

## Engaging the New Energy Consumer

By Lisa V. Wood, executive director of the Institute for Electric Efficiency

Great businesses achieve success by establishing a purpose and delivering on that purpose, said Procter & Gamble's global marketing director Lisa Hillenbrand, who was a panelist at Powering the People 2.0 in Washington, DC, in March. For her company, one part of that purpose is to engage consumers, and the key to success here is "to delight" them.

Hillenbrand also noted that in order for a new idea or innovation to take hold and provide delight, you also must explain the innovation's benefits to consumers in a strong message that instills a sense of "people power."

For our industry today, that is clearer than ever. Engaged energy consumers need to be delighted by the services and products provided by their electricity provider. On one hand, providing safe, reliable, affordable electricity is a lofty purpose. On the other, thinking about your energy use can be tedious. How can we engage consumers in the information technology-connected 21st century, making electricity a service that delights the consumer, is controlled by the consumer, and in some cases even is developed by the consumer?

Electric utilities in the United States have installed more than 35 million smart meters, representing about 30 percent of all U.S. households. Every one of those smart meters is a foundation for delighting the new energy consumer. Powering the People 2.0 brought together industry leaders from utilities, capital markets, the military, and the IT and consumer products sectors to discuss the evolution and application of new technologies supported by the smart meter infrastructure—technologies that are changing the electric power sector and that demand consumer engagement. The combination of energy information, technologies, energy-efficient products, and even distributed resources empowers consumers to take control of their energy footprint. From the largest consumer of electricity in the United States—the military—to a single residential customer, this combination also is changing the customer-utility relationship.

### Apportunities

Powering the People also made clear that electric utilities and technology companies have a variety of programs and partnerships to create new ways to channel smart meter data into insightful, applications-based information—all to engage, inform, and delight the consumer. Apps are important

as electric utilities engage a slightly distracted consumer. After all, it's not electricity itself that is interesting to consumers but what electricity enables—the internet, computers, electronic gadgets, social communications, and more.

Best Buy, for example, has developed in-store "touch and feel" home energy technology experience centers in a few test markets. By offering the experience in the store, the retailer is in a position to help consumers install and program in-home energy management equipment and choose a new electricity rate—it is an excellent way to provide a new path to consumer engagement.

The Green Button Initiative is a voluntary industry effort to create a standard format for energy consumption data gathered by smart meters. With such standardization, the consumer can choose to allow third parties to access and process usage data, which in turn promotes innovation among those suppliers. As of the end of April, 17 utilities have committed to bringing the Green Button to 27 million customers. Technology companies like Aclara, Siemens, Silver Spring Networks, Simple Energy, and Tendril have responded with web and smartphone applications that use the Green



Button to deliver customized energy information, conduct virtual energy audits, and help customers manage energy.

The \$100,000 "Apps for Energy" contest, funded by PG&E, Itron, and the Department of Energy, is looking for innovative applications that use smart meter data. Ideas include apps that gauge the savings potential from adopting a variable electricity rate, apps that figure out the best time to charge an electric vehicle, and apps that confirm savings from energy efficiency investments. (The winners are to be announced May 22.)

During August and September 2011, CenterPoint Energy and Oncor worked with technology partners Itron, Landis+Gyr, IBM, GE, and Tendril to launch "The Biggest Energy Saver Consumer" contest. Participants used the

Smart Meter Texas portal, in-home displays, apps, and individualized sustainability plans to reduce their electricity consumption during the hottest days of the year. Electricity savings for the top 10 percent of participants averaged 26 percent.

Those are just a few examples of innovative customer engagement ideas. Other approaches are developing as IT entrepreneurs push new technologies to the market. The challenge for the electric utility industry will be partnering with those companies to expand the electric power contract to one that provides safe, reliable, low-cost products and services that also delight! Delight is the ultimate deliverable for the 21st-century energy consumer. ♦





# ELECTRIC PERSPECTIVES

MAY/JUNE 2012

## Clean Tech Talk

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EPRI on Innovation



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