



Reimagine tomorrow.

How to Accelerate Behavioral Program Innovation

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If you attended a product development meeting in Silicon Valley, these are some of the common terms you'd hear

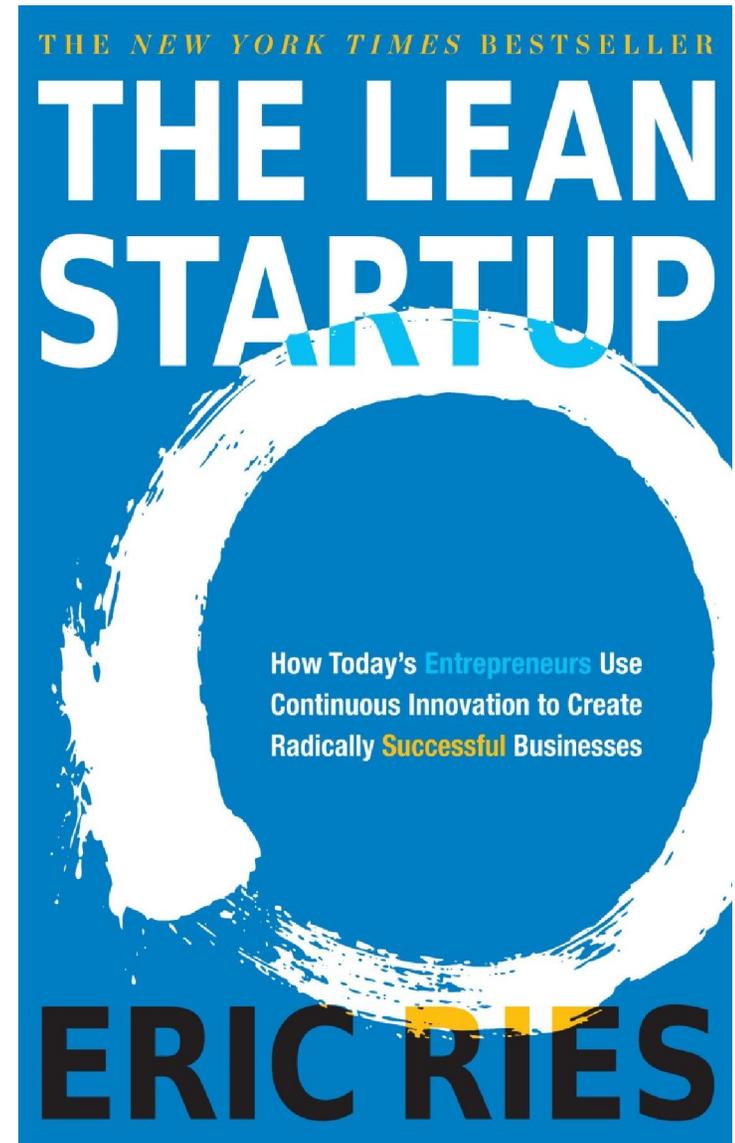


Uncertainty about what customers want drives this paradigm shift

“We must learn what customers really want, not what they say they want or what we think they should want.”

“The only way to win is to learn faster than anyone else.”

– Eric Reis

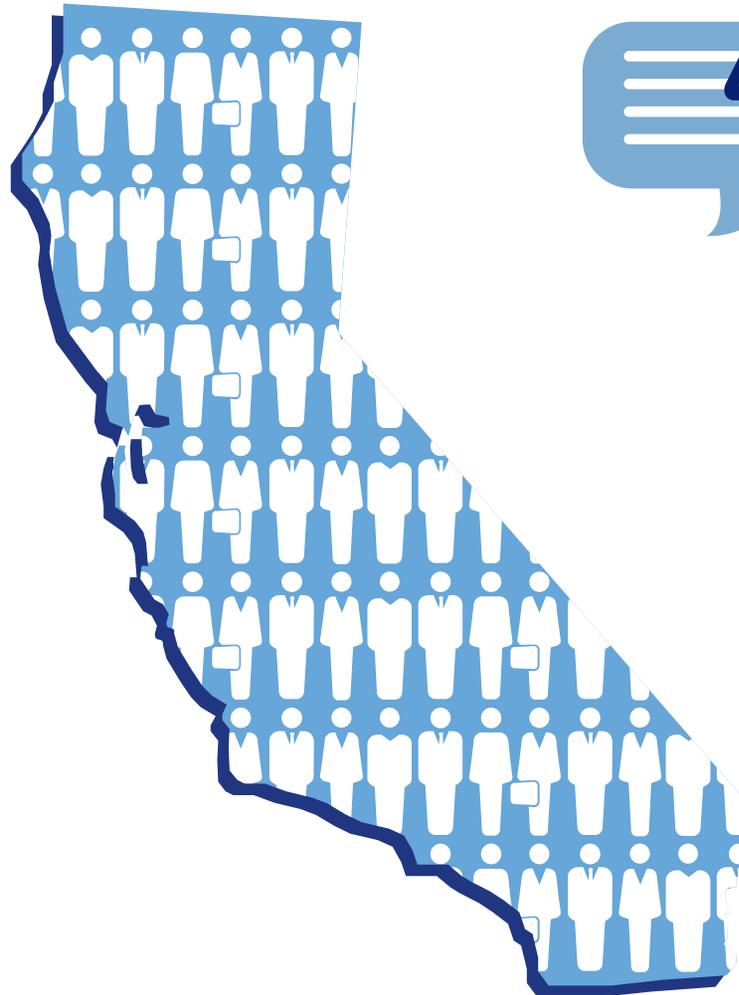


For its behavioral conservation programs, SoCalGas® has demonstrated this model of accelerated innovation

OVER
750,000
CUSTOMERS



11 Home Energy Reports
2 Vendors



5 Bill Tracker Alerts



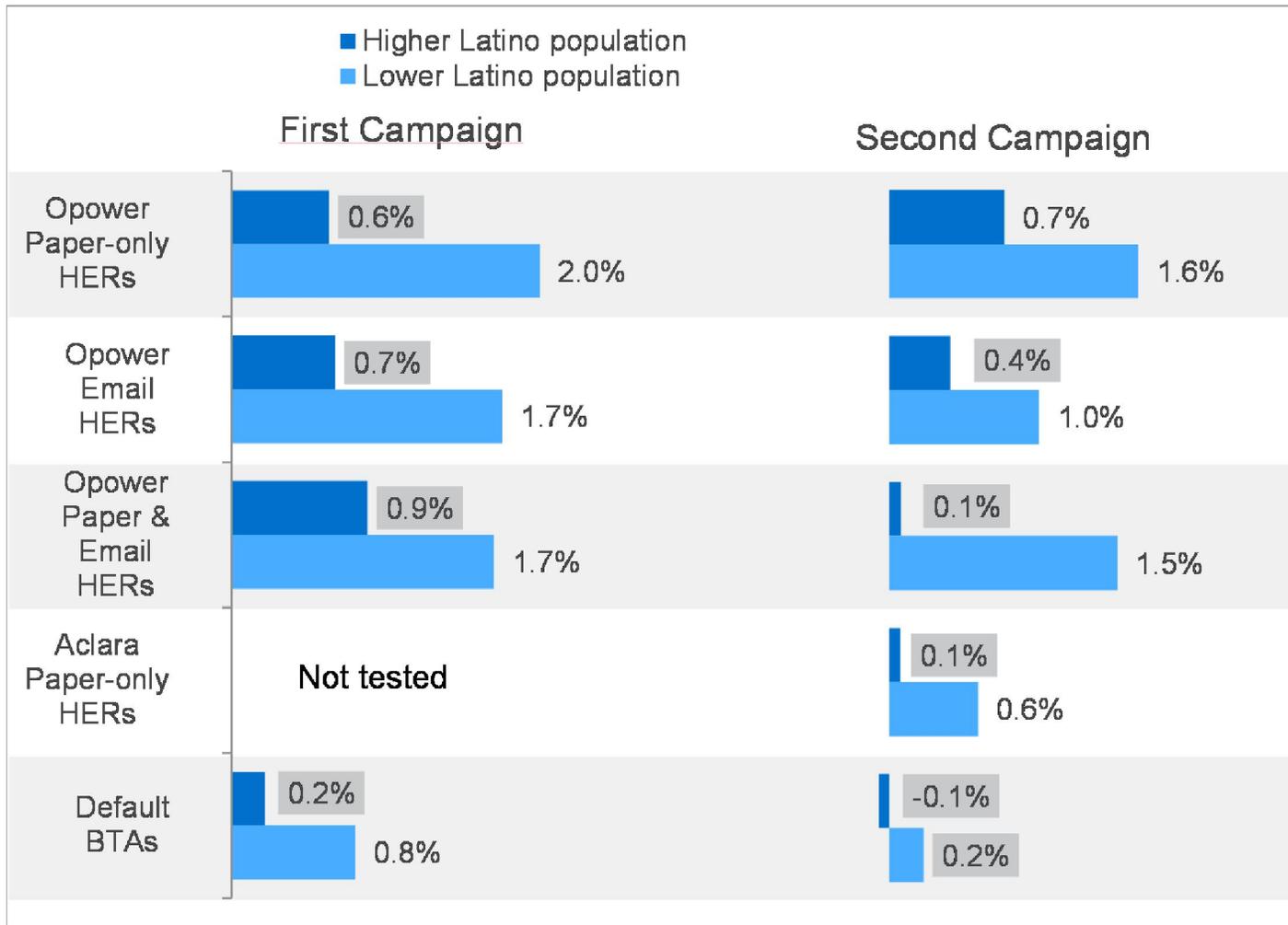
2 Seasonal Energy Updates

For its behavioral conservation programs, SoCalGas has demonstrated this model of accelerated innovation (cont'd)

- In conjunction with its Advanced Meter rollout, SoCalGas has implemented a multi-year, conservation “test & learn” campaign strategy that identifies cost-effective energy information feedback offerings
- By the end of the third heating season Conservation Campaign (2015-2016), SoCalGas will have involved **over 750,000 customers** in rigorous side-by-side (“A/B”) tests of:
 - 11 different Home Energy Reports (HERs) provided by 2 different vendors (Opower and Aclara)
 - 2 different types of Seasonal Energy Updates (developed by SoCalGas, with the assistance of Nexant and Aclara)
 - 5 different types of Bill Tracker Alerts (BTAs) (developed by SoCalGas)

SoCalGas and Nexant have also uncovered behavioral program insights through rigorous segmentation of the results for all offerings

Percent Gas Savings by Treatment and Latino Population

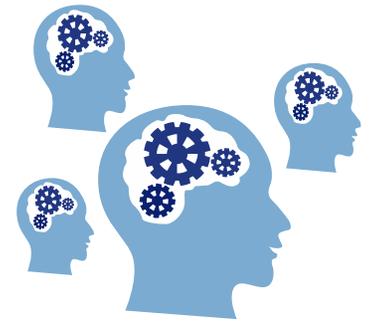


- “Higher Latino population” defined as census blocks with Latino population **above 75th percentile** (78% Latino cutoff)
- **Consistently lower savings** for customers in census blocks with high Latino population
- In the 2015-2016 Campaign, SoCalGas will test **paper HER in Spanish**

Source: socalgas.com/regulatory/A0809023.shtml

Utilities can reduce uncertainty and learn faster by simultaneously offering multiple behavioral programs

- Utilities can then optimize behavioral program offerings by pursuing the most promising combinations of offerings/designs for each segment (using analytics to segment results)
- Final SoCalGas Advanced Meter Conservation Campaign will take place in 2016-2017 (more options to be tested)
- SoCalGas Advanced Meter Semi-annual Reports are available here:
socalgas.com/regulatory/A0809023.shtml





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