

Company: San Diego Gas & Electric Company (U 902 E)
Proceeding: Real Time Pricing Pilot Rate
Application: A.21-12-006/A.21-12-008
Exhibit: SDG&E-XX

**PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF
APRIL BERNHARDT (CHAPTER 5)
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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

August 15, 2022



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1 **PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF**
2 **APRIL BERNHARDT (CHAPTER 5)**

3 **I. OVERVIEW AND PURPOSE**

4 In Decision (D.)21-07-010 (Decision), the California Public Utilities Commission (CPUC
5 or Commission) directs San Diego Gas & Electric Company (SDG&E) to file an application for
6 a Real Time Pricing (RTP) dynamic rate Pilot (RTP Pilot) and to include a proposal for third
7 parties (Third Parties) to be the primary source of Marketing, Education and Outreach (ME&O)
8 for customers, and a proposal for continued coordination between SDG&E and Third Parties.¹
9 SDG&E shared a high-level overview of the approach it would take regarding ME&O during the
10 second RTP Pilot Stakeholder Workshop held on October 13, 2021.² There were no participant
11 comments or questions about the proposed ME&O approach during the workshop.

12 On June 15, 2022, the Energy Division (ED) provided recommendations pursuant to the
13 assigned Commissioner's scoping memo directing the consolidation of SDG&E's Vehicle to
14 Grid rate design (Export Compensation Pilot) and the RTP Pilot rate design.³ On July 12, 2022,
15 ED provided revised recommendations (ED Staff Recommendations).⁴ SDG&E is submitting
16 this prepared supplemental direct testimony to address revisions to SDG&E's consolidated Time
17 Pricing Pilot Application and Commercial Electric Vehicle Dynamic Rate Application (A.21-12-
18 006 et al.), including recommendations by Energy Division. Because the revisions are extensive

¹ D.21-07-010 at 57 ("The [RTP] application should include a proposal for third parties to be the primary source of ME&O for customers.").

² See Prepared Direct Testimony of Jeff DeTuri (Chapter 1) on Behalf of SDG&E (December 13, 2021), Attachment B, Real Time Pricing Pilot Stakeholder Workshop #2 PowerPoint (October 13, 2021).

³ A.21-12-006, *Administrative Law Judge's Ruling Addressing Motion of the Public Advocates Office and Schedule* (May 31, 2022) at 3.

⁴ A.21-12-006 et al., *Administrative Law Judge's Ruling Addressing Motion of San Diego Gas & Electric Company and Workshop Comments* (July 12, 2022).

1 and include both adding new testimony and removing previously served testimony in response to
2 the revised ED recommendation filed on July 12, 022, SDG&E is withdrawing previously served
3 testimony and will rely solely on this prepared supplemental direct testimony as its direct
4 testimony in this proceeding.

5 The supplemental testimony included here expands upon SDG&E's original ME&O
6 recommendation included in its RTP Pilot rate and addresses details regarding target customers
7 and participation incentives pursuant to the ED Staff Recommendation. The testimony continues
8 to discuss SDG&E's approach in supporting Third Party ME&O for the RTP Pilot, and now also
9 includes the Export Compensation Pilot (collectively, the Dynamic Rate Pilots or Pilots), and
10 further outlines how SDG&E proposes to utilize SDG&E-owned channels and resources to
11 amplify the availability of the Dynamic Pricing Pilots, to a wider customer base and help create a
12 consistent customer experience.

13 II. SDG&E'S ME&O PLAN

14 1. Objectives

15 ME&O activities are planned to move customers from awareness to enrollment to
16 engagement with intent of supporting the Dynamic Pricing Pilots objectives as outlined in Jeff
17 DeTuri's testimony (Chapter 1) and maximize participation for each stage of the Pilots. More
18 specifically, with its ME&O approaches, SDG&E will work towards:

- 19 a. Meeting and exceeding the minimum enrollment targets for each stage of
20 the Pilots;
- 21 b. Providing resources and information to help customers understand how
22 rate choices like RTP and Export Compensation can be beneficial; and
23 Educating customers about how making changes in their energy behavior
24 can help support the state's environmental goals, as well as help manage
25 their energy costs.

1 **2. Strategy**

2 SDG&E recognizes that ME&O is fundamental to gaining customer awareness,
3 enrollment, and engagement with Dynamic Pricing Pilots. SDG&E believes that a coordinated
4 effort between itself and Third Parties will result in an effective outreach strategy and improved
5 customer experience.

6 Concurrent with supporting Third Party ME&O activities as outlined in Section 6 of this
7 Proposal, SDG&E proposes a targeted marketing strategy that will educate customers about the
8 availability of the Dynamic Pricing Pilots and help drive enrollment through low-cost, targeted
9 communication channels. SDG&E's ME&O strategy will consider the needs of the customer
10 segments for each stage of the Pilots and include more personalized messaging and education,
11 where possible, based on available customer data such as usage history, language preference and
12 demographics.

13 Therefore, the SDG&E ME&O proposal includes a multi-pronged approach, where:

- 14 a. Third Parties would take an active role in lead generation to increase
15 enrollment, particularly for the medium and large commercial segments;
- 16 b. SDG&E will provide resources for Third Parties to leverage in their
17 ME&O activities;
- 18 c. SDG&E will use available data to target eligible customers, particularly
19 for residential and small business customers; and
- 20 d. SDG&E will engage all participants throughout the customer experience
21 with information and resources to assist them on the Pilots, as necessary.

22 SDG&E believes this multi-pronged approach can provide Third Parties low-cost support
23 to promote the Pilots alongside their potentially complementary products while still providing
24 consistency in SDG&E's customer experience. SDG&E also believes this approach will be more
25 cost-effective in targeting eligible customers and will ensure that any marketing activities

1 comply with the Community Choice Aggregation (CCA) Code of Conduct established by the
2 CPUC.⁵

3 While the Dynamic Pricing Pilots are ongoing, SDG&E may adjust messaging and tactics
4 based on stakeholder input, customer feedback, primary and secondary research, performance
5 and/or economic conditions. Additionally, ME&O activities may be adjusted to accommodate
6 the final design of the Pilots and budget approval. Therefore, SDG&E's marketing plan needs to
7 be flexible and responsive.

8 **3. Messaging**

9 Because the Dynamic Pricing Pilots maybe be a new concept to customers, SDG&E will
10 strive to use easy-to-understand language throughout its ME&O activities whenever possible.
11 SDG&E believes that customers will want simple language that explains who is eligible, how the
12 Pilots work, what the benefits are, and how to enroll. In support of the Pilots' objectives,
13 SDG&E anticipates the high-level messaging pillars will include rate options to aid customer's
14 energy management activities, supporting grid reliability, and environmental benefits.

15 To help formulate language that will support the Pilots' objectives and drive enrollment,
16 SDG&E recommends message testing across eligible customers. In addition to incorporating
17 message testing into its ME&O activities, SDG&E will also evaluate customer and Third-Party
18 feedback to adjust messaging throughout enrollment and engagement periods. Customer research
19 is addressed in more detail in Section 6 of this testimony.

20 Where appropriate and feasible, SDG&E anticipates marketing content for the Dynamic
21 Pricing Pilots would include information on eligibility and participation requirements, rate

⁵ D.12-12-036, *Decision Adopting a Code of Conduct and Enforcement Mechanisms Related to Utility Interactions with Community Choice Aggregators, Pursuant to Senate Bill 790.*

1 details, including information on CAISO day-ahead pricing and the proposed pricing resource as
2 outlined in Ray Utama's testimony (Chapter 4), and links to relevant collateral and tools,
3 including usage information in My Account. Information would also be included regarding
4 details about incentive bill credits as outlined in Mr. Utama's testimony and potential financial
5 benefits and risks to help customers discern if they should continue through the enrollment
6 process. Messaging will also contain details regarding a participant's ability to unenroll from
7 either Dynamic Pricing Pilots at any time and return to the default commodity rates for their
8 applicable tariff or a current rate option available to that customer, also as outlined in Mr.
9 Utama's testimony.

10 **4. Target Audience**

11 For SDG&E's outreach activities, proper segmentation will be essential to target eligible,
12 bundled customers to minimize outreach costs. SDG&E's marketing activities will exclude
13 CCA customers. Should a CCA energy service provider (ESP) offer an RTP Pilot or Export
14 Compensation Pilot of their own, their customers would receive any relevant ME&O
15 communications from that ESP rather than from SDG&E. SDG&E would be willing to share,
16 however, lessons learned or relevant ME&O materials with interested CCAs.

17 While SDG&E would most likely conduct outreach to all eligible customers, there would
18 be significant focus on certain customer segments with greater likelihood to participate/benefit
19 from the Dynamic Pricing Pilots. We anticipate these audiences would consist of:

Export Compensation Stage 1:

- EV customers taking distribution service on SDG&E's Schedule EV-High Power rate.

Export Compensation Stage 2:

- To be determined following further discussions as part of this proceeding with stakeholders and working group participants.

RTP Stage 1:

- EV owners/operators, energy storage owners/operators, automated technology owners/operators.
 - To further refine targeting customers that are more likely to enroll in the RTP Pilot, Marketing will leverage bill impact data as outlined in Leslie Willoughby's testimony (Chapter 6) to target perceived structural benefiters and neutral benefiters on the RTP Pilot.

RTP Stage 2:

- Continued focus on customers with energy storage systems, electric vehicles, and automated technologies
 - Additional audience segments or demographics/profiles from lessons learned during Stage 1 will also be considered to help reach the minimum enrollment

5. Environmental and Social Justice (ESJ) Communities

As stated in Jeff DeTuri’s testimony (Chapter 1), SDG&E will not use a customer’s low-income and/or DAC attributes as a specific target audience segment. However, customers with these attributes, including those enrolled in CARE/FERA who also fall into one of the segments identified in the Target Audience section above, would be included in targeted communications regarding the availability of these pilots. Additionally, SDG&E would leverage its Community Based Organizations (CBO) partner network to be information sources for ESJ communities, providing training and informational resources for CBOs to help their clients understand the Dynamic Pricing Pilot programs and possible benefits.

1 **6. Third Party ME&O Collaboration**

2 SDG&E's proposal for providing ME&O materials to support Third Parties, including
3 storage, demand response, and electric vehicle charging vendors, is focused on helping Third
4 Parties in their role as a key source for ME&O and customer enrollment activities for the
5 Dynamic Pricing Pilots.⁶ In addition, SDG&E would work with internal departments such as
6 Customer Generation and Clean Transportation to help identify and proactively communicate to
7 interested Third Parties and ensure they have access to SDG&E's available resources.

8 To support Third Parties in driving enrollment for the Pilot phases, SDG&E plans to
9 create a dedicated web landing page(s) with downloadable resources for interested Third Parties
10 to leverage in cross-promoting availability of the Dynamic Pricing Pilots with their
11 complementary programs and/or products to eligible customers. Utilizing factsheet(s), FAQs,
12 and the web page(s), SDG&E would readily provide information about the rate details and
13 benefits, enrollment information, including customer Letter of Authorization and Rule 21 Export
14 Agreement links, and any relevant collateral. The website and subsequent resources would be
15 available before the enrollment phases begin. SDG&E believes that making its website the single
16 source for resources will better enable SDG&E to refine the information provided as needed as
17 more insights are gathered, such as information on customer awareness, knowledge, and
18 satisfaction.

19 Along with the resources stated above, SDG&E would include the SDG&E contact
20 information as an additional resource to address potential customer or Third Party questions.
21 Providing a single source for resources increases the opportunity for consistent messaging across
22 all parties promoting the rate.

⁶ D.21-07-010 at 57.

SDG&E also proposes hosting training webinars before the start of the RTP Pilot and potentially the Export Compensation Pilot Stage 2 to help educate interested Third Parties on the rate design. These workshops are also an opportunity to engage Third Parties in answering questions about the Pilots, as well as an opportunity for Third Parties to provide feedback on the ME&O resources. SDG&E anticipates utilizing a staff member on the Dynamic Pricing Pilot team to serve as an ongoing resource for Third Parties to answer questions about the Pilots and potential customer bill impacts. All resources would be made available to SDG&E's CBO partners to support ESJ customer needs and questions.

7. Tactics and Timing

Export Compensation Pilot

For the Export Compensation Pilot Stage 1, due to the relatively small population currently eligible for Stage 1 (although SDG&E anticipates that customers will continue to enroll in its relatively new EV-HP rate), SDG&E plans to leverage existing Third Party and customer relationships through its Clean Transportation Account Executive team to help enroll bundled customers. As the Export Compensation Pilot nears conclusion, customers will be notified of their options as outlined in Ray Utama's testimony (Chapter 4).

Additional resources and information would also be available on sdge.com. Once the details for Stage 2 are finalized, which SDG&E anticipates would include expanding eligible customer groups, SDG&E would develop additional ME&O activities similar to the RTP tactics outlined below.

To support enrollment and implementation of the Export Compensation Pilot Stage 1 by Q2 of 2024, it is anticipated that limited marketing activities (due to the small eligible population) would begin in Q3 2023, and wider spread activities to begin in Q1 2026 for Stage 2.

1 SDG&E anticipates starting ME&O efforts for Stage 1 of RTP in Q1 of 2024 and Stage 2 in Q1
2 2026.

3 Real Time Pricing Pilot

4 For each stage of the Real Time Pricing Pilot, SDG&E proposes to cross-promote the
5 availability of the Dynamic Pricing Pilots as appropriate through SDG&E channels to reach
6 eligible customers while ensuring compliance with the CCA Code of Conduct.⁷ This includes
7 having information about the rate details available on sdge.com. Where and when it makes sense,
8 SDG&E will integrate Pilot availability, messaging, and participation requirements with energy
9 efficiency and on-going rate education. The messaging integration will be based on how well the
10 target audience overlaps, which tactic is used, and its ability to hold an integrated message.
11 SDG&E also anticipates providing in-language materials for residential customers where
12 appropriate, including ESJ communities.⁸

13 In addition to developing materials to support Third Parties, SDG&E will also support
14 ME&O efforts through its own media channels utilizing low-cost tactics, including targeted
15 emails and direct calling by SDG&E's Account Executives.

16 The proposed tactics for the customer journey that SDG&E would likely utilize include,
17 but are not limited to:

18 Awareness/Enrollment:

- 19 • General awareness of the RTP Pilot rates via a webpage(s) and fact sheet(s)
20 • Targeted outreach to eligible customers via email

⁷ D.12-12-036, *Decision Adopting a Code of Conduct and Enforcement Mechanisms Related to Utility Interactions with Community Choice Aggregators, Pursuant to Senate Bill 790*.

⁸ See also Environmental and Social Justice Action Plan, Version 1.0 (February 21, 2019) (referencing the Commission's efforts to advance Goal 5 of the ESJ Action Plan by making the website more accessible, including availability in multiple languages).

- 1 • Direct-to-customer outreach to eligible customers (SDG&E also anticipates using
2 these conversations to gain customer feedback on the rate and communication
3 materials)
- 4 • SDG&E's Business Care Center and Customer Care Center would be a resource
5 for small businesses and residential customers interested in the Pilot

6 Enrollment:

- 7 • Once a customer is enrolled in the RTP Pilot, participants would receive a
8 welcome email with confirmation they are registered in the RTP Pilot rate and
9 would include tips to be successful on the Pilot and the process for opting out.

10 Engagement:

- 11 • To encourage participant retention and attention throughout the Pilot, SDG&E
12 anticipates connecting with participants via targeted emails and/or by SDG&E's
13 Account Executives and other methods with relevant messages when appropriate.

14 Conclusion:

- 15 • As the RTP Pilot is nearing conclusion, SDG&E intends to send a communication
16 to customers thanking them for participating and informing them of any next steps

17 Throughout all Stages of the Dynamic Pricing Pilots it will be important that marketing

18 activities remain flexible in order to incorporate customer feedback and any changes in the

19 eligible target population Further, as part of SDG&E's standard rate communication process,

20 including for the Dynamic Pricing Pilots, SDG&E will exclude communications to communities

21 scheduled to transition to a CCA 90 days prior to their transition date.

22 **8. Customer Support**

23 Before any public-facing marketing activities, SDG&E anticipates providing customer-
24 facing employees, including CCC, BCC, AEs and SDG&E's Outreach Team with education and
25 resources to enable them to support customer questions about the Dynamic Pricing Pilots. This
26 will be particularly important for customers who do not have an SDG&E assigned Account
27 Executive. Employee education and training will be refreshed throughout the Pilots as it moves
28 from Stage 1 to Stage 2 and more customers are eligible to participate.

1 **9. Customer Research**

2 Throughout the Dynamic Pricing Pilots, SDG&E will use multiple channels to solicit
3 feedback that can then be used to adjust ME&O materials where needed and applicable. This
4 section primarily focuses on evaluating ME&O messaging, tactics, customer awareness and
5 understanding of the materials. ME&O activities will also leverage the evaluation materials as
6 outlined in the testimony of Leslie Willoughby (Chapter 6) to further refine its marketing
7 strategy and tactics as needed and especially for Stage 2 if the RTP Pilot eligible customer group
8 expands to include groups like NEM participants.

9 During Stage 1 of the RTP Pilot, to keep costs at a minimum, SDG&E recommends
10 conducting research in-house, using an online survey tool to solicit feedback from SDG&E
11 customers following their communications with an SDG&E Account Executive. The survey
12 would seek feedback regarding their understanding of the RTP Pilot, usefulness of
13 communication materials, barriers to participating, and satisfaction if participating. To
14 supplement this tool, SDG&E further recommends soliciting feedback from its Account
15 Executives and CCC/BCC regarding communications with customers and any feedback they
16 received that could further enhance the communications materials and/or Pilot.

17 For Stage 2 of the RTP Pilot, SDG&E proposes to use its Business Customer Panel and
18 Residential Customer Panel to test and solicit customer understanding of Pilot messaging and
19 communication resources. SDG&E is currently working with a research firm to recruit two
20 panels of customers, one business and one residential, and manage participation in online
21 monthly surveys on various topics. These online panels provide SDG&E an opportunity to
22 present draft marketing materials including creative concepts, messaging, and tactics to business
23 and residential customers to get their feedback. Currently, the panels have approximately 600

1 small-medium business owners as well as 1,400 residential customers, with an average response
2 rate of 60-70% for each survey.

3 **III. BUDGET**

4 This section outlines the proposed budget for the proposed ME&O activities for the
5 Dynamic Pricing Pilots. Table AB-1 provided below includes the budget estimates for Stage 1 of
6 the Export Compensation Pilot and both stages of RTP. RTP Stage 2 estimated ME&O costs are
7 subject to further adjustment based on the findings from Stage 1. Export Compensation Pilot
8 Stage 2 ME&O costs will be further developed during this proceeding as the final details of the
9 Pilot are determined, including any changes to eligibility and approved through the proposed
10 Stage 2 AL filing.

11 **Table AB-1**

SDG&E Export Compensation and RTP Marketing, Education and Outreach Budget

SDG&E ME&O Activities	Export Compensation Stage 1	RTP Stage 1	RTP Stage 2
General awareness and targeted communications	\$5,000	\$97,720	\$45,460
Marketing research and messaging strategy planning		\$77,000	\$8,000
Miscellaneous creative services, training, and labor support	\$5,000	\$16,000	\$5,000
Total ME&O related costs	\$10,00	\$210,720	\$58,460

1 **IV. STATEMENT OF QUALIFICATIONS**

2 My name is April Bernhardt. I am employed by SDG&E as a marketing and
3 communications manager in the company's Corporate Communications and Marketing
4 department. My business address is 8306 Century Park Court, CP-62C, San Diego, California,
5 92111.

6 I graduated from San Diego State University with a Bachelor of Liberal Arts and Science
7 in Psychology. I have more than 17 years of experience working in corporate communications,
8 media relations, and marketing—my career spans working both in wireless communications and
9 the energy sector. I have previously served as a witness before the California Public Utilities
10 Commission.