

Statewide Marketing & Outreach - Flex Your Power

1. Projected Program Budget	\$	14,748,727
2. Projected Program Impacts		
MWh		n/a
MW (CEC Factor)		n/a
3. Program Cost Effectiveness		
TRC		n/a
PAC		n/a

Note – The budget amount shown reflects only the funding associated with SCE’s service territory for this statewide program. The overall statewide program budget is \$45,000,000 which does not include SCE administrative budget to support this program activity.

4. Program Descriptors

Market Sector: Residential/Nonresidential - All sectors (Commercial, industrial, Government, agricultural and residential)
Program Classification: Statewide
Program Status: Existing

5. Program Statement

The Flex Your Power statewide energy efficiency marketing and outreach program is an extension of the innovative and historically successful *Flex Your Power* public education and outreach effort initiated by the State of California in 2001. The program works in partnership with the investor-owned utilities (IOUs), third parties and businesses, local governments, water agencies, non-profits and others including the state and federal government agencies with responsibility for energy and water efficiency.

The campaign is designed to educate Californians on the energy, financial and environmental benefits of energy efficiency and to support the energy efficiency programs of the Investor Owned Utilities (IOUs), third-party program providers and other organizations. The campaign does so through a full and synergistic range of marketing and outreach strategies including television; radio and newspaper ads; earned media; printed educational materials; events; a website resource; a biweekly electronic newsletter; and cooperative marketing and outreach efforts with businesses, government and nonprofit organizations.

The campaign will continue to coordinate with IOUs, municipal utilities, water agencies, non-utility program providers, manufacturers, retailers of energy-efficient products, and other energy efficiency service providers. The campaign also coordinates closely with demand response and renewable energy generation marketing and outreach programs including a combined energy efficiency/demand response Flex Your Power campaign (the CPUC-approved Flex Your Power NOW! campaign).

California’s economy and population are expected to grow over the next three years, which means that, without action, so will the state’s demand for electricity. In fact,

energy consumption is projected to grow by as much as 2% annually over the next 10 years.

The lessons learned during the 2001-02 energy crisis as well as Energy Star sales data showing increased sales of energy-efficient equipment and products over the last five years demonstrate that Californians can be motivated to reduce energy use.

- *Continuity in marketing and outreach.* To be effective, statewide marketing and outreach programs need long-term planning cycles to build and maintain lasting relationships, cost-effectively take advantage of mass media strategies and leverage additional public and private resources to make the most of the limited funding available.
- *Constant information.* Consumers must have constant and consistent messages to take action.
- *Compelling information.* To effectively communicate to consumers through mass media, the Internet and other forms, the messages conveyed must be clear, compelling and concise.
- *Consistency and coordination across the state.* In order to avoid confusing customers and amplify compelling messages, California should coordinate messages and timing with the myriad of programs offered by program providers in the state – IOUs, municipal utilities, water agencies, manufacturers, retailers, third parties and contractors.
- *Leverage resources to promote energy efficiency.* Given their limited funding, energy efficiency marketing and outreach programs need to leverage private sector and other resources.

6. Program Rationale

Continuity. The Flex Your Power campaign will:

- Build on the existing momentum, structure, relationships, materials, and strategies.
- Continue to work with existing and build new relationships with sector leaders across the state.
- Maintain the equity of the campaign’s “call to action” brand, Flex Your Power.

Constant information. The Flex Your Power campaign will:

- Continue to employ a wide range of message delivery vehicles, including paid and free media, outreach and partnerships, to reach targeted audience within each sector.
- Continue to utilize a variety of marketing and outreach tools to support energy efficiency programs.

Compelling information. The Flex Your Power campaign will:

- Convey the energy, financial and environmental savings potential of energy efficiency measures.
- Utilize market, focus group and other research to develop and test compelling messages for all sectors.

Consistency and coordination across the state. The Flex Your Power campaign will:

- Serve as a statewide umbrella for energy efficiency marketing and outreach and communicate across service areas, private sector market territories and media markets.
- Provide opportunities for regional and local educational efforts to benefit from identification with the Flex Your Power umbrella campaign in a way that would be cost prohibitive for them to undertake individually.
- Continue to coordinate with programs and partners to reduce confusion, eliminate duplication, and amplify each program's messages.
- Work with stakeholders and participants in the coordinated campaign through regular meetings and calls, the Flex Your Power website and e-Newswire.

Leveraged resources. The Flex Your Power campaign will:

- Continue to develop cooperative marketing and outreach programs with municipal utilities, water agencies, government and the private sector.
- Pending approval of the Flex Your Power NOW! campaign from the CPUC, provide integrated marketing and outreach of energy efficiency and demand response.

7. Program Outcomes

The campaign seeks to:

- Educate its target audiences on the economic, environmental and system reliability benefits of energy efficiency;
- Support the energy efficiency programs of the Investor Owned Utilities (IOUs), third-party program providers and other organizations; and
- Coordinate with the marketing and outreach efforts of other program providers, other energy industry stakeholders and customers from all sectors.

8. Program Strategy

The 2006-08 Flex Your Power statewide energy efficiency marketing and outreach program will use a full and synergistic range of marketing and outreach strategies including television; radio and newspaper ads; earned media; printed educational materials; events; a website resource; an electronic newsletter; and cooperative marketing and outreach programs with businesses, government and nonprofit organizations. The program works in cooperation with the investor-owned utilities (IOUs), third parties and businesses, local governments, water agencies, non-profits and others including the state and federal government agencies with responsibility for energy and water efficiency.

When appropriate, Flex Your Power will coordinate closely with all the abovementioned entities. The campaign will also coordinate with demand response and renewable energy

generation marketing and outreach programs such as Flex Your Power NOW!, which is an existing partnership between the IOUs, the ISO, CEC the administration and Flex Your Power.

The campaign design is intentionally flexible to allow Flex Your Power to take advantage of new opportunities over the course of the three years. In 2004-05, for example, this flexibility allowed Flex Your Power to take advantage of the Administration's request to host regional energy summits statewide to educate business and government leaders about energy efficiency. The summits drew more than 900 business and government leaders together with state officials and the utilities.

Another reason for flexibility is California's changing energy needs. In both 2004 and 2005, Flex Your Power was able to respond to requests from the CPUC, ISO Governor's office and the utilities to integrate peak energy use reduction messaging during the summers. Also, when natural gas prices began to skyrocket in late 2005, Flex Your Power was able, once again, to respond to a request from the CPUC, Governor's office and utilities to redirect media and outreach messaging and strategies to educate the general and ethnic markets about reducing natural gas use.

Finally, flexibility allows Flex Your Power to develop cooperative marketing and outreach strategies with manufacturers and retailers. These cooperative partnerships, which cannot be anticipated ahead of time and respond to the private sector's view of opportunities, augment the state's energy efficiency marketing and outreach.

9. Program Objectives

As an information-only program, Flex Your Power's efforts are not currently tied to direct energy savings goals. Flex Your Power's objectives include maximizing targeted reach and frequency of our general energy efficiency communications through paid advertising, continuing to build the subscriber base of the e-NewsWire; continuing to drive traffic to Flex Your Power's website; and building new, and expanding existing, cooperative marketing and outreach programs.

Another objective is to support IOU and third party programs. Once the IOUs select these programs and the final plans are approved by the CPUC, EP will work with program providers on specific strategies.

10. Program Implementation

10.1 Mass-Media Advertising

EP will continue to produce and place television, radio and newspapers ads to educate California residents about the energy, financial and environmental benefits of energy efficiency.

The development of these ads will be informed by the results from a baseline (benchmark poll) in early 2006 measuring the awareness, education, propensity to act, motivators, messengers, sources of information, and tone. Before finalizing the ads, EP will test the ad concepts and messages, targeted to different audiences, in focus groups and gather

feedback from the integrated campaign steering committee (comprised of members from the other marketing and outreach firms and the IOUs). All technical data in the ads will be vetted with the CEC and Energy Star when appropriate.

As it did in the past, EP will continue to refine media buys to ensure broadcast messages have the greatest impact on targeted markets. For instance, the general market media buy will reflect a targeted approach to reach those residents that are most likely to purchase energy-efficient products and appliances.

The media buy will also be run seasonally to help ease strain on the grid during seasons with high peak demand (e.g., during the summer months to keep energy at the top of residents' minds), and during winter when natural gas usage is high.

The Flex Your Power campaign will explore other mass-media opportunities, including online, direct mail and outdoor. As mentioned above, EP will also incorporate and coordinate where appropriate or as requested by the CPUC demand response and renewable energy generation messages into the overall efficiency messages.

10.2 Ethnic media partnerships

The Flex Your Power campaign will continue to work with its existing relationships with ethnic media publications to reach non-English speaking residents. EP will continue to place advertising for a wide range of cultural groups and work with the papers to run editorial content in support of energy efficiency.

The Flex Your Power campaign will continue to coordinate advertising with partner publications to outreach to their readers, which represent 16 different ethnicities and 13 different languages. Advertising, co-developed with the ethnic press, will follow the overarching themes of the general market campaign and be culturally relevant to the audience. Potential joint outreach strategies between Flex Your Power and partner publications include educating residents and businesses through editorial content (press releases, op-eds or articles); creating web links between media's and Flex Your Power's websites; and communicating with ethnic community leaders.

10.3 Educational Materials

EP will continue to produce written educational materials. The design and content of the materials will be targeted to the audience. All materials contain consistent messages and have data and facts checked by the CEC and Energy Star when appropriate. Past and potentially future, examples of informational materials include energy saving tip cards, grocery store flyers, appliance stickers, bill inserts and payroll stuffers. All materials will be presented to the integrated campaign steering committee for input and coordination of delivery channels (e.g., retailers).

EP will also continue to write and disseminate industry-specific case studies and best practice guides of successful projects to provide guidance on investment in energy efficiency. EP will work with program providers and partners to identify successful

projects. The materials will be displayed on the Flex Your Power website and promoted via e-Newsire and through Flex Your Power campaign partner organizations.

10.4 Earned Media

The earned media will be a mix of opportunistic and planned events. For 2006, the press events will most likely include:

- An annual summer energy assessment press conference, held jointly with the Flex Your Power NOW! campaign, IOUs, ISO and Governor's office.
- An announcement of Flex Your Power Awards, both the call for applications and winners.

EP will participate in other opportunities in support of the IOUs, administration, and 3rd parties (e.g., ethnic small business gatherings with newspapers).

10.5 Events

EP will continue to convene and participate in events throughout 2006-08. In these events, EP will provide attendees access to information and resources to help them understand the benefits of energy efficiency and the state's long-term goals and needs (e.g., meeting the goals of the Governor's Green Building Initiative), as well as learn about successful programs from peers in their sector. At these events, EP will facilitate these organizations interaction with utilities, third parties, state agencies and other stakeholders.

While participation in many 2006-08 events will be opportunistic and cannot be described at this point (e.g., fairs, ethnic festivals), there are certain proposed events. For example EP will work with business and government associations to introduce Flex Your Power's Best Practice Guides and other resources that the utilities, third parties and others offer.

EP will disseminate materials at events and promote important energy efficient events through e-Newsire and website.

10.6 Flex Your Power Website

EP will continue to host and expand the Flex Your Power website. The Flex Your Power campaign will keep the web content timely, useful and relevant through regular communication and coordination with energy efficiency program providers and other stakeholders. The web address will be published in ads and materials and promoted through online outreach and link exchanges.

The website will continue to provide:

- Energy efficiency, demand response, and water efficiency programs (including rebates, grants, loans, technical assistance, classes, and audits offered by utilities, 3rd parties, water agencies, municipal utilities, and other relevant providers).
- Energy efficiency product guides describing the benefits and savings potential of high-efficiency products/equipment.
- Links to relevant information, program providers and other sites.

- Additional tools, such as Best Practice Guides.
- Information in Spanish and Chinese.

10.7 Direct Mail and Newsletters

EP will continue use of direct and electronic mail in support of programs and general awareness and education. Additionally, EP will continue to pursue cooperative mailings with manufacturers and retailers.

EP will also continue to communicate regularly with subscribers of the Flex Your Power e-News wire. Through this medium, EP will bring timely information to Californian's desktops and link them to more in-depth information on the Flex Your Power website and the websites of program providers. EP will publish success stories to demonstrate what can be done and show that energy efficiency measures have many benefits.

10.8 Flex Your Power Awards

EP will recognize the successful energy efficiency efforts of entities statewide – businesses, governments, organizations, manufacturers, retailers, new home builders and water agencies through the Fifth (2006), Sixth (2007) and Seventh (2008) Annual Flex Your Power Awards. The winners will be acknowledged for their achievements through Flex Your Power-developed case studies, the Flex Your Power website and the e-News wire. Their leadership and energy savings measures will be highlighted in congratulatory newspapers ads.

10.9 Joint Marketing and Outreach

- Retailers and manufacturers: (e.g., cooperative marketing and outreach promotions).
- State agencies and administration (e.g., marketing and outreach with the governor's office and state agencies to develop to promote the Green Building Initiative).
- Associations (e.g., CUWCC, League of Cities, BOMA, Sustainable Silicon Valley, Climate Registry, etc.).
- National and regional organizations (e.g., energy efficiency promotions of Energy Star, utilities and third parties).
- Water agencies (e.g., leverage the numerous synergies between water and energy efficiency strategies).

11. Customer Description

EP targets a range of customers and market segments and actors across the state, including hard-to-reach. Customers include:

- Residents: English-speaking, non-English speaking residents.
- Commercial: large commercial facilities (e.g., office buildings) and small commercial (e.g., small retail and restaurants).
- Industrial: fabrication, process, heavy industrial manufacturing, hi-tech facilities and wineries.
- Government: state government facilities, local government facilities and water agencies.
- Institutional

- Agriculture: irrigation and processing (integrated into industrial outreach)

12. Customer Interface

EP will work and coordinate with IOUs, third parties and other program providers to develop materials, events, the Flex Your Power website and other outreach strategies that provide program information using consistent and compelling messages.

13. Energy Measures and Program Activities ¹

13.5. Quality Assurance and Evaluation Activities

EP will conduct ongoing quality assurance activities to ensure the program runs efficiently and cost-effectively. EP will continue to work with groups such as BOMA and Flex Your Power Silicon Valley, to improve and coordinate energy efficiency marketing and outreach. EP will also meet regularly with the integrated steering committee to find the most effective ways to promote programs to help the utilities and third parties meet their goals.

EP will also conduct ongoing quality assurance activities of each marketing tool. The proposed tracking includes:

Mass-media advertising

- Vetting all technical data with the CEC and Energy Star when appropriate
- Running pre-production focus groups
- Compiling tear sheets and confirming run of each ad, reconciling any credits
- Confirming reach and frequency with consultant

Ethnic-media newspaper advertising

- Vetting all technical data with the CEC and Energy Star when appropriate
- Compiling tear sheets and confirming run of each ad, reconciling any credits
- Collecting editorial content and tracking publication dates

Educational materials

- Vetting all technical data with the CEC and Energy Star when appropriate
- Running pre-production focus groups
- Tracking the number materials distributed, by whom, to who, where and when

Events

- Providing sign-in sheets for events when appropriate
- Distributing, where permitted, attendee survey to participants

Flex Your Power Website

- Tracking web usage data (e.g., page hits and downloads). Activity patterns will be compared before and after any major changes.

¹ Not all of the categories in the Program Plans template applied to Statewide Marketing and Outreach Programs.

- Posting an online website appraisal questionnaire

Direct mail and e-Newsire

- Verifying distribution from mail house
- Tracking subscriber usage data (e.g., page hits and downloads). Activity patterns will be compared before and after any major changes.
- Sending a subscriber survey

Joint Marketing & Outreach

- Monitoring whether the partners are successfully fulfilling joint work plans
- Gathering assessment from partners about the joint promotions

The three statewide marketing and outreach programs and the IOUs jointly suggested principles and methods to evaluate overall marketing and outreach for the coordinated campaign. These recommendations were given to the statewide PRG and CPUC. EM&V is the subject of a separate proceeding at the CPUC. It goes without saying that EP will follow the CPUC's guidance and facilitate a thorough evaluation.