to respond to IOU marketing.”<sup>12</sup> The Marketing Plan includes strategies and tactics that can advance our communities in that direction by providing them meaningful and realistic options.

### **III. Providing Effective Marketing, Education, and Outreach to Low-Income, Limited English-Proficient, and Harder-to-Reach Customers is Critical for Energy Upgrade California’s Success.**

For Energy Upgrade California to be successful, it is critical to provide effective

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<sup>10</sup> See Smart Grid Consumer Collaborative, *Spotlight on Low Income Consumers Final Report* (Sept. 2012) (The study’s nationally representative findings portray a consumer who may currently be unaware or skeptical about smart grid and smart meter technology but who is likely to be interested in dynamic pricing and the smart grid’s potential to increase the reliability of power delivery, among other benefits.).

<sup>11</sup> CCSE Energy Upgrade California Marketing Plan, p. 54.

<sup>12</sup> *Id.*

marketing, education, and outreach to customers from low-income, limited English-proficient, and harder-to-reach communities. As such, Greenlining applauds CCSE recognition of the importance of diversity and inclusivity for ME&O success.<sup>13</sup> Greenlining supports CCSE’s thoughtful efforts to apply traditional and innovative approaches through its Marketing Plan in order to ensure wide engagement and actual behavioral change.

**a. Leverage Multicultural Marketing Support**

Leveraging multicultural marketing support is a smart step in the right direction. CCSE specifically indicated that it “will include a solicitation for multicultural marketing support in its request for marketing services proposals that can be bundled with the full suite of services by one lead firm or selected as a stand-alone firm. [CCSE] will look for companies that have particularly strong experience in the California market and understand the breadth [of] complexities of California’s major ethnic communities.”<sup>14</sup> Greenlining urges CCSE to continue keeping an open mind about leveraging ethnic firms for particular purposes *and* as the lead firm.

As CCSE seeks candidates to bid into ethnic marketing contracts, as a starting point, it should look to agencies with which the IOUs have had success. SCE, in particular, has found that some ethnic marketing agencies have beat out non-ethnic companies for traditional – not just ethnic – mass media marketing contracts in competitive, anonymous bidding processes.<sup>15</sup> Ethnic companies are not only qualified to reach the communities with whom they have established relationships, but they are also capable of successfully engaging the public at large. Additionally, hiring ethnic companies also aligns with the Commission’s overall supplier diversity goals. As such, Greenlining also commends CCSE’s plan to “prioritize women-, minority- or service disabled veteran-owned business enterprises and small businesses when

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<sup>13</sup> CCSE Energy Upgrade California Marketing Plan, p. 61.

<sup>14</sup> *Id.*

<sup>15</sup> Stated during presentation by SCE at an Annual Greenlining Coalition meeting on March 26, 2013.

selecting service providers through competitive solicitation.”<sup>16</sup>

**b. Leverage Ethnically-Owned Media**

Leveraging ethnically-owned media who can render messages in the language and cultural norms of the communities helps ensure that Energy Upgrade California messaging will reach diverse communities. PG&E has explained that ethnically-owned media serve as “a trusted source of information” for the communities they serve.<sup>17</sup> CCSE likewise recognizes that “Californians need a trusted source to make sense of all the various programs, products and services available from local governments, IOUs, municipal utilities, retailers and other energy-focused companies.”<sup>18</sup> Accordingly, to reach the entities CCSE has categorized as disconnected and facing barriers, ethnically-owned media must be utilized because it is a trusted source of information for most ethnic communities.

Speaking the same language as their audiences is one of the main reasons why ethnic media is a trusted source of information for these communities. It is especially important that messages are at the very least conducted in the most frequently spoken languages, especially Spanish. It is projected that “Later in the fiscal year, for the first time since California became a state, the Hispanic population will become the largest group in California.”<sup>19</sup> Chinese should be seriously considered next as it is the second most spoken language in California while other languages are spoken in concentrated areas.

CCSE is taking the right approach to providing in-language messaging by “working closely with marketing experts who specialize in advertising to non-English-speaking audiences,

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<sup>16</sup> CCSE Energy Upgrade California Marketing Plan, p. 62.

<sup>17</sup> A.12-08-007, Prepared Testimony, p. 2-20.

<sup>18</sup> CCSE Energy Upgrade California Marketing Plan, p. 35.

<sup>19</sup> Governor’s Budget Summary – 2013-14, Demographic Information, p. 123 (<http://www.ebudget.ca.gov/pdf/BudgetSummary/DemographicInformation.pdf>).

cultural experts who specialize in community engagement with ethnic communities.”<sup>20</sup>

Additionally, CCSE and the IOUs should determine which ethnic media entities are the most popular among the communities they serve to ensure messages are relayed by those media outlets. Additionally, CCSE and the IOUs should seek guidance from CBOs and other multi-ethnic entities, such as Greenlining, that are aware of which ethnic media outlets are well-connected to their customers.

**c. Maximize CBO and Local Government Involvement and Expand Local Engagement through New Local Entities**

Engagement with CBOs and local governments is another effective way to reach many customers at the local level, especially harder-to-reach customers. Because CBOs and local governments have existing relationships with the community and with IOUs, they can be critical connectors in helping customers understand the importance of Energy Upgrade California and educating customers about how to change their behavior. CCSE has recognized that “Energy Upgrade California needs to have direct community connections to reinforce its position as the state’s energy management brand to be credible and trusted and to achieve this step-down communication process required for effective social marketing.”<sup>21</sup> Greenlining also agrees with CCSE that “A public brand without authentic person-to-person communication in communities could easily take on the negative attributes of propaganda and could be ignored or worse, if considered co-opted by commercial interests, the brand could even be considered coercive and distrusted.”<sup>22</sup>

Because local relationships are such important aspects in reaching Energy Upgrade California’s engagement goals, Greenlining urges the Commission to reinforce the use of local

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<sup>20</sup> CCSE Energy Upgrade California Marketing Plan, p. 67.

<sup>21</sup> *Id.* at 21-22.

<sup>22</sup> *Id.* at 22.



relationships as “shared channels”. Both CCSE and the IOUs must maximize these local relationships. As such, Greenlining supports CCSE’s plans to “work with community and faith-based organizations and ethnic media to foster influencers in a variety of communities who can speak firsthand to their experiences using energy more wisely and the benefits they enjoyed, and [to] seek the input of those organizations and influencers in designing materials and events.”<sup>23</sup>

Additionally, CCSE and the IOUs should regularly assess the network of CBOs and local governments to determine which are effectively outreaching to the communities they serve and which are not. If entities in the existing network are not effectively communicating with their constituents, CCSE and the IOUs should consider establishing relationships with other entities. It may also be helpful to CCSE and the IOUs to expand its network of local entities because some regions may lack organizations that are typically expected to conduct outreach. CCSE and the IOUs should consider using non-familiar local entities including churches, trade or military associations, and Consulates.

Specifically, local churches, a trusted stakeholder in most communities, could easily deliver messages to their congregations. Consulates also tend to be a trusted source of information for ethnic communities. Consulates are often open to partnering with other entities to facilitate outreach to and educate their constituents about issues arising in their countries of residence that will impact them, and how to respond to these issues.<sup>24</sup> Consulates also have their own resources provided by their federal governments for educational purposes. Helping their constituents save money and energy by educating them about Energy Upgrade California seems

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<sup>23</sup> CCSE Energy Upgrade California Marketing Plan, p. 61.

<sup>24</sup> The Mexican Consulate in Calexico established a partnership with the Superior Court of California, County of Imperial to ensure they could adequately outreach to the Mexican population living in Imperial County. *See* (<http://www.courts.ca.gov/documents/imperial-man.pdf>).

like a perfect fit for their purposes.<sup>25</sup> Military and veterans associations, particularly in areas where military bases are located, can easily spread the word to their constituents about energy efficiency and related matters.

Moreover, CBOs should be given much flexibility to employ creative methods to engage their constituents. It is easier for them to determine – based on their experience – which messaging and type of engagement will resonate best with the target community. As long as they get the basic facts of the message out clearly, the way in which the messages are framed should be left to the discretion of the CBOs. The CBOs are in the best position to determine what frame, context, and messaging works for their communities. As such, Greenlining supports CCSE’s plans to “make it easy for local governments and CBOs to plug into the brand platform and support the state’s energy management goals.”<sup>26</sup>

#### **d. Increase Social Media Efforts beyond the Web Portal**

According to the Marketing Plan, “the Energy Upgrade California website will be one of the most important marketing resources for communicating the brand and its portfolio of products and services to California residents and small businesses.”<sup>27</sup> Including a web portal makes sense because many Californians have internet connections at home.<sup>28</sup> Because many customers use the internet, Energy Upgrade California information should be provided in languages other than English to reach as many customers as possible. CCSE appears to be on the right path to making the new web portal fully accessible to many limited English-proficient customers who may not be able to navigate a website exclusively provided in English.

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<sup>25</sup> Greenlining is currently discussing possibilities for developing educational opportunities with the Mexican Consulate in San Francisco.

<sup>26</sup> CCSE Energy Upgrade California Marketing Plan, p. 60.

<sup>27</sup> *Id.* at 73.

<sup>28</sup> Broadband access at home is 7 points higher in California than in the nation as a whole: Nationwide, 62% of adults report having broadband. Kathryn Zickuhr and Aaron Smith, Pew Internet & American Life Project, Digital Differences, pp. 9-10 (April 13, 2012), ([http://pewinternet.org/~media/Files/Reports/2012/PIP\\_Digital\\_differences\\_041312.pdf](http://pewinternet.org/~media/Files/Reports/2012/PIP_Digital_differences_041312.pdf)).

Greenlining supports CCSE’s efforts “to create appropriate targeted materials from a strategic perspective and not just translate existing materials” and to translate the website into English and other languages over time.<sup>29</sup>

Although California’s digital divide has narrowed in the last few years, significant effort should be made to reach customers that are not yet connected to the internet. Many low-income Californians cannot afford to have internet services at home, or live in areas where high speed broadband is not built out, or otherwise have limited access to the internet. At 51 percent, broadband penetration rates are very low for low-income, non-citizens.<sup>30</sup> For example, while broadband access among Latinos has increased 24 points since 2008, disparities among Latinos persist. Relatively high rates of access are evident among Latinos who are U.S. born (76%), prefer to speak English (75%), and earn at least \$40,000 per year (75%).<sup>31</sup> But home broadband penetration rates are far lower among Latinos who are foreign born (48%), prefer to speak Spanish (46%), and earn under \$40,000 (50%).<sup>32</sup> For these reasons, it is critical that all Energy Upgrade California information provided on the web portal is available in other accessible mediums.

CCSE has recognized that “Social media is an important and cost-effective tactic to reach Californians and engage them in conversations about energy and sustainability.”<sup>33</sup> Greenlining agrees with CCSE’s plan to “launch a robust social media plan that will include Facebook, Twitter, blogs, e-newsletters and other social media outlets to reach our target audiences with relevant content on a regular basis.”<sup>34</sup> Mobile websites and applications for smart-phones can be

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<sup>29</sup> CCSE Energy Upgrade California Marketing Plan, pp. 61 and 73.

<sup>30</sup> Public Policy Institute of California, Just the Facts, California’s Digital Divide, ([http://www.ppic.org/main/publication\\_show.asp?i=263](http://www.ppic.org/main/publication_show.asp?i=263)).

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> CCSE Energy Upgrade California Marketing Plan, p. 78.

<sup>34</sup> *Id.*

a means to timely reach and provide information to customers without home-based internet access. Sending messages via text could be another effective way for customers to receive messages on their smart-phones and know when to reduce their energy usage.

**e. Utility Forums**

Greenlining also urges the IOUs to incorporate messages regarding Energy Upgrade California in their own forums for customer contact. This would include providing information in languages other than English on the home pages for each IOU and/or on personal sign-in pages. The IOUs could also incorporate a message about Energy Upgrade California in the outgoing information provided to customers who call into their IVR system, as well as the hold information broadcast to the same customers. CSRs can also be instructed to advise all customers who call the IOUs contact centers, in the customer's preferred languages, about Energy Upgrade California.

**IV. Performance Metrics Should be Applied to Adequately Evaluate the Messaging Tools for the Energy Upgrade California Program.**

Performance metrics are helpful tools to determine the success of an initiative. These metrics are important to ensure that the program can be subject to appropriate review.

Greenlining approves of CCSE's metrics for success as described in the Marketing Plan, especially including near-term and long-term metrics; having specific metrics for each aspect of the plan (marketing, education, and outreach); and conducting quarterly, monthly, and annual evaluations of efforts.<sup>35</sup>

**V. Research Efforts Will Make ME&O Efforts More Effective and Efficient.**

Research helps guide efforts in a variety of ways, increasing the effectiveness and efficiency of those efforts. Greenlining encourages CCSE's plans to "consistently be engaged

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<sup>35</sup> CCSE Energy Upgrade California Marketing Plan, pp. 62-66, 72-73, 77-78, 81-82.

in research to both inform and assess its efforts.”<sup>36</sup> As CCSE mentions, research will help interested stakeholders “understand the barriers, benefits and motivations for energy management for small businesses and to segment the market appropriately.”<sup>37</sup>

#### **VI. CCSE’s ME&O Budget Approach is Thorough, Smart, and Prudent.**

Whereas the IOUs’ proposed expenses contained few details for ME&O, CCSE’s plan gives a more thorough explanation.<sup>38</sup> Greenlining will follow up to seek more information through discovery requests about how the requested amounts will be spent. However, it seems smart for CCSE to have used the Flex Alert budget allocations as a base for determining the larger ME&O budget and it also seems prudent to have allocated less funding to the IOUs for administration of the program based on CCSE assuming more responsibility and the IOUs taking a less hands-on role in administering the program.<sup>39</sup>

#### **VII. Conclusion.**

For the reasons stated above, Greenlining supports CCSE’s efforts to implement a comprehensive multicultural communications strategy that includes traditional as well as innovative approaches to effectively reach customers from low-income, limited English-proficient, and harder-to-reach communities. However, Greenlining continues to urge CCSE and the IOUs to seek innovative approaches including establishing partnerships with Consulates, churches and other off-the-beaten-path local entities. These approaches will ensure the success of ME&O efforts to make Energy Upgrade California an umbrella brand that helps change customer behavior and reduce California’s energy usage.

Greenlining also supports CCSE’s efforts to improve evaluation efforts and to include

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<sup>36</sup> *Id.* at 69.

<sup>37</sup> CCSE Energy Upgrade California Marketing Plan, p. 69..

<sup>38</sup> A.12-08-007, p. 2-28.

<sup>39</sup> CCSE Energy Upgrade California Marketing Plan, pp. 83 and 97.

research efforts that will improve the overall process. Greenlining looks forward to working with the diverse stakeholders involved in this application process to advance meaningful ME&O efforts.

Respectfully submitted,

Dated: March 28, 2013

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