

SGCC Study Finds Improvements in Utility Consumer Engagement

“Excellence in Consumer Engagement” gleans best practices from study of 21 utility smart grid programs for advanced metering infrastructure, direct load control, and energy efficiency

San Francisco, October 24, 2011 - A Smart Grid Consumer Collaborative (SGCC) report examining the deployment and consumer acceptance of Smart Grid programs from more than 20 U.S. electric utilities, representing more than 10 million smart meters deployed, shows a marked shift in utility consumer engagement efforts. The study finds utilities improving customer understanding and upgrading their communications, service response, incentive programs, and internal consumer engagement processes to help consumers better understand the near-term benefits of Smart Grid programs.

The SGCC report *Excellence in Consumer Engagement*, will be released today at the Smart Energy International conference. “The report clearly shows that utilities are making a shift toward new and fundamentally different consumer engagement best practices,” said Patty Durand, executive director of the Smart Grid Consumer Collaborative. “As a result, consumers are responding positively to new energy programs that offer direct, immediate and deliverable value.”

The study, conducted by the strategy consulting firm Altman Vilandrie & Co., highlights 10 core findings and recommendations dealing with Smart Grid consumer engagement issues involving advance metering infrastructure (AMI), demand response (DR) and energy efficiency (EE) programs. From anticipating and responding quickly to consumer complaints; to shifting communications to near-term, deliverable values; to retooling core practices for consumer enrollment and support; the report highlights some of the challenges, and successes, that utilities are finding in offering Smart Grid programs to their customers.

“The industry is beginning to transition to a more consumer-centric service delivery model, moving away from the ‘install and repair’ model to more proactive customer engagement,” said Matt Dinsmore, director of Altman Vilandrie’s energy practice. “This is a fundamental shift in how customers interact with energy and their energy company.”

The report found 10 key action areas and consumer adoption themes in two categories:

- **Basics of Engagement:** Most utilities found that early education and quick response to complaints helped resolve the majority of concerns in program deployments. Successful education programs focused on deployment logistics and near-term benefits, especially cost savings and financial incentives. Internal communications to

establish consistent company-wide messaging and to manage consumer expectations were another key to success.

- **Consumer Motivators:** While messages about environmental impact and users' ability to control their energy consumption affect some consumers' interest, communication about near-term cost savings resonated with the most consumers.

Moving consumers into new Smart Grid programs such as demand response involved direct messaging, easy-to-understand program information and options, basic incentives, and frequent communications that emphasize a sense of immediacy to adopt.

Many utilities are moving beyond traditional consumer service touch points such as customer billing and outage response, to new models that fundamentally refocus the company toward offering consumers new service and price options with easier adoption paths.

Interestingly, while offering financial incentives to boost enrollment has a clear impact, the incentives themselves, not the size of incentive, provided the key to enrollment.

Some utilities are using external referral programs, such as partnering with real estate companies that refer new homeowners to new energy programs. While pricing programs have not seen wide-scale adoption, several utilities showed success when offering time-of-use pricing prominently alongside traditional flat rate programs and integrating the plan selection process into their existing customer touch points.

The study examined initiatives and included interviews with representatives from AEP Ohio; Arizona Public Service; Austin Energy; Centerpoint; Central Maine Power; The Climate & Energy Project; ComEd; Connexus Energy; Duke Energy; Memphis Light, Gas & Power; Oklahoma Gas & Electric; Oncor; Pacific Gas & Electric; Portland General Electric; Reliant Energy; Sacramento Municipal Utility District; Salt River Project; San Diego Gas & Electric; Southern California Edison; Wright-Hennepin CEA; and Xcel Energy.

The *Excellence in Consumer Engagement* study will be presented at the Smart Energy International Conference at a panel including Patty Durand from the Smart Grid Consumer Collaborative and moderated by Matt Dinsmore, the study's primary author and a director at Altman Vilandrie. The report will be available for download at www.smartgridcc.org.

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About the Smart Grid Consumer Collaborative (SGCC)

The SGCC is a consumer focused nonprofit organization aiming to promote the understanding and benefits of modernized electrical systems among all stakeholders in the United States. Membership is open to all consumer and environmental advocates, technology vendors, research scientists, and electric utilities for sharing in research, best practices, and collaborative efforts of the group. Join @ www.smartgridcc.org.

About Altman Vilandrie & Company

Altman Vilandrie & Company is a strategy consulting group that focuses on the communications, media, energy, clean tech and related technology and investor sectors. The company's consultants are experienced in strategy, marketing, finance, M&A, technology, regulatory and operations disciplines. With offices in Boston and New York City, Altman Vilandrie & Company enables clients to seize new opportunities, navigate mounting challenges, improve business performance, and increase investor value within complex and converging industries. More information can be found at www.altvil.com.

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