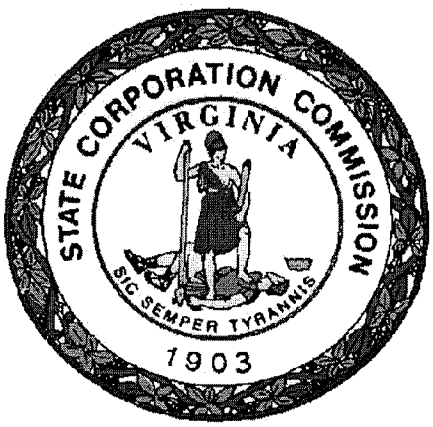
COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION



Consumer Education Plan

December 17, 2008

Pursuant to § 56-592 et seq. of the Code of Virginia

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STATE CORPORATION COMMISSION

December 17, 2008

TO: The Honorable Thomas K. Norment, Jr.
Chairman, Commission on Electric Utility Regulation
and
Members of the Commission on Electric Utility Regulation

The State Corporation Commission is pleased to transmit a Consumer Education Plan for the development and implementation of an electric energy consumer education program for retail customers with information regarding energy conservation, energy efficiency, demand-side management, demand response, and renewable energy pursuant to §§ 56-592 and 56-592.1 of the Code of Virginia. As always, we will gladly provide additional information or assistance upon request.

Respectfully submitted,

Judith Williams Jagdmann
Chairman

Mark C. Christie
Commissioner

James C. Dimitri
Commissioner

c: Ellen Porter, Division of Legislative Services

VIRGINIA ENERGY SENSE
ELECTRICITY CONSERVATION CONSUMER EDUCATION PROGRAM
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EXECUTIVE SUMMARY

Virginia Energy Sense is the Commonwealth's statewide consumer education and outreach program under the guidance of the State Corporation Commission (SCC) to encourage electric energy efficiency and conservation in Virginia households, businesses, and institutions. All Virginians have a part to play in meeting the Commonwealth's established goal of reducing electricity consumption by retail customers by ten percent by the year 2022. ***Virginia Energy Sense*** is a one-stop information source to help guide consumers through specific steps they can take to increase energy efficiency and reduce energy usage to help reduce energy costs.

The General Assembly in 2008 directed the SCC to develop and implement an electric energy consumer education program to provide retail customers with information regarding energy conservation, energy efficiency, demand-side management, demand response, and renewable energy.

Since Virginia's established goal to reduce electricity consumption is long-range, this consumer education plan envisions a program initiated in mid 2009 with a steady buildup of information resources and outreach activities over an anticipated five-year planning period. The ***Virginia Energy Sense*** consumer education program will maintain a flexible structure to ensure that components are adjusted or added to improve consumer awareness and knowledge of energy conservation.

The SCC, drawing on its experience overseeing Virginia's utility industry, is well positioned to educate consumers about these important energy issues. A statewide consumer education program, developed and implemented by the SCC with the advice and assistance of a variety of interested individuals and groups, will help Virginians make more efficient choices about options for conserving energy.

In preparing an energy efficiency and conservation consumer education plan for Virginia, the SCC was fortunate to receive the basic foundation of a statewide awareness program from one of the groups of interested stakeholders that participated in a Commission proceeding in 2007. In that proceeding, the SCC staff received input on cost-effective conservation through fair and effective demand-side management, conservation, energy efficiency, and load management, including consumer education.

Prior to the final printing of this plan, the stakeholder group on consumer education from the 2007 proceeding and other interested individuals reviewed a draft to provide comments on the scope and structure of the proposed consumer education program. The suggestions were helpful, were considered by the SCC, and have improved the overall plan. During the implementation of the consumer education program, interested stakeholders will be invited to participate in an education advisory committee. The SCC will provide regular progress reports on the program to the General Assembly's Commission on Electric Utility Regulation.

Scope of Education

Although there are many consumer education programs offered in the Commonwealth that provide important energy efficiency and conservation messages, there is a need for a comprehensive and innovative statewide electric energy consumer education program to transform the general awareness that exists into widespread consumer action. The SCC recognizes the diverse information needs of the residential, business, and institutional sectors. The ***Virginia Energy Sense*** consumer education program will be designed to present a range of topics so that consumers can carefully weigh their options and make informed decisions about energy products and services. The SCC also recognizes the importance of establishing partnerships with government agencies, utilities, businesses, the media, and community-based organizations. Through a consistent and organized approach to consumer education, the SCC's program will achieve consumer action.

The first priority will be to conduct a benchmark assessment of Virginians regarding energy conservation and efficiency. Market research will be used to establish existing consumer awareness and knowledge, identify unmet needs, and guide the SCC in development of outreach, public relations and advertising initiatives. With the advice and input of stakeholders, the SCC will utilize an effective mix of materials and media designed to impact consumers throughout Virginia. The selective use of print, broadcast and web-based advertising will increase overall awareness. Public relations and grassroots outreach efforts will educate, inform and connect directly with consumers at the local level.

Goals of Education

It is vitally important for ***Virginia Energy Sense*** to deliver information that strengthens awareness of energy efficiency and conservation and motivates consumers to take action to reduce electricity consumption. To support Virginia's efforts to reduce electricity consumption by retail customers by ten percent by the year 2022, the primary objectives of the ***Virginia Energy Sense*** consumer education program are:

1. Enable consumers to make rational and informed choices regarding energy conservation and efficiency, demand-side management, and renewable energy;
2. Increase awareness of cost-effective options for conserving electricity;
3. Help households, businesses, and institutions reduce energy usage and thus costs; and
4. Foster compliance with consumer protection requirements.

Responsibility for Education

Virginians already receive a considerable array of energy conservation messages from the mass media, utilities, the energy services industry, and government agencies. The single most important objective of the SCC's statewide electric energy efficiency and conservation consumer education program is to provide information that is clear, accurate, and objective. Under the direction of the SCC, this effort will provide

Virginians with relevant and easy to understand information on energy efficiency and conservation. It will show consumers how their efforts will pay off by stretching their energy dollars.

Duration of Education

The SCC recommends that a five-year electricity efficiency and conservation consumer education program be initiated by July 1, 2009. The education program will begin with a market research component to gain an understanding of consumer attitudes towards energy conservation. Also in the first year, development of a comprehensive, stand-alone website will begin to educate, inform and connect directly with consumers to promote the more efficient use of electricity. With the help of an advisory committee of interested stakeholders, the SCC will carefully study, evaluate and apply knowledge gained in the early phase of the program to an expanded consumer outreach effort over the five-year planning period.

During the operation of the of the campaign, ongoing market research will guide the SCC about the level of education that may be required beyond the five-year planning period to sustain or improve consumer awareness and knowledge of energy efficiency and conservation to support Virginia's efforts to reduce electricity consumption by retail customers by ten percent by the year 2022.

Projected Cost for Education

The total estimated cost of the five-year education plan for Virginians is $10 million. The SCC has made an effort to determine, through consultation with communications professionals, stakeholders and a review of similar efforts in other states, the most cost-effective means of initiating an education program about electric energy efficiency and conservation taking into account the unique characteristics of Virginia's population.

Funding for Education

The General Assembly directed that the consumer education program be funded by using the special regulatory revenue tax that already exists to fund the regulatory responsibilities of the SCC. It is a funding source that the Commission has existing authority to administer within the limits set by statute.

The current special regulatory tax rate provides adequate funding for the first year of the program. For the remaining years, the SCC will need to increase the rate of the special regulatory tax for this program. This tax is paid by consumers along with other taxes that appear on their monthly utility bills. The projected increase in the tax for the ***Virginia Energy Sense*** program will cost the average residential utility customer approximately 16 cents a month, or an estimated $1.92 per year.

I. Introduction

A. Background

In April 2007, the General Assembly directed the SCC to conduct a proceeding to determine whether a goal of reducing electricity consumption by Virginians by ten percent of the amount of electric energy consumed by retail customers in 2006 can be achieved by the year 2022. The SCC was to identify the types of conservation and efficiency programs that should be implemented to meet the goal, and develop a plan for the implementation of recommended programs. The Commission convened a proceeding (PUE-2007-00049) and directed staff to conduct a wide-ranging review of short-term and long-term strategies for decreasing energy consumption within an era of growing demand for energy.

The SCC staff was assisted in the examination by a large number of stakeholders from consumer and environmental groups, retail customers, utilities, and government agencies who formed five subgroups. The groups analyzed programs for demand-side management, conservation, efficiency, load management, real-time pricing, consumer education, and other ideas that came from the public. Each group produced a report with recommendations for electricity conservation programs that could be deployed in Virginia.

One of the subgroups was specifically tasked to consider how information and consumer education fit with the overall goal of reducing consumption. After several sessions, the subgroup acknowledged that there were many consumer education programs in Virginia that offered important conservation and energy efficiency messages, but concluded that a new core program was urgently needed. In its report, the subgroup stated, "that Virginia needs a centralized, innovative, comprehensive electric energy consumer education program to transform the overall energy efficiency awareness that existing programs already have generated into widespread consumer action that can be tracked, measured, and evaluated." The subgroup recommended the basic structure of a five-year education campaign and offered several key messages for the program.

On December 14, 2007, the Commission submitted a report to the Governor and the General Assembly concluding that the ten percent electric energy consumption goal is attainable. The report further identified alternatives for, and additional questions related to, implementing programs to achieve the goal. Included in the SCC report were the reports and comments of the five subgroups.

During the 2008 session of the General Assembly, the legislature adopted Senate Bill 596 (Chapter 883 of the 2008 Acts of the General Assembly) that included a provision directing the SCC to develop and implement an electric energy consumer education program for retail customers with information regarding energy conservation, energy efficiency, demand-side management, demand response, and renewable energy. In establishing a consumer education program, the SCC is to:

- Take into account the findings and recommendations of the subgroup on Information/Consumer Education that participated in the proceeding in PUE-2007-00049;
- Regularly consult with representatives of consumer organizations, community-based groups, state agencies, utilities, and other interested parties throughout the program's implementation and operation; and
- Provide periodic updates on the program to the General Assembly's Commission on Electric Utility Regulation.

The program is to be funded through the special regulatory revenue tax that exists to fund the regulatory responsibilities of the Commission.

B. Implementation of a Consumer Education Program

The SCC proposes that an electricity efficiency and conservation consumer education program named ***Virginia Energy Sense*** be initiated by July 1, 2009. The SCC recognizes that changing attitudes and behaviors regarding any program or product is complex and takes time. As a result, the education and information program will be continually evaluated and updated during the early stages of the campaign. This review also will guide the SCC about the level of education that may be required to sustain consumer awareness and knowledge of energy efficiency and conservation to support Virginia's efforts to reduce electricity consumption by retail customers by ten percent by the year 2022.

The SCC is well-prepared to develop and implement a statewide electricity energy conservation information and education program. Since the Commission is already charged by the General Assembly with implementing structural changes to the energy industry, it is in a good position to assist consumers.

The SCC's first step in developing a credible electric energy efficiency and conservation consumer education program is the preparation of this plan. The Commission relied on the recommendations and campaign framework produced by the subgroup on Information/Consumer Education that participated in case number PUE-2007-00049. This diverse group of interested stakeholders continued contributing beyond the conclusion of the SCC case by reviewing and commenting on a preliminary draft of this plan. These suggestions were constructive and have enhanced the scope and structure of the plan.

Another important resource was *The Virginia Energy Plan* (VEP) prepared by the Virginia Department of Mines, Minerals and Energy and released by Governor Timothy M. Kaine on September 12, 2007. The purpose of the VEP is to chart a path forward that will provide for reliable energy supplies at reasonable rates and increase the use of conservation and efficiency measures in Virginia. One of the primary goals established for Virginia in the VEP was to expand consumer energy education to overcome barriers to implementing energy-efficiency and conservation actions.

A study entitled *Consumer Education for Energy Efficiency* submitted by the Department of Mines, Minerals and Energy in 2001 to the Virginia Consumer Advisory Board, a subcommittee of the Legislative Transition Task Force (now the Commission on Electric Utility Regulation) provided useful information to the SCC. The study evaluated then-existing energy efficiency educational programs in the Commonwealth and provided a survey of Virginia consumers on attitudes toward energy efficiency. The study concluded that the effectiveness of programs offered in the Commonwealth was rarely tracked and that many regional and national efforts did not seem to reach Virginia consumers. It suggested that low-level programs were more likely to promote awareness only, while high-level programs were more likely to spur actual consumer action.

The SCC reviewed and analyzed the energy efficiency consumer education programs of over two dozen organizations, including state and federal agencies, electric utilities and consumer groups. Although the basic elements of these energy efficiency consumer education programs are generally the same in every organization, the SCC sought to identify specific interests of Virginia consumers in preparing the content of the Commonwealth's consumer education plan.

II. Program Goals

A. Enable Consumers to Make Informed Choices

The ***Virginia Energy Sense*** campaign will build a foundation for public education on electric energy efficiency and conservation in the Commonwealth. *The Virginia Energy Plan* recognizes the importance of education in overcoming a consumer knowledge market barrier to conservation and energy efficiency efforts and recommends the development of an expanded energy education program in the Commonwealth. It states that "With clear knowledge, consumers will be comfortable in taking energy-savings and making energy-savings investments. Changing consumer behavior and creating demand for energy services and products can have the largest impact on our ability to meet our energy goals."

Virginia Energy Sense will focus on the meaningful steps that all Virginians can take to reduce electricity consumption by increasing knowledge of electricity consumption patterns and help consumers better understand information provided on utility bills. A key theme of the campaign will be that energy conservation is about making better decisions in homes and businesses every day. The information and education campaign will show consumers how to identify areas that can be improved, steps they can take to improve them, and where to obtain additional information. ***Virginia Energy Sense*** will ensure that all electricity customers in Virginia have access to the same information, regardless of customer class, geographic location, or utility service provider. The campaign will complement existing utility-based and institutional consumer education programs.

B. Increase Awareness of Options for Conserving Electricity

Virginia Energy Sense will use a tiered approach to present electric energy conservation topics beginning with basic no-cost/low-cost steps that the public can take with little sacrifice. From that introduction, the program will lead consumers to the next step in knowledge by introducing them to moderately-priced conservation measures and energy efficient equipment. At the next level, consumers will find resources on such topics as energy efficient home construction, high performance mechanical systems, and renewable and alternative energy sources.

C. Enable Consumers to Reduce Electricity Consumption

Virginia Energy Sense will educate consumers about how to understand their energy consumption patterns. With energy prices expected to continually increase, the focus must be on reducing electricity consumption so that consumers pay less for energy than they would otherwise pay without conservation measures. The campaign will be designed to motivate consumers to make better energy decisions in the home and in the marketplace. In addition to providing clear and concise information on conservation measures, the program will present facts on a range of related energy topics such as use and availability of renewable energy, understanding changing electric rate structures, demand-side management, and demand response.

D. Foster Compliance with Consumer Protection Requirements

Consumers need to make smart decisions in a changing energy environment. New terms, service options, and technologies are being offered. These changes are likely to come with new challenges. The proposed program will ensure that consumers receive consistent, objective educational information from all communications sources utilized, and make certain consumers can distinguish between information that is educational and information that is promotional.

III. Program Administration

A. SCC's Division of Information Resources

In the program that is offered, the SCC serves as the project administrator and will be advised by interested stakeholders. Within the SCC, the education program will be managed by the Division of Information Resources. To support the SCC in the development and implementation of the program, the Commission will seek solicitations from firms capable of assisting with market research, public relations, web design, grassroots outreach and advertising components of this plan.

In a successful education campaign, adjustments to the program occur as necessary to adapt to consumer attitudes and behavior. The SCC is committed to quickly and efficiently adapt the campaign to indicate market changes. The energy efficiency education plan will be continually evaluated to ensure that funds are being spent in the

most cost-effective manner. The SCC will regularly report on the progress of the campaign to the General Assembly's Commission on Electric Utility Regulation.

B. Education Advisory Committee

The SCC welcomes the involvement of interested stakeholders in the development and implementation of the consumer education program. Members of the subgroup on Information/Consumer Education from the 2007 SCC proceeding along with interested parties will be invited to serve as an Education Advisory Committee that will meet as needed throughout the life of education program. The purpose of the committee is to review SCC energy conservation outreach activities (and those of professional firms hired by the SCC in connection with the program), recommend changes or improvements, and monitor the success of achieving program goals. Commission staff will support the work of the committee.

These consumer education experts will include individual consumers as well as representatives from electric utilities, state agencies, consumer and environmental groups, the energy services industry, and community-based organizations. Many of these individuals have established networks to "reach out" to consumers they currently serve. The SCC can draw valuable advice from their knowledge and experience.

C. Relationship with Other Informational Activities

Virginia Energy Sense will establish partnerships with multiple entities that have important, ongoing roles in Virginia's consumer education process. These will include non-profit organizations and numerous citizen groups to achieve direct contact with diverse audiences. State agencies will play an important role in any successful education program. A sample list of state partners includes the Department of Mines, Minerals and Energy, the Department of Housing and Community Development, the Department of Environmental Quality, the Virginia Cooperative Extension Service, and state university programs. Energy management programs of local governments and school systems can lend support to implementing best management practices. Utility companies and electric cooperatives will be encouraged to continue developing and disseminating consumer education messages to complement the primary statewide messages.

IV. Measuring Success

To assure attainment of awareness and education objectives, the consumer education program will include a comprehensive measurement component to continually monitor the success of the program. After launching the campaign, a statewide benchmark survey is recommended in the first quarter with statewide residential tracking surveys on a bi-annual basis after that. The bi-annual surveys will track measures of success and allow sufficient time to address issues and adjustments that arise during the course of the program.

A. Exploratory Research

The first priority will be to assess the nature and extent of existing consumer knowledge regarding energy conservation, energy efficiency, demand-side management, demand response, and renewable energy. To draft an effective creative strategy for the consumer education program, the exploratory research will develop measures that provide feedback regarding overall awareness, knowledge, and decision making. An important component of the exploratory research will be questions on barriers that consumers encounter when considering conservation measures. Tools such as opinion surveys and focus group sessions will produce research findings that will help the SCC better understand the challenges and opportunities for the consumer education program.

B. Creative Development Research

Once a baseline standard of the existing knowledge base of Virginians has been established, creative development research will be used to guide the advertising/public relations/grassroots initiatives. Testing of the creative concepts for these initiatives will determine what types of messages are likely to prompt action in the residential, business, and institutional sectors. This research will determine which approach best communicates the message.

C. Quantitative Research

Consumer awareness and knowledge must be closely monitored throughout the five-year campaign to be sure the education program is effective. Quantitative research will provide the SCC with an objective, regular and reliable measurement of the program efforts. Results from these surveys will track measures of success and provide opportunities to adjust the program accordingly so that the most cost-effective communications methods are being utilized. Regular studies to measure the program effectiveness will ensure that campaign goals are attained.

V. Program Components

A. Messaging

As stated earlier, ***Virginia Energy Sense*** is more than a general awareness campaign. A growing number of consumers are concerned about conserving resources and support sustainable practices for energy, water and other natural resources. Consumers also want more control over the details of their daily lives. The campaign will position ***Virginia Energy Sense*** as the trustworthy source of knowledge about energy conservation and efficiency, putting consumers in control to make the decision that is right for them. The program will seek partnerships with nationally recognized energy conservation and efficiency programs such as ENERGY STAR.

B. Interactive Approach

It is important for Virginians to participate in a dialogue about conserving resources. The ***Virginia Energy Sense*** campaign will establish a setting for exchanging ideas and information about sustainable practices and proven steps to help cut down on wasting energy. The SCC's consumer education program will utilize grassroots outreach, technology and media resources to support this conservation dialogue. The Internet and other high technology tools also will be useful in bringing relevant information to a variety of population segments. The ***Virginia Energy Sense*** website will be an important centerpiece of the consumer education program. Web-based communication can offer content on multiple topics and self-paced material with different levels of detail. ***Virginia Energy Sense*** will conduct a thorough review and evaluation of essential interactive components to ensure they support the goals of the education campaign, complement other elements of the campaign, and meet the needs of consumers.

C. Residential Customers

The residential sector accounts for about 40 percent of the electricity consumed in Virginia. ***Virginia Energy Sense*** will focus on helping households identify immediate and cost-effective actions they can take to reduce electric energy consumption in the home. This is the one place where they have the most control and where simple activities and applications can have the greatest impact. In an era of steadily rising energy costs, consumers must understand the costs to them of <u>not</u> conserving. Information will be developed that emphasizes the best option for reducing energy costs is energy conservation.

D. Commercial and Industrial Customers

The commercial and industrial sectors account for about 30 percent and 20 percent respectively of the electric energy consumed in Virginia. Information about energy efficiency and conservation measures potentially could result in substantial electric energy savings in this sector. For smaller commercial operations, information will be developed that outlines specific simple steps that can be taken or programs that can be used to save energy, as well as the expected return or payback time. For larger commercial and industrial operations, the program will leverage existing communications sources for information on conservation best practices, savings through upgraded facilities, utility company programs, and other energy services. The program will seek partnerships with Virginia colleges and universities offering industrial assessment centers that use faculty and graduate students to conduct energy surveys, assessments and audits.

E. Institutional Customers

Schools and government facilities account for about ten percent of the electric energy consumed in Virginia. These institutional customers can have an important impact in the Commonwealth by showing consumers changes they are making to reduce energy

consumption. ***Virginia Energy Sense*** will highlight energy efficiency success stories in Virginia communities.

F. Potential Communications Tools

1. Website

A comprehensive, stand-alone website will be designed in the first phase of the ***Virginia Energy Sense*** campaign for assuring the widespread availability of energy efficiency and conservation information for the residential, business, and institutional sectors. Education materials, including "how-to" tip sheets and frequently asked questions, will be customized for individual target audiences. Interactive sources and video clips will help improve the clarity of information on energy savings tips as well as the implementation of new technologies. The site will feature a comprehensive glossary of terms. Another feature that will make the site useful to consumers will be links to energy-related issues at the SCC, energy education websites for federal and state agencies, electric utilities, community-based organizations, renewable energy websites, and other energy services and products. Consumers will be able to sign up for an electronic newsletter on energy conservation topics, submit questions or request materials.

2. Information Line

Not all consumers have the interest or the opportunity to use the Internet to conduct research on energy efficiency and conservation. They may wish to call an information line to get answers to their questions. A toll-free number (1-877-937-2004) already maintained by the SCC can be established for residential and business customers to call with questions about energy efficiency and conservation or request materials. During the early phases of the campaign, the toll-free information line will be directed to the SCC offices while the need for a separate call center/service is evaluated.

As the awareness and advertising components of the campaign are implemented, the number and complexity of the calls to the information line may increase. The SCC will assess the future need for a separate call center/service that also can serve as the distribution point for informational materials.

3. Informational Materials

Virginia Energy Sense will develop high quality information materials that will help raise awareness of energy efficiency, load management and conservation initiatives occurring in Virginia. There is a variety of good information already available from government sources and national organizations that can be tailored for the specific needs of Virginians. The program will develop a variety of easy-read consumer guides, brochures, bill inserts, energy-saving tip sheets, and other educational materials that will prominently display the ***Virginia Energy Sense*** logo, website and toll-free information line so that consumers know where they can get more information. Partnerships will be

encouraged to adapt ***Virginia Energy Sense*** consumer information materials to meet the unique needs of various population segments. Materials may be translated into multiple languages or made available in alternative formats for people who are visually or hearing impaired. Information materials will be shared with utilities, consumer groups and government agencies for distribution at energy conservation-related presentations and events.

4. Advertising/Sponsorships/Partnerships

The key objective of the ***Virginia Energy Sense*** advertising campaign will be a call to action for consumers to reduce energy consumption. Advertisements can increase broad awareness among target audiences statewide, create interest and a sense of importance in the minds of consumers to learn more about energy efficiency and conservation. Advertising messages can build website visits as well as support and complement public relations and community outreach efforts designed to educate households, businesses and institutions. Advertising strategies will include a combination of broad reach media and locally focused media outlets to enhance awareness among general audiences and transform that awareness into widespread consumer action. The campaign will utilize a combination of traditional media (radio, TV, print, etc.) and new media ("online," interactive, social, etc.).

5. Media/Public Relations

Public relations activities supporting ***Virginia Energy Sense*** will be designed to complement the advertising and community outreach components of the campaign. News media coverage is valuable in expanding understanding among energy consumers. ***Virginia Energy Sense*** will seek out numerous opportunities for positive media coverage through events, media information kits, media briefings, interviews, editorial board meetings, release of consumer awareness surveys, and other methods. The campaign will reach consumers through major media outlets, local and specialized publications, and online media.

Because of the rich diversity in Virginia, a regional approach to public relations activities is planned. Public service announcements on local radio, TV and cable outlets will be considered to complement paid advertising and news coverage. Exhibits and information booths will be designed to participate and deliver information at public events such as energy fairs, energy workshops, county fairs, and the State Fair of Virginia. Depending on the success of the education program, the SCC may need to modify its approach, target specific audiences or regions, or revise its messages. The campaign will be flexible to allow for modifications as needs and developments change.

6. Community Outreach

The traditional and new media will go a long way toward raising the awareness of citizens throughout the Commonwealth and educating them about energy conservation. But communicating with hard-to-reach populations will require the involvement of

consumer groups, community-based organizations, and government agencies. Community outreach organizations will play key roles in the consumer education program as a means to distribute oral and written educational information directly to hard-to-reach populations through established distribution mechanisms. ***Virginia Energy Sense*** will identify and enlist these strategic allies to reach groups including the low-income, elderly, non-English speaking, rural, and hearing and visually impaired. The campaign will produce web pages, newsletter copy and other materials that promote general awareness through their websites and publications.

7. Energy Education in Schools

Virginia Energy Sense can have an important role in the enhancement of energy education courses for school-aged children in Virginia. The school-age audience is a valuable conduit for energy conservation and efficiency information to parents. Through partnerships and support of programs such as the National Energy Education Development (NEED) Project, ***Virginia Energy Sense*** has the opportunity for long-term success in changing electric energy consumers' behavior.

VI. Illustrative Budget

An effective program designed to change behavior requires several costly components. The illustrative budget proposed for the early phases for the ***Virginia Energy Sense*** campaign takes into account that it is clear that there already is an understanding among consumers of the importance of reducing energy consumption. In the early stages of the ***Virginia Energy Sense*** campaign, the emphasis does not have to be on the more expensive components of a campaign such as high intensity awareness advertising. ***Virginia Energy Sense*** will be a more concentrated effort with significant resources devoted to the "face-to-face" initiatives such as grassroots outreach, information sharing, and an interactive website. As the program develops, ***Virginia Energy Sense*** will consider an advertising and marketing strategy that carefully targets resources to reach a more diverse audience.

The General Assembly directed that the electric energy efficiency and conservation consumer education program be funded by using the special regulatory revenue tax that already exists to fund the regulatory responsibilities of the SCC. It is a funding source that the Commission has existing authority to administer.

In developing an energy conservation consumer education program, the SCC recognizes the current economic conditions in the Commonwealth and the energy cost increases being experienced by consumers. The General Assembly directed that the consumer education program be funded by using the special regulatory revenue tax that already exists to fund the regulatory responsibilities of the SCC. It is a funding source that the Commission has existing authority to administer within the limits set by statute. The current special regulatory tax rate provides adequate funding for the first year of the program. For the remaining years, the SCC will need to increase the rate of the special regulatory tax for this program. This tax is paid by consumers along with other taxes that

appear on their monthly utility bills. The projected increase in the tax for the ***Virginia Energy Sense*** program will cost the average residential utility customer approximately 16 cents a month, or an estimated $1.92 per year.

The total estimated cost for the first five years of the recommended ***Virginia Energy Sense*** consumer education campaign is $10 million. Actual dollar amounts may differ as statutory, regulatory and utility industry conditions warrant.

Illustrative Budget Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Research	$180,000	$150,000	$135,000	$100,000	$70,000	$635,000
Info. Materials	$100,000	$100,000	$100,000	$100,000	$50,000	$450,000
Grassroots	$100,000	$200,000	$200,000	$200,000	$100,000	$800,000
Public Relations	$100,000	$125,000	$100,000	$100,000	$100,000	$525,000
Website	$200,000	$150,000	$50,000	$50,000	$50,000	$500,000
Advertising	$0	$450,000	$1,800,000	$1,500,000	$450,000	$4,200,000
Ad. Production	$150,000	$225,000	$400,000	$335,000	$100,000	$1,210,000
Agency Fees	$134,000	$219,000	$426,000	$501,000	$147,000	$1,427,000
Misc. Expenses	$50,000	$65,000	$60,000	$60,000	$60,000	$295,000
TOTALS	$1,014,000	$1,684,000	$3,271,000	$2,946,000	$1,127,000	$10,042,000

Appendix A.

§ 56-592. Consumer education and marketing practices.

A. The Commission shall develop an electric energy consumer education program designed to provide the following information to retail customers:

1. Information regarding energy conservation, energy efficiency, demand-side management, demand response, and renewable energy;

2. Information concerning demand-side management and demand response programs offered in the Commonwealth to retail customers;

3. Information regarding the matters described in subdivisions 1 and 2 that are specifically designed for the industrial, commercial, residential, and government sectors; and

4. Such other information as the Commission may deem necessary and appropriate in the public interest.

B. The Commission shall complete the development of the consumer education program described in subsection A, and report its findings and recommendations to the Commission on Electric Utility Regulation as frequently as may be required by such Commission concerning:

1. The scope of such recommended program consistent with the requirements of subsection A;

2. Materials and media required to effectuate any such program;

3. State agency and nongovernmental entity participation;

4. Program duration;

5. Funding requirements and mechanisms for any such program; and

6. Such other findings and recommendations the Commission deems appropriate in the public interest.

C. The Commission shall develop regulations governing marketing practices by public service companies, licensed suppliers, aggregators or any other providers of services made competitive by this chapter, including regulations to prevent unauthorized switching of suppliers, unauthorized charges, and improper solicitation activities. The Commission shall also establish standards for marketing information to be furnished by

licensed suppliers, aggregators or any other providers of services made competitive by this chapter, which information shall include standards concerning:

1. Pricing and other key contract terms and conditions;

2. To the extent feasible, fuel mix and emissions data on at least an annualized basis;

3. Customer's rights of cancellation following execution of any contract;

4. Toll-free telephone number for customer assistance; and

5. Such other and further marketing information as the Commission may deem necessary and appropriate in the public interest.

D. The Commission shall also establish standards for billing information to be furnished by public service companies, suppliers, aggregators or any other providers of services made competitive by this chapter. Such billing information standards shall require that billing formation:

1. Distinguishes between charges for regulated services and unregulated services;

2. Is presented in a format that complies with standards to be established by the Commission;

3. Discloses, to the extent feasible, fuel mix and emissions data on at least an annualized basis; and

4. Includes such other billing information as the Commission deems necessary and appropriate in the public interest.

E. The Commission shall establish or maintain a complaint bureau for the purpose of receiving, reviewing and investigating complaints by retail customers against public service companies, licensed suppliers, aggregators and other providers of any services made competitive under this chapter. Upon the request of any interested person or the Attorney General, or upon its own motion, the Commission shall be authorized to inquire into possible violations of this chapter and to enjoin or punish any violations thereof pursuant to its authority under this chapter, this title, and under Title 12.1. The Attorney General shall have a right to participate in such proceedings consistent with the Commission's Rules of Practice and Procedure.

F. The Commission shall establish reasonable limits on customer security deposits required by public service companies, suppliers, aggregators or any other persons providing competitive services pursuant to this chapter.

(1999, c. 411; 2003, c. 885; 2008, c. 883.)

§ 56-592.1. Consumer education program; scope and funding.

A. The Commission shall establish and implement the consumer education program developed pursuant to subsection A of § 56-592. In establishing such a program, the Commission shall take into account the findings and recommendations of the subgroup on Information/Consumer Education that was established in conjunction with the Commission's proceeding in Case PUE-2007-00049, that implemented the third enactment of Chapters 888 and 933 of the Acts of Assembly of 2007.

B. The program shall be designed to (i) enable consumers to make rational and informed choices about the matters described in subsection A of § 56-592, including but not limited to demand side management, energy conservation, and energy efficiency, (ii) help consumers reduce transaction costs in making decisions regarding such matters, and (iii) foster compliance with the consumer protection provisions of this chapter.

C. The Commission shall regularly consult with representatives of consumer organizations, community-based groups, state agencies, incumbent utilities, and other interested parties throughout the program's implementation and operation.

D. Pursuant to the provisions of § 30-205, the Commission shall provide periodic updates to the Commission on Electric Utility Regulation concerning the program's implementation and operation.

E. The Commission shall fund the establishment and operation of such consumer education program through the special regulatory revenue tax currently authorized by § 58.1-2660 and the special regulatory tax authorized by Chapter 29 (§ 58.1-2900 et seq.) of Title 58.1.

(2000, c. 991; 2003, c. 885; 2008, c. 883.)

Appendix B.

This report incorporated the comments and recommendations of the following stakeholders:

Billy Weitzenfeld (Association of Energy Conservation Professionals)
Barbara Kessinger (Horizon Energy Associates, LLC)
Jim Feeney (Horizon Energy Associates, LLC)
Tom Jewell (Dominion Virginia Power)
Courtney Koogler (Dominion Virginia Power)
Jack Greenhalgh (New Era Energy)
Mitch Diamond (Consumer)
Matt Roussy (Office of the Attorney General of Virginia, Division of Consumer Counsel)
Victoria Racine (Consumer)
Steven Bruckner (Sierra Club)
Susan Rubin (Electric Cooperatives of Virginia & ODEC)
Rhonda Curtis (Rappahannock Electric Cooperative)
Gerald McCarthy (Virginia Environmental Endowment)
Barbara Simcoe (Virginia Department of Mines, Minerals and Energy)
Steve Walz (Office of the Governor of Virginia)
Robert Marmet (Piedmont Environmental Council)
Rachel Bullene (Virginia Department of Environmental Quality)
John Shepelwich (Appalachian Power)
Annette Osso (Virginia Sustainable Building Network)
Irene Leech (Virginia Tech)
Julie Crenshaw Van Fleet (Consumer)
Ann Regn (DEQ Office of Environmental Education)
Skip Stiles (Wetlands Watch)