

EFFICIENCY2.0

Consumer First Energy Efficiency Programs

Presentation to The California Public Utilities Commission



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What are Consumer First Programs?

Consumer First energy efficiency programs are programs that encourage reductions in total energy use regardless of technology or end-use

Technology First

- Estimate specific technologies
- Large program barriers to entry (e.g. big investments, paperwork)
- Targets technology installations
- Assumes rational economic decisions
- Traditional financial incentives (e.g. rebates, buy downs)

Consumer First

- Measure whole-house savings
- Low to no barriers to entry, embracing food chain of energy efficiency
- Targets both conservation & technology
- Acknowledges irrational decision-making processes
- Creative social and financial incentives (e.g. rewards, lotteries, prizes)

Consumer-Marketing Best Practices

Consumer First programs leverage some or all of the following consumer marketing best-practices in order to maximize customer engagement and impact

Consumer Marketing Insight

- Personalized energy savings information
- Goal-setting, game mechanics and feedback
- Social context & competitions
- Financial incentives for saving energy

Consumer Marketing Applications



Consolidating consumer marketing tactics into behavior-based programs is critical to maximize verified energy savings at the lowest possible cost.

Sophisticated Recommendation Engine

Take action

Set your annual goals and maximize your rewards

Add new actions to save money and earn points!

Sort by Recommended Purchases Free Actions

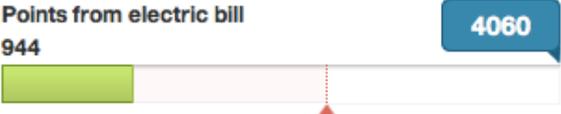
	Total Savings	Reward Points	Edit Assumptions
<input type="checkbox"/> U	\$184	2873	EDIT ASSUMPTIONS
<input type="checkbox"/> B	\$135	4043	EDIT ASSUMPTIONS
<input type="checkbox"/> L	\$77	1378	EDIT ASSUMPTIONS
<input type="checkbox"/> Shower less frequently	\$92	1444	EDIT ASSUMPTIONS
<input type="checkbox"/> Reduce air leakage	\$69	1230	EDIT ASSUMPTIONS
<input type="checkbox"/> Reduce your shower temperature	\$58	1032	EDIT ASSUMPTIONS

All values projected

Goal through June 2, 2011



You're a little behind our projection. Need help?



You're a little behind our projection. Need help?

How do we calculate points?

Redeem your points for rewards like these



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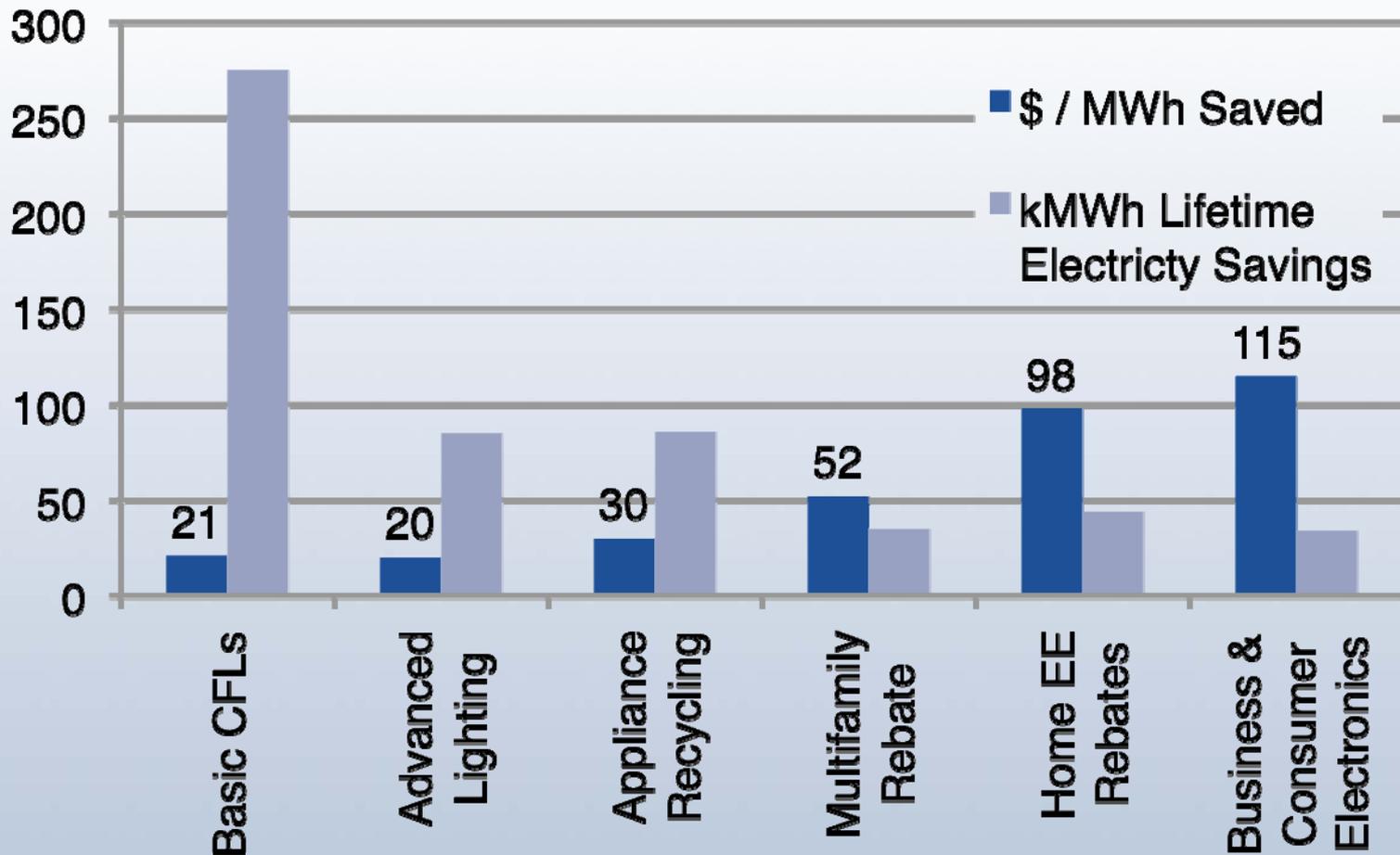
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Why Consumer First Programs?

- As state energy efficiency goals rise, challenge to scale existing programs
- Federal incandescent phase-out limits sustainability of CFL programs, which account for a large percentage of residential electricity savings
- High consumer barriers for many non-CFL programs, including large investments, complicated paperwork, and limited flexibility
- Most traditional programs rely heavily on deemed savings evaluation methodologies, which are increasingly contentious and controversial
- Need for technology-agnostic programs with low barriers to entry, embrace best-practice consumer marketing approaches, and embrace transparent and replicable evaluation protocols

CA Facing Challenge after Current Program Cycle

Residential portfolio cost-effectiveness decreases by 25-50% when lighting programs removed



Example: Efficiency 2.0's PEER Program

Provides targeted recommendations and feedback through printed reports and advanced web tools, and encourages competition to accumulate rewards points redeemable for discounts at national and local retailers

- Personal Energy Efficiency Rewards (PEER) program designed to generate verified energy savings to meet regulatory goals
- Integrates traditional game mechanics (reward points, goals, competitive and collaborative incentive structures, etc.)
- Aggregate and individual savings against control automatically tracked on a monthly basis

Applied Game Mechanics

A game is an activity involving skill, chance, or endurance played according to a set of rules

Game Tactic

Efficiency Application

Persistence & progression

Bill feedback compared to short and long term goals - alerts and messages

Competitive dynamic

Recognition of highest individual & community saving levels

Rewards based on game progression

Rewards for saving energy

Direct Mail



Visit WesternMassSaves.com and start earning!

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Nancy Smith
240 Hoosac Street
Amherst, MA 01002

WESTERN MASS SAVES CHALLENGE
SAVE MONEY & EARN REWARDS!

Your Energy Update

YOUR CURRENT SAVINGS PLAN

Actions in Your Plan	Estimated Electric Bill Savings	Estimated Points
Replace incandescent bulbs with CFLs	\$8	16
Install a kitchen sink aerator	\$6	12
Dry larger loads at once	\$5	10
Microwave more instead of using oven	\$2	4
ANNUAL ELECTRIC BILL SAVINGS	\$21	42

YOUR LATEST BILL dated April 22, 2010



Personalize your savings plan, explore new ways to save and earn rewards online.

Visit www.WesternMassSaves.com



EARN REWARDS REDEEM POINTS FOR COOL STUFF FROM YOUR FAVORITE BRANDS



*You can always opt out of future mailings like this one at WesternMassSaves.com/remove or by calling 800-XXX-XXXX.



Visit WesternMassSaves.com and start earning!

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HOW DO YOU COMPARE TO YOUR AMHERST NEIGHBORS?

Based on the bill dated April 22, 2010

10% LOWER THAN AVERAGE!



This chart compares your energy bill to the average of your neighbors' bills over the same period

RECOMMENDED ACTIONS

Add these actions to your plan to improve your standing against your neighbors

Add These Actions in Your Plan	Estimated Bill Savings	Estimated Points
Unplug appliances & electronics	\$35	70
Run outside instead of using treadmill	\$25	50
Use blinds during the summer days	\$20	40
Use fewer lights	\$15	30
Turn off coffee maker after brewing	\$10	20

HOW DOES YOUR COMMUNITY STACK UP?

Community	Energy Saved	Total Savings
1. Agawam	24%	\$477,212
2. Longmeadow	22%	\$453,109
3. Ludlow	20%	\$421,106
4. Amherst	18%	\$402,182
5. Montgomery	17%	\$398,180
6. Pelham	16%	\$394,230
7. Springfield	11%	\$335,125
8. Sunderland	11%	\$335,080
9. West Springfield	9%	\$304,345

mass save
Savings through energy efficiency

You don't have to compromise style to save energy and money.

ENERGY STAR® compact fluorescent light bulbs (CFLs) come in a variety of sizes, shapes and colors, and still uses up to 75% less energy.

myenergystar.com is moving!
Visit MassSave.com/style

Offer valid while supplies last. Some restrictions may apply. See your local retailers for details.

Email Marketing

Congratulations Tim,

You saved money and earned points this month with CUB Energy Saver!

This month you:

- Saved \$7.00 on your ComEd bill
- Reduced electricity usage by 50 kWh
- Earned 100 points

[GET REWARDS →](#)

Visit [CUB Energy Saver](#) to redeem your points!

You have 15 points

Choose from hundreds of rewards, including gift cards and discounts for groceries, electronics, apparel and more.

 Carson Pirie Scott

\$10 off \$50 or more

 LEONA'S

\$5 off \$25 or more

 seventh
GENERATION.

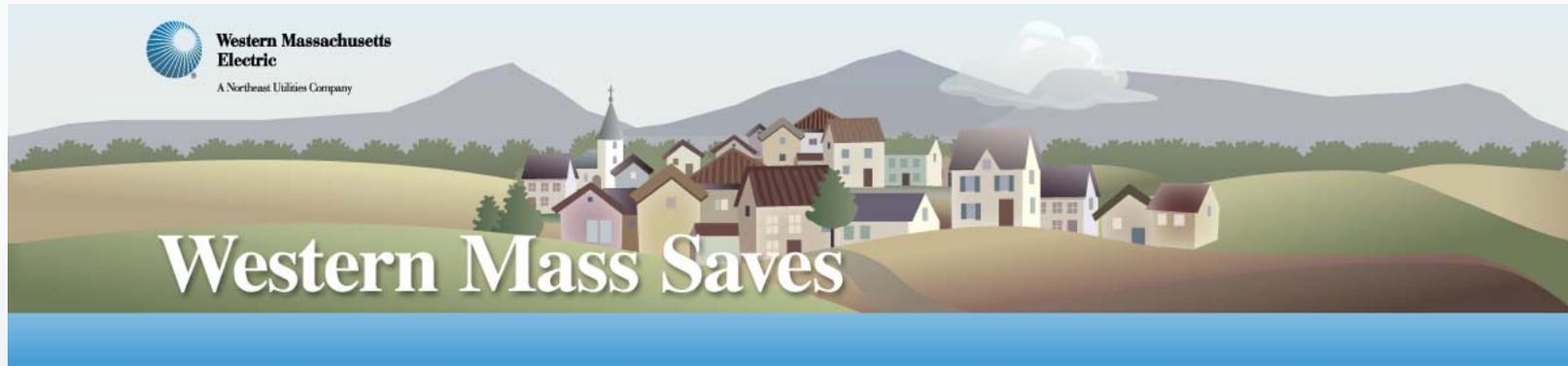
Free disinfecting wipes
(35 count)

 TREASURE ISLAND
AMERICA'S MOST EUROPEAN SUPERMARKET

\$5 off \$50 or more

[Click here to opt-out of
future email](#)

[Click here to edit your
notification settings](#)



Join the free Western Mass Saves program so you can:

- ✓ Receive personalized tips on saving energy and money
- ✓ Get rewards points that you can redeem for great items while you save!
- ✓ Help your community save energy and be more green

This program is 100% free

Sign up!

Learn more

Amherst Energy Savers



To Date, Amherst Energy Savers has saved:

 \$5705

 48353 kWh

Amherst Energy Savers is a team of Amherst residents competing to save energy as part of the Western Mass Saves program, whose mission is to help reduce energy use across Western Mass.

Amherst is just one of four towns that are eligible for a special prize: A solar panel installation on a public building!

Just imagine, solar panels that you and your neighbors helped earn, generating a kilowatt of clean energy for Amherst, every day!

We are calling on all residents to get involved. We are challenging you and your neighbors to help your town.

Here are more details:

- The four towns have been selected to participate in this unique competition are Amherst, Ludlow, Sunderland or Easthampton
- Any other Western Mass resident who gets their electricity from WMECO can also learn how to save energy and money, and get rewarded for it, by participating in the [Western Mass Saves](#) program
- The competition is brought to you by SmartPower, together with WMECO and your town government.

Rewards for Saving Energy

Rewards partners range from well known national brands to local 'mom & pop' style businesses. Categories of partners include non-profit organizations (museums, charities), local restaurants, local services (salons, fitness centers), and more. **Customers receive 2 reward points / kWh saved.**

Existing rewards partners include:

Local Western Mass Partners	National Partners
Holyoke Children's Museum	CVS
Big Y Supermarket	Coca-Cola
Atkins Farm	GAP
Napoli Pizzeria	Sam's Club
Rhythm Section Music Shop	Seventh Generation

Program Evaluation Design

	Mailer	No Mailer
Online engagement	Engaged	Opt-In
No online engagement	Passive	Control



By comparing...	...to...	...we determine these program elements' effects...	...with this level of experimental design
"Engaged"	"Control"	Combined effect of mailer and website with rewards	Experimental design
"Passive"	"Control"	Mailer	Experimental design
"Opt-in"	"Control"	Website with rewards (with no mailer involved)	Quasi-experimental design
"Engaged"	"Passive"	Website with rewards (with mailer involved)	Quasi-experimental design

Resource Metrics

- Gross Verified Electricity Savings: Program participants versus control group (difference of differences analysis)
- Gross Deemed Savings: Total Deemed Savings from program participants
- Net Deemed Savings: Total Deemed Savings minus difference of deemed savings between program participants and control group
- Net Verified Electricity Savings: Gross Verified Electricity Savings minus Net Deemed Savings

Non-Resource (Process) Metrics

- Acquisition Metrics
 - Website hits
 - Web sign-ups from Mailer and No-Mailer customers
 - Mailer customer opt-outs
- Activation Metrics
 - Rewards program registration
 - Savings plan commitments
- Engagement Metrics
 - Cross program referrals
 - Number and most common committed actions
 - Estimated resource savings from committed actions

Significant Program Results to Date

- **Net savings of 8%** between control and participant group
- Difference of differences analysis yields **6.1% savings**
- Results significant at 99%+ confidence level
- 95% confidence interval between 4.2% and 8% savings

Program Participants Taking Action

How likely are you to take energy saving actions based on participating in the program?

Very likely	56%
Somewhat likely	44%
Not Likely	0%

What would you say was the most important reason you joined the program?

Save money	42%
Make a positive environmental impact	38%
Earn rewards	14%
Support my city, town or neighborhood	6%

Average of 2-3 Energy-Saving Completed Actions

Of the energy savings recommendations, how many have you completed (or started) so far?	
None	8%
1	18%
2	26%
3	14%
4	12%
5	6%
More than 5	16%

“Good info with bonus of rewards”