

CPUC En Banc  
on  
Time of Use Marketing, Education & Outreach

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Together, Building  
a Better California

# Topics for Discussion

1. How PG&E is currently approaching ME&O generally and specifically for ME&O required by Decision 15-07-001;
2. How PG&E uses psychographic segmentation and other tools to customize ME&O;
3. The strengths and weaknesses of various efforts used to reach diverse customer segments who use different decision making frameworks; and,
4. The feasibility for applying these approaches to the Rate Reform ME&O – including the education and outreach for the TOU pilots.

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# General ME&O Approach



Identify  
Need for  
Communication



Select  
the Customer  
based on  
Data



Understand  
What  
Motivates  
the Customer

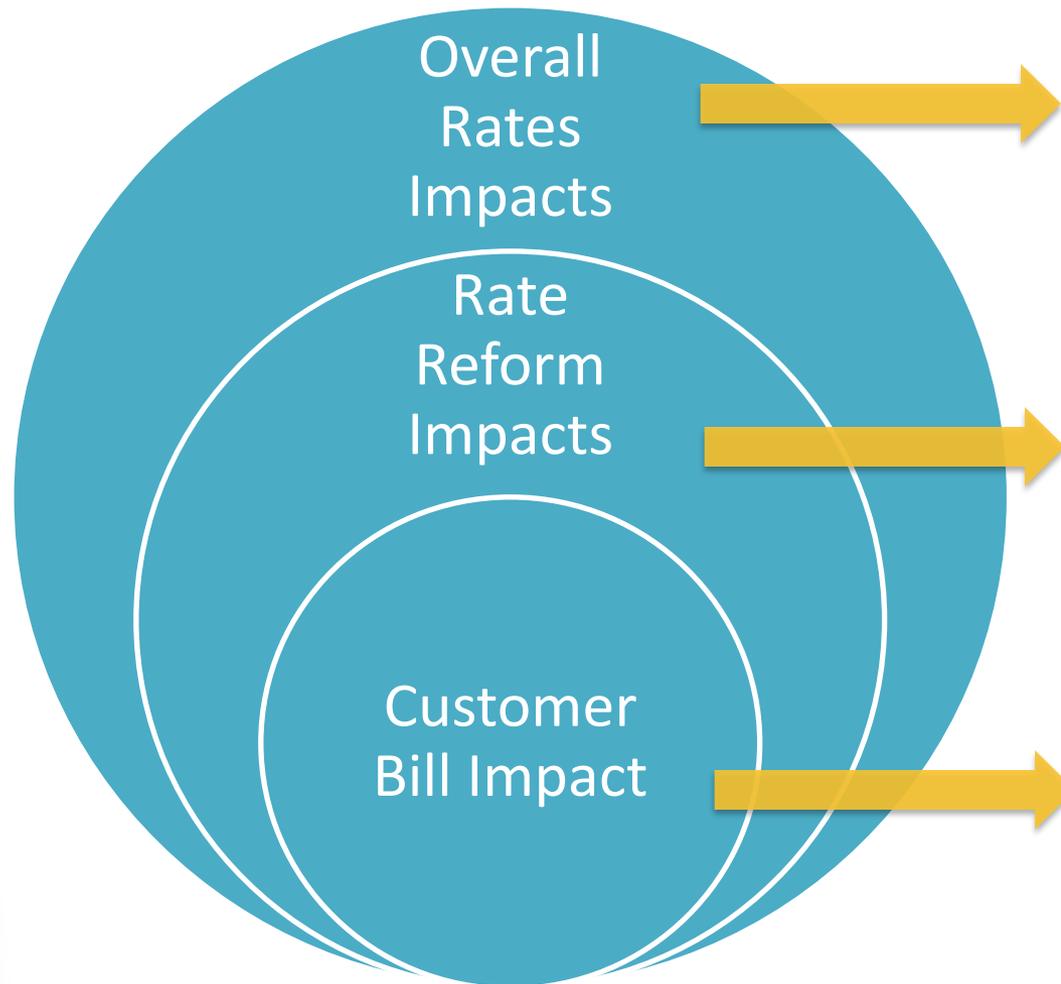


Determine  
Message  
Channel and  
Timing



Drive  
Action

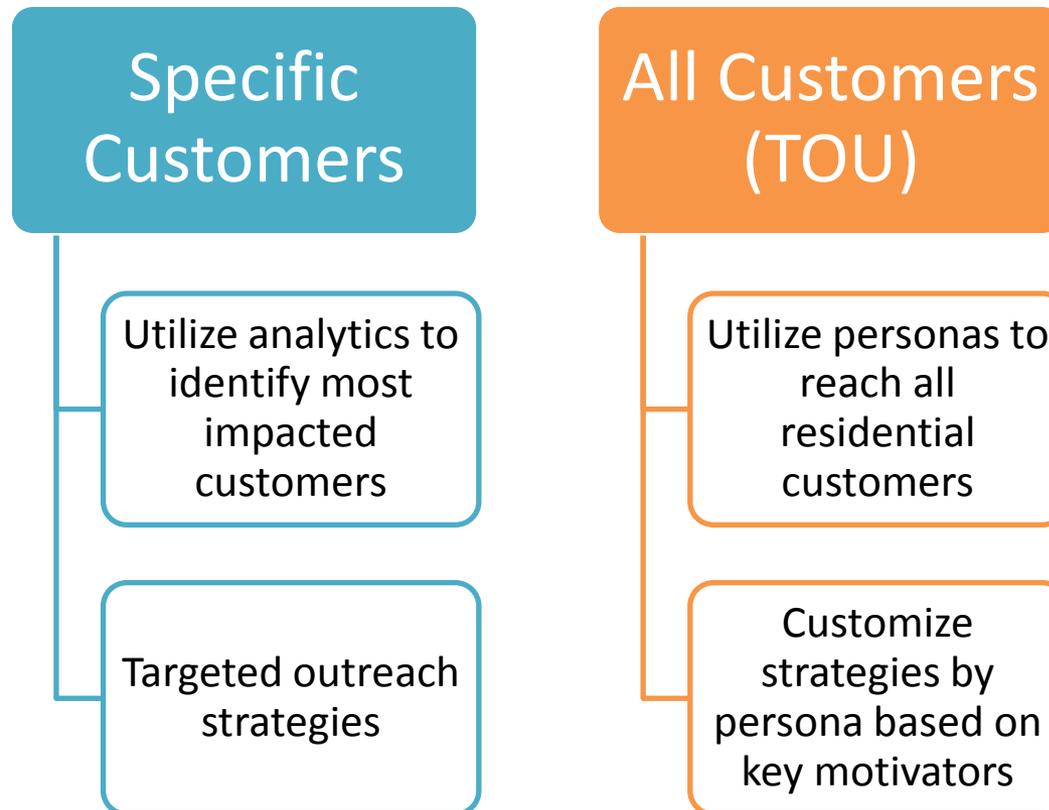
# Residential Rates Approach



- AET/AGT
- GT&S
- GRC
  
- Minimum Bill
- Tier Collapse/Narrowing
- E7/E8 Elimination
- E6 Closure
- New TOU Rates
- SUE
- TOU Default
  
- Impact of the changes at the individual customer bill level

# Rate Reform Approach

**We utilize a two-tiered data-driven approach to determine which customers to target, which channels to utilize and which messages will most resonate with each audience**



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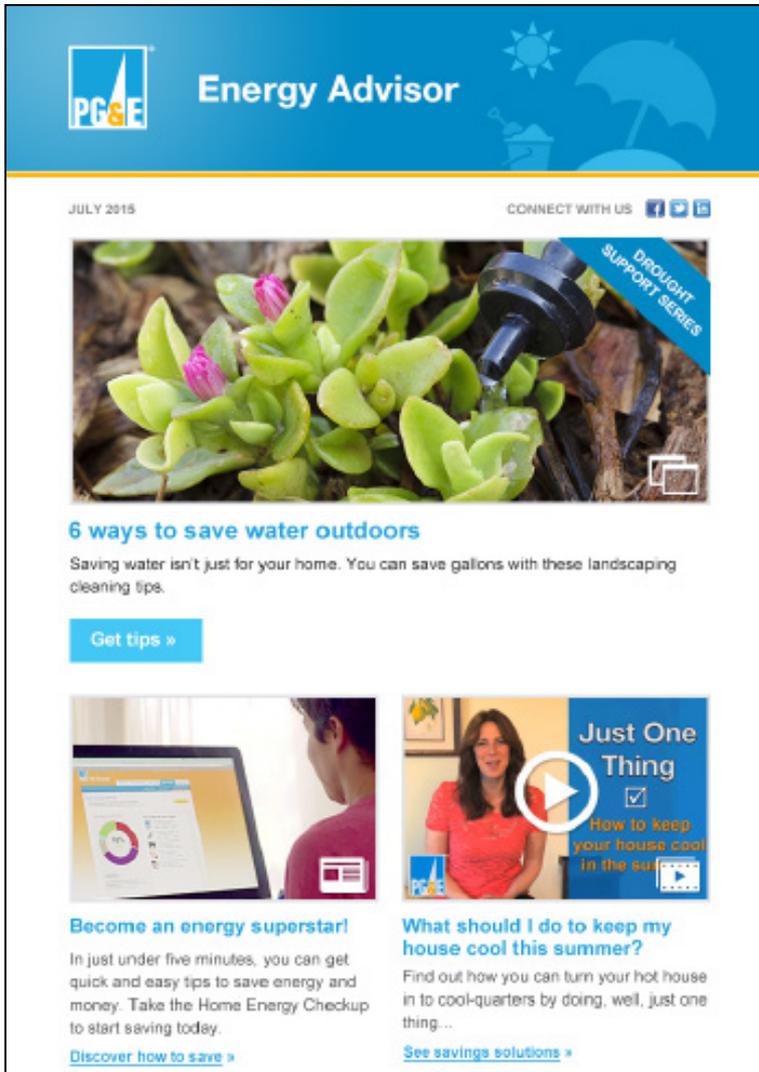
# Newly Enhanced Personas (1 of 2)

<b>Living for Today</b> <i>(In Need of Assistance)</i>	<b>Stable Living</b> <i>(Sustaining Renters)</i>	<b>Style Seekers</b> <i>(Convenience Driven)</i>	<b>Eco-Active Go-Getters</b> <i>(Energy Efficient City Dwellers)</i>	<b>Geo-Centric Digitals</b> <i>(Single Fuel Geography)</i>	<b>Geo-Centric Discounters</b> <i>(Single Fuel Geography)</i>	<b>Geo-Centric Basics</b> <i>(Single Fuel Geography)</i>
14%	11%	5%	18%	9%	4%	2%
<p>Living for Today are a mix of renters &amp; home owners.</p> <p>They receive late payment notices &amp; call the IVR frequently.</p> <p>They have medium-to-high bills &amp;, in general, are less likely to have the means to invest in EE upgrades.</p>	<p>Stable Living are primarily renters living in temperate areas.</p> <p>These households are typically of family stage &amp; beyond.</p> <p>They rely on relatively low income, but are able to manage their money. They are often on CARE, but do not miss payments.</p>	<p>These are young, pre-family households renting in the Bay Area/North Coast.</p> <p>They are likely to soon enter a new life stage (marriage/children) &amp; own a home in the future.</p> <p>Their lifestyle leads to lower engagement &amp; is accessible via email.</p>	<p>Eco Active Go Getters are a mix of renters and homeowners living in the Bay Area/ North Coast.</p> <p>While low engaged, these customers have low bills, low cost to serve, and efficient energy usage when compared to other similar households.</p>	<p>Geo Centric Digitals are younger, high online engagement (email, e-pay, My Energy), gas only customers.</p> <p>Primarily homeowners with moderate incomes residing in newer homes.</p>	<p>These customers are cost conscious, offline, gas only customers.</p> <p>They are more likely to be settled in life, typically aged 45+ with a long tenure. Often on CARE.</p> <p>Pay bills mostly on time through traditional channels.</p>	<p>These customers have a very basic relationship with PG&amp;E, gas only.</p> <p>They are on the basic rate and pay through mail.</p> <p>Many of these customers have higher incomes and have lived in their home for less than a year.</p>

# Newly Enhanced Personas (2 of 2)

<b>Gadget Family</b> <i>(High End EE Opportunity)</i>	<b>Way Wired</b> <i>(Established &amp; Savvy)</i>	<b>Heart &amp; Home</b> <i>(Mainstream Homeowner)</i>	<b>Beyond Their Means</b> <i>(Need Support)</i>
<b>6%</b>	<b>14%</b>	<b>12%</b>	<b>5%</b>
<p><b>Gadget Families</b> are more affluent, established homeowners with large homes and above norm energy usage for their requirements.</p> <p>Confronted with a lack of time, these customers are generally not focused on usage, but will engage given the right product/message.</p>	<p><b>Way Wired</b> customers are more affluent, established households living in the Bay Area or North Coast.</p> <p>They typically have higher bills, yet are savvy about their usage and utility company offers. Rebate use is well established.</p> <p>While users of standard EF payment methods, there are fewer enrolled in My Energy and E-Bill.</p>	<p><b>Heart &amp; Home</b> are low-to-moderate income homeowners living in smaller homes.</p> <p>They tend to engage with PG&amp;E through more traditional channels (pay by check, lower My Energy enrollment).</p>	<p><b>Beyond Their Means</b> are homeowners who struggle with managing money.</p> <p>They often receive late payment notices and many are on CARE.</p> <p>They live in moderately sized homes with high energy bills. Similar to the Gadget Family, they use energy at a higher rate than their peers.</p>

# Leveraging Persona Data - Example



The screenshot shows the PG&E Energy Advisor newsletter interface. At the top left is the PG&E logo and the title "Energy Advisor". Below this, it says "JULY 2015" and "CONNECT WITH US" with social media icons for Facebook, Twitter, and LinkedIn. The main content area features a large image of a green succulent with a black irrigation nozzle, labeled "DROUGHT SUPPORT SERIES". Below this image is the headline "6 ways to save water outdoors" and a sub-headline "Saving water isn't just for your home. You can save gallons with these landscaping cleaning tips." A blue button with the text "Get tips »" is positioned below the sub-headline. Below the button are two smaller content blocks. The first block shows a person looking at a laptop screen displaying a circular energy usage chart, with the headline "Become an energy superstar!" and sub-headline "In just under five minutes, you can get quick and easy tips to save energy and money. Take the Home Energy Checkup to start saving today." Below this is a blue button with the text "Discover how to save »". The second block shows a woman in a red shirt with a play button icon over her image, with the headline "Just One Thing" and sub-headline "How to keep your house cool in the sun". Below this is a blue button with the text "See savings solutions »".

## Residential Digital Newsletter

- **Segmentation:** Personas
- **Objective:** Increase education, engagement, participation and retention in Energy Management actions in monthly emails
- **Integration:** PG&E programs, tips, and tools are integrated monthly
- **Results:**  
Above Industry Average Open Rates - Q4 Open Rate 29.5%, CTR 2.5%

# Rate Reform ME&O to-date

- **Phase II Rate Reform (2014)**
  - Wave 1 August: versioned by impact 10-15% & 15-20%
  - Waves 2 & 3
    - Income qualified Non-CARE
    - Income qualified CARE
    - General Market
- **Summer Heat (2014/2015)**
  - Most-Impacted, General Market
  - Direct Mail with summer heat tips
  - Targeted digital and radio ads
- **Minimum Bill (Sept, 2015 )**
  - Non-CARE NEM
  - CARE NEM
  - Non-CARE Non-NEM
  - CARE Non-NEM
- **Minimum Bill (Feb, 2015)**
  - Non-NEM
  - NEM
- **Tier 1/2**
  - Income Qualified Non-CARE – CARE & Home Energy Check-up
  - CARE Customers – Home Energy Check up and ESA
  - General Market – Home Energy Check up & Balanced Payment Plan
  - CCA, NEM & ESA Customers – Home Energy Check-up
- **E7 Elimination**
  - NEM Customers (3 versions)
  - Non-NEM Customers (5 versions)
  - Customers with disabled SmartMeters or no SmartMeter
- **E8 Elimination**
  - NEM customers
  - Non-NEM Customers (8 versions)

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# Challenges and Benefits of Segmentation

## BENEFITS

### Customer Insights

- Identify key barriers and motivators
- Assess satisfaction across new meaningful criteria
- Add depth in understanding program effectiveness

### Marketing

- Deploy customer journey approach and holistic outreach practices for how and when to message
- Identify customer needs and mount specific campaigns to key prospects
- Identify best targets at a given point in time, determine the right customer for outreach
- Improve effectiveness of communications

### Operations

- Identify opportunities for efficiencies
- Gain insight into how processes fit with customer segments
- Assist in evolving or developing processes

## CHALLENGES

### Impacts

- Complex rate structure
- Managing to customers' time, capacity, and desire constraints
- Balancing efficacy with efficiency

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# TOU Targeted Outreach

## PSYCHOGRAPHIC SEGMENTATION FOR TOU DEFAULT IN 2019

<b>Needs First</b>	<b>In It Together</b>	<b>Cool and Connected</b>
<b>Personas</b> Living for Today Beyond Their Means	<b>Personas</b> Heart & Home Eco-Actives Stable Living	<b>Personas</b> Way Wired Gadget Family Style Seekers
<b>Motivations</b> Search for security Open to Assistance Bargain Hunters Somewhat Fearful	<b>Motivations</b> Doing the right thing Respect and responsibility Part of community	<b>Motivations</b> Cool new thing Proven to be a winner Smart & Savvy Independent

# TOU Communication Plan—A Phased Approach

Audience	2016: Introduce the “what” and the “why”	2017: Explain TOU vs. Monthly Rate Plans	2018: TOU is coming, here’s how to succeed	2019: TOU is here
<b>Needs First</b>	<p>Keep it simple. Rate Reform may impact your rates and bills. Are you on your best rate?</p> <p>Offer rate analysis and introduce TOU concept.</p>	<p>TOU gives you the chance to lower your bills.</p> <p>Introduce tips for shifting behavior and tools to reduce energy usage to save money.</p>	<p>Here’s how you can succeed with your rate plan.</p> <p>Promote ESA, CARE, Balanced Payment Plan, etc.</p>	<p>Lower your bills now.</p> <p>Continue to promote ESA, CARE, Balanced Payment Plan, etc.</p> <p>Additional tools (alerts, stickers, etc.).</p>
<b>In It Together</b>	<p>Better for all of us and environment. Rate Reform is supporting the State’s Energy Conservation mandate.</p> <p>Promote TOU concept as better for the grid and offer a rate analysis.</p>	<p>TOU gives you the chance to do your part.</p> <p>Introduce tips for shifting behavior and tools to reduce energy usage and support sustainability.</p>	<p>Here’s how you can succeed with your rate plan.</p> <p>Promote Energy Upgrade CA, SmartAC, Lighting, etc.</p>	<p>Do your part now.</p> <p>Continue to promote Energy Upgrade CA, SmartAC, Lighting, etc.</p> <p>Additional tools (alerts, stickers, etc.).</p>
<b>Cool and Connected</b>	<p>More sophisticated system, priming grid for shift to renewables. Rate Reform is adapting rate structures to support today’s grid.</p> <p>Promote TOU concept as better for the grid and offer a rate analysis.</p>	<p>TOU gives you the chance to embrace a smarter approach to energy.</p> <p>Introduce tips for shifting behavior and online tools to manage your energy usage.</p>	<p>Here’s how you can succeed with your rate plan.</p> <p>Promote Energy Upgrade CA, SmartAC, Lighting, Home Energy Checkup, Solar, etc.</p>	<p>Take control now.</p> <p>Continue to promote Energy Upgrade CA, SmartAC, Lighting, Home Energy Checkup, Solar, etc.</p> <p>Additional tools (alerts, stickers, etc.).</p>

# Thank You

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