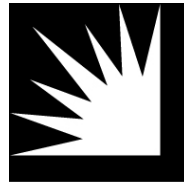


Application No.: A.14-10-014
Exhibit No.: SCE-01, Volume 04
Witnesses: Jessica Lim
Daniel Tunnicliff



SOUTHERN CALIFORNIA
EDISON[®]

An *EDISON INTERNATIONAL*[®] Company

(U 338-E)

***PREPARED TESTIMONY IN SUPPORT OF
SOUTHERN CALIFORNIA EDISON
COMPANY'S CHARGE READY APPLICATION
VOLUME 04 – PHASE 2 MARKET EDUCATION
AND COSTS***

Before the
Public Utilities Commission of the State of California

Rosemead, California

October 30, 2014

**Prepared Testimony In Support Of Southern California Edison Company’s Charge
Ready Application
Volume 04 – Phase 2 Market Education
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1 I.

2 **INTRODUCTION & BACKGROUND**

3 **A. Overview of Phase 2 Market Education Effort and TE Advisory Services**

4 Consistent with Volume 1 and the learnings taken from the Phase 1 Market Education Effort
5 described in Volume 2 of this testimony, Southern California Edison Company (SCE) proposes a broad
6 education and outreach (E&O) effort that will target potential car buyers and lessees in SCE’s service
7 territory to expand their awareness about electric vehicles (EVs) and the benefits of fueling from the
8 electric grid. This effort will have a wider audience than – and is incremental to – SCE’s current E&O
9 efforts mandated by D.11-07-029, which allows SCE to provide specific EV-related rate and program
10 information to customers with a demonstrated interest in purchasing an EV.¹ In contrast, SCE’s
11 proposed Phase 2 Market Education Effort would continue the Phase 1 efforts to widen the audience to
12 include adults intending to purchase or lease any type of vehicle,² and it would also leverage different
13 content and marketing channels than SCE’s current EV-related E&O efforts.

14 Additionally, SCE proposes expanding its current advisory services for business customers to
15 include specific education and support related to electrifying fleets, EV charging, reducing greenhouse
16 gas (GHG) footprints, and other related transportation electrification (TE) areas for business customers.
17 This would require creating a small dedicated staff of experts to assist business customers with these
18 new capabilities.

19 Although these two efforts support the further expansion and acceleration of EV adoption by
20 SCE customers described in Volumes 1, 2, and 3 of this testimony, the Phase 2 Market Education Effort
21 and TE Advisory Services are complementary to, but separate from, the Charge Ready proposal. They
22 are designed to continue the efforts of the Phase 1 Pilot described in Volume 2, applying lessons learned
23 as needed. The activities and related costs described in this volume are only applicable to a 2016-2017

¹ See D.11-07-029, p. 68.

² Based on internal and external market research, SCE estimates its current EV efforts target 80,000 “EV-intenders,” compared to the 1.7 million “auto-intenders” to be targeted by the proposed Phase 2 Market Education Effort.

1 time period, or until a final decision is issued in the 2018 General Rate Case (GRC), whichever is later.
2 SCE plans to reevaluate the two efforts and submit revised program details and cost estimates in its 2018
3 GRC. These two efforts are appropriate as ongoing programs with additional funding to be requested in
4 future GRCs – unlike the proposed Charge Ready program, which is a limited-duration program
5 designed to immediately accelerate the EV market.

6 **B. Overview of Testimony**

7 This testimony consists of four chapters:

- 8 • Chapter 1 provides an overview of SCE’s proposed Phase 2 Market Education Effort and TE
9 Advisory Services, as well as the policy background influencing their creation.
- 10 • Chapter 2 describes SCE’s Phase 2 Market Education Effort in more detail, including
11 strategy and marketing channels.
- 12 • Chapter 3 details SCE’s Phase 2 TE Advisory Services, with further information on the
13 proposed program’s scope and related outreach efforts.
- 14 • Chapter 4 shows estimated costs associated with the proposed efforts, as well as proposed
15 reporting metrics and guidelines.

16 **C. Policy Background**

17 As outlined in SCE’s Comments on the Scoping Ruling for the Order Instituting Rulemaking to
18 Consider Alternative-Fueled Vehicle Programs (“SCE AFV OIR Comments”),³ SCE currently provides
19 residential and business customers with basic information about EV readiness, including available rates
20 and metering arrangements, through its website, limited external collateral, and other non-EV-specific
21 customer-facing personnel. Additionally, SCE has developed a number of tools and content to assist its
22 customers, including an online rate assistant, a new decision tool for multi-unit dwellings (MUDs), and
23 guides for electricians to install EV charging stations at residential, commercial, and MUDS. Messaging
24 also highlights the benefits of charging off-peak – both from a cost perspective and an environmental

³ See R.13-11-007, SCE’s Comments on Assigned Commissioner’s Scoping Memo and Ruling, filed August 29, 2014 (hereinafter referred to as “SCE AFV OIR Comments”), p. 18.

1 standpoint – as well as grid reliability and safety in neighborhoods. In accordance with D.11-07-029,
2 SCE only directs this education and outreach to customers who indicate an interest in EVs, rather than
3 the wider market of light-duty vehicle intenders; additionally, advertising or collateral created for SCE’s
4 current EV resources only targets potential EV buyers in SCE’s own service territory, rather than a
5 broader market.⁴

6 SCE’s current EV education and outreach efforts are effective for their limited purpose,⁵ and
7 SCE recommends that the Commission continue to approve on-going EV education and outreach
8 towards current and perspective EV customers, as requested through SCE’s 2015 GRC.⁶ Broader E&O,
9 however, is necessary to accelerate the market. As previously highlighted, SCE’s proposed Phase 2
10 Market Education Effort addressed in this Application will be incremental in both cost and audience, as
11 it will target a wider set of customers, particularly those customers interested in purchasing new
12 vehicles. While the effort will leverage similar resources described above, it will also use a wider set of
13 broad-based and targeted marketing channels and continue efforts started during the Phase 1 Pilot
14 described in Volume 2. Similarly, SCE’s Phase 2 TE Advisory Services function will be incremental in
15 both cost and scope to current GRC requests, as it will provide additional outreach and guidance started
16 during Phase 1 on a number of TE-related issues and opportunities for business customers. Both of the
17 proposed efforts in this Application will be applicable to the 2016-2017 time period only, with initial
18 modifications made as needed following the Phase 1 period. The efforts’ structure and costs beyond
19 2017 will be addressed in SCE’s 2018 GRC proceeding.

⁴ See D.11-07-029, p. 68.

⁵ See SCE AFV OIR Comments, p. 18.

⁶ See A.13-11-003, Exhibit SCE-04, Vol. 2, p. 185.

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II.

PHASE 2 MARKET EDUCATION EFFORT

A. Overview and Summary of Market Education Effort

SCE’s proposed Phase 2 Market Education Effort will provide broad-based education and outreach to a wider population of “auto-intenders” – those adults living in SCE’s service territory that indicate they are likely, or very likely, to purchase or lease any type of vehicle – while also leveraging targeted, data-driven, and cost-effective E&O approaches directed towards those customers more likely to adopt EVs. With an estimated “auto-intender” population of 17.2 percent of all adults living in its service territory (approximately 1.7 million adults),⁷ SCE plans to use external research, customer data, and lessons learned from other efforts to determine the most effective messaging tactics for specific communications channels and customer segments. SCE will incorporate information and lessons learned from the Phase 1 Market Education Effort to determine the most effective channel/message mix. Although SCE will coordinate broader messages with other investor-owned utilities (IOUs) and external stakeholders, SCE believes that its own knowledge of its customers and its service territory puts it in a unique and optimal position to drive further E&O efforts about EVs and the benefits of fueling from the grid.

B. Market Education Effort

SCE proposes a number of channels to expand awareness about EVs and the benefits of fueling from the electric grid, including increased utilization of utility assets, reduced GHG emissions, and lower rates for off-peak charging, among others. Key to its broader efforts will be a centralized SCE landing page on SCE.com. This landing page – built during Phase 1 – will both highlight mass awareness messaging and direct interested customers to specific residential and business sites that provide more detailed and focused content. The residential site will expand functionality and content beyond its current, more limited form (which targets EV intenders and EV owners, as previously

⁷ Based on 2013 research from Mediamark Research Inc.

1 discussed in Chapter 1), while the business site will also serve as the home base for the business TE
2 Advisory Services, described in further detail in Chapter 3 of this volume. Other broad marketing
3 channels will direct customers to this central landing page. These include bill messaging, as well as
4 incorporating Phase 2 Market Education messaging into the SCE.com homepage and MyAccount online
5 customer platform. SCE will also consider leveraging the use of an elective e-newsletter sent on a
6 regular basis to interested residential customers with updated EV news, tips, and information. Similarly,
7 SCE will broadcast EV-related messaging through its numerous social media channels, including
8 Twitter and Facebook.

9 On the paid media front, SCE will incorporate digital media on the benefits of EVs and fueling
10 from the grid into its overall Phase 2 Market Education Effort. This will include both broad and targeted
11 digital banners, search engine marketing (SEM), and paid social media ads. To broaden its local
12 outreach efforts, SCE will explore radio ad spots. Local sponsorship and reinforced presence at auto
13 shows and test drive events will also serve as opportunities to spread Phase 2 Market Education to a
14 broader local audience. Similarly, SCE will work with original equipment manufacturers (OEM), car
15 dealerships, and other third parties as additional E&O channels. SCE's market education efforts will not
16 be duplicative of specific EV marketing sponsored by automakers, and SCE will work closely with
17 automakers and other stakeholders to ensure material is relevant and complementary (while remaining
18 neutral to specific makes and models). Finally, SCE will incorporate the Phase 2 Market Education
19 Effort into other relevant external SCE campaigns and outreach efforts, as appropriate.

20 SCE will closely align its messaging and tactics with the other IOUs to ensure a consistent and
21 successful awareness campaign that drives overall statewide EV adoption. While SCE sees value in
22 experienced third parties taking part in these coordination efforts, a comprehensive utility-sponsored and
23 administered effort will provide SCE the most flexibility in running an effective campaign. In-house
24 customer data and historical knowledge of its own marketing landscape allows SCE to more easily
25 optimize, modify, and unify its mix of broad and targeted channels, thus ensuring the highest amount of
26 awareness within SCE's own service territory.

1 **C. Targeted Outreach**

2 In conjunction with its broader channels, SCE also proposes using more targeted marketing
3 tactics to reach its audience of “auto-intenders,” particularly on the residential side. In addition to
4 targeted digital approaches, SCE will leverage direct messaging on the benefits of EVs and fueling from
5 the grid – including direct mail and email – for specific sets of customers. Through external research
6 and internal customer data, SCE will identify customer populations that will be more likely to adopt
7 EVs, providing the right message through the right channel; however, this targeted outreach will be
8 balanced with broader outreach, including outreach directly to disadvantaged communities.

9 **D. Disadvantaged Communities⁸**

10 SCE will include minority, low-income, and pollution-impacted customers in broader efforts to
11 raise awareness about transportation electrification. These efforts will include sharing information about
12 the potential environmental and public health benefits of EVs and about the cost savings that customers
13 can achieve if they switch from gasoline to electricity to power their vehicle. For example, many drivers
14 are not aware that electricity is about 25 percent of the cost of gasoline and that an electric car may be
15 much more affordable to procure, maintain and operate; customers in these communities would be made
16 aware that the total cost of ownership of an EV can be less than that of a gasoline-powered equivalent.
17 These consumers can also be informed about the availability of incentives that could make EVs more
18 affordable.⁹

19 SCE’s Phase 2 Market Education Effort will expose disadvantaged communities to this relevant
20 messaging through its website, radio, and other broad-based channels ultimately used. SCE will make
21 this E&O material available in multiple languages, consistent with SCE’s current policies for in-
22 language messaging. In particular, SCE will coordinate with ethnic media and other outlets to confirm
23 adequate radio coverage in key ethnic customer markets, pollution-impacted areas, geographically

⁸ Defined in Volume 3 of SCE’s testimony.

⁹ Examples of these incentives include tax credits, rebates, free parking, and unrestricted access to high-occupancy commuter lanes on major roadways.

1 disadvantaged areas, and other disadvantaged communities. Finally, SCE will ensure that external-
2 facing organizations at SCE have relevant (and, when possible, in-language) material available when
3 working with Community-Based Organizations, Faith-Based Organizations, and other outreach
4 organizations that have strategic relationships with disadvantaged and ethnic communities.

1 **III.**

2 **PHASE 2 TE ADVISORY SERVICES**

3 **A. Overview and Summary of Services**

4 Through SCE’s TE Advisory Services program, SCE will provide business customers with a
5 dedicated “one-stop shop” for specialized education, awareness, and support on such TE issues as
6 federal, state, and local incentives, vehicle/charging equipment financing opportunities, vehicle types,
7 and charging installation programs. This would require full-time, incremental personnel. As previously
8 mentioned, this program and the related costs are only for the 2016-2017 period, and will continue the
9 efforts and learnings from the Phase 1 TE Advisory Services described in Volume 2 of this testimony.

10 **B. Program Details**

11 Business customers will initially engage with SCE’s TE Advisory Services by either landing at
12 the TE Advisory Services website (described above in Section II.B.) or through specific SCE account
13 managers, who currently serve as many business customers’ trusted energy advisors and primary points
14 of contact for most energy issues. In particular, account managers will provide high level information
15 regarding TE issues and will refer customers to dedicated TE Advisory Services personnel for specific,
16 direct assistance with TE programs and information as described above. As previously mentioned, these
17 personnel would be incremental to existing employees who handle TE issues. In coordination with TE
18 Advisory Services, account managers will also provide direct outreach to business customers more
19 likely to benefit from TE programs, such as owners of large auto fleets or businesses that show interest
20 in charging stations.

21 Through account managers, a central website, and dedicated TE Advisory Services personnel,
22 SCE will provide detailed information on many relevant TE topics, programs, and opportunities,
23 including:

- 24 • Broad EV benefits (as outlined above in Section II.), but tailored to specific types of business
- 25 customers
- 26 • Education on light, medium, heavy-duty, and non-road EVs
- 27 • Charging information and opportunities – including but not limited to Charge Ready

- 1 • GHG and air quality footprint / solutions
- 2 • TE funding sources (e.g., California Energy Commission (CEC), Assembly Bill (AB) 2766,
- 3 Mobile Source Air Pollution Reduction Review Committee (MSRC), Prop 39) and assistance
- 4 with grant writing
- 5 • EV rate options through an expanded Rate Analysis Tool that includes fleets, vehicle type,
- 6 and charging scenarios
- 7 • AB 118¹⁰ and other EV rebate programs
- 8 • Tax incentives and rebates

9 TE Advisory Services will also work closely with internal and external stakeholders to
10 coordinate information, messaging, and training opportunities and further develop business-friendly
11 programs and solutions that enhance awareness and adoption of TE technologies. This function will
12 include overseeing ongoing account manager education, along with the development and delivery of
13 employee training and associated job aids, Frequently Asked Questions (FAQs), reference guides, and
14 online tools. Additionally, TE Advisory Services will provide routine communication to other business
15 customer-facing partners at SCE on TE process changes, new or modified strategies, customer issues,
16 customer statuses and/or critical changes. Finally, TE Advisory Services will continue to evaluate
17 existing business TE processes and programs for further refinement and improved efficiencies and
18 would play an important policy role by contributing to the design of any future SCE incentives, rebates,
19 and rates related to TE technology.

20 C. **Education and Outreach**

21 All E&O related to TE Advisory Services is incremental to the Charge Ready dedicated E&O
22 described in Volume 3 of SCE's testimony. As described above in Section II of this Volume, business

¹⁰ AB 118 reauthorized and funded CARB's Air Quality Improvement Program, which includes (1) the Clean Fuel Rebate Program (providing rebates of up to \$2,500 for light-duty EVs and other programs for disadvantaged communities and low-income residents in extreme non-attainment areas) and (2) the Hybrid Vehicle Incentive Program (providing rebates ranging from \$12,000 to \$110,000 for electric trucks, which higher rebates for trucks based in disadvantaged communities). *See* Cal. AB118 (2007 Cal. Stats. Ch.750).

1 customers will be exposed to the broad E&O on the overall benefits of EVs described in the Phase 2
2 Market Education Effort, with the primary EV landing page directing them to business-related TE
3 information through the TE Advisory Services' own dedicated web page. Direct messaging may also
4 play a role for specific, strategically designated customers, but account managers will be the most
5 important channel for targeting business customers with relevant information. Additionally, TE
6 Advisory Services will coordinate with other external facing SCE departments to provide customer
7 service representation for business customers at relevant external engagement events, including the auto
8 shows described above in Chapter II of this volume.

9 TE Advisory Services would also leverage SCE's relationships with local business associations
10 and internal owned media, including social media channels and the SCE Power Bulletin and SCE Small
11 Business Connection Newsletter publications, to spread information about its programs. Finally, TE
12 Advisory Services will incorporate market research and customer satisfaction surveys to develop
13 specific E&O plans and messaging, create survey tools, and establish benchmarks to track E&O
14 effectiveness and customer satisfaction with the advisory services.

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IV.

COSTS AND REPORTING

A. Summary of Costs

SCE’s preliminary estimate for its proposed Phase 2 Market Education Effort and TE Advisory Services is approximately \$6.5 million in total for the 2016-2017 time period, or until a final decision is issued in the 2018 GRC, whichever is later. SCE plans to reevaluate the costs associated with these two efforts and submit revised details and cost estimates in its 2018 GRC. The Phase 2 Market Education Effort costs cover all non-labor E&O spending, which includes some incremental E&O costs related TE Advisory Services, as indicated above in Chapter III, Section C. The TE Advisory Services costs reflect dedicated incremental labor costs for the time period.

Table IV-1 summarizes SCE’s proposed 2016-2017 E&O budget:

***Table IV-1
2016-2017¹¹ Phase 2 Market Education Effort and TE Advisory Services Costs
(Constant 2014 \$000)***

Phase 2 (2014\$)	2016	2017	Total
Market Education Effort	2,813	2,954	5,767
TE Advisory Services	367	402	769
Total	3,180	3,356	6,536

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B. Reporting

SCE will prepare reports for the Commission’s Energy Division annually or more frequently, as directed by the Commission, to provide status of both efforts. These reports will identify various milestones and metrics, including accomplishments during the relevant reporting period, estimated reach

¹¹ These costs are estimates for years two and three of the Phase 2 program. For modelling purposes, cost estimates represent a full year where Phase 2 begins in January 2016 even though actual start date will be dependent upon Commission approval.

1 of outreach, financials, etc. SCE will work the Energy Division to develop the format of the reports
2 following Commission approval of Phase 2.

Appendix A
Witness Qualifications

**SOUTHERN CALIFORNIA EDISON COMPANY
QUALIFICATIONS AND PREPARED TESTIMONY
OF JESSICA LIM**

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3
4 Q. Please state your name and business address for the record.

5 A. My name is Jessica Lim, and my business address is 1515 Walnut Grove Avenue, Rosemead,
6 California 91770.

7 Q. Briefly describe your present responsibilities at the Southern California Edison Company
8 (SCE).

9 A. I am the Manager of Offer Management and Marketing in the Customer Programs and
10 Services division of SCE's Customer Service operating unit. In this role, I am responsible
11 for SCE's marketing and communications associated with Customer Service programs, rates
12 and services.

13 Q. Briefly describe your educational and professional background.

14 A. I received my Masters of Science in Leadership and Management, with a concentration in
15 Organizational Development, from the University of La Verne in 2013, and my Bachelor's
16 degree in Administrative Studies, with an emphasis in business administration and
17 marketing, from U.C. Riverside in 1992. I have worked at SCE for approximately nine years
18 in Customer Service. Prior to my current function which I described above, I was the
19 Manager of Planning, Performance, and Integration in the Customer Service Operating
20 Division for approximately two years. Prior to that position, I was the Manager of Customer
21 Strategy in Customer Experience and Management for approximately five years. Prior to
22 SCE, I have over 10 years of experience in business working in disciplines such as
23 advertising, marketing, and e-commerce for a variety of profit and not for profit
24 organizations and clients.

25 Q. What is the purpose of your testimony in this proceeding?

26 A. The purpose of my testimony in this proceeding is to sponsor the portions of the following
27 volumes of Exhibit SCE-01, entitled *Prepared Testimony in Support of SCE's Charge Ready*
28 *Application*, as identified in the Tables of Contents thereto: Volume 02 – Phase 1 Charge
29 Ready and Market Education Pilot; Volume 03 – Phase 2 Program Design, Implementation
30 Plan, and Costs; and Volume 04 – Phase 2 Market Education and Costs.

31 Q. Was this material prepared by you or under your supervision?

- 1 A. Yes, it was.
- 2 Q. Insofar as this material is factual in nature, do you believe it to be correct?
- 3 A. Yes, I do.
- 4 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
5 judgment?
- 6 A. Yes, it does.
- 7 Q. Does this conclude your qualifications and prepared testimony?
- 8 A. Yes, it does.

SOUTHERN CALIFORNIA EDISON COMPANY
QUALIFICATIONS AND PREPARED TESTIMONY
OF DANIEL E. TUNNICLIFF

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4 Q. Please state your name and business address for the record.

5 A. My name is Daniel E. Tunnicliff, and my business address is 7300 Fenwick Lane,
6 Westminster, CA 92683.

7 Q. Briefly describe your present responsibilities at the Southern California Edison Company
8 (SCE).

9 A. I am currently the Principal Manager of Strategic Customer Solutions in the Business
10 Customer division of SCE's Customer Service operating unit. As such, I am responsible for
11 leading the team that partners with non-residential customers to develop innovative solutions
12 that address their needs, meet their requirements, and integrate new technologies on their side
13 of the meter.

14 Q. Briefly describe your educational and professional background.

15 A. I am a registered professional engineer with my Master and Bachelor of Science in Civil
16 Engineering. Prior to joining SCE, I worked for Orange County Sanitation District and the
17 Los Angeles Department of Water and Power, primarily in Environmental, Health and Safety
18 roles. In April of 1999, I began to work for SCE as a Safety/Environmental Specialist. I
19 have held various positions within the Business Customer Division in Account Management
20 and Regulatory roles. I started in my current position in August of 2014. I have previously
21 testified before the California Public Utilities Commission.

22 Q. What is the purpose of your testimony in this proceeding?

23 A. The purpose of my testimony in this proceeding is to sponsor the portions of the following
24 volumes of Exhibit SCE-01, entitled *Prepared Testimony in Support of SCE's Charge Ready*
25 *Application*, as identified in the Tables of Contents thereto: Volume 02 – Phase 1 Charge
26 Ready and Market Education Pilot; Volume 03 – Phase 2 Program Design, Implementation
27 Plan, and Costs; and Volume 04 – Phase 2 Market Education and Costs.

1 Q. Was this material prepared by you or under your supervision?

2 A. Yes, it was.

3 Q. Insofar as this material is factual in nature, do you believe it to be correct?

4 A. Yes, I do.

5 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
6 judgment?

7 A. Yes, it does.

8 Q. Does this conclude your qualifications and prepared testimony?

9 A. Yes, it does.