

BGE Smart Energy Rewards® At A Glance

Customers are automatically enrolled in the program when their smart meter is installed. BGE notifies them the day ahead when power consumption is expected to reach critical levels and customers can earn bill credits if they reduce their usage during the event. The day after the event, BGE notifies customers how much they saved and the size of their credit.

Program Statistics

- >1 million residential customers are currently enrolled
- Up to 89% of residential customers participated in the events called during the summer of 2015
- Average bill credit earned per event, per customer was \$6.67
- Call backs to the call center (complaints & questions) were <1% the first year and are continuing to fall even as new customers receive their smart meters and are enrolled in the program



Coherent Strategy Pays Off

When Baltimore Gas & Electric Company (BGE) installed smart meters throughout their service area, the company began a journey of increasing customer engagement. That journey has been marked by a coherent strategy that engages customers while it balances demands on support systems within the company. The **BGE Smart Energy Rewards®** program was intended for all customers from the outset and as smart meters were installed, customers were enrolled by default. Three years into the program, notification unsubscribe rates remain low and customer call backs have stayed below the program projections of 3%. Each year as more customers receive their smart meters, customer satisfaction continues to climb and engagement is on the rise – enough so that BGE can leverage their customers' own social media stories as an avenue for outreach and promotion.

Background

The **BGE Smart Energy Rewards®** program was rolled out as part of the smart meter deployment in Maryland, starting in 2012. As customers received their smart meters, they were automatically enrolled in **BGE Smart Energy Rewards®**, which allows customers to earn bill credits when they reduce their usage during a peak event. BGE also took a unique approach by linking together this behavioral demand response program and their direct load control (DR) program. Customers on BGE's previously established direct load control program, PeakRewardsSM, can also participate in **BGE Smart Energy Rewards®** on days when events are called. The marriage of these two programs allows DR customers to add to their flat bill credit when they conserve further on peak days, a win for BGE and an additional financial incentive for their DR customers.

The Program Nuts & Bolts

The **BGE Smart Energy Rewards®** program was designed to encourage customers to use less electricity when energy demand is high. Managing summer peak demand helps reduce the need for power generation plants, helps keep down the overall cost of electricity, and eases the burden on electricity systems. Customer engagement with the program is done through awareness and education.

BGE Smart Energy Rewards® differ from many other peak demand programs because customers are automatically enrolled in the program upon installation of their smart meter. Scale alone introduced some very interesting challenges for BGE. Prior to the first summer of the program, the utility enrolled 315,000 customers, which represented one third of BGE's customers, in a new program with new hardware, new data and new expectations. This heightened the program risk and created concern across the business about call backs and customer confusion.

To ensure that customers understand the program and are encouraged to participate, BGE takes a 3-pronged approach to messaging – Awareness → Education → Engagement.

- **For customers**, the awareness campaign begins in February targeted directly to those customers scheduled to have their smart meters by the beginning of the summer season. Then, in April/May, BGE provides specific education for these customers about **BGE Smart Energy Rewards®**. They engage customers through day-ahead notification of events and day-after notifications about how much energy the customer has saved and the bill credit amount. Finally, customers receive confirmation of the bill credit when they receive their next summer bill.
- **For employees**, the program team educated call center representatives and created talking points for their use with customers. They also worked with call center managers to ensure they had advance notice when events were called and together, program staff and call center management estimated how many call backs they might receive. The call center was staffed accordingly – with room for error in the first few events.

The approach worked. The typical utility program generates about a 4% customer call back rate for a change or something new. In the initial rollout, this would have meant 4,000 calls into the call center on this subject alone. By carefully building awareness, providing targeted education and then engaging customers (in that order), BGE was able to keep the call backs to <1%. And, as each summer season comes and goes, the call back % continues to drop. As the program continues, the program team refreshes the awareness and education pieces, as well as the talking points based on the questions that customers are asking and the general level of knowledge. As an added bonus, customers have started to share their experiences with one another through social media, which adds a welcome element to the promotional toolkit.

The Enabling Technologies

BGE Smart Energy Rewards® program is enabled by BGE's AMI real-time data and a robust communications program that keeps customers informed before and after an event. Customers choose the form of the message delivery up front and BGE honors their choice. BGE provides next day feedback to customers about how much energy they saved during events and what their bill credit will be. This nearly immediate gratification encourages participation in the next event. And, it allows BGE to leverage the buzz that customers are beginning to create themselves when they share online and talk with friends and neighbors.

BGE's Coherent Approach Pays Off

From the beginning of their smart meter rollout, BGE established a coherent strategy of customer engagement. The strategy included addressing cross-organizational challenges, incorporating existing programs and creatively managing risk. They planned for full customer participation at the start and they have retained very high participation rates. The program has enhanced engagement of both customers and employees.

It's as easy as...

1

WE'LL NOTIFY YOU.



BGE will notify you by phone, email or text, usually the day before an Energy Savings Day. An Energy Savings Day is typically a very hot summer day when energy demand is high. To ensure you receive these notifications, log into **BGE.COM/MyAccount** to update your email address and phone number and select your notification preferences.

2

REDUCE YOUR USE.



Between 1 pm – 7 pm on an Energy Savings day, Simply use less electricity by reducing air conditioning use, delaying the use of large appliances or turning off lights. The power to save energy and money is yours.

3

EARN REWARDS.



Within a few days, we'll notify you by phone, email or text to let you know how much you saved. You'll earn bill credits of \$1.25 for every kilowatt-hour saved compared to your typical usage. Your BGE Smart Energy Rewards credits will appear on your next BGE bill. It's that easy!

When rolling out a program that enrolls 315,000 customers the first year and over a million by year 3, it is essential to **consider the impact the program will have on other customer care activities**. BGE addressed these concerns head on by working with the call center, operations and their broad employee base to ensure everybody knew the timetable and the expectations. They included employees in awareness and education programs. They established feedback mechanisms to help process customer questions and issues so they could improve promotion and education over time.

BGE Smart Energy Rewards® also integrates an existing PeakRewardsSM program offered to the same customer audience. To avoid confusion, BGE positioned the programs as “2 ways to save” – a very successful integration of hands-on behavioral change and automatic, season-long permission that allows BGE to directly control air conditioning use on peak days. Customers set the parameters by choosing 50%, 75% or 100% cycling and BGE does the rest. Customer participation remains high in both programs.

Finally, **BGE uses technology to manage risk**. In the program design, they encouraged customers to make their preferred contact method known. In this way, event notifications and post-event savings notices would be received in the way the customer preferred. And, no additional or unnecessary communications would be made. Also, BGE

applied de-duping algorithms to reduce the number of times customers that owned multiple premises or had multiple accounts were alerted about an event. This dramatically improved customer satisfaction. Lastly, within any event, BGE can choose to shut down a notification channel at any time. For example, if notices sent to cell phones are being delayed due to network problems, program managers can choose a different channel altogether.

The Bottom Line

Three years into **BGE Smart Energy Rewards®**, over one million BGE customers have earned \$28 million in rewards. Program satisfaction remains high – 71% for 2015. Best of all, customer engagement persists with 85% recall of the program. BGE has proven that customers will engage when they can make the choices that are right for them. And, the utility can manage high participation rates and retain satisfaction if they communicate effectively internally and externally.

Two ways to save energy and money on Energy Savings Days.

BGE SMARTENERGY rewards
a BGE SMARTENERGY savers program®

A HANDS-ON WAY
Between 1 pm – 7 pm on an Energy Savings Day, simply choose to use less electricity by reducing air conditioning use, delaying the use of large appliances or turning off lights to help earn \$1.25 for every kilowatt-hour saved.

peak rewards
a BGE SMARTENERGY savers program®

AN AUTOMATIC WAY
During Energy Savings Days, your Peak Rewards device will be cycled up to 50%, regardless of your chosen cycling level. The energy saved from cycling your air conditioner will contribute to the overall BGE Smart Energy Rewards savings. If you take additional steps to reduce your electricity usage like delaying the use of large appliances or turning off lights you could earn \$1.25 for every kilowatt-hour reduced. You are guaranteed to receive whichever credit is greater; either your Peak Rewards credit or your BGE Smart Energy Rewards credit on your summer bills.

