

# Members Meeting & FALL WORKSHOP 2022

Oct. 25-26 | St. Louis

Hosted by Ameren Missouri  
and Ameren Illinois



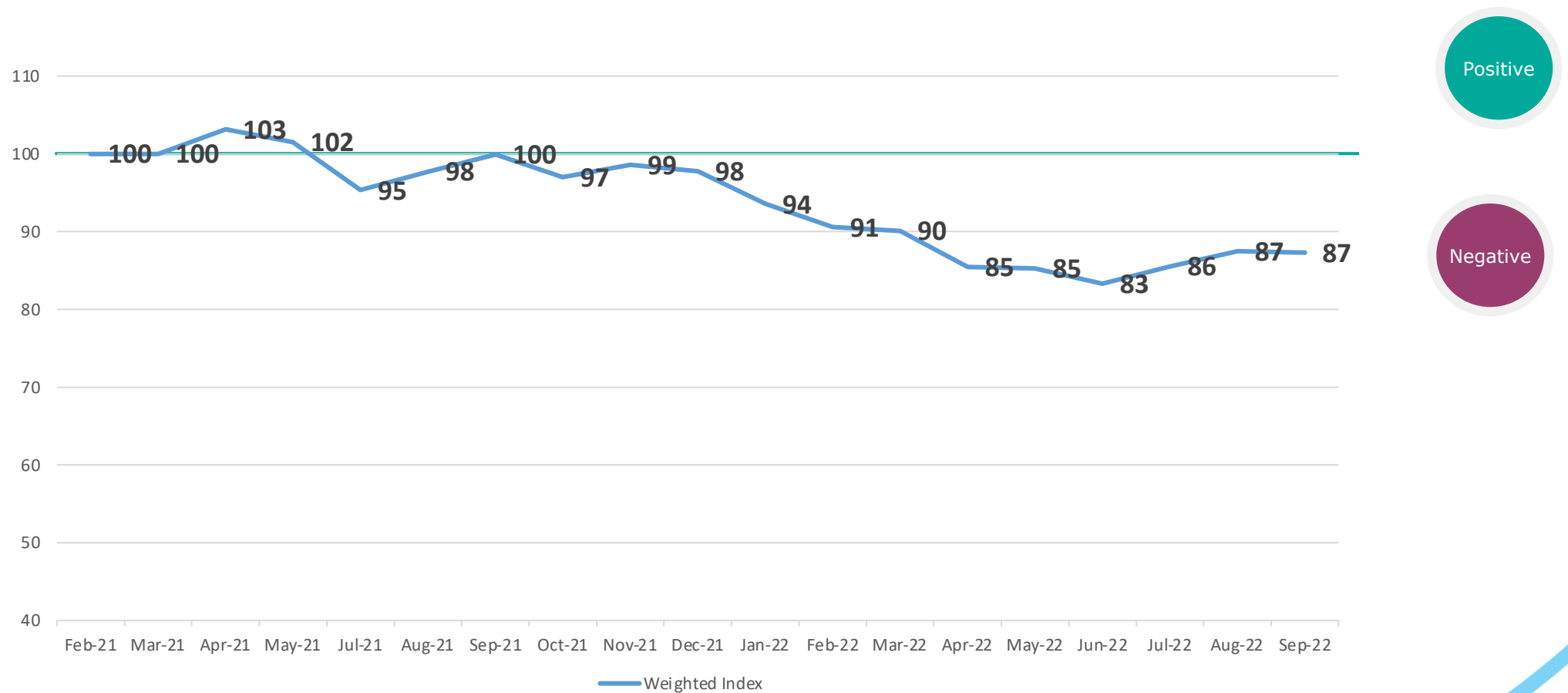
**SMART ENERGY**  
CONSUMER COLLABORATIVE



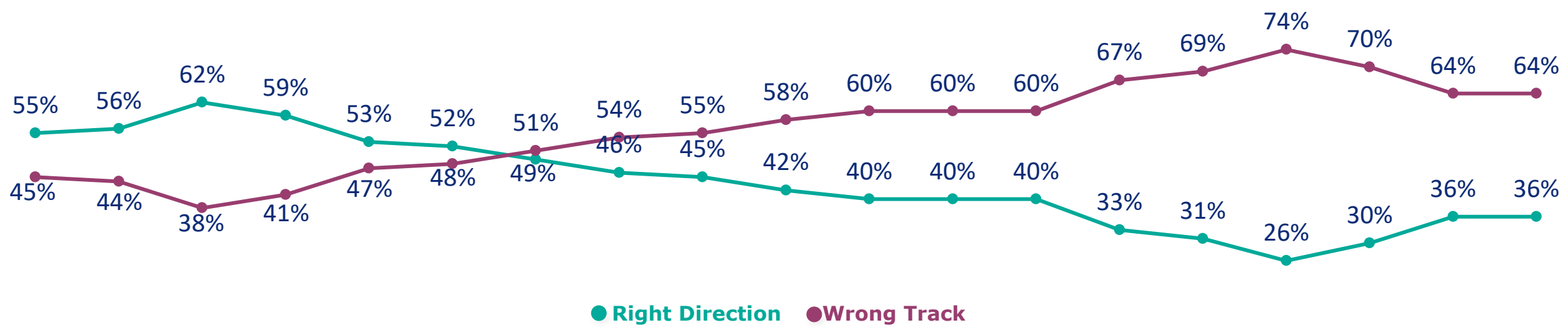
**People think about rate plans as bills, and their bills are arriving in an increasingly difficult environment for many.**



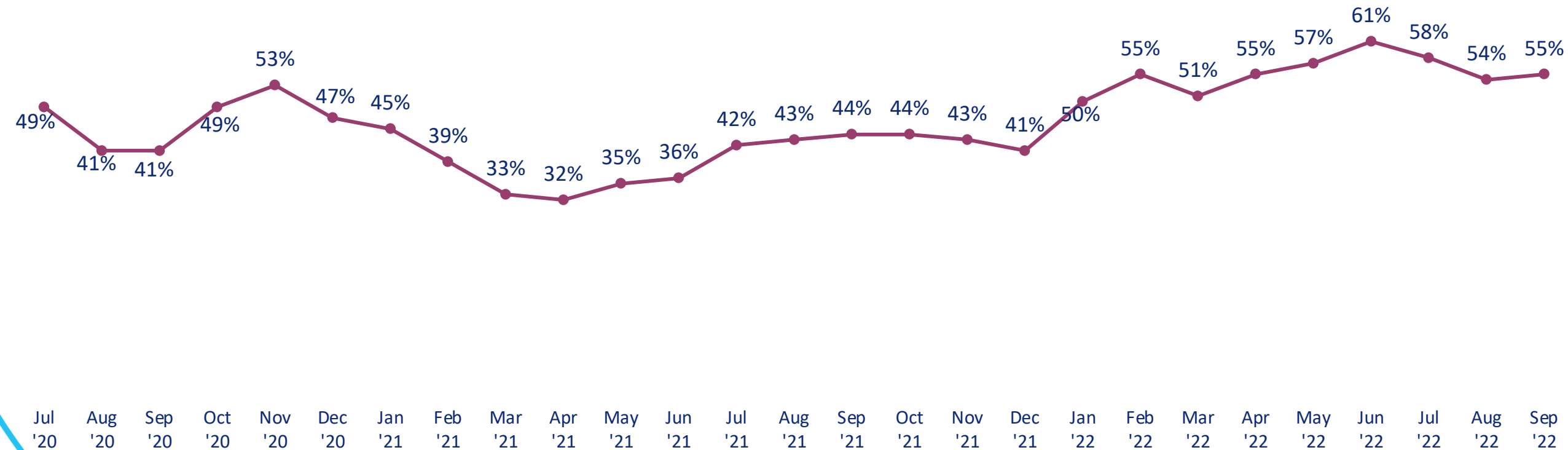
# The Maru Household Outlook Index (MHOI) - US



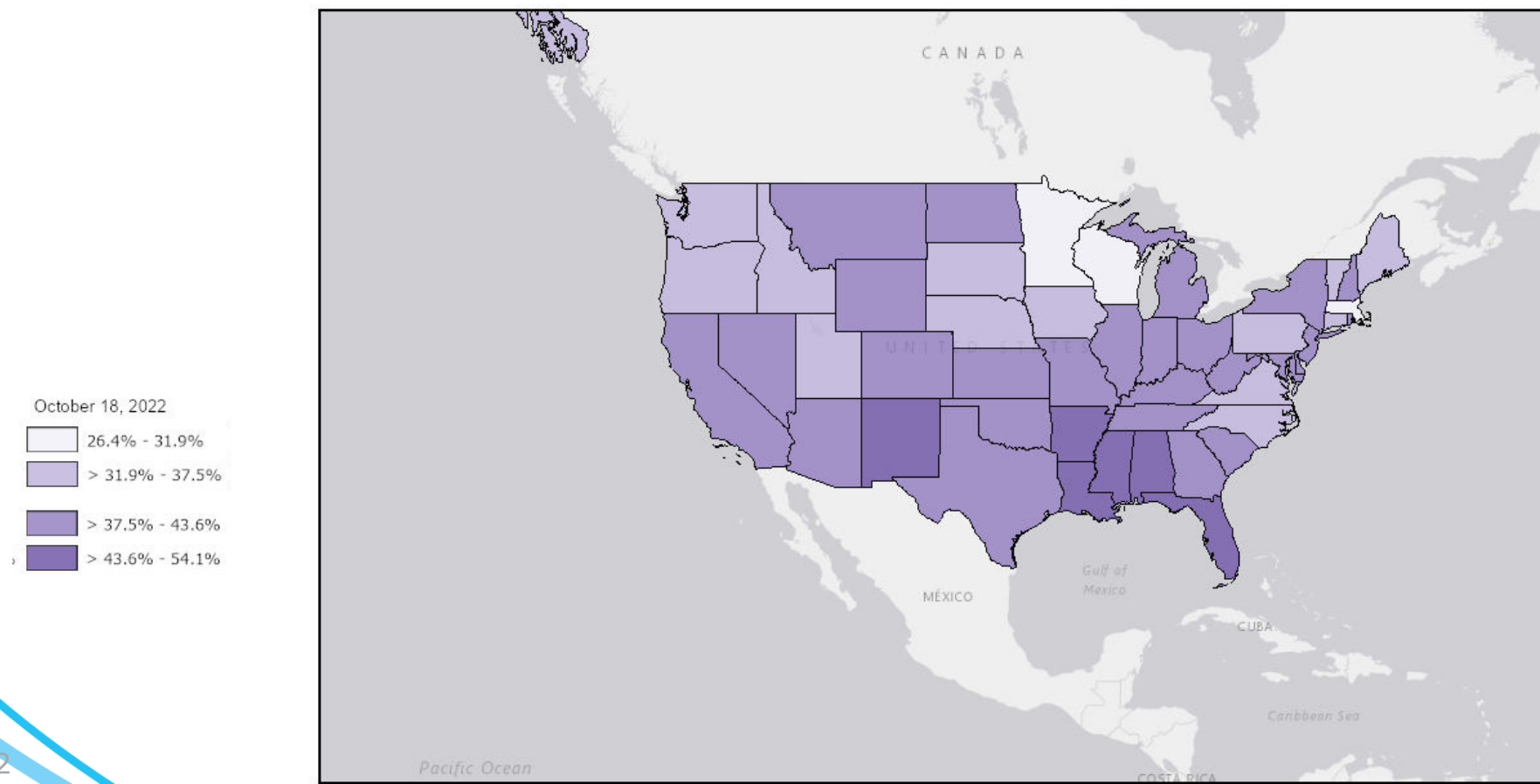
# State of the US Economy



# Over the next sixty (60) days... The local economy where I live is not likely to improve



# 40% of American Households have had trouble paying for their “Usual Household Expenses” in the past 7 days

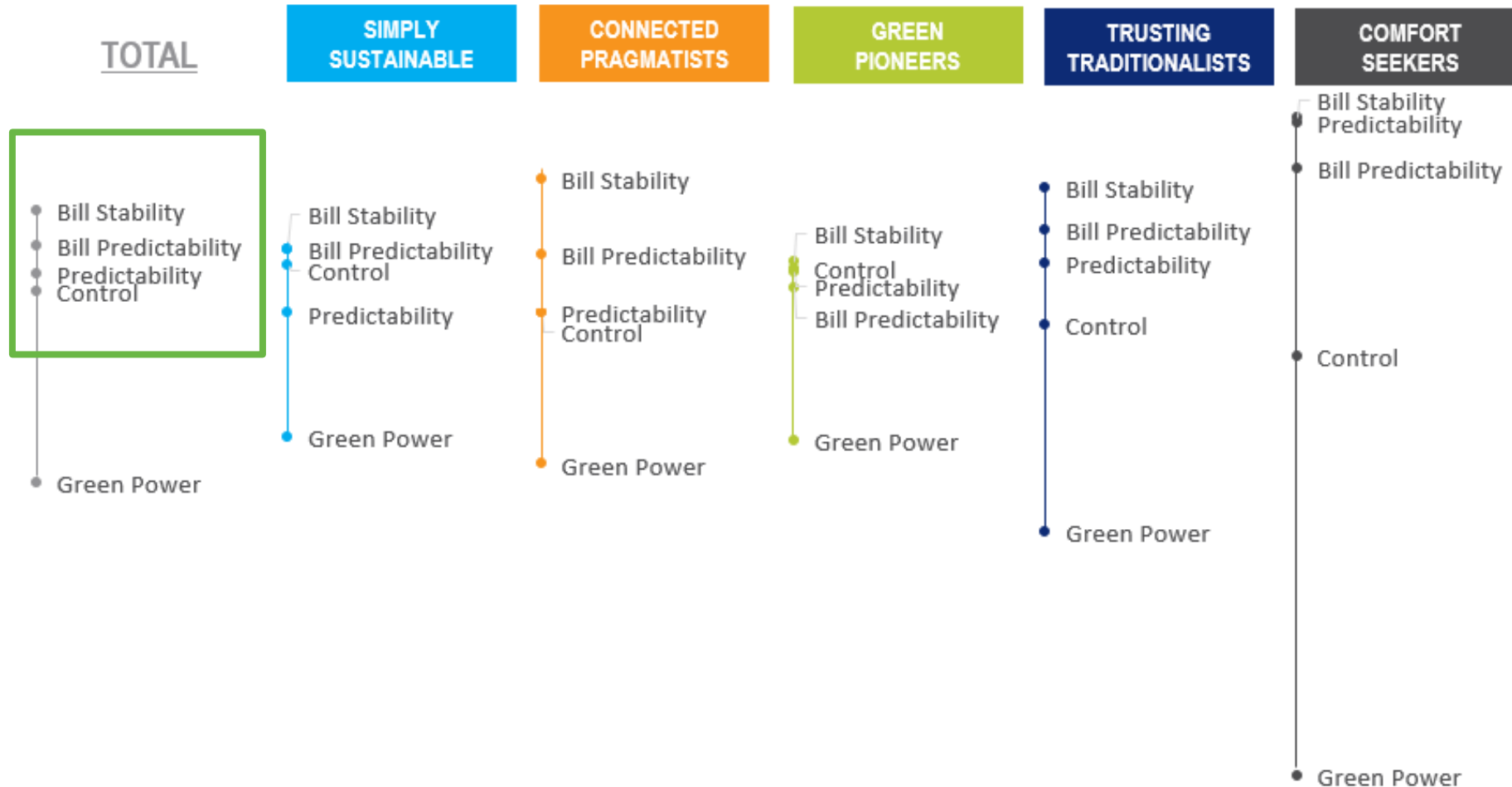


Source:  
US Census  
Household  
Pulse Survey  
Sept 22-26, 2022

**The best bill is one with no surprises.  
Flat and fixed rates are popular because people are seeking security.**



# What's important in a rate plan?

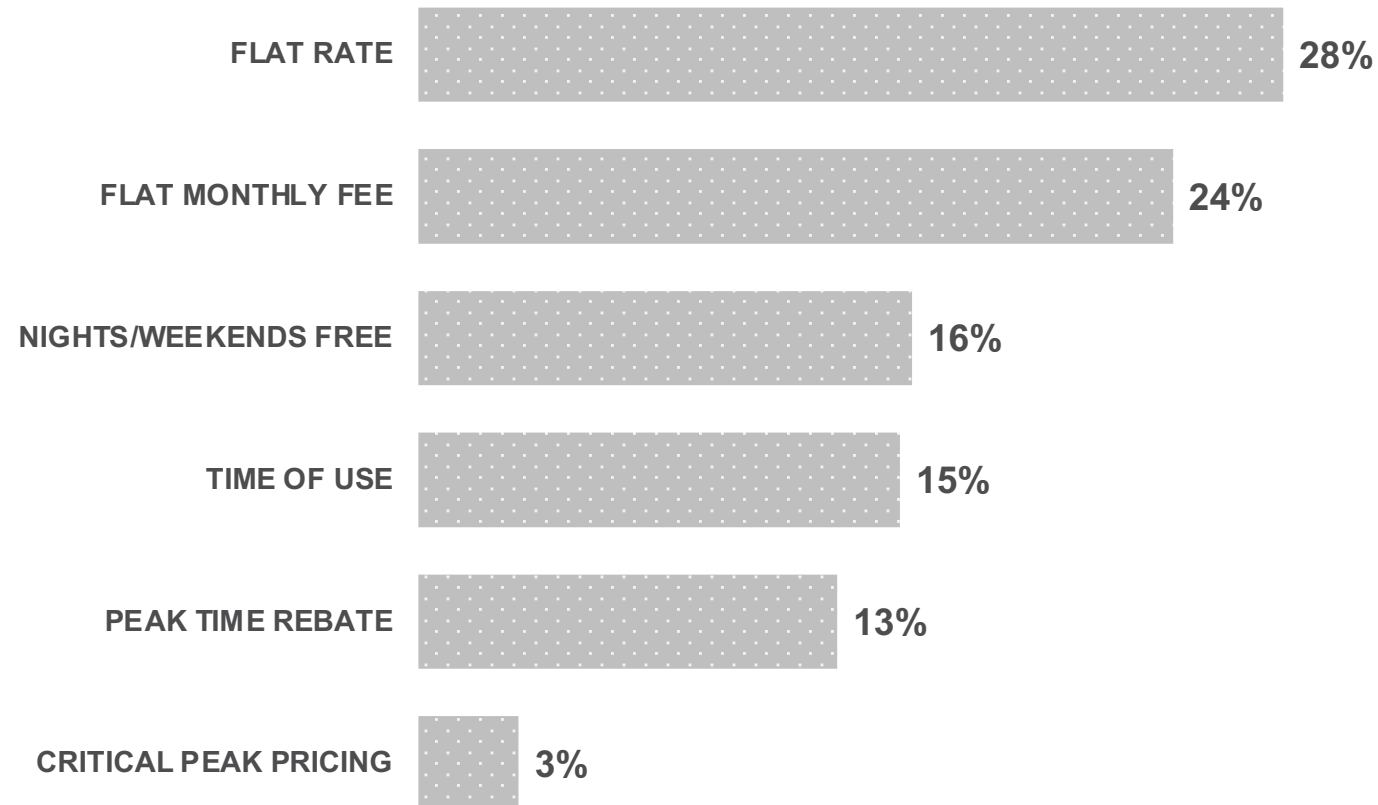




**There is no clear consensus on a preferred type of rate plan.  
Pre-paid and green rates appeal to few.**



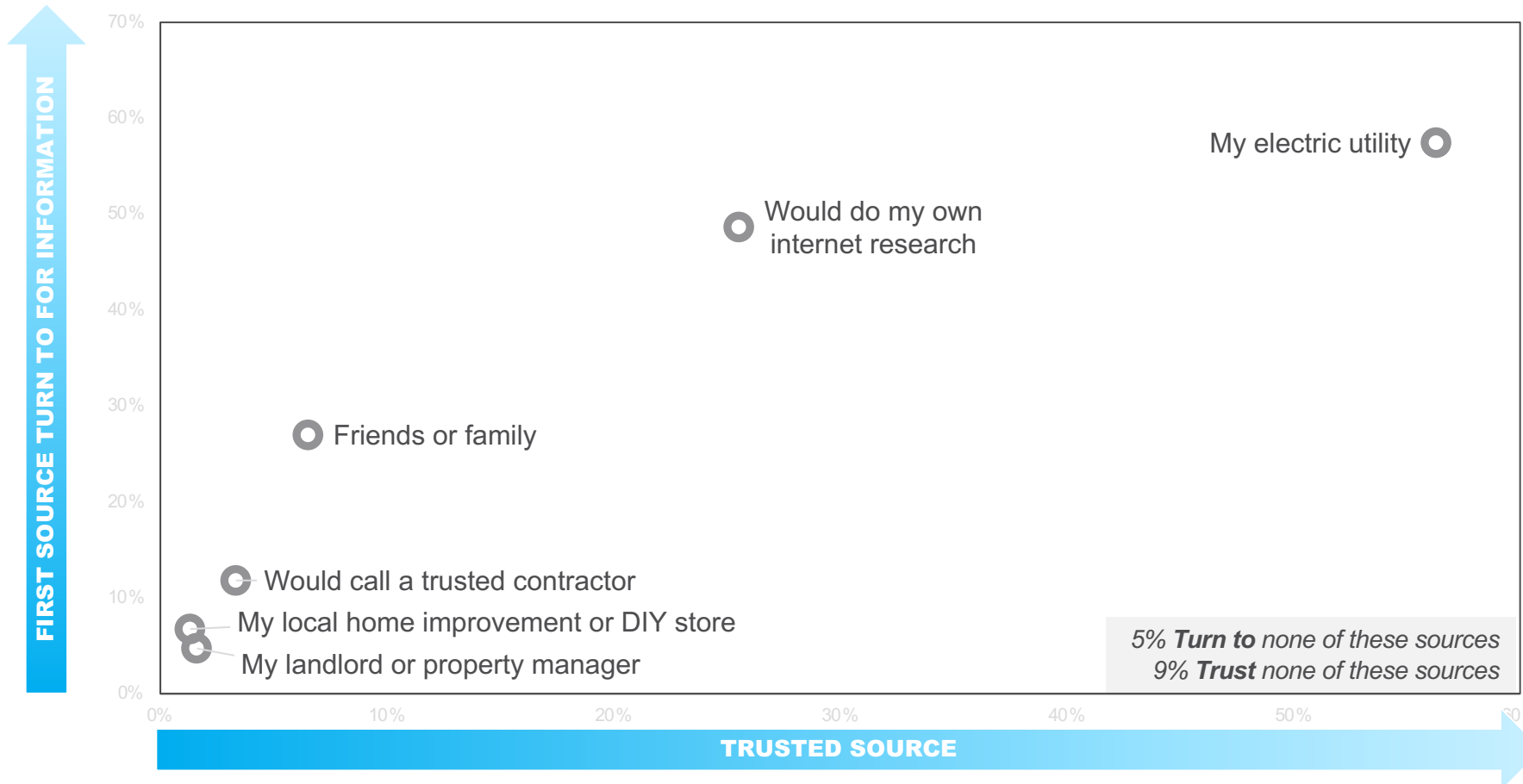
## Which rate plans are appealing?



**Right now, selling people on variable rate plans is like sailing into the wind – it can be done, but not without effort and careful thought.**



# The good news is that the trust is still there.



# The Innovative Pricing Pilot

Leigh Winterbottom & Chris Gallo | 10.25.2022

SECC's 2022 Members Meeting and Fall Workshop

# The Innovative Pricing Pilot An Overview

## What is it?

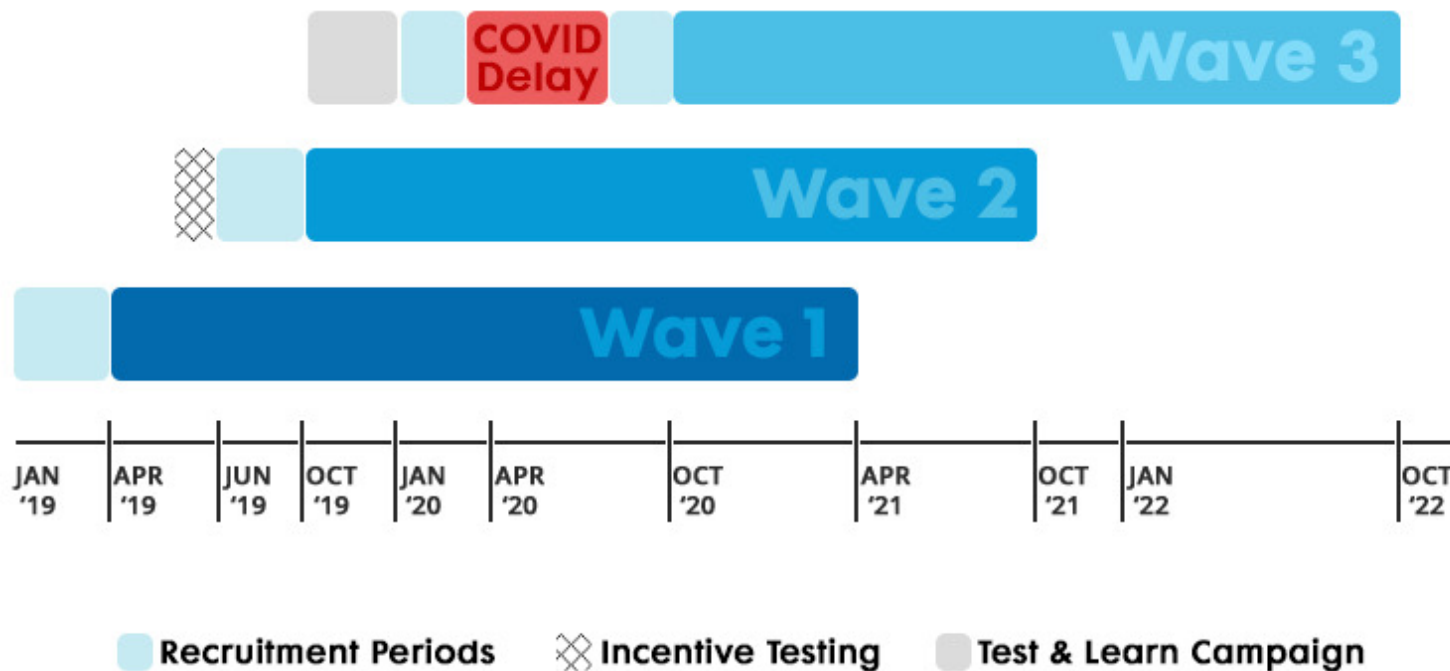
- A pilot to test seven demand rates for residential and small-business customers
  - Five “traditional” demand rates with peak and off-peak hours
  - Two subscription rates – one with overage charges during the summer

## Why are we doing it?

- The Innovative Pricing Pilot (IPP) is designed to evaluate:
  - Customer acceptance of demand rates
  - Customer awareness, understanding and satisfaction
  - Bill and load impacts
- We’re tracking:
  - 50 distinct call center, marketing, analytics, and research metrics via dashboards and reports to analyze pilot performance
  - 10 of 11 surveys have been completed (final survey due Fall 2022)



# The Innovative Pricing Pilot Timeline

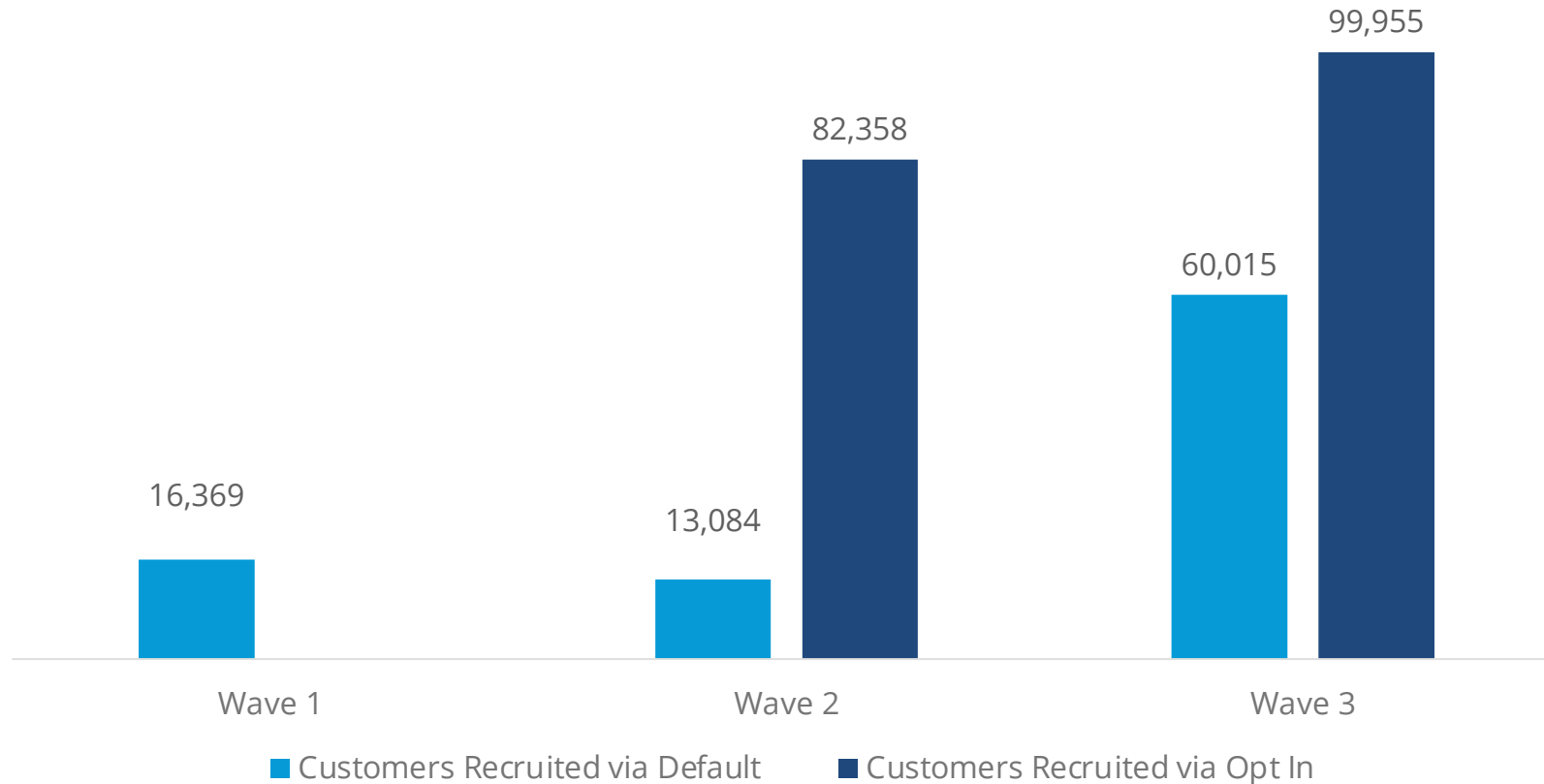


Wave 1:  
Default enrollment  
only

Waves 2 & 3:  
Default and opt-in  
enrollment

Wave 4:  
Default and default +  
alternative option  
enrollment

# The Innovative Pricing Pilot Recruitment



Target Enrollment:  
77,955

Default:  
71,574 (80%)

Opt In:  
6,381 (3.5%)



# Desired End State & Customer Benefits

## What does the future look like?

- An expansion of IPP (or IPP-like) rates to a greater portion of our residential customers could yield long-term benefits, including:
  - A reduction in peak demand
  - Avoided infrastructure costs
  - Environmental benefits achieved through a reduced need for “peaker plants”

## In the meantime...

- The IPP offers immediate customer benefits, including:
  - Greater control over energy use and costs
  - Choice in rate options
  - Mitigation of cross-subsidies and a better alignment of rates with the true cost of providing service
  - Potential bill savings



# Research Strategy

## What we did

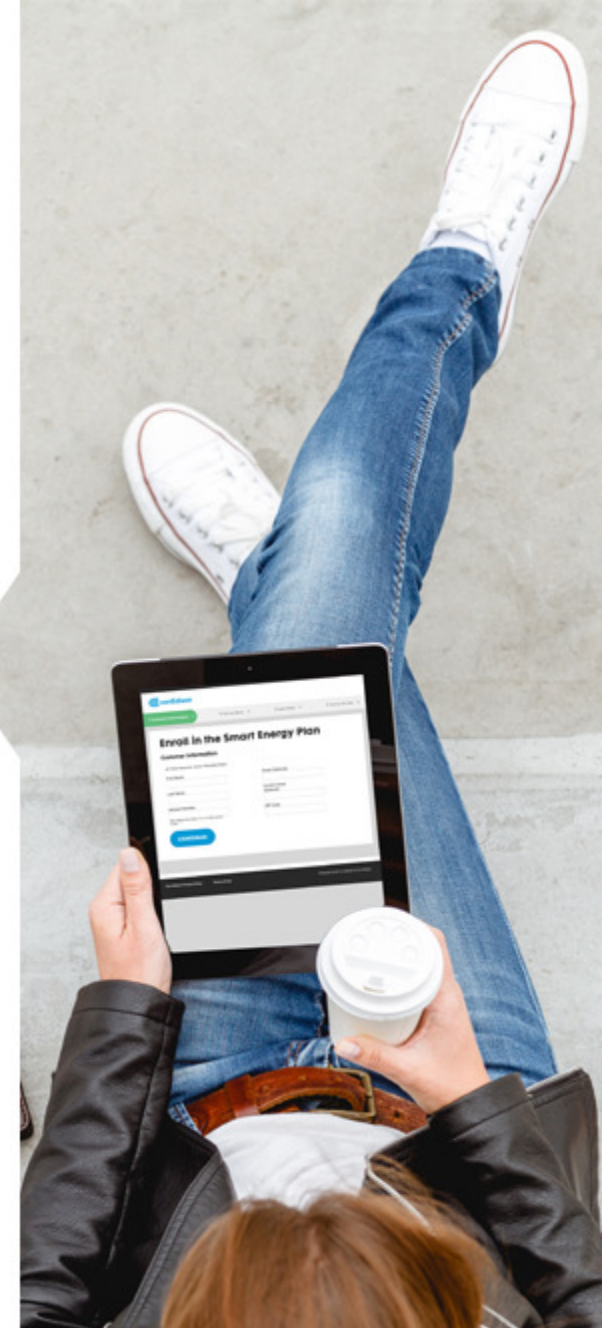
- 18 pre-recruitment focus groups with 150 Staten Island, Westchester, and Brooklyn residential customers and 30 small-business customers
- Small-scale pre-recruitment on-line MaxDiff Analysis
- 11 surveys conducted over the course of the pilot period
- Agile on-line messaging research to inform post-COVID recruitment
- Applied insights to refine creative imagery, messaging, and delivery channels for customer recruitment and on-going engagement



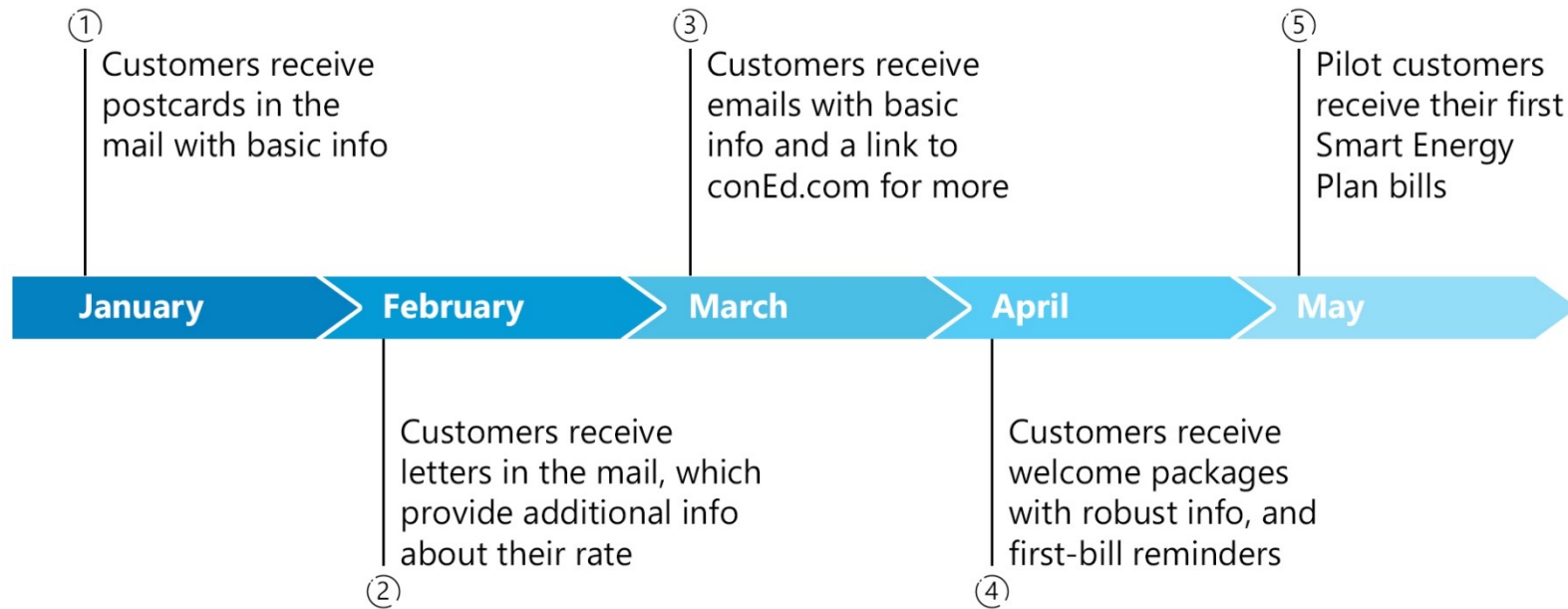
# Recruitment Strategy

## What we did

- Multi-variate testing of 150+ separate recruitment templates, 16 touchpoints, and 4 campaign phases
- Over 1.4M marketing pieces deployed, including:
  - Direct Mail Letters
  - Emails
  - Postcards
  - Business Reply Cards
  - Welcome Kits
- Provided multiple channels through which customers could opt in and out, including:
  - Web portal
  - Call center
  - Business Reply Cards (opt in only)



# Recruitment Strategy Timeline



# Recruitment Strategy Sample Communications



**conEdison**

**Reminder:  
Your Smart Energy Plan  
starts soon**

Your Smart Energy Plan will start in October and will appear on your November bill. This new billing plan bases your delivery charges on the days your home uses the most electricity during an hourly period. Your delivery charges are what you pay Con Edison to bring energy to your home.

Based on your historical energy use over a 12-month period, your delivery costs could **[increase XX% or decrease XX%]** annually. By spreading out your energy use so you don't run large electric devices all at once, you have an opportunity to **[save even more or save]**.

**Two ways your savings can add up while you're spending more time at home**

KNOW WHEN TO USE YOUR ENERGY		SPREAD OUT ENERGY USE
<b>PEAK</b> ⚡⚡ (Higher delivery cost) Noon-8 p.m. Monday-Friday, all year	<b>OFF-PEAK</b> ⚡ (Lower delivery cost) All other hours and weekends	To lower your energy costs, stagger when you use large electric devices (like a dishwasher or clothes washer) so they don't run all at once. Even when you use energy during peak hours, you can still manage your energy costs by spreading out your use.

**Plan features**  
If you do not want to be on the Smart Energy Plan, you must opt out by October 1 to keep your current plan. You can also leave the new plan at **any time** after it starts.


**[One or Two]-year price guarantee:** If your bill is higher on this new plan, you'll get a credit for the difference **[at the end of your first year or every quarter for your first two years]** on the plan. If you leave within the **[first year or first two years]**, you'll get a credit for the months you were on the plan.

You will receive a welcome kit in the mail in October with more information about your new billing plan and tips for managing energy.

**Learn more | Opt out**

This information is regarding your service at [123 Long Street Name, Apt. 123456, Brooklyn, NY 112223]

conEd.com/SmartEnergyAfternoon | 1-866-272-1976



**conEdison**

**Manage your energy on  
the Smart Energy Plan**

**Coming this April**

The Smart Energy Plan offers more opportunities to save on your energy costs. This new billing plan bases your delivery charges on the days your business uses the most electricity during an hourly period. Your delivery charges are what you pay Con Edison to bring energy to your business.

**Plan features**  
Your new billing plan will go into effect in April 2020 and will appear on your May bill. If you do not want to be on the Smart Energy Plan, you must opt out by April 1 to keep your current plan. You can also leave the new plan at **any time** after it starts.

**[One-year price guarantee]:** If your bill is higher on this new plan, you'll get a credit for the difference at the end of your first year on the plan. If you leave within the first year, you'll get a credit for the months you were on the plan.

You will receive a welcome kit in the mail in April with more information about your new billing plan and tips for managing energy.

**Learn more | Opt out**

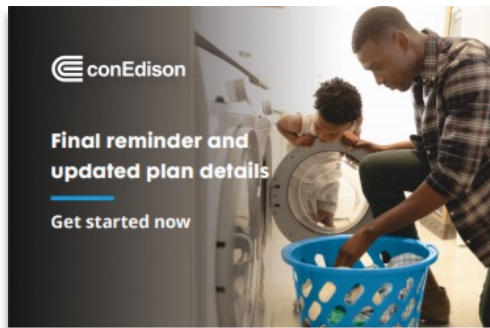
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conEd.com/SmartEnergyBusiness | 1-866-272-1976 | See other side

Different Strokes for  
Different Folks

Small-business  
customers wanted  
images and  
communications  
that spoke  
specifically to them

# Recruitment Strategy Sample Communications



**conEdison**

**Final reminder and updated plan details**

**Get started now**

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**Updated details about your Smart Energy Plan inside**

**Enroll today**

To get started on the Smart Energy Plan, check the box below, sign, and date. Then, detach this form and drop it in the mail, postmarked no later than **April 1**. No postage necessary.

*(Customer Service address)*

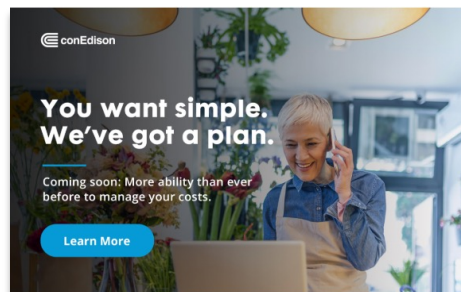
Yes, enroll me in the Smart Energy Plan for my account ending in **(XXXXX)**

**Why are you joining this plan?**

I want more choices       I want to save on my energy bills

I want to better manage my energy

Signature \_\_\_\_\_ Date \_\_\_\_\_



**conEdison**

**You want simple. We've got a plan.**

Coming soon: More ability than ever before to manage your costs.

[Learn More](#)

---

Remember, your Smart Energy Plan goes into effect automatically in April 2019. The new plan bases your delivery rate on the energy your business uses at any given time. Your delivery rate is what it costs Con Edison to bring energy to your business.

**Small changes you can make to manage your energy costs**

**KNOW WHEN TO USE YOUR ENERGY**


<b>PEAK</b> <b>\$55</b>	<b>OFF-PEAK</b> <b>\$5</b>
(Higher delivery cost)	(Lower delivery cost)
Noon-8 p.m.	All other hours
Monday-Friday, all year	and weekends

**SPREAD OUT ENERGY USE**

To lower your energy costs, stagger when you use large electric equipment, so it doesn't run all at once, especially during peak periods.

In April, you will receive a welcome kit in the mail with more information about your plan and tips for managing energy.

**One-year price guarantee**


 If your bill is higher than what it would have been on your current billing plan, we'll credit you the difference at the end of your first year on the plan.

**You decide**

If you opt out by April 1, 2019, your rate will not change. If you decide to give the plan a try and change your mind, you can leave at any time.

[Learn More](#)

Learn more or opt out: [conEd.com/SmartEnergyBusiness](http://conEd.com/SmartEnergyBusiness) | 1-866-272-1976



**You want simple. We've got a plan.**

Straightforward. So you can focus on what's important.

**conEdison**

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The new **Smart Energy Plan** bases your delivery rate on the energy your home uses at any given time. Your delivery rate is what it costs Con Edison to bring energy to your home.

**MANAGE YOUR ENERGY COSTS**

<b>PEAK</b> <b>\$55</b>	<b>OFF-PEAK</b> <b>\$5</b>
(higher delivery cost)	(lower delivery cost)
noon-8 p.m.	all other hours
Monday-Friday, all year	and weekends

**ONE-YEAR PRICE GUARANTEE.** If your bill is higher than what it would have been on your current billing plan, we'll credit you the difference at the end of your first year on the plan.

Your Smart Energy Plan goes into effect automatically April 2019. If you opt out by April 1, 2019, your rate will not change. If you decide to give the plan a try, you can leave at any time.

Learn more or opt out:  
[conEd.com/SmartEnergyAfternoon](http://conEd.com/SmartEnergyAfternoon) | 1-866-272-1976

In the next few weeks, you'll receive more information about your new billing plan and tips to manage your energy.

**conEdison**  
Cooper Station  
P.O. Box 138  
New York, NY 10276-0138

Variety is the Spice of Life

Multiple channels and formats were used to maximize the impact of recruitment communications

# Recruitment Strategy Impact of the Pandemic

## A case of bad timing

- Wave 3 recruitment began in January 2020 and continued through March before a decision was made to delay enrollment by six months
  - The first two recruitment communications had already gone out
  - Recruitment needed to be paused and restarted in August

## What can you say at a time like this?

- Message testing
  - Virtual surveys/focus groups with 50 participants
  - Designed to evaluate whether existing communications should be revised based on the pandemic
- Findings
  - Customers liked communications that included a nod to the “new normal” but, overall, they preferred when we simply got to the point
  - Interest in the Plan was actually higher as a result of the economic uncertainty that the pandemic caused



# Research Results

## Focus group and MaxDiff key findings

- Most opt-out customers said they'd give plan a try
- Residential and small commercial customers minimally familiar with “demand” or “delivery charges”
- Customers want clear/straightforward information/visuals explaining rate plan and hours, and comparison of rate impacts on their bills
- All customers want to **save** on their bills
- Residential and small-business customers differ in attention to energy use, decision-making processes, and perceived ability to succeed on new plan.
  - Small-business customers skeptical about benefiting from new plan or ability to shift/stagger
- Managing bills concept resonates better than “control”
- **Bill protection** is influential as key benefit/encourages customers to try plan





# Research Results cont'd

## Survey key findings

- Participants moderately aware of their new rate and generally satisfied with Pilot
- As expected, awareness has dropped over time:
  - Wave 1 awareness dropped after first summer on new rate
  - Opt-in participants had higher awareness than default enrolled
- Opportunity to improve customer understanding of new rate plan and actions needed to save
- Most customers aware of delivery charges, but have trouble correctly identifying all hours included in the peak period
- Some struggling to understand concepts of shifting, staggering, and peak hours



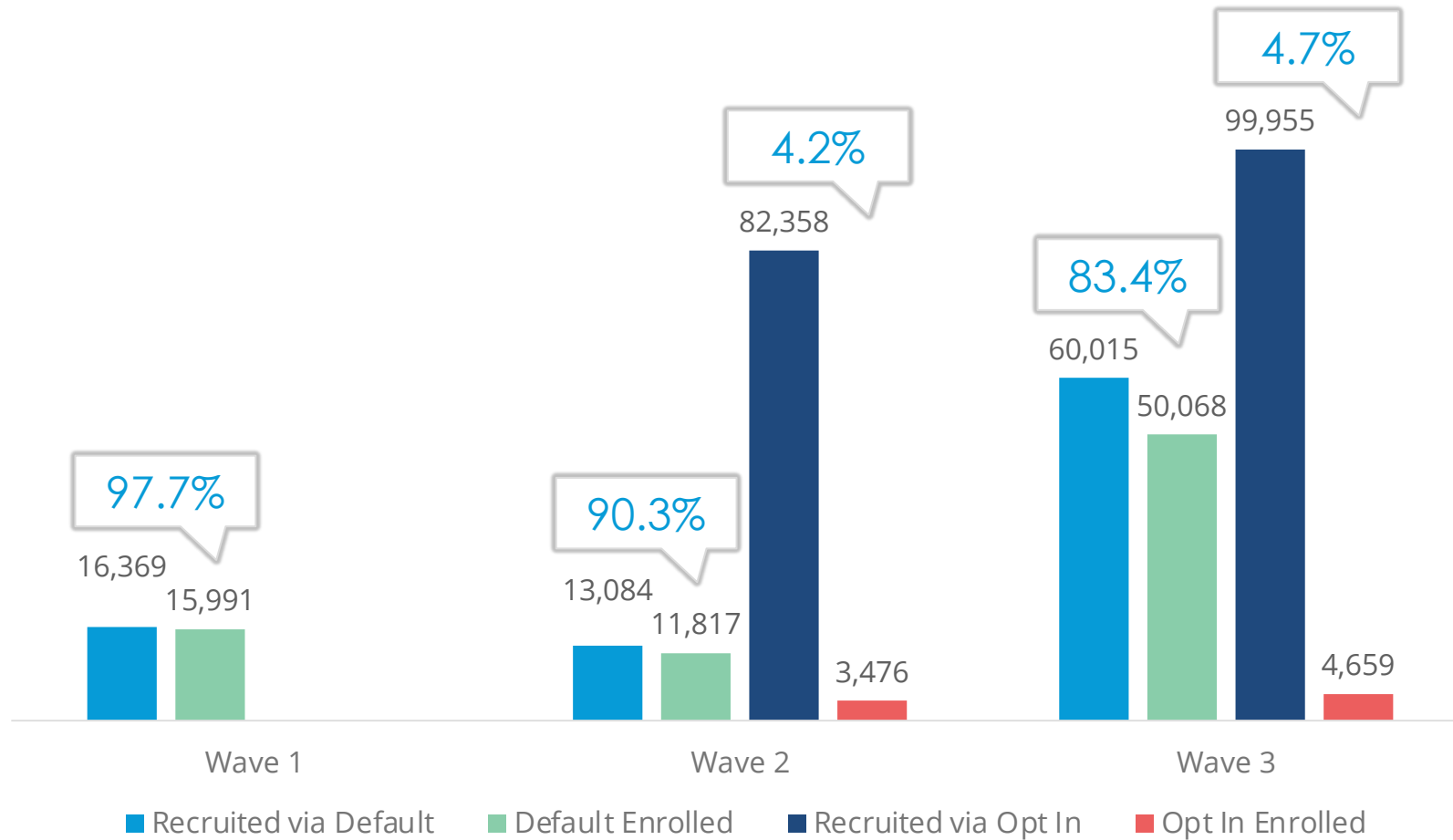
# Research Results cont'd

## Survey key findings cont'd

- Moderate recollection of ongoing education and engagement communications from Con Edison
  - Some customers wanted even more information about new plan
- No strong barriers to shifting or staggering
  - A little over half reported modifying energy use by shifting and/or staggering during peak hours
  - Small-business customers least likely to report taking action
  - Most common actions: shifting large appliances and staggering air conditioning, lighting, and entertainment systems
  - Strongest barrier to action: schedule did not allow for shifting or staggering use
- Customer satisfaction with new billing plans is moderate to high
- Opt-in participants more satisfied with rate than default enrolled participants



# Recruitment Results



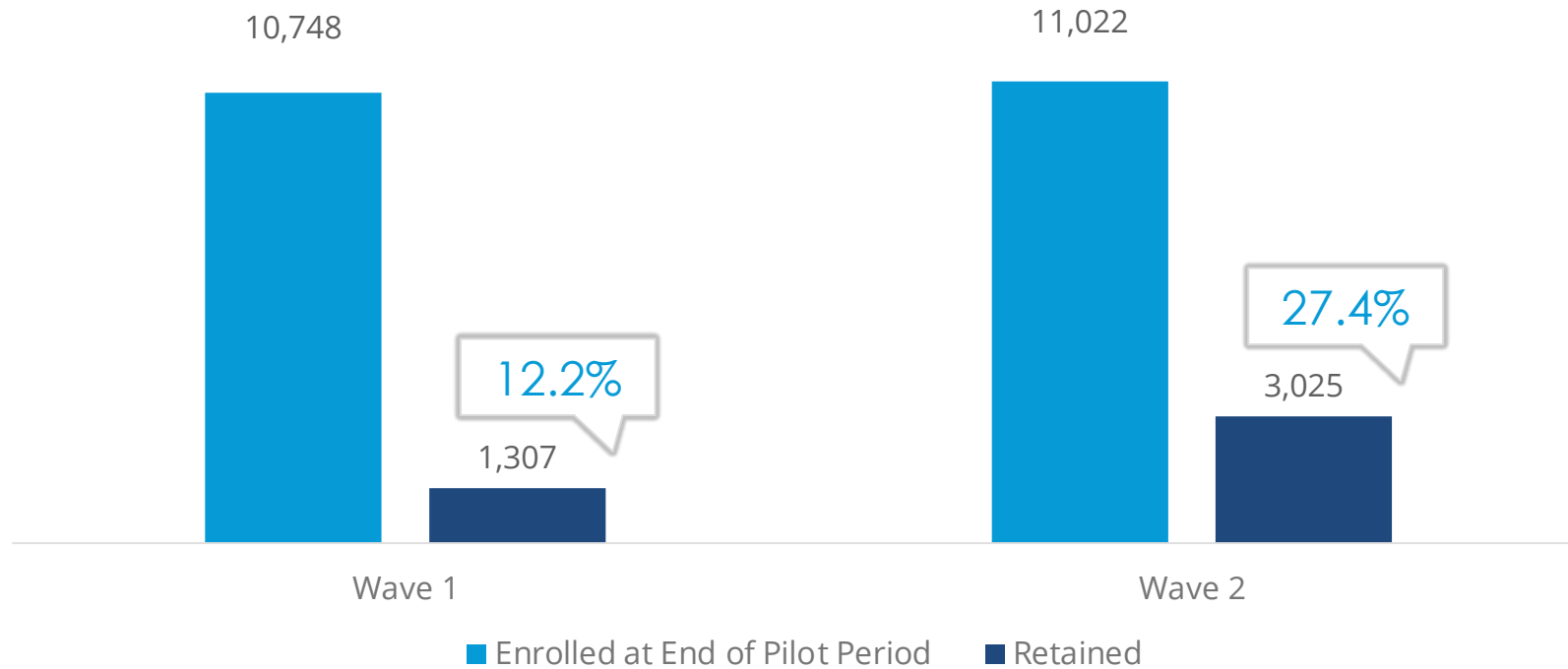
Target Enrollment:  
77,955

Default:  
71,574 (80%)

Opt In:  
6,381 (3.5%)

# Retention Results

## End-of-Pilot Retention



Percentage of customers who saved money on the IPP:

>60%

# Company overview

## ABOUT US



GridX is the leading provider of Big Data Billing & Analytics technology for the new energy economy. Our technology enables utilities to better design, promote, operationalize, and drive adoption of emerging energy products and programs.

## THE VALUE WE PROVIDE

- Mission: To make it easy for utilities and their customers to know the exact value of clean energy choices.
- We accelerate the adoption of renewables with billing-grade conversion tools

## UNMATCHED SCALE

**25M**

Meters Under Contract

**1T+**

Intervals Under Management

**19M+**

Bills Calculated Each Day

**> 500**

Tariffs Modeled & Validated

## COMPANY

**11+**

Large Utility Customers

**120**

Employees



Backed by EIP

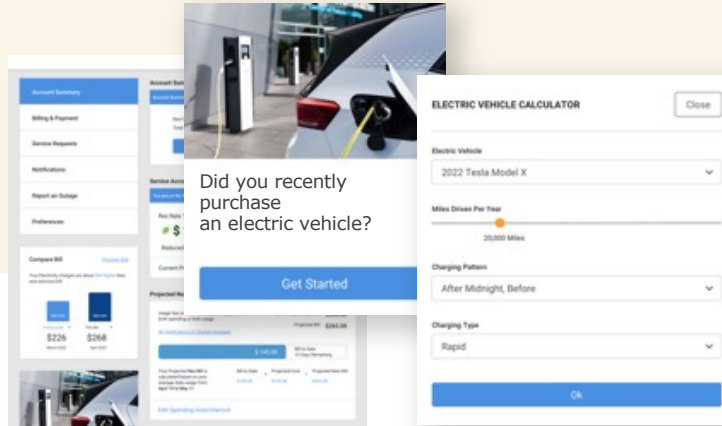
**2010**

Founded

# Example customer conversion journey: a new EV rate

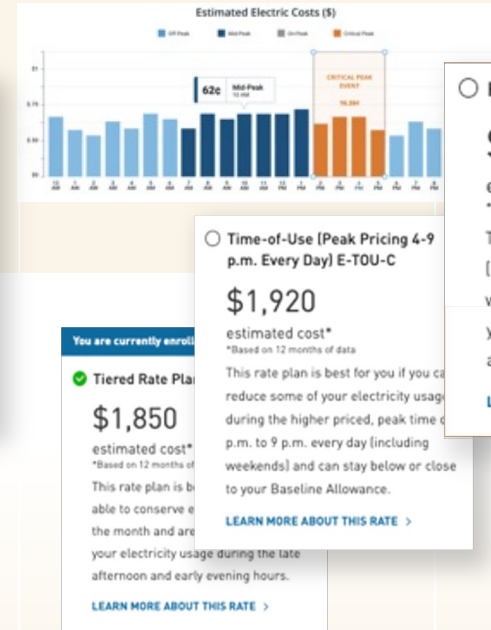


Brianna buys a stylish new EV



She logs into her utility bill pay site and is presented with an alert that a change in usage has been detected

She confirms and is presented with the 3 easy-to-understand, best rate scenarios



Home Charging EV2-A

**\$1,935**  
estimated cost\*  
\*Based on 12 months of data

This rate plan is for Electric Vehicle (EV) and/or battery storage customers who can charge during off-peak hours your electricity usage during the late afternoon and early evening hours.

[LEARN MORE ABOUT THIS RATE >](#)

She weighs her options and picks the rate she thinks will work best for her household



Brianna gets an email congratulating her on her new EV and rate selection immediately following enrollment

## Enabling the entire customer journey

Utilities work with GridX to quickly **design new rates** to adjust to changes in their territories (EVs, solar, storage, microgrids, etc.)

The **GridX rate engine is integrated with the utility customer portals** natively or through partners such as Uplight, Questline and Salesforce

The **GridX rate analytics matches the best rates for every customer**, with penny-level bill accuracy

Because of GridX's speed and accuracy, **customers can easily explore multiple "what-if" rate scenarios**

For each option presented, over 130,000 data points are considered. For these three options, nearly a half million data points are calculated

GridX's rate solutions **enable utility partners to provide unique customer experiences**; driving higher customer satisfaction

# RPS and decarbonization goals are *aggressive*

- ◇ CA Muni – “Our goal is to reach zero carbon emissions in our power supply by 2030”
- ◇ Northwest IOU – “By 2030: At least an 80% reduction in greenhouse gas emissions from power served to customers”
- ◇ Southeast Multi-State IOU – “actively advancing a net zero by 2050 goal”

## ◇ **How do these goals get achieved?**

CA Muni	NW IOU	SE Multi-State IOU
Proven clean technology	More renewable generating facilities through wind and solar	Growth in our portfolio of zero-carbon resources
New technology and business models	Battery storage	Enhanced EE initiatives
Natural gas generation repurposing	New, innovative programs that offer a variety of choices to customers	Investment in R&D of clean energy technologies

# Takeaways & Next Steps

1



**Billing is a touchy subject. Some people have visceral negative reactions to anything having to do with billing. A significant portion of people don't know and don't care. They clearly do not see the benefit that a method of billing can offer.**

People who don't know and don't care are the ones that see their electrical bill as a burden with no benefit. If you offer these people something new, they will not take the time to examine the offer's attributes so that they can figure out how it might help them. Organizations need to sell the benefits to the consumer. You can't assume that they will make the leap themselves.

This message from the front of an electrical bill is a classic example of failing to read the audience. It mentions no benefit for the consumer, and it assumes people care about the appearance of their bill. A message like "We've changed your bill to make it easier to save" would have more appeal because it speaks to how people would benefit.

Inside: Your ~~Smart~~ Hydro bill now has a refreshed look!

2



**No one type of rate plan attracts a majority. Fixed rate and flat rate have the biggest appeal because they are predictable. This may be the key to increasing their appeal.**

The current division of interest between fixed rate and flat rate points to a failure to communicate benefits that have universal appeal. But **predictability and a sense of control are at the root of the appeal of fixed rate and flat rate plans.** Testing concepts for these types of rate plans that tie them back to the benefit of predictability would reveal whether fixed rate and/or flat rate could have broader appeal.

3



**The lukewarm reaction to a prepaid billing offer underscores the importance of translating attributes into benefits.**

Our tracking of consumer's economic outlook confirms that, in these inflationary times, people are becoming unsettled and more concerned about being able to pay the bills. Selling prepaid billing on the benefits of predictability and protection against inflation could boost its' appeal.

4



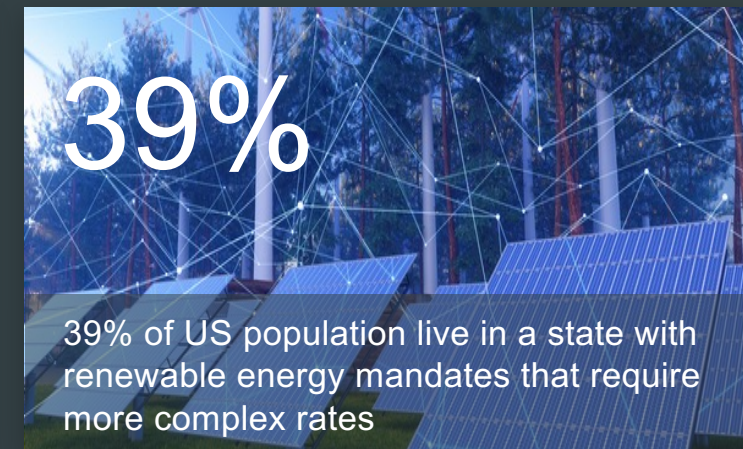
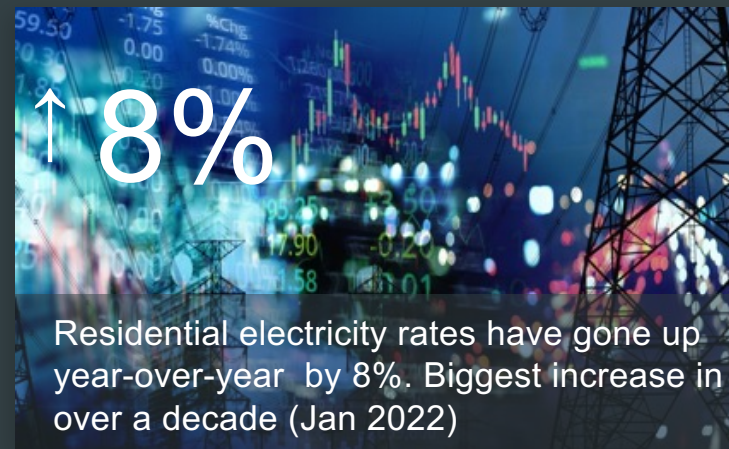
**The Green Power name evoked more negatives than positives.**

The reaction to the name Green Power suggests it might be time to rethink using the "Green" label. It clearly cuts both ways. It may have become too divisive a term to be of value when communicating with all citizens.



# Why customer Rate Education is critical to the success of new rates and programs

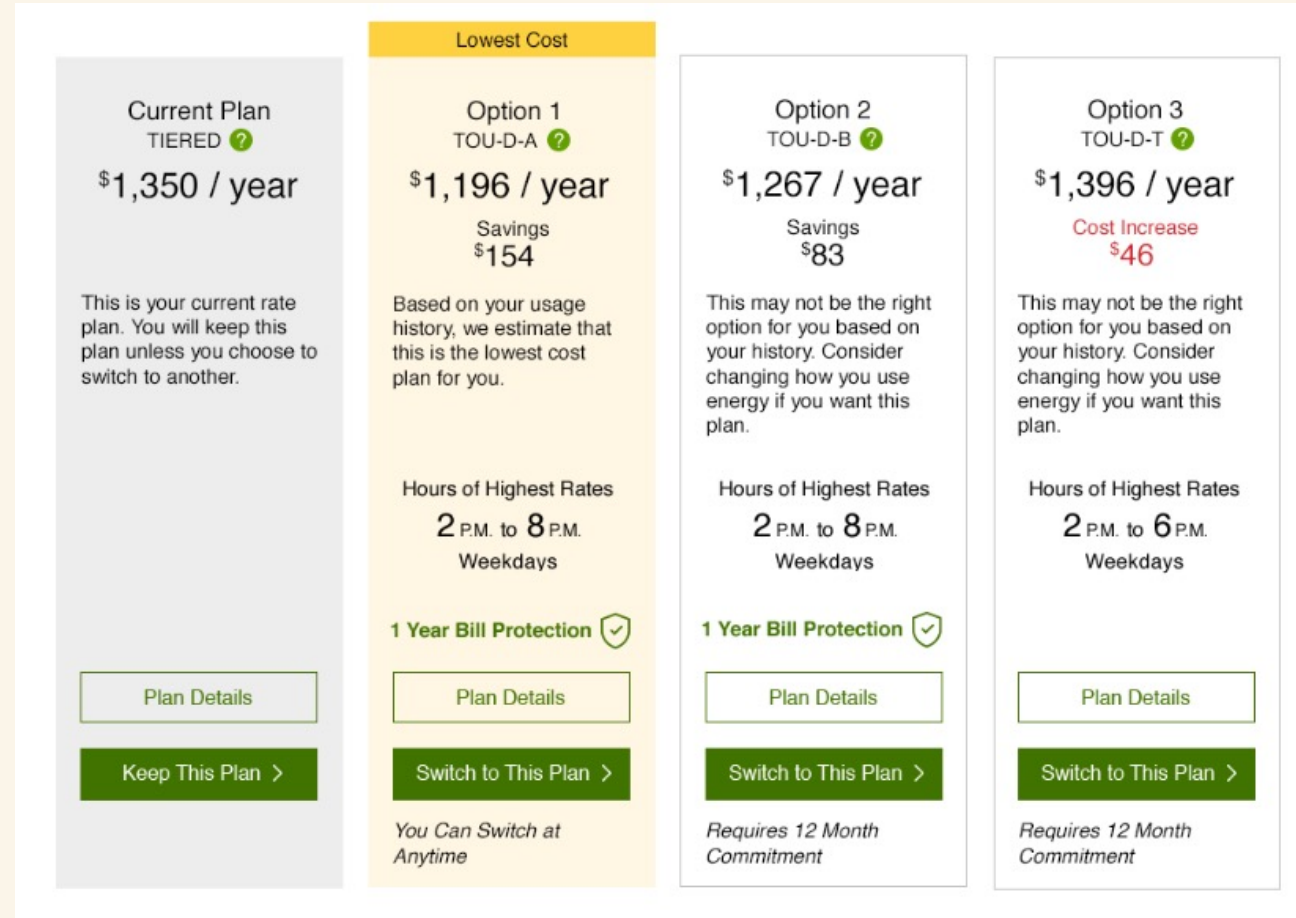
- Smart Energy Consumer Collaborative (SECC) Findings\*
  - “There is little awareness of energy savings programs offered by providers”
  - “Customers struggle to assess programs or products in terms other than cost”
  - “Consumers expect utilities to provide bill impact estimates for new initiatives”
  - “For consumers, a bill impact estimate is often the only way to predict that new initiatives are working”



\* Source: Modern Customer Engagement Journey, SECC, September 2020

# Good News! There is solid evidence that effective communication and rate design work (West Coast utility example)

- ◇ At the peak August load in 2022, Residential TOU provided up to **75MW of load reduction**. In its Demand Response line-up, this was the third largest program.
- ◇ One of the **fastest growing rates is for customers with an electric vehicle (EV)**, heat pump water or space heater, or battery storage.
  - ◇ **EV customers** who move to the rate tend to **shift 20% of their energy usage away from peak times**, which helps to support the move to renewable energy, which is more abundant during the day.
- ◇ Residential **use of on-line rate plan comparison tool is strong and continues to grow** – despite the TOU enrollment ending.
  - ◇ Customers continue to access and view the tool, in part thanks to an **ongoing “nurture” campaign** which continues to encourage customers to learn more about TOU rates.



Online Tool adheres to much of the Maru/Matchbox survey findings

# Rate Change Reimagined with Customers In Mind

Greg Stevenson  
October 25, 2022

**Consumers Energy**

*Count on Us*®

# Company Overview



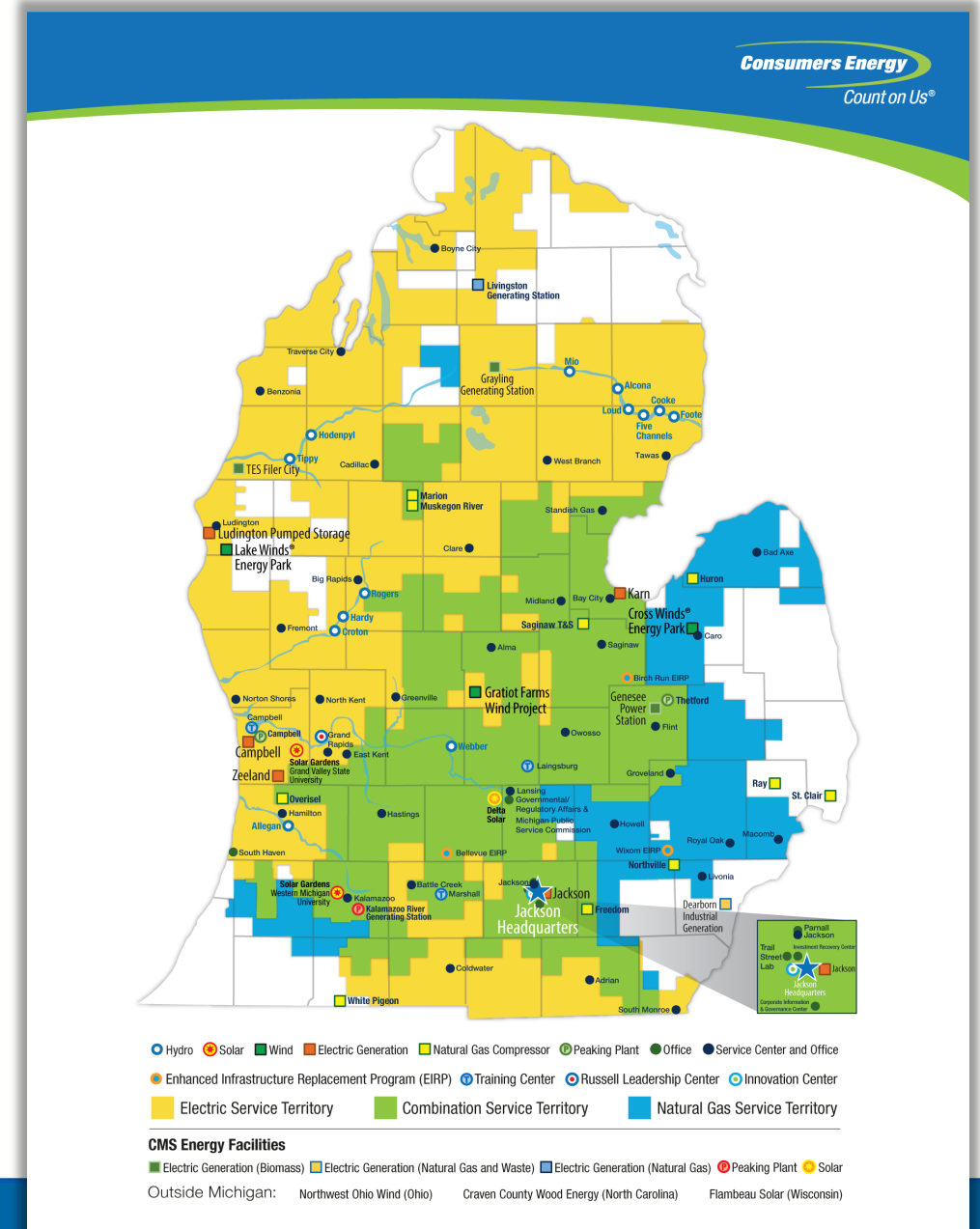
Founded in 1886, we've served Michigan for more than 130 years.



The largest energy company in Michigan, providing electricity and natural gas.



We serve 6.8 million Michigan residents!



# Summer Peak Rate Overview



**June 1 - Sept 30**

Monday-Friday Only

2:00-7:00 p.m.

## Why Summer Peak Rate?

- Price signals were not properly reflecting the cost of electricity use at different times of the day
- Encourages customer to engage more with their electricity use – in line with Clean Energy Plan

## What The Change Means

- Each year, June 1 – September 30, on-peak pricing will be in effect for all residential customers from Monday-Friday from 2 to 7 p.m.
- If customers don't make any changes to their energy use, most people will see less than a \$2/month increase to their summer bills
- One of the first utilities in the nation to move all 1.6M residential customers to a standard time-of-use rate

## Implementation Timeline

- 2018: Planning initiated out of rate case filing
- 2019: Pilot with 47K customers
- 2020: Full-scale implementation was planned, but was postponed due to COVID
- 2021: Full-scale implementation occurred on June 1, 2021

# Customer-First Approach

EDUCATION > PREPARATION > ACTIVATION > PRESERVATION



RESEARCH • ANALYTICS • EXPERIENCE DESIGN • CONTINUOUS IMPROVEMENT

- Built awareness on bill impact
- Targeted support to vulnerable customers
- Created personalized experiences
- Provided tools (e.g., Energy Dashboard)
- Enrolled customers in programs that were best for them based on data analysis
- Listened to customers to address concerns and adjusted messaging for added value

# Members Meeting & FALL WORKSHOP 2022

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