SMART ENERGY CONSUMER COLLABORATIVE

2019 Members Meeting & FALL WORKSHOP

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Values and Behaviors of Residential Energy Consumers

A look at residential energy consumers from the latest SECC Consumer Segmentation

Moderator

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Panelists

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Today's Discussion

SECC Segmentation Background

Green Innovators
20% of total
Strongly value sustainability and lead the way in saving energy with technology

Tech-Savvy Proteges
25% of total
Receptive to changing energy habits and using technology to do so, but need to be shown how to do it without sacrificing comfort

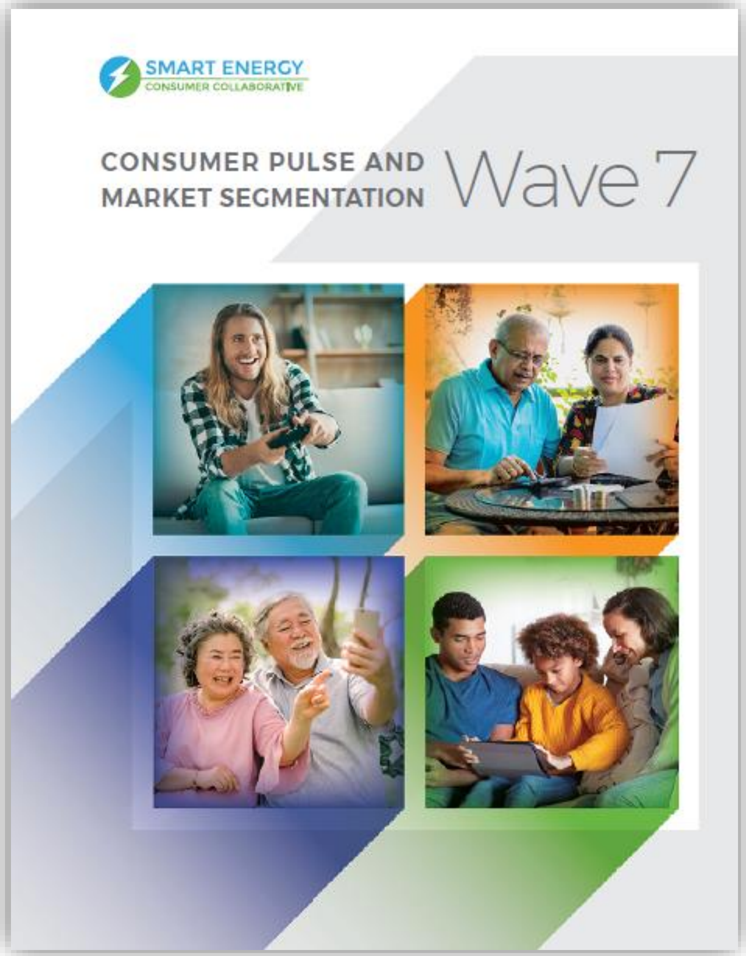
Moveable Middle
29% of total
Not complete rejectors of saving energy and face few barriers; lack interest in technology

Energy Indifferent
26% of total
Rejectors of environmental concern and saving energy; keep their energy needs simple and want to be left alone

Panel Discussion

SECC Segmentation Background

Consumer Pulse – Wave 7



- A continuation of SECC’s longitudinal study of consumer knowledge, attitudes and behaviors around energy
- Wave 7 focused on re-examination of our residential market segmentation framework

Drivers? Industry and Consumer Trends

- Over 60% of consumers now have smart meters
- Over 890,000 EV's are on the road today
- 64 GW of solar power is now available - enough to power 12.3 million homes
- Technologies – including smart speakers – are becoming mainstream
- TOU rates are now offered by 14% of utilities

Segmentation Frameworks: Old & New

Old framework

Green Champions

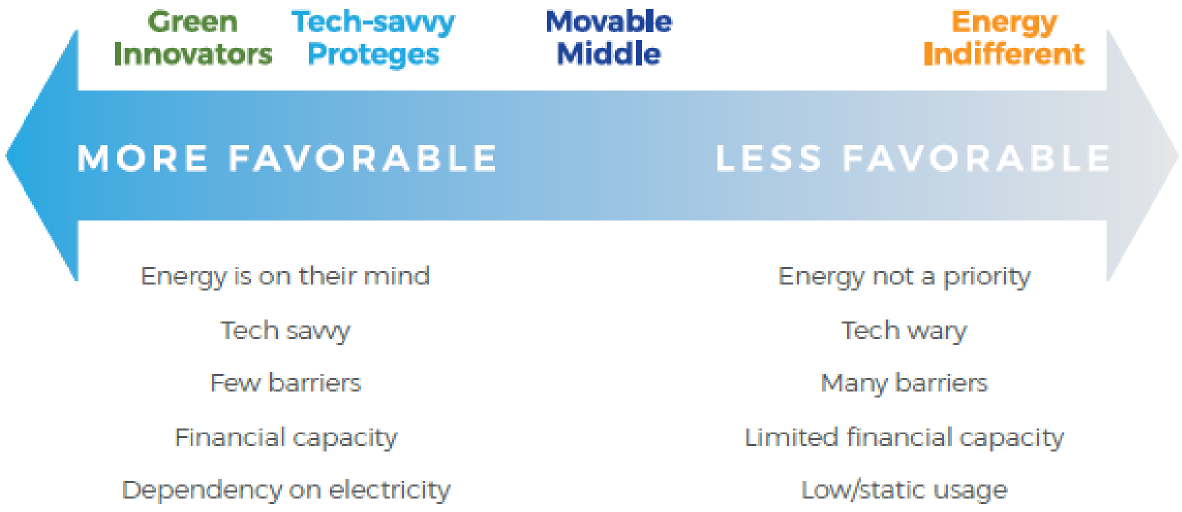
Technology Cautious

Movers & Shakers

Status Quo

Savings Seekers

New framework



Key areas of difference across segments

SEGMENT NAME	PERSPECTIVE ON ENERGY	IMPORTANCE OF ENERGY EFFICIENCY IN THE HOME[8]	TOP 2 REASONS TO BE ENERGY-EFFICIENT	SMART THERMOSTAT & SMART SPEAKER OWNERSHIP[9]
Green Innovators	Strongly value sustainability and lead the way in saving energy with technology.	79%	The money I can save The environmental benefits	Smart speaker (30%) Smart thermostat (21%)
Tech-savvy Proteges	Receptive to changing energy habits and using technology to do so, but need to be shown how to do it without sacrificing comfort.	59%	The money I can save The environmental benefits	Smart speaker (40%) Smart thermostat (20%)
Movable Middle	Not complete rejectors of saving energy and face few barriers; lack interest in technology.	50%	The money I can save The environmental benefits	Smart speaker (17%) Smart thermostat (10%)
Energy Indifferent	Rejectors of environmental concern and saving energy; keep their energy needs simple and want to be left alone.	36%	The money I can save Prolonging the life of appliances	Smart speaker (8%) Smart thermostat (4%)

Green Innovators

20% of total

Strongly value sustainability and lead the way in saving energy with technology

Introducing the Green Innovators

Energy Perspective: Strongly value sustainability and lead the way in saving energy with technology.

- Energy efficiency is very important to them
- Top 2 reasons to be energy-efficient?
  - Money I can save
  - Environmental benefits
- Own smart devices
  - Smart thermostat (21%)
  - Smart speaker (30%)

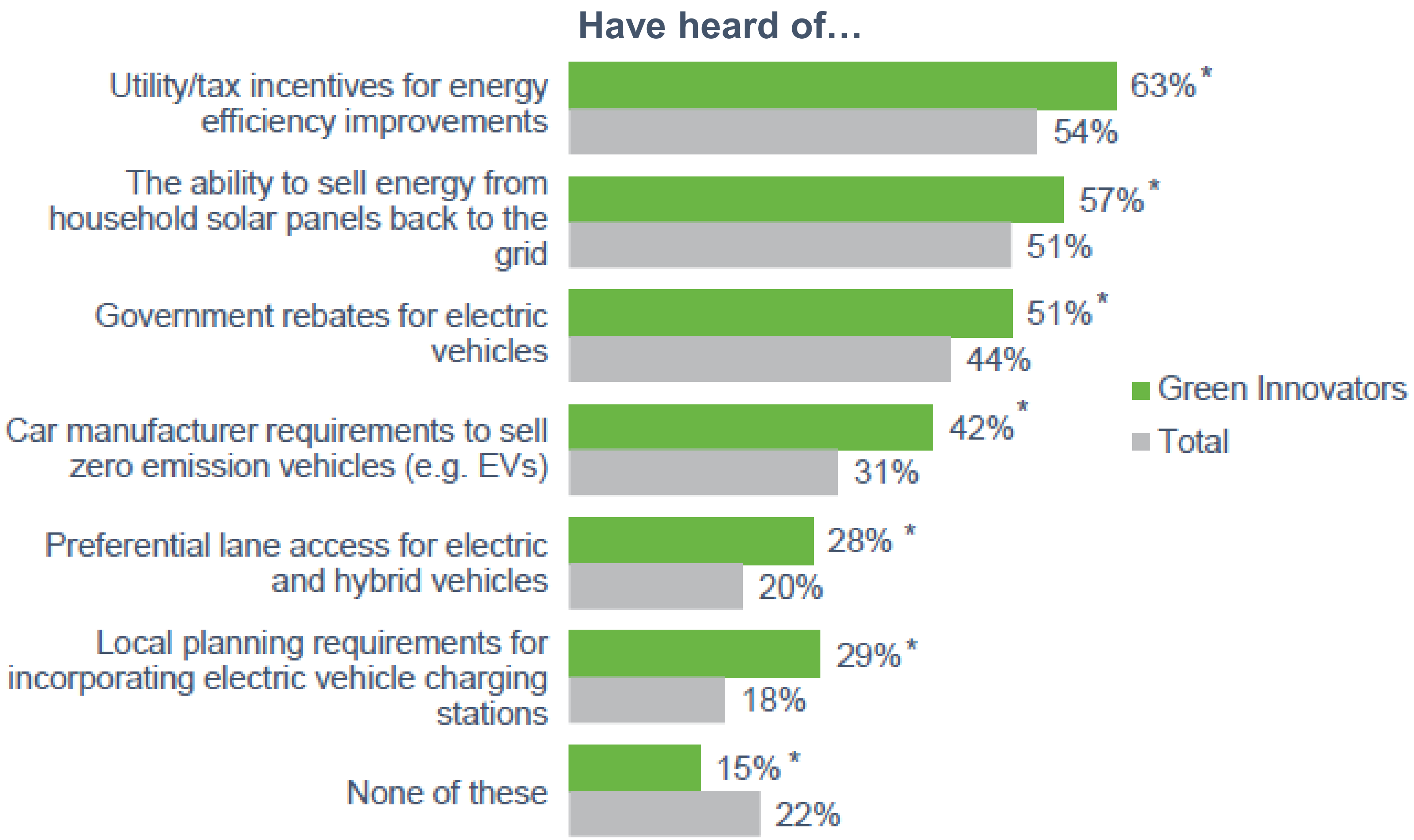
Green Innovators are more energy-engaged

They've done more about energy use in their homes

Currently have…	TOTAL	GREEN INNOVATORS
BASE: ALL RESPONDENTS	2451	467
Energy-efficient lighting	22%	33%*
Outage alerts	16%	24%*
Monthly report showing your energy usage data with personalized tips to save	18%	24%*
Billing alerts	16%	23%*
Energy-efficient windows	17%	21%*
Bill credits for reducing electricity use at peak demand times	7%	12%*
Smart lighting controlled via phone	5%	12%*

Green Innovators are more informed

They are more aware of energy policies & incentives



How can we engage this segment?

Tech-Savvy Proteges

25% of total

Receptive to changing energy habits and using technology to do so, but need to be shown how to do it without sacrificing comfort

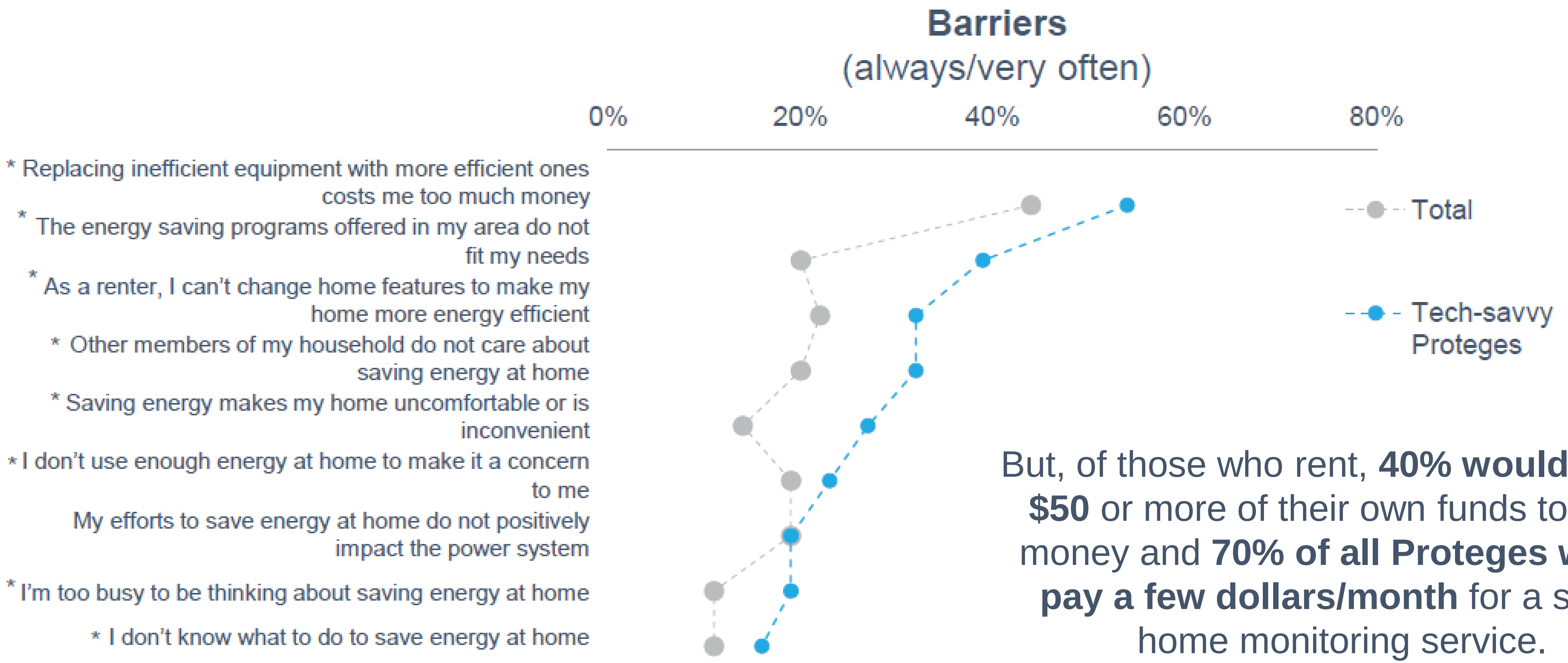
Introducing the Tech-Savvy Proteges

Energy Perspective: Receptive to changing energy habits and using technology to do so, but need to be shown how to do it without sacrificing comfort

- Energy efficiency is important, but not at the expense of their technology or comfort
- Have the highest average energy bills
- Most likely to frequently be in contact with their energy provider

Tech-savvy Proteges see roadblocks

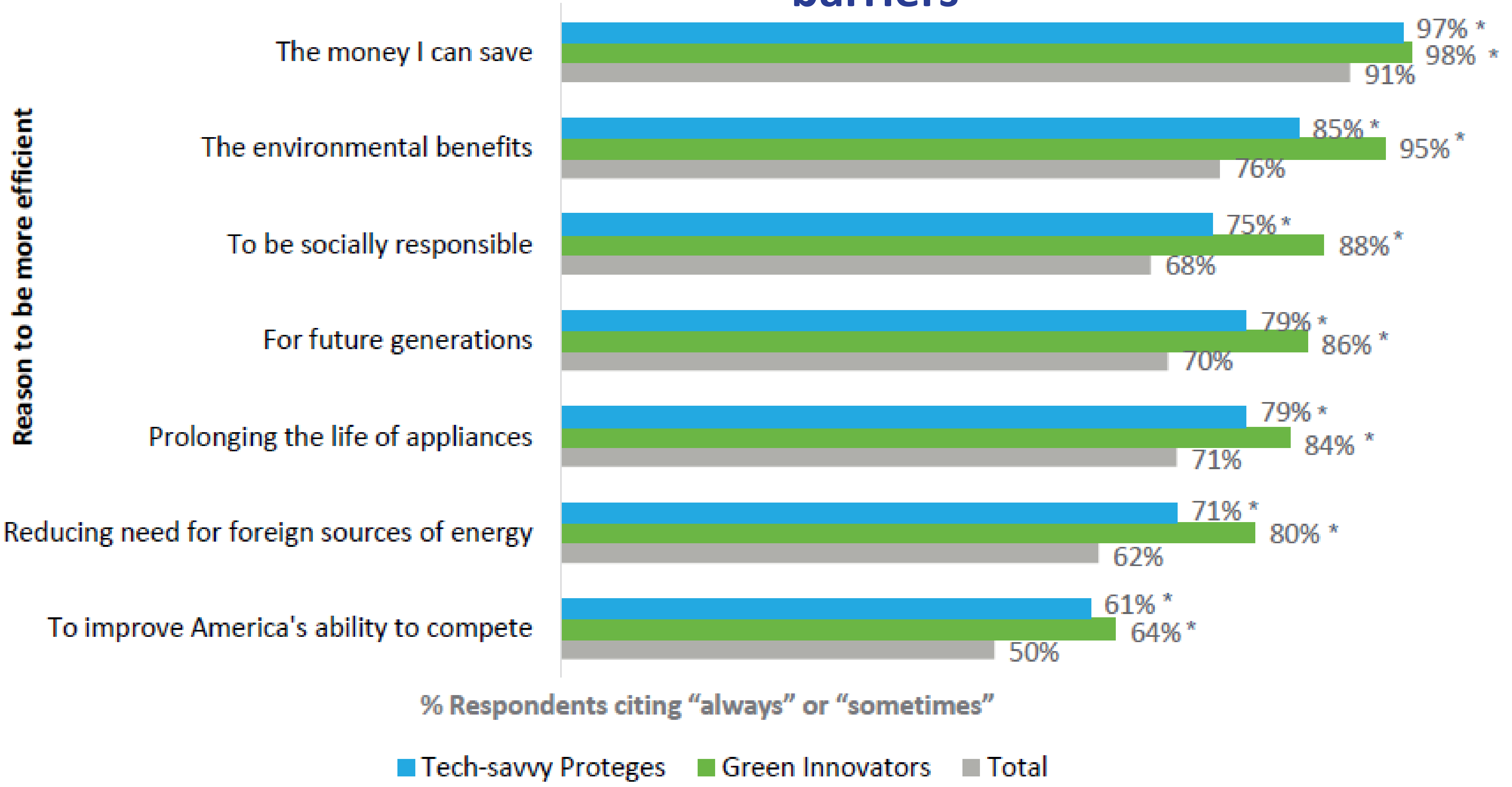
They perceive many barriers



But, of those who rent, **40% would invest $50** or more of their own funds to save money and **70% of all Proteges would pay a few dollars/month** for a smart home monitoring service.

They see less reason to be efficient compared to Green Innovators

Concern for the environment is not enough to overcome barriers



How can we engage this segment?

Build confidence with information & education

Offer encouragement that motivates

Show them how to remove barriers

Offer programs with low or minimal up-front costs

Moveable Middle

29% of total

Not complete rejectors of saving energy and face few barriers; lack interest in technology

Introducing the Movable Middle

Energy Perspective: Not complete rejectors of saving energy and face few barriers; use technology, but not dependent upon it

- Not tuned-out but also not highly engaged – they're the center of the bell-shaped curve in almost every way
- Values and beliefs are in line with national averages
- Motivated by saving money and have slightly below average energy bills

The Moderate Middle is ho-hum about energy and into simplicity

Most common energy efficiency steps already taken?

- Energy-efficient lighting
- Monthly usage reports
- Energy-efficient windows
- Billing alerts
- Outage alerts

****But, for those who are likely to purchase a smart thermostat, the top reason is to be proactive in saving on energy use**

How can we engage this segment?

Build relationships over time

- Test messages with these consumers
- Emphasize control through simplicity
- Identify priorities as logical next steps
- Be direct and straightforward

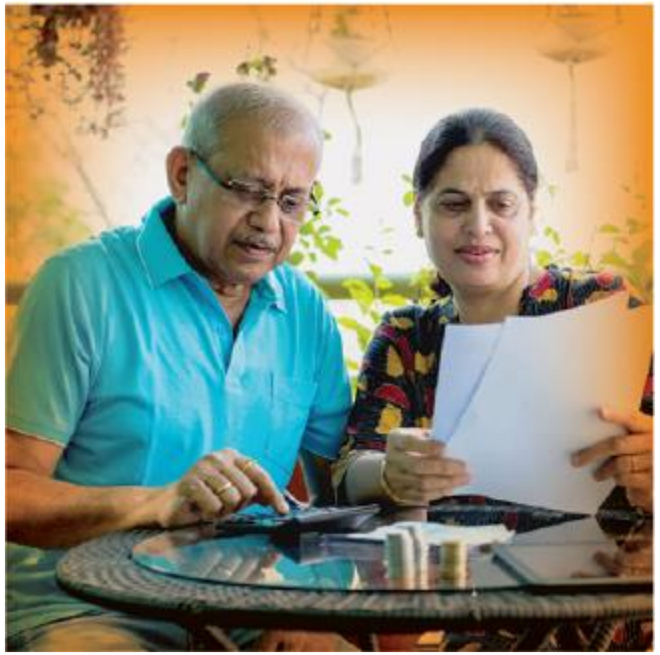
Energy Indifferent

26% of total

Rejectors of environmental concern and saving energy; keep their energy needs simple and want to be left alone

Introducing the Energy Indifferent

Energy Perspective: Rejectors of environmental concern and saving energy; keep their energy needs simple and want to be left alone

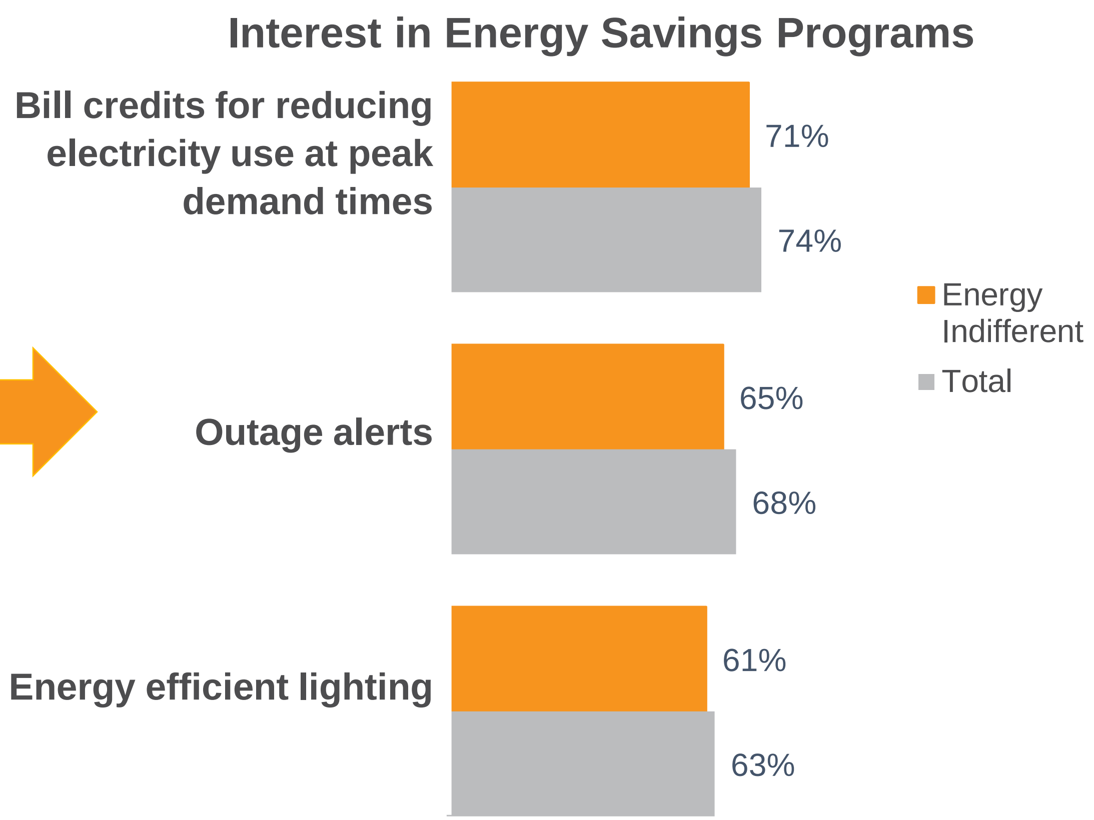


- Traditionalists at heart
- Lowest technology ownership rates
- Half believe climate change concerns are overblown

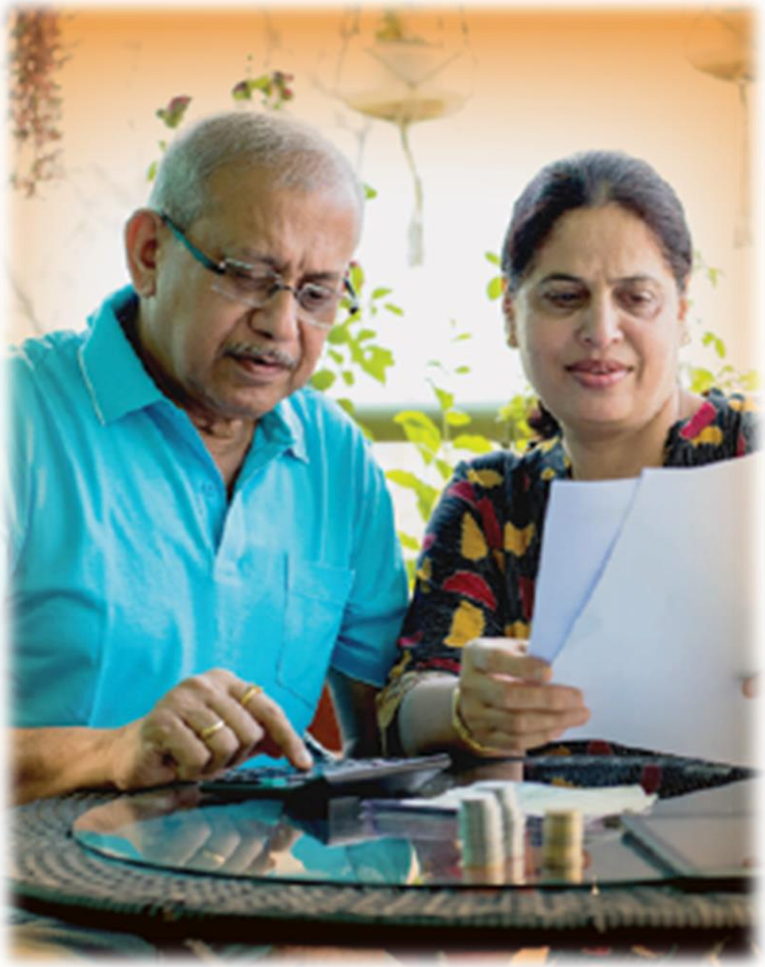
There are a few opportunities to engage the Energy Indifferent

- Not interested in expanded services from their energy providers
- Not comfortable contracting with multiple energy partners
- Prefer traditional flat rate/kwh plans

BUT…



How can we engage this segment?



Emphasize short term benefits

Avoid jargon

Be clear about trade-offs and potential rewards

Engage simply through bill inserts and direct mail

Panel Discussion

Panel Discussion

- Segmentation success stories

Respond at **PollEv.com/secc**

Text **SECC** to **22333** once to join, then **A, B, or C**

Among the providers in the room, does your organization have a Chief Customer Officer (COO) or similar type of executive role?

Yes	**A**
No	**B**
Not sure	**C**

Panel Discussion

- Segmentation success stories
- Origins of personalization efforts
- Unexpected outcomes
- After implementation, what next?

Thoughts or Questions?

APPENDIX

Segmentation Highlights

SEGMENT NAME	PROPORTION OF CONSUMER MARKET	AGE			HOUSEHOLD INCOME*			ELECTRICITY BILL (MEAN)
Green Innovators	20%	18-34 (29%)	35-54 (40%)	55+ (31%)	</=$50K (47%)	$50-$99K (29%)	$100K+ (20%)	$121.7
Tech-savvy Proteges	25%	18-34 (35%)	35-54 (35%)	55+ (30%)	</=$50K (37%)	$50-$99K (42%)	$100K+ (17%)	$132.0
Movable Middle	29%	18-34 (17%)	35-54 (32%)	55+ (51%)	</=$50K (52%)	$50-$99K (31%)	$100K+ (11%)	$117.0
Energy Indifferent	26%	18-34 (16%)	35-54 (25%)	55+ (59%)	</=$50K (57%)	$50-$99K (29%)	$100K+ (9%)	$112.8

*4-5% of respondents did not answer the income question, hence percentages do not add to 100.