CONSUMER ENGAGEMENT WORKSHOP

Ronald Reagan Building, Washington, D.C.
July 9, 2013

Seventy-five experts from utilities, technology and consulting companies, commissions, and trade groups gathered to discuss best practices and suggest opportunities for making energy use more meaningful to consumers. Organized by To the Point and sponsored by IEEE Power and Energy Society, the workshop opened the 2013 Association for Demand Response and Smart Grid National Town Meeting.

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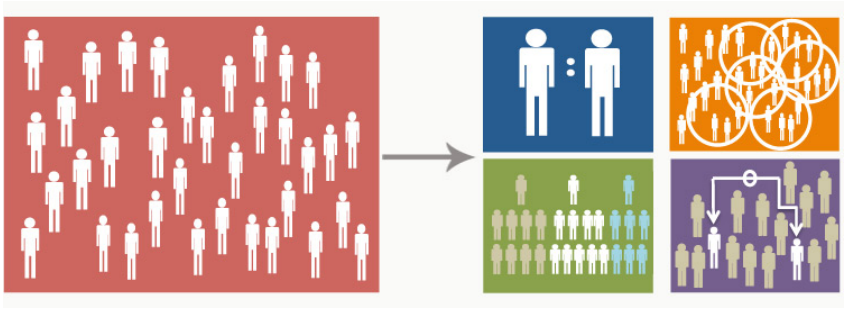

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Summary of the afternoon

An overarching theme was the importance of supportive executive leadership at utility organizations and among commissions with a shared vision for the future. This is a common guiding principle among those regions and companies where innovative change is occurring. Those who adopt these evolving practices are seeing measurable results and high levels of customer satisfaction.

Throughout the day, effective approaches to customer engagement were illustrated by the Griddie Award finalists for the conversations category. To see the videos and winners in all categories, please visit: www.demandresponsesmartgrid.org/call-for-creative

Judith Schwartz of To the Point opened the workshop by describing a path from commodity-centric mass communications to multi-channel targeted outreach that supports personalized, segmented and partner marketing, viral and social marketing, and leverages big data and analytics for micro-targeting.

Eric Lightner, Director, Federal Smart Grid Task Force, U.S. Department of Energy announced the publication of the DOE *Voices of Experience Guide.* The report defines customer engagement as "communications and interactions between the utility and the people it serves with the goal of building trust, respect, and optimal energy usage for each customer." Download the guide from www.smartgrid.gov/voices

In a presentation and group exercise, Sally Madsen of the design firm IDEO spoke about its approach to human-centered design thinking that builds on three key concepts: **empathy, prototyping, and understanding systems.** For more information about IDEO's methodology, please visit www.ideo.com.

Throughout the afternoon, the theme of **empathy** was reflected in the emphasis on listening to customers, developing meaningful segmentation, and addressing varied concerns that people bring to their attitudes about energy and resource use.

Expert panelists and audience members agreed that utilities can and should do more to emotionally understand the people they serve. Focus groups and surveys are critical research vehicles that are made more valuable when complemented by other interactive methodologies and approaches that enhance two-way communication, inspire public participation, and encourage development of mutual trust.

Participants discussed the differences and similarities between pilots and more rapid **prototype** development and testing methods. They identified ways to design portfolios of options in programs, pricing, tools and interfaces to meet the needs of different customer segments and to reflect individual preferences.

Systems were discussed in the context of advances in Smart Grid technology, the information and enterprise systems that are part of grid modernization, as well as in terms of **human ecosystems** of customers, communities, and stakeholders. To achieve the desired transformation in customer relationships will require the regulatory process overseeing the industry to also evolve and provide directives, funding, and incentives. The interactive best practices that are proving so effective may be described collectively as **Constructive Engagement.**

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Highlights from Innovation Panel on Constructive Engagement

Laney Brown Director of Smart Grid Planning and Programs, Central Maine Power, Iberdrola USA	*Two-way communications from a meter is exactly what's happening with customers. We had to re-engage our customer service reps to think about having a dialogue and listening to our customers. We asked them to be as creative as possible in addressing any issues that came along, and gave them the authority to address customer questions. That attitude expanded through our entire program. When we used to give customers concessions, we called it a compromise. That's not how we think about it anymore.*
Barbara Leary Smart Grid Customer Education Manager, Florida Power & Light	*When we do our annual storm drill, which is a weeklong event, it culminates in a full day at the command center. We bring in officials from local emergency management organizations and reporters and give them tours and presentations. This year we held a separate event for meteorologists to talk about how we can collaborate during storms to improve predictions and restorations for our customers.*
Risa Baron External Affairs Outreach Manager, San Diego Gas & Electric	*During our smart meter deployment, it came to us pretty early on that we needed partners. We went to the local environmental community and asked if they would be interested in working with us to educate the community about some of the issues around smart meter and the conservation benefits that will come with the new tools. We got them excited about energy literacy and initially we partnered with 15 of them. We did training, education, explained to them what a kilowatt hour was and how our tiered rate structure works. We learned from them too. It changed the way we work with stakeholders, trusting our partners to get the message out in their own words. This program is moving forward and now we have about 100 organizations. We've also reached out to social service organizations, so we can connect with them about our customer assistance programs, educate them on energy issues, and embrace that two-way conversation.*
Rita Moran Manager Alliance & Vendor Strategy, National Grid	*The company decided to take a chance and engage with more stakeholders, not only in the local community where we were hoping to do a pilot installation of Smart Grid technology, but also with elected officials, regulators, and the attorney general's office. We recognized that Smart Grid wouldn't galvanize the community. We needed to look at and respond to the community's priorities. In September of 2011, we invited 300 people to co-create what Worcester would look like in the future if it were the green energy leader of the Commonwealth of Massachusetts. We have committed to supporting a post-summit Green2Growth council, which continues to engage local stakeholders so there's awareness of what's going on. Some of the initiatives generated at the summit aren't necessarily energy-related, yet all of those continue to have visibility and are taking hold.*
Steve Sunderhauf Manager of Program Evaluation, Pepco Holdings, Inc.	*What we find is that it's really how neighbors communicate with one another that motivates behavior change. Because it's not so much what we [the utility] tell you [the customer]. It's what your neighbor tells you that you find much more believable. We can put all kinds of messaging out there, but until some of your neighbors say, 'hey, this is a great idea,' then maybe you'll take action. That's particularly true of dynamic pricing and other programs that we offer.*
Lisa Magnuson Senior Director, Brand and Consumer Programs, Silver Spring Networks	*You can build a sense of community, integrate different groups of participants, and bring them into the conversation. The messenger can be as important as the message, and one-to-one conversations are extremely effective. We created a variety of tools to help others in the industry educate their constituencies. People are sharing the information. They're talking about it. What this really shows us as an industry is that if you can talk to consumers where they are— including using social media— in ways that are understandable to them and engaging, they will listen. They will start educating themselves and their friends and family.*

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We posed the following question to our nine breakout discussion teams:

What needs to change if constructive engagement practices are to gain widespread acceptance?

As the table below shows, while the groups came up with varied ideas, the shading suggests some definite trends in the participants' observations and recommendations:

- Utilities need to change the way they interact with consumers;
- Regulators must play a critical role in providing direction, incentives, and funding to make it happen;
- Organizations need to formally learn how to take a different, more customer-centric approach.

CHANGES NEEDED	1	2	3	4	5	6	7	8	9
Utility culture/mindset: we need more listening, fewer silos, less complacency	•	•	•	•	•	•	•	•	•
Education, engagement, 2-way communications that empowers consumers	•	•	•	•	•	•	•	•	
Regulatory mandates that evolve, see benefits, act with a sense of urgency, align financial incentives with consumer engagement, metrics that matter to consumer engagement, DR, EE	•	•	•			•	•	•	•
Consumers' mindset towards utility, can we listen and build trust?	•	•	•	•		•	•		
Understand more about customers: empathy, segmentation, value props				•	•	•		•	
Customer as part of *decision making* (beyond reliability) to drive change						•	•	•	
Systematic education for employees					•		•	•	
Collaborate more with 3rd party partners	•	•							
Education about technology that reduces outages and provides benefits	•	•							
Decoupling ("kilowatt pumping" – energy services) over guaranteed return on capital business model	•							•	
Shared (utility, regulators, advocates) vision with sufficient budget			•	•					
Beyond pilots – engagement must become total culture ('Burn the Boats')			•		•				
Old school thinking (utility paternalism enabled by stakeholders)				•					
Barriers to access, balancing access with privacy				•					
Opportunity for savings through better use of data and customer support						•			
Showcase customer success stories							•		
Look at what is happening in other industries to be faster to adopt new approaches, involve experts beyond our core competencies, cutting edge vs. bleeding edge							•		
Utility leadership lacking when internal chaos or mergers close plants								•	
Adopt forward thinking (rather than historical) perspective, like Apple who created something that did not exist, embrace utility diversity								•	

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Highlights from Innovation Panel on Product and Program Design

Justin Segall
Founder and EVP,
Simple Energy

One of our early behavioral science mentors is the Duke professor Dan Ariely. He told us to "stop trying to get people to care about saving energy. Instead, focus on getting them to ACT AS IF they cared." We ask how do we give customers value out of Smart Grid or energy data, whatever it is that we have – back to understanding what do they actually value. They don't value smart meter data, or their energy data. They may not value energy at all. But they may value their community or their school or themselves or their self-worth, or they just want to win an iPad. Framing these things in terms of things that people actually care about and using a nomenclature and language that resonates with people, not about all the stuff that we're doing, but that it's something that they actually get and they care about, then they see the value right away.

Steve Lawrence
Energy Efficiency
Program Manager,
Georgia Power

A lot of new innovations that we come out with were implemented because either the consumers came – and generally it's small group of outliers that come up with the neat little ideas that they're able to get a very good audience with – or we have a lot of things that will come through our public service commission. It's the folks who are on cutting edge and the innovators who come to you with ideas. This helps us to understand the need for new applications such as our rate advisor tool.
www.georgiapower.com/pricing/residential/rates.cshtml

Lisa Wood
Executive Director,
Institute for Electric
Efficiency

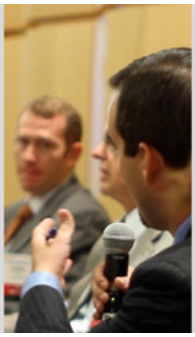
Think of segmentation as a matrix of customers, and then rows and columns, of customers, products, or services. And the products might be rates, but they might be other things too. Some customers might just want budget billing. Or they just might want to know where they are on day 10 of the month in terms of their usage and their bill. We also shouldn't minimize the value of outage detection and outage restoration. From a customer point of view, when you're in an outage situation and all of a sudden, the utility knows you're out and they can give you some information and the crews can be deployed to the right locations, those are huge day-one benefits from smart meters.

Wesley Brinkmeyer
Manager of Energy
Programs,
Bluebonnet Electric
Cooperative

We leveraged our smart meter technology, and provided a portal to our members to allow them to see their usage, set up notifications when they reached a certain point, as well as interact with their electricity usage and see what that means. We then turned that into a mobile app. We've now moved to this new phase to support members who want to have solar panels. We know that there's a perception that the utility doesn't encourage that. So we built a green model home using solar, wind, and all these different devices. We purchased all the products locally. We also have a commercial structure where we use solar and wind. We help educate solar installers, appraisers, inspectors, and homebuilders because we understand that those service providers are going to be educating our members.

Chris King
Global Chief
Regulatory Officer,
Siemens Smart Grid

What would be the ideal pricing portfolio, and what consumers really want is one that can fully empower them. I see it as a consumer empowerment triad. They need information about what they're doing and the effects of what they do. They need pricing that will give them benefits from making changes, and then hopefully they can automate their response. A key step is awareness. Time-of-use rates are available in a lot of places. In Arizona, the two major utilities have voluntary opt-in rates. But the awareness there comes when the customer calls for service, unlike most utilities where they're just put on the rate. The rep explains 'this is how they each work. Which one might be better for you based on your situation?' About 35 to 50% of customers have opted in over the last 20 years.



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Design exercise

Prototype ideas for sustainability education

How can we engage customers to learn from each other?

Rural service territory

Focus on kids

- Energymobile
- Energy buddy program
- Summer or afterschool program
- Physical play, bike ride, playground
- Gaming, make it fun
- Parent/child energy dance party
- Music, rap video
- Invention contest
- Kids' TV show, superheroes
- Reading program at library
- Costumes, energy parade
- 4H, grow things
- Sports teams
- Light police
- Block party, adopt a block
- Town meetings
- Local weatherman
- Gathering place in community center
- Energy scout program/merit badge →
- 12-step program for energy hogs

Small urban, distinct towns

Focus on getting neighbors to share

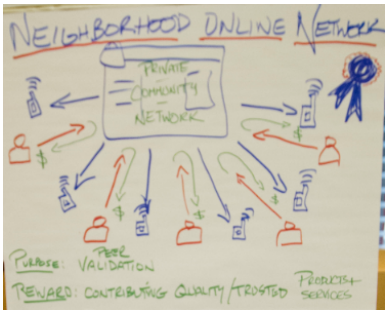
- Incentivize sharing
- Avon or Mary Kay approach (no stigma)
- Tupperware party for solar or EE demo
- 3rd party EE audit
- Count number of chargers in house
- Solar array to fuel chargers in neighborhood
- Why did he do that? Do I want to do that?
- Broadcast blog locally based
- Neighborhood energy concierge
- $$$ EE purchase financing
- Handyman for energy upgrades
- Neighborhood online network →

Badge designed by Momentum Worldwide

Large urban center and suburbs

Neighborhood benchmarks/case studies

- Leverage community organizations
- Total energy comparison, community-based twitter accounts
- Energy density map
- Mobile apps
- Playground energy generators
- Energy plan dates—singalong, social media, skywriting
- Push mover races



How can we attract people to visit?

- Free
- Leverage an existing central local attraction for sustainability hub
- Field trip for K-6, 7-12 students
- Complement with class room curriculum
- EV Center Rides (hands-on generators) How hard is it to light a bulb?
- Traveling exhibit and fund the bus
- Promote at community events
- Solar decathelon rotation
- Public facility competition
- Town competitions, promote in local media
- Specialized focus on seniors to show what you can do with resources available
- Energy demerits against allowance for kids

- Free room for social events
- Host meetings of community groups
- Park at county fair
- Pick up used CFLs, recycle bins
- Recycle center drop off
- Mobile demo truck visits schools
- Mobile visitor center or permanent site or virtual demo centers
- Partner presentations (Comcast, Nest, Time Warners)
- Farmers' market and local gardens
- Contests, local celebrities
- Minor league baseball, little league sponsor, high school football games
- Networking, happy hour, social events for business professionals
- Child idea of the week
- Learning day (geothermal, solar, wind)
- Daycare/kids care
- Poster at YWCA
- Engage community organizations
- Multiple booths where people gather
- Field trips, at mall before back to school

- Customer segmentation: high tech, enviro, saver, don't care
- KISS, easy
- Need: flexibility
  Challenge: energy bill secondary priority
- Desire: automation, low effort
- 3-D hologram projection of Steve Jobs
- Touch museum, cool factor
- A/B visual testing
- Pats on the back for accomplishments
- Kids using more energy for computers

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Twelve key principles for effective customer engagement

1. The executive team (or a powerful executive sponsor) is authentically committed to effective customer engagement. Even the most dedicated and knowledgeable managers, directors, and VPs cannot make the necessary adjustments to an established paradigm without leadership support and "tone from the top."

2. Leadership means providing adequate resources to the teams and programs executing a clear vision. Ideally, that long-term vision is shared with local regulators or oversight boards. Outreach efforts that include Commissioners and staff makes that synergy much more likely.

3. Interactive exchanges where all stakeholders and customers see the utility is listening to them become part of the company's DNA. Focus groups and surveys, while valuable and critical, are not a substitute for shared, empathic, and inspiring experiences that occur on a frequent basis.

4. Customers (and stakeholders) will be more likely to support a goal, vision, program or investment if they feel like they have had input into and ownership of its design.

5. There are a number of co-design or human-centered design methodologies that have proven to be effective in many industries. Innovation will only occur if the utility and regulators are willing to try new approaches.

6. Community partners make a tremendous difference and are worth the time, effort, and investment to cultivate long-term relationships. Building trust and collaborative communication efforts require a transparent and two-way process. The approach is also effective with local officials, press, and media.

7. Executing on the deeper meaning of the brand promise to meet and exceed customer expectations is more valued by the public than strict adherence to branding style guidelines. Empowering educated partners to personalize messaging and graphics for their constituencies yields greater positive payback for the utility than tight controls.

8. A simple portfolio of options with easy-to-use self-selection tools in customer-centric language allows people of all motivational perspectives to choose the best programs, payment plans, and pricing models for themselves.

9. Many people want help figuring out the best option for their situation. Proactive customer support staff, empowered field personnel, independent energy "coaches" or "personal energy trainers" are all good choices for 1:1 interactions. Conversations are an effective way to overcome fears induced by misinformation or to identify people who would be better served by receiving their bills without additional helpful suggestions.

10. Communicate with customers where people already gather. This applies whether one is talking about social media, community events, common interest groups, or membership organizations.

11. People will adopt behavior changes or invest in automation because those actions serve THEIR priorities, not the utilities.' This might be to help the planet, keep overall costs down, improve energy independence, or reduce their own bill. Friends, families, and neighbors who share their values will have significant influence.

12. Encourage children and youth to be part of the solution. Young people can influence the adults in their lives to be better stewards of the planet, conserve resources, and be more conscious consumers.

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About To the Point

Judith Schwartz is an entrepreneur, marketing strategist, and communications professional on the forefront of sustainability issues, the Smart Grid, alternative energy, and the digital home. She operates at the nexus of policy, technology, and communications.

Her Silicon Valley-based firm, To the Point, designs human-centered strategies, conducts research and meta-analysis, creates narratives and messaging, facilitates cross-stakeholder conversations, and develops innovative communications and outreach prototypes.

This workshop illustrates To the Point's ability to bring together leading thinkers and experts, ask subtle and provocative questions to draw out actionable insights, and encourage participants to find common ground and solve challenging issues facing the energy sector.

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The workshop was sponsored by the IEEE Power and Energy Society. IEEE PES is a worldwide, non-profit association of more than 29,000 individuals engaged in the electric power energy industry. Its mission is to be the leading provider of scientific information on electric power and energy for the betterment of society. As a professional development society, it recognizes the value of "systems thinking." To realize the full value of the technology its member engineers are designing, active participation by consumers must be an integral part of the process. For more information about **constructive engagement**, please visit http://smartgrid.ieee.org/constructive-engagement-toolkit

National Town Meeting

The Association for Demand Response and Smart Grid is known for its annual National Town Meeting on Demand Response and Smart Grid™ (NTM). The event is recognized as the premier event focused on business and policy aspects of demand response and the smart grid technologies and practices that enable it.

The organizers wish to thank Chuck Birdie of To the Point, Ryan Hughes of Sliderule Pictures, Brian Willis of TigerComm LLC, and Molly Bartkowski of Simply Vintage Event Management and her entire team for making this workshop such a great experience.

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