

Statewide Marketing & Outreach - Flex Your Power Rural Program

1. Projected Program Budget	\$	2,474,788
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 \$7,500,000 which does not include SCE administrative budget to support this program activity.

4. Program Descriptors

Market Sector: Rural

Program Classification: Statewide

Program Status: Existing

5. Program Statement

The *Flex Your Power* rural marketing campaign, formerly called *Reach for the Stars*, is a comprehensive statewide energy efficiency communications effort designed to encourage residential energy users in rural areas to make permanent upgrades to their homes and to participate in statewide gas and electric energy efficiency activities.

In California, a typical homeowner is spending more on electricity than necessary. In fact, the average household could cut up to one-third of its current energy bill by switching to energy-efficient appliances, equipment and lighting, which use less energy than standard products. For rural communities, this issue is especially critical, given they are often situated in remote areas with extreme summer and/or winter climates and significantly greater electricity and/or natural gas requirements. They also historically have been underrepresented in energy efficiency programs. The rural campaign exposure is critical to the overall effectiveness of the California Public Utilities Commission’s (CPUC) energy efficiency effort because many California communities are under-reached by traditional mass-market media.

6. Program Rationale

By extending RS&E’s contract to implement one of three statewide energy efficiency marketing and outreach programs through 2008, we will be able to maintain the momentum built during the last three years. Since RS&E was awarded this contract in April 2003, we have made notable headway within the rural communities of California. However, ongoing education is imperative in changing people’s attitudes and purchasing behaviors and creating social norms where communities and individuals understand and act responsibly when it comes to saving energy. Our program’s advertising, public

relations and grass roots outreach components, which have a synergistic effect in the rural communities, are intended to teach consumers about ways to reduce their energy consumption, while emphasizing long-term residential improvements.

As noted above, this program has been extremely successful in reaching the rural consumers in IOU territories and delivering energy efficiency messages. Some highlights of our 2004 campaign include:

- Generation of more than 85 million advertising impressions via radio.
- Outreach through ads in newspapers that had a total readership of almost 52 million.
- Outreach to more than 1.5 million Hispanic rural California residents throughout the state through media relations activities and radio and print partnerships.
- Dissemination of more than 111,000 pieces of collateral, including informational brochures and branding items at conferences, fairs and community events in rural areas statewide.
- Outreach to more than 100 community-based organizations (CBOs) and state organizations in recruitment of 15 grassroots organizations as partners.

7. Program Outcomes

RS&E has identified (through research) two key outcomes of its marketing and outreach activities:

Rural consumers have learned about ways to reduce their energy consumption and lower their utility bills, with emphasis on long-term residential improvements.

Rural residential energy users have made permanent upgrades to their homes and participated in statewide gas and electric energy efficiency activities.

8. Program Strategy

RS&E will maintain the key components of its current effort, recognizing the importance of grass roots outreach and the necessity of targeting rural communities through local media outlets. RS&E will also maintain flexibility in its program structure in order to accommodate for opportunities that present themselves over the course of the campaign, i.e. spikes in energy costs or weather related. To reach the target audience and achieve its program objectives, RS&E intends to:

- Continue placing newspaper ads and radio commercials in rural markets throughout California.
- Expand the activities of the CBO network to facilitate direct access to rural consumers in need of energy efficiency information by coordinating more closely with other statewide marketing and outreach programs.
- Participating in a bi-weekly conference call between M&O contractors, as well as the IOUs and representatives of the CPUC.
- Sharing information, including a monthly report of marketing activities as well as collateral and advertising creative, in order to avoid duplication of marketing efforts.
- Continue providing consumers with an easy-to-access point of contact through the 24-hour toll-free phone line that provides information for energy efficiency

programs. Additionally, RS&E will add messaging regarding the Flex Your Power marketing program to the introductory information on the toll-free phone line.

- Produce advertising and outreach messages with energy efficiency information that is relevant to all rural customers.

9. Program Objectives

RS&E's statewide program will provide information about IOU and third-party energy-efficiency programs and the related energy saving benefits to the target group of all households in rural areas in order to ultimately reduce energy consumption by the target audience. Rural areas of California are based upon zip code data provided by the IOUs.

To reach these program objectives, our team will:

- Place newspaper ads in rural markets throughout the state.
- Develop a radio campaign to air in rural markets statewide.
- Augment the network of CBOs that will provide outreach to rural consumers seeking energy efficiency information.
- Continue the toll-free phone line service to provide energy efficiency program contact information and support throughout the contract.
- Implement a Spanish-language public relations effort throughout rural California.
- Evaluate messaging and awareness levels related to energy efficiency.

10. Program Implementation

RS&E firmly believes in the importance of coordination between marketing and outreach implementers. Coordination and consistency can only enhance results achieved by everyone. Since all marketing and outreach efforts support the IOU and statewide energy efficiency programs, we believe it is vitally important that the contractors work closely with each other and continually share information to avoid duplication. To that end, RS&E will coordinate its campaign efforts with those of both other marketing and outreach programs:

- Efficiency Partnership/McGuire & Co., Inc.'s (EP) statewide general market media campaign.
- Univision Television Group and Staples/Hutchinson and Associates' (Univision) Spanish-language media and outreach campaign.

RS&E will participate in regular conference calls and meetings between the M&O contractors listed above, as well as the IOUs and representatives of the CPUC. Additionally, all marketing and outreach materials will be accessible to these groups so information can be shared and the duplication of efforts can be avoided.

In order to implement a successful program, it will be imperative that we begin planning for the 2006 – 2008 program during the end of the 2005 campaign. We will coordinate the messaging and the timing of that messaging with the other statewide marketing and outreach contractors. In addition we will send out requests for proposal to CBOs,

research vendors and suppliers to ensure that the 2006-2008 program is as cost efficient as possible. Additionally, our media planning work will also begin early in order to negotiate the most beneficial rates for this program.

11. Customer Description

The populations targets for our 2006-2008 extended energy efficiency advertising component are rural “hard-to-reach” IOU customers who do not have easy access to information or generally do not participate in energy efficiency programs.

We will utilize zip code data provided by the IOUs to guide our media and marketing planning. Only those zip codes categorized by the utilities as “rural” and where the majority of households receive service from a participating IOU will be considered for advertising coverage. This is the same strategy RS&E used in identifying and targeting the appropriate customers in the past.

12. Customer Interface

In order to ensure that energy efficiency program information is accessible, RS&E will continue to direct consumers to the existing toll-free phone line, as well as to the Flex Your Power Web site. The toll-free phone number and the Web site address will be displayed on all our advertising and outreach materials. Additionally, RS&E added a Spanish-language option to the phone line in 2004 in an effort to support the Spanish-language collateral and Spanish language PR efforts, which will continue in the 2006 – 2008 contract term.

13. Energy Measures and Program Activities

13.1. Measures Information

Not applicable.

13.2. Energy Savings and Demand Reduction Level Data

Not applicable.

13.3. Non-energy Activities

All of the activities of the *Flex Your Power* rural campaign fall under the category of “non-energy activities” since the entire program is focused on marketing and outreach. That said, below is an outline of projected activities and tactics proposed for the 2006 – 2008 campaign. We should note that these are estimated projections that will be more clearly defined as development of the program implementation plan gets underway.

Advertising

RS&E will produce between 4 and 6 radio spots to air statewide each year. We will run more than 30,000 radio spots in 12 California metro markets and nine remote counties, including:

Metro Markets include:

- Bakersfield

- Chico
- Fresno
- Merced
- Modesto
- Palm Springs
- Redding
- Riverside/San Bernardino
- Sacramento
- San Luis Obispo
- Santa Maria
- Visalia/Tulare

Non-rated remote counties include:

- Humboldt
- Inyo
- Kern
- Lake
- Mendocino
- Plumas
- Riverside East
- San Bernardino West
- Tuolumne

RS&E will produce between 4 and 6 print ads per year to support the three seasonally appropriate messages (i.e. appliance replacement, cooling and heating and lighting). Print media will run in rural communities throughout the state. RS&E will place between 10 and 15 insertions per year in approximately 120 newspapers statewide.

CBO Outreach

RS&E's program will include the recruitment of between 16 and 18 CBOs strategically located in IOU rural territories throughout the state. These CBOs will be trained and monitored to disseminate materials and garner public relations locally to promote the energy efficiency messages associated with the *Reach for the Stars* program.

In order to ensure proper messaging is delivered in a quality manner, RS&E will also offer media training opportunities and host an annual gathering where best practices and ideas can be shared between grassroots organizations.

Each CBO will be required under contract to annually:

- Staff the campaign portable exhibit and distribute campaign materials at no less than three community events.
- Conduct a minimum of three presentations for local organizations or groups appropriate to the energy efficiency message (e.g., business groups, PTAs, etc.).
- Develop events or products themselves to further extend campaign messages (e.g., poster contests, public service announcements, etc.).

- Distribute press releases to local print media outlets and place campaign advertisements in local venues such as newspapers, newsletters or movie slides.

Hispanic Marketing and Public Relations

Through our Hispanic marketing and public relations efforts, RS&E will distribute press releases to more than 140 media outlets statewide. Additionally, we will secure radio partnerships with two radio networks covering the following markets:

- Placerville
- Grass Valley
- Auburn
- Palm Desert
- Hemet
- Moreno Valley
- Murrieta Hot Springs
- Temecula
- Sun City
- Tracy
- Bakersfield
- Tehachapi
- Hanford
- Atascadero
- Paso Robles
- Porterville
- Visalia

These radio partners will distribute promotional items at various community events, conduct live remotes, air 60-second spots and promote press coverage in the Hispanic markets. RS&E will also secure several print partners to run ads and place stories that support the energy efficiency messages directed at the Hispanic market.

13.4. Subcontractor Activities

RS&E plans to retain SG Henderson Consulting (SGH) to coordinate CBO activities acceptable for the 2006 – 2008 cycle. SGH, led by Suzane Henderson, has been actively involved in the *Reach for the Stars* program since RS&E was awarded the contract in 2003. For the next three years, these efforts will include:

- Implementing a request for proposal process to secure 18 CBOs throughout the state for a one-year term. (We will seek new participants as part of this process.)
- Conducting a two-day training session for all CBOs upon award of their contracts to educate them on the program.
- Coordinating CBO marketing activities in partnership with RS&E.
- Providing a final report of all CBO marketing activities each year of the contract.

RS&E will review proposals and select a research vendor to perform focus groups, the results of which will be used to guide creative development of the campaign. We will secure this vendor in 2006 for a three-year term to ensure continuity.

13.5. Quality Assurance and Evaluation Activities

While the evaluation and verification of marketing activities will be conducted by the California Public Utilities Commission, RS&E will conduct quality assurance and evaluation activities including:

- Tracking of incoming phone calls to toll-free line.
- Measuring the number of advertisements and media placements.
- Measuring the quantity of information distributed by participants in the grass roots outreach component.
- Conducting focus groups that help guide the messaging.

RS&E's focus groups will be conducted by a research firm based in California that has experience with energy related issues and marketing techniques.

13.5.1. Expected Number/Percent of Inspections

In order to ensure work is performed in a quality and timely manner as stated in agreements secured with vendors, RS&E will conduct a review process for each CBO under contract each fiscal year. This review will consist of a monthly report submitted by contractors to detail their marketing activities, as well as a monthly follow up call conducted by RS&E staff. Additionally, RS&E will conduct random inspections of marketing and outreach activities performed by all subcontractors. These inspections will be conducted, at a minimum, on a monthly basis and will include random site visits to events and trainings hosted by grassroots organizations.

13.6. Marketing Activities

Our experience tells us that the sole use of a traditional medium, such as television, will not be successful in breaking down the barriers faced by this campaign's target audiences. As a result, we propose continuing with a multi-tiered, synergistic marketing approach, utilizing the following tactics:

- Placement of media specifically geared to consumers in the IOU rural service territories, using radio and local newspapers as primary mediums.
- A strong community connection in which CBOs will be encouraged and rewarded for spreading the word about these energy-saving programs within their communities.
- Hispanic/general market rural public relations (PR) activities to secure maximum interest in energy efficiency programs through the engagement of the news media, community leaders, etc.
- A toll-free telephone line to provide information in several languages for people who are confused about energy efficiency products or hesitant about taking advantage of IOU or local programs.