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DEPARTMENT OF COMMERCE
Office of Consumer Services

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The Division of Public Utilities
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Date: March 31, 2011

Subject: Docket No. 11-035-044, Application of Rocky Mountain Power for Approval of a Promotional Program Pursuant to R746-404.

Background

On March 7, 2011, Rocky Mountain Power (the "Company") filed an application for approval of a Promotional Program as part of its **wattsmart** DSM communications and outreach campaign. The program would take the form of a video contest (the "Contest") on how people can be or are currently using energy more efficiently in their homes. The videos would be up to 2 minutes in length and submitted online between April 13, 2011 and June 15, 2011. The videos will be judged by a panel of judges with prizes ranging from \$500 - \$10,000 in energy efficiency home improvements or energy efficient appliances. The total budget for the Program is \$77,500 which is part of the annual DSM communications and outreach budget. The Contest is designed to start on April 13, 2011.

Discussion

The Contest has a good concept and intentions. However, the details of the Contest are missing. One area where the application lacks detail is in how success of the Contest will be measured. The application states that the Program will "generate significant interest" in the Company's DSM programs. Yet there are not definitions or measurements

expressed in the application to determine if significant interest was generated or not. In paragraph 8, it states,

“While it is expected interest level will promote participation in the Contest through video submissions, the number of entrant videos ultimately submitted is expected to have little influence on the overall benefits acquired through offering the Contest. Larger value will be derived through increased awareness of the Company’s demand-side management programs and interest in conservation efforts in general generated through community interest in the Contest and Contest related marketing.”

The application does not articulate plans on how this larger value will be derived or the Contest related marketing plans to realize awareness gains. The budget shows components of a general marketing plan. Yet the detailed marketing pieces are missing from this application. The application should have included a detailed marketing plan including preliminary web, print, and other media demonstrating how the plan would accomplish the goal of generating significant interest in the Company’s DSM programs. With an implementation date of April 13, 2011, these pieces should be ready to go.

While the costs are being spread across the entire DSM portfolio, the application does not supply metrics measuring the net benefits of the Contest. The Company needs to expressly articulate the net benefits of this promotion as mandated in R746-404-3(d). The Company provides a line item budget showing the costs of the Contest and the application in section 7 simply provides a loose description of benefits of the Contest. However, it is not clear how the Company intends to measure these benefits against budgeted costs in determining whether the Contest will produce net benefits for ratepayers. The Company provides in data request response OCS 1.1 marketing metrics. While these metrics measure online activity, the metrics do not measure benefits derived from the Contest. Since the Company has not set specific targets or outcomes, there is no benchmark upon which to determine either benefits or success of the Contest in accomplishing its basic objective, to generate significant interest in the Company’s DSM programs. A detailed marketing plan would contain these targets and how the company planned on meeting those targets. Any promotion campaign is only as good as the actions taken by the target audience. What are the expectations of DSM participation increases due to the promotion? What are the behavioral changes influenced by the campaign? Can there be measurements of kWh saved directly from the Contest? These and similar questions should have been answered by the Company within its application. The videos themselves do not solely meet these criteria. Ultimately the Company is responsible to show the Contest provides net benefits to ratepayers and has not done so within this application.

January 16, 2018

In addition to lacking a marketing plan for the Contest, the application did not include video submission methodology. The Company provided responses to the Office's data request pertaining to video submissions addressing implementation concerns. This supplemental information is included as an attachment to the Office's memo. The Office notes that this kind of detail is a fundamental component of the program and should be contained within the Company's filing, not obtained only through data requests.

In summary, the application is incomplete. While the Company provided some useful information after the application was submitted, the application still contains substantive information gaps. Without net benefits measures, a detailed marketing plan, judge qualifications, judging criteria and criteria weighting and other procedural rules, the Contest should be postponed.

Recommendations:

The Office recommends that the Commission not approve the implementation at this time. The Office further recommends that the Commission require the Company take the following actions before the Commission considers approval of this Contest:

1. Expressly articulate the net benefits with measurable outcome metrics described in section 7 of the application as mandated in R746-404-3(d) and for Contest evaluation.
2. Provide a complete application including complete Contest rules and a detailed marketing plan with explicitly stated targets/outcomes and measurement methodology.
3. After the Company has supplemented its filing with the information outlined above, the Commission should again request comments and evaluation from parties to ensure that the Contest is an appropriate use of ratepayer funds.

OCS Data Request 1.1

In paragraph 5 and 8, the application discusses that the promotion will "generate significant interest." Paragraph 7 lists potential net ratepayer benefits in general. What are the metrics to determine if you have generated significant interest in the DSM programs resulting from the promotion? Does the Company have outcome targets/goals for this promotion?

RESPONSE TO OCS DATA REQUEST 1.1

The video promotion is a public relations tactic aimed at generating interest and enthusiasm in the wattsmart campaign, thereby driving participation in the company's energy efficiency and demand response programs and increasing general interest in energy efficiency amongst our customers. The promotion is intended to be one of the many marketing mechanisms used by the company to accomplish the objectives of the wattsmart campaign.

While the Company has not set specific targets for this promotion, the following measures will be tracked to assess the level of awareness the campaign generates: the level of media attention the promotion receives to the extent possible; the number of web hits on the promotion's website; the number of entrant video submissions received; and the level social media activity regarding the promotion that is generated to the extent possible.

OCS Data Request 1.2

In the submission process, the Company states that videos will be accepted online. Will there be an alternative method for submitting videos other than online for those who don't have high speed internet access? Is there a prescribed online protocol to ensure the Company receives submissions with potentially large files?

RESPONSE TO OCS DATA REQUEST 1.2

Videos may be submitted through YouTube; the entrant will be instructed to provide a link to their YouTube video in their program application. Alternatively, entrants may submit videos by mailing a copy of the video to the Company on a computer readable format, e.g. DVD, CD or USB flash storage drive.

Video submissions must be at least 30 seconds in length and cannot exceed two minutes in length and must be in a standard video file

format, e.g. .AVI, .MOV, .MPEG4 or .WMV format. Utilization of YouTube and the video length and file type restrictions will ensure the Company receives all entrant submissions.

OCS Data Request 1.3

Will there be a process for awards if a single person wins more than one award or will that person win all the awards? I am thinking of the scenario where a person could win the grand prize and also the peoples' choice award. Would the runner up get the lesser monetary prize?

RESPONSE TO OCS DATA REQUEST 1.3

Prizes are limited to one per entrant. In the event that an entrant's video is awarded the grand prize (or other prize awarded by the Company appointed panel) and receives the most votes by the public, the video receiving the second most votes would be awarded the People's Choice award.

OCS Data Request 1.4

How will the rules of the contest be communicated to the general public?

RESPONSE TO OCS DATA REQUEST 1.4

The rules will be available online on the promotion website and by request.

OCS Data Request 1.5

Will there eligibility rules for those who work for the Company or its DSM affiliates?

RESPONSE TO OCS DATA REQUEST 1.5

The following individuals are not eligible to participate in the promotion: the Company's employees, contractors, agents, directors and officers and those of the Company's subsidiaries, affiliated companies, distributors, Web design, advertising, fulfillment, judging and promotion agencies involved in the administration, development, fulfillment and execution of the promotion and their immediate family members (spouse, parent, child, sibling or "step" of each).