

# Illinois Energy Efficiency Stakeholder Advisory Group

## 2020 SAG Portfolio Planning Process Proposed Energy Efficiency Ideas Template

**Due Date:** By 5:00 pm (CST) on Monday, April 27, 2020

**Purpose:** The SAG Portfolio Planning Process is an opportunity for SAG participants to understand current energy efficiency (EE) portfolios and provide feedback to Illinois utilities (Ameren Illinois, ComEd, Nicor Gas, Peoples Gas & North Shore Gas) as they develop their 2022-2025 EE Plans. The objective of the SAG Portfolio Planning Process is to reach consensus on EE Portfolio Plans prior to utilities filing plans for approval with the Illinois Commerce Commission on or before March 1, 2021.

SAG participants are invited to submit:

1. Feedback on current portfolios, focused on suggested changes for the 2022-2025 EE Plans;
2. Stakeholder ideas/approaches for utility consideration, such as program approaches or new measures that have been successfully implemented in other jurisdictions; and
3. Innovative ideas that could be researched during the next EE Plan cycle by utilities, evaluators, SAG, or another advisory group (IL-TRM Technical Advisory Committee; Income Qualified EE Advisory Committee).

### **How to Submit an Energy Efficiency Idea:**

- SAG participants are encouraged to make a good faith effort to fill out as much information as possible in this template by the due date. Templates submitted after the April 27<sup>th</sup> deadline may not be considered due to time constraints.
- If you need help filling out the Energy Efficiency Idea Template or researching required information, contact the SAG Facilitator for assistance: Celia Johnson ([Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com)).
- Ideas will be reviewed by a small group Review Committee, organized by the SAG Facilitator. The SAG Facilitator may follow-up and request additional information after ideas are submitted.
- SAG participants that submit an idea may be invited to present their idea at the May 12-13 SAG meetings. Utilities will respond to feedback and ideas during the June 16-17 SAG Meetings.
- Please email your idea, with any supplemental materials, to the SAG Facilitator via the email above. Questions may be directed to the SAG Facilitator by email ([Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com)) or by phone: (312) 659-6758.

### **Submitter Contact Information**

Name: Jenny Riley

Organization: Elevate Energy

Website: [elevateenergy.org](http://elevateenergy.org)

Email: [Jenny.Riley@elevateenergy.org](mailto:Jenny.Riley@elevateenergy.org)

Phone: 1-312-283-5936

## **Energy Efficiency Idea Questions**

Please check the boxes below to identify 1) the type of idea; 2) which Illinois utility or utilities will be impacted by the idea; and 3) which EE sector the idea impacts.

Check	Type of Energy Efficiency Idea
<input type="checkbox"/>	New Measure or New Program Idea
<input type="checkbox"/>	Proposed Program Approach
<input checked="" type="checkbox"/>	Innovative Idea

Check	Illinois Utility Impacted by Energy Efficiency Idea
<input type="checkbox"/>	Ameren Illinois
<input type="checkbox"/>	ComEd
<input type="checkbox"/>	Nicor Gas
<input type="checkbox"/>	Peoples Gas & North Shore Gas
<input checked="" type="checkbox"/>	All Illinois Utilities

Check	Energy Efficiency Sector Targeted by Energy Efficiency Idea
<input checked="" type="checkbox"/>	Residential Customers – Single Family (non-income qualified/income eligible)
<input checked="" type="checkbox"/>	Residential Customers – Multifamily (non-income qualified/income eligible)
<input checked="" type="checkbox"/>	Residential Customers – Single Family Income Qualified/Income Eligible
<input checked="" type="checkbox"/>	Residential Customers – Multifamily Income Qualified/Income Eligible
<input type="checkbox"/>	Small Business Customers (commercial & industrial sector)
<input type="checkbox"/>	Medium/Large Business Customers (commercial & industrial sector)
<input type="checkbox"/>	Other (research & development, emerging technologies, market transformation)

## **Additional Questions**

1. **Description of Idea:** Describe the proposed idea, including the purpose of the suggested idea and rationale. Describe whether this is an idea that could be implemented in an existing EE program, or whether the idea involves establishing a new measure or program. Please indicate whether additional research may be required before implementation.

*Questions to consider: What issue will this proposed change resolve? Will the proposed change increase participation and result in increased energy savings? Will this reduce costs? Will this increase customer satisfaction? Will this help achieve statutory goals? Will this help increase program penetration?*

## **Loyalty Program**

**Purpose:** With the growing pressure to create compelling customer experiences, a loyalty program has the ability to make customers feel like they have an emotional connection with their utility and increase retention, program participation, and customer patience in times of crisis.

Loyalty programs have been given an increased recognition in recent years for several reasons. Loyalty programs:

- Increase retention and program participation
- Are an expected part of the consumer experience
- Help customers feel appreciated and become advocates
- Provide a direct way to communicate with customers in case of an emergency
- Facilitate satisfied customers to share their experience with friends and family
- Provide a new set of actionable data

**Target group:** All residential customers, specifically to low-income. Low-income residents have historically had low participation in energy efficiency and demand response programs. Rewarding behavior will encourage and promote participation from this segment.

## **Promotion Ideas**

Via online account and mobile app, customer can earn points (points can be shown as stars, light bulbs, earth emoji, dollar reward, smart thermostat, etc.) for successful customer behavior such as on-time bill payment or kWh energy reduction. “You have successfully paid your bill on-time the last twelve months. You are eligible for a free reward.”

Utilities can design webpages and apps that credit loyalty points and reward customers in real time for complying with alerts and/or advice on optimized usage, prompt bill payments, and self-resolution issues. Another consideration can be rewarding customers for setting their thermostats to specified lower limits than their daily average. Differentiated rewards can be designed for the high-value and highly aware customer.

## **Promotion channels**

- Traditional and digital
- Property manager networks

Energy consumers are becoming highly aware and more proactive around their energy consumption and savings. Enrollment benefits for new customers and rewards for current customers who adopt energy-saving behaviors are ways to engage with customers. It also provides opportunities to offer personalized digital interactions. Utilities can boost consumer loyalty by integrating advanced analytics, mobile use, machine-learning, and social media into their loyalty programs. The focus of these digital interactions should be on motivating and inspiring behaviors rather than mere transactional approaches, using ‘always on’ conversations so consumers feel close to their providers.

Loyalty programs can be built into existing channels that customers are already using. In addition to online dashboards for individuals, most utilities already use some version of a network or portal for landlords or property managers with multiple accounts. Incorporating the loyalty program into these channels that are already used creates an easy path for the customer to get involved and allows the loyalty program to use existing data from these accounts.

2. **Implementation:** How will this idea be delivered to the target market? Describe marketing strategies used to reach the target market and minimize market confusion.

**The target market is all residential customers.** To reach this target market, this market would be reached through a three-prong integrated marketing strategy:

1. **Build Awareness:** Inform customers of the loyalty program through email, direct mail, social media, customer online account, start of service, etc.
2. **Target Market:** Pilot the loyalty program to low-income target area.
3. **Retention:** Connect with customers through a welcome series and ongoing communication via email, online account, and app.

### Program Goals

- Create a program with rewards relevant to target customers.
  - Design a program that is transparent and easy to participate in.
  - Make the program fun and engaging.
  - Reward customers for completing a specific action, such as paying on time or saving energy.
  - Design the program around a purpose, such as attracting new customers, retaining current customers, or encouraging program participation.
3. **Background:** Describe where the idea originated from, including whether this idea has been successfully implemented in other jurisdictions. Provide specific background information that will help utilities and SAG participants understand the proposed idea.

*Questions to consider: In what jurisdiction has this idea been successfully implemented? Do you have information on eligible customers, participation achieved, and/or savings achieved? Do you have access to reports describing the successful idea / program approach?*

An example of an existing utility loyalty program is Team Power Smart from BC Hydro. BC is a Canadian electric utility in the province of British Columbia. Through Team Power Smart, customers are challenged to reduce their home's electricity use by 10% in the next year. If successful, they can earn a \$50 reward. Perks include monthly contests, member-only offers, energy-saving tips, advice and tools, and member communications including a monthly newsletter and bi-annual member magazine.

4. **Idea Impact:** Provide additional information on the customer segment that will be targeted with the program idea, including how and why this idea will have a positive impact on customers participating in Illinois EE programs.

*Questions to consider: What level of impact will this idea have on current EE programs? How much additional market share do you estimate this change will impact?*

Loyalty programs create winners on both sides. Customers feel valued and see benefits in making behavior changes, such as participating in energy-saving programs, using paperless billing and self-service options. For utilities, such behavior changes lead to better regulatory utility compliance and lower operating costs.

5. **Duration:** Is this idea intended to be offered for the duration of the 4-year EE Plan or as a pilot measure or program?

Duration of program.

6. **Estimated Budget:** Provide the total estimated budget for each program year (2022 – 2025).

Further assessment and loyalty program design would need to be conducted in order to estimate budget required.

7. **Estimated Participation:** Provide participation totals for each program year (i.e. number of measures installed, number of customer participants, etc.)

All utility residential customers.

### **Sources**

If any sources will be useful to Illinois utilities in reviewing ideas, please either provide links within this template or send attachment(s) to the SAG Facilitator with the Energy Efficiency Idea submittal.