

# SMUD's SmartPricing Options: Recruitment, Implementation, and Retention

---

Karen McCord  
November 19, 2013



Powering forward. Together.



# U.S. Department of Energy

## Disclaimer

---

- **Acknowledgement:** “This material is based upon work supported by the Department of Energy under Award Number OE000214.”
- **Disclaimer:** “This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.”

# About SMUD

---

- Service Area Population: 1.4 million
- Service Area: 900 Square miles
- Number of Customers: 604,053 (2012 year-end)
- Retail Revenue
  - Residential: \$569 million
  - Commercial & Other: \$695 million
  - Total Retail Revenues: \$1,264 million
- Energy Sales: 10,454,769 MWh
- Net System Peak Demand: 2,954 MW (2012)
- Record Peak Demand: 3,299 MW (Jul 24, 2006)
- Employees: 2,028 (2012 year-end)
- **Smart Meters are fully deployed**

Sources: 5-year summary of operating statistics published in 2012 annual report.

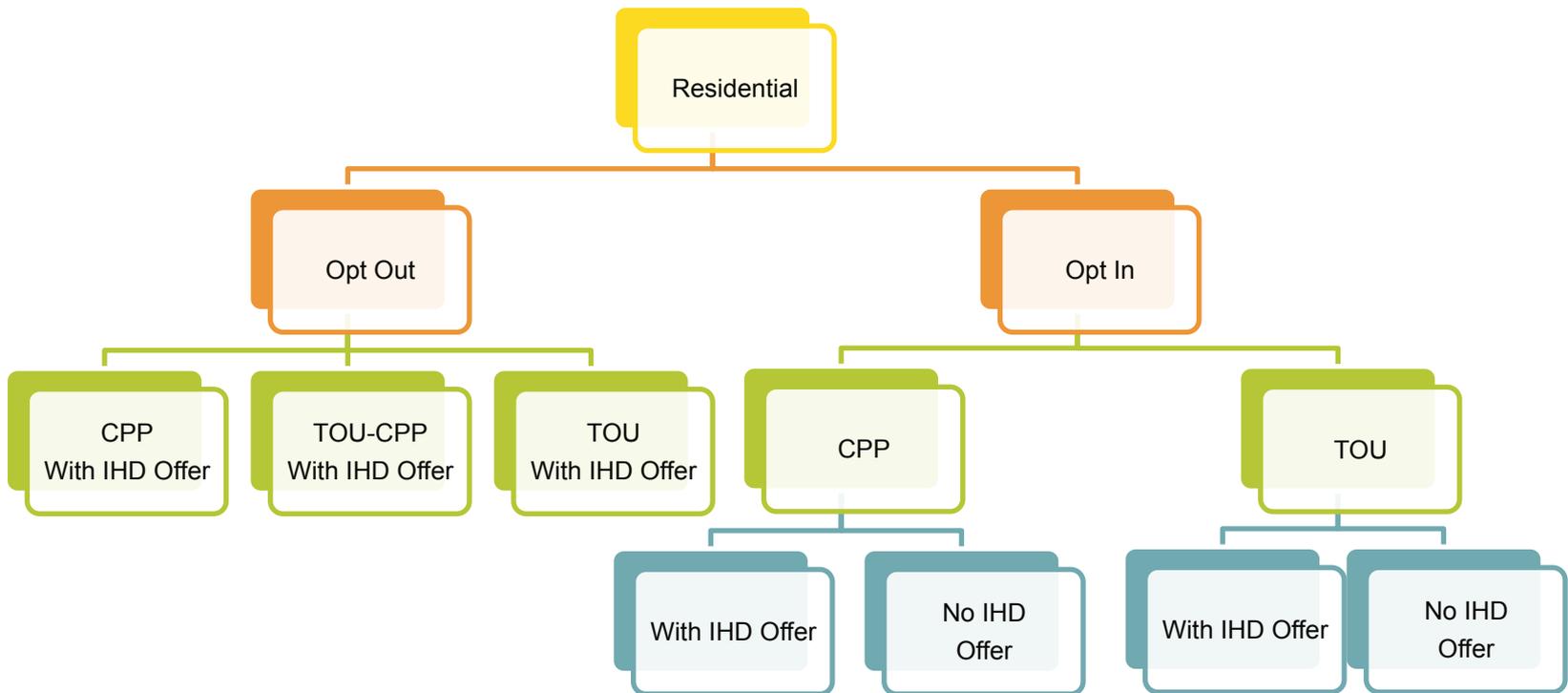
# What I'll cover

---

- Recruitment strategy
- Marketing channels and collateral
- Retention efforts
- Language examples
- Lessons learned

# Study Design: Treatment Groups

Developed collateral specific to each treatment group:



# Marketing objectives

---

- Encourage SMUD customers to participate in a SmartPricing Options plan by educating them on
  - (1) the rate and time-variant pricing and
  - (2) the benefits of reducing their energy use during the summer's critical peak periods.
- Develop a portfolio of materials to support each combination of recruitment strategy, rate design, and technology offer.
  - This portfolio will educate customers on
    - time-variant pricing
    - challenges caused by peak demand
    - how peak consumption impacts customers and the environment

# Recruitment strategy

---

- Marketing activities included a mix of channels and tactics and a phased approach:
  - Phase 1: Pre-recruitment education
  - Phase 2: Recruitment
  - Phase 3: Retention & notification

# Recruitment Channels

---

- Direct Mail
  - Letter, BRC and brochure
  - Follow up postcard
- Mass media campaign
- Door hangers
- Outbound calling
- Pricing plan-specific websites

# Recruitment Collateral

## brochures

**Off-Peak Discount Plan**

Manage your summer energy use and save money 99 percent of the time!

Receive a free electricity use display when you sign-up!

Powering forward. Together. **SMUD**

**Summer Weekday Value Plan**

Manage your summer energy use. Reward yourself and the environment too!

Receive a free electricity use display when you sign up!

Powering forward. Together. **SMUD**

## follow up postcards

**Summer Weekday Value Plan**

SMUD

**Off-Peak Discount Plan**

Sign up today and you could save on your summer electric bills!

SMUD

## microsites

SMUD Home Page Contact Us Login to SMUD Account

**SMUD** Plan Details Energy Saving Tips FAQ's Review My Usage Plan Assistance

### Summer Weekday Value Plan

Manage your summer energy use. Reward yourself and the environment too!

Learn More Sign Up Now

**Welcome.** You are invited to participate in SMUD's SmartPricing Options, a two-year pricing pilot that can help you manage your energy use during the summers of 2012 and 2013. The **Summer Weekday Value Plan** is being offered to a small group of randomly selected SMUD customers for a limited time. Sign up today and you'll be able to take control of your electricity costs and help the environment.

Get a Countertop Energy Monitor **free** with program!

# Mass media campaign

Web ad

Would you like to save money on next summer's electricity bills?



**Learn More**

You may be able to save if you can reduce your electricity use between 4 p.m. and 7 p.m.



Print ad

Would you like to save money on next summer's electricity bills?

You may be able to save if you can reduce your electricity use between 4 p.m. and 7 p.m.

SmartPricing Options are being offered to a small group of randomly selected SMUD customers for a limited time. If your home is selected to be part of this pilot, you'll be among the first to take advantage of new pricing and tools that will let you take control of next summer's electricity bills. You'll also reduce the impact of electricity use during peak hours.

To find out if your home was randomly selected to participate in this pilot, visit [www.smud.com](http://www.smud.com) or call 1-855-736-7655.



Powering forward. Together.  
www.smud.com



Follow @smud on Twitter and Facebook

Landing page

SMUD Home Page Login to SMUD Account



Would you like to save money on next summer's electricity bills?

**Why Saving Electricity During Peak Hours Is Important**

All energy is not created equally. During the summer months, and especially during weekday late afternoon and early evening hours, the demand for electricity soars.

To meet this higher demand, we often have to buy energy from very expensive and less environmentally friendly sources. The high costs are absorbed by all of us, but the environmental costs affect the entire planet. By reducing electricity use during peak periods, we can avoid purchasing less desirable forms of energy.



**See if You Were Selected**

**You may be able to save** if you can reduce your electricity use between 4 p.m. and 7 p.m. during the summer.

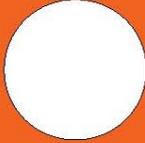
SmartPricing Options are being offered to a small group of randomly selected SMUD customers for a limited time. If your home is selected to be part of the initial pilot, you'll be among the first to take advantage of new pricing and tools that will let you take control of next summer's electricity bills.

Half of the customers whose homes were randomly selected will be eligible to participate the summer of 2012. The other half will be eligible for the plan the summer of 2014.

To find out if your home is randomly selected to participate in SMUD's SmartPricing Options, click the button below. You'll need to complete the enrollment information to get your participation date.

Questions? Call us toll-free at 1-855-736-7655.

# Door hanger campaign

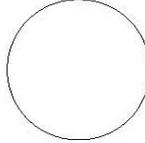


Would you like to save money on your summer electricity bills?

You may be able to save if you can reduce your electricity use between 4 p.m. and 7 p.m.



Powering forward. Together.



**SMUD SmartPricing Options let you take control of your summer electricity costs.**

SMUD is offering SmartPricing Options to a randomly selected group of SMUD customers for a limited time. This is part of a two-year pricing pilot for the summers of 2012 and 2013. If your home is selected to participate, you'll be among the first to take advantage of new pricing and tools that will let you take control of your summer electricity bills.

Enrolling in this plan will allow you to manage your summer electricity use and help the environment if you can reduce your electricity use between the peak hours of 4:00 p.m. to 7:00 p.m. Using less electricity during peak hours, shifting the time you use electricity (like doing laundry after 7:00 p.m.), or reducing your use overall can help you save money on your bill.

**It's good for the environment too!**

During the summer – especially during weekday late afternoon and evening hours – the demand for electricity soars. To meet this demand, we often have to buy electricity from very expensive and less environmentally friendly sources. The high costs are absorbed by all of us but the environmental costs affect the entire planet. By effectively managing your electricity usage during peak hours, we can avoid purchasing less desirable forms of energy.



To find out if your home was randomly selected to participate in this pilot and to enroll, log in to My Account at [smud.org](http://smud.org) or call toll-free 1-855-736-7655.

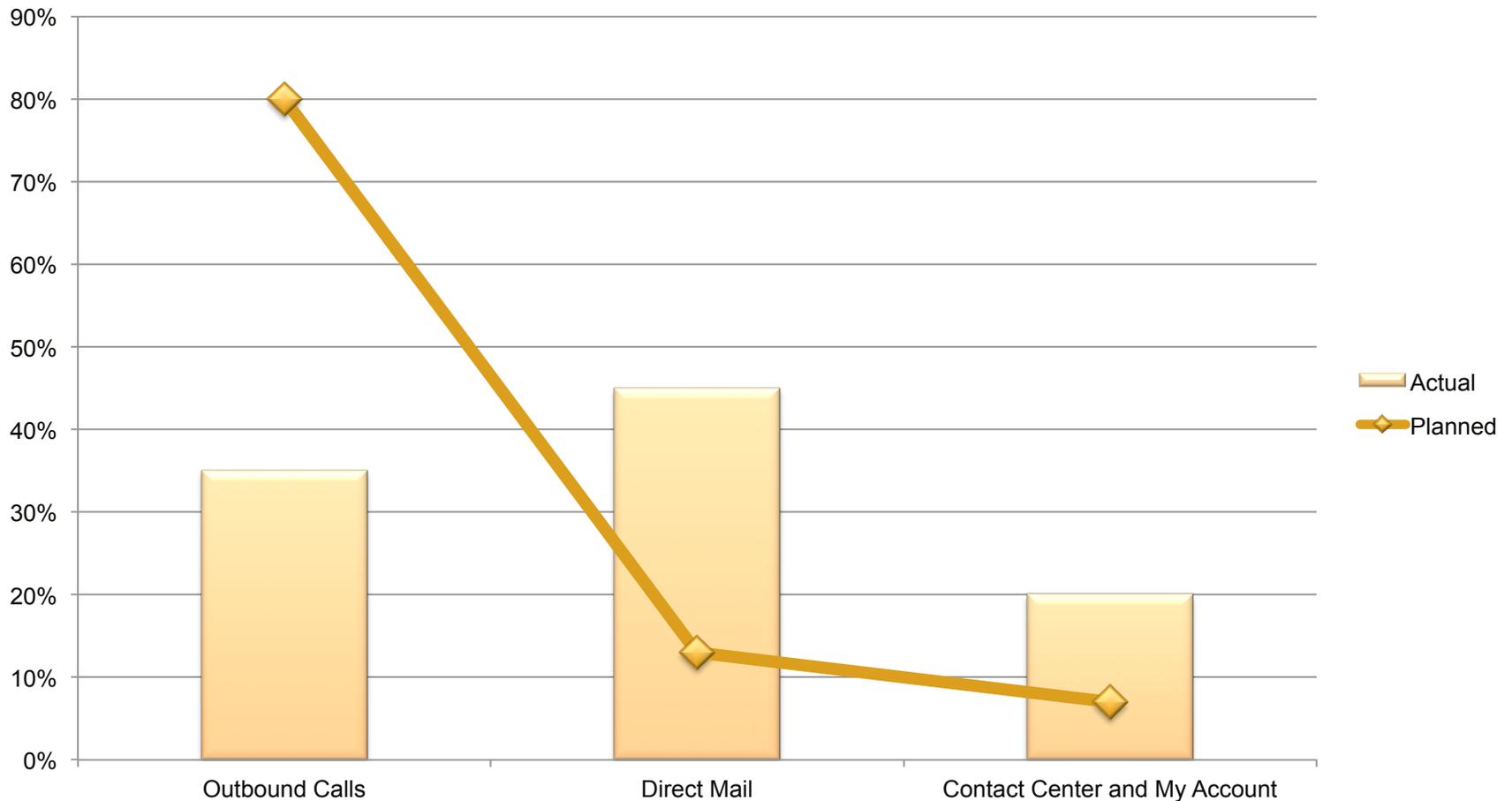


©SMUD 3/12  
Printed on Recycled Paper

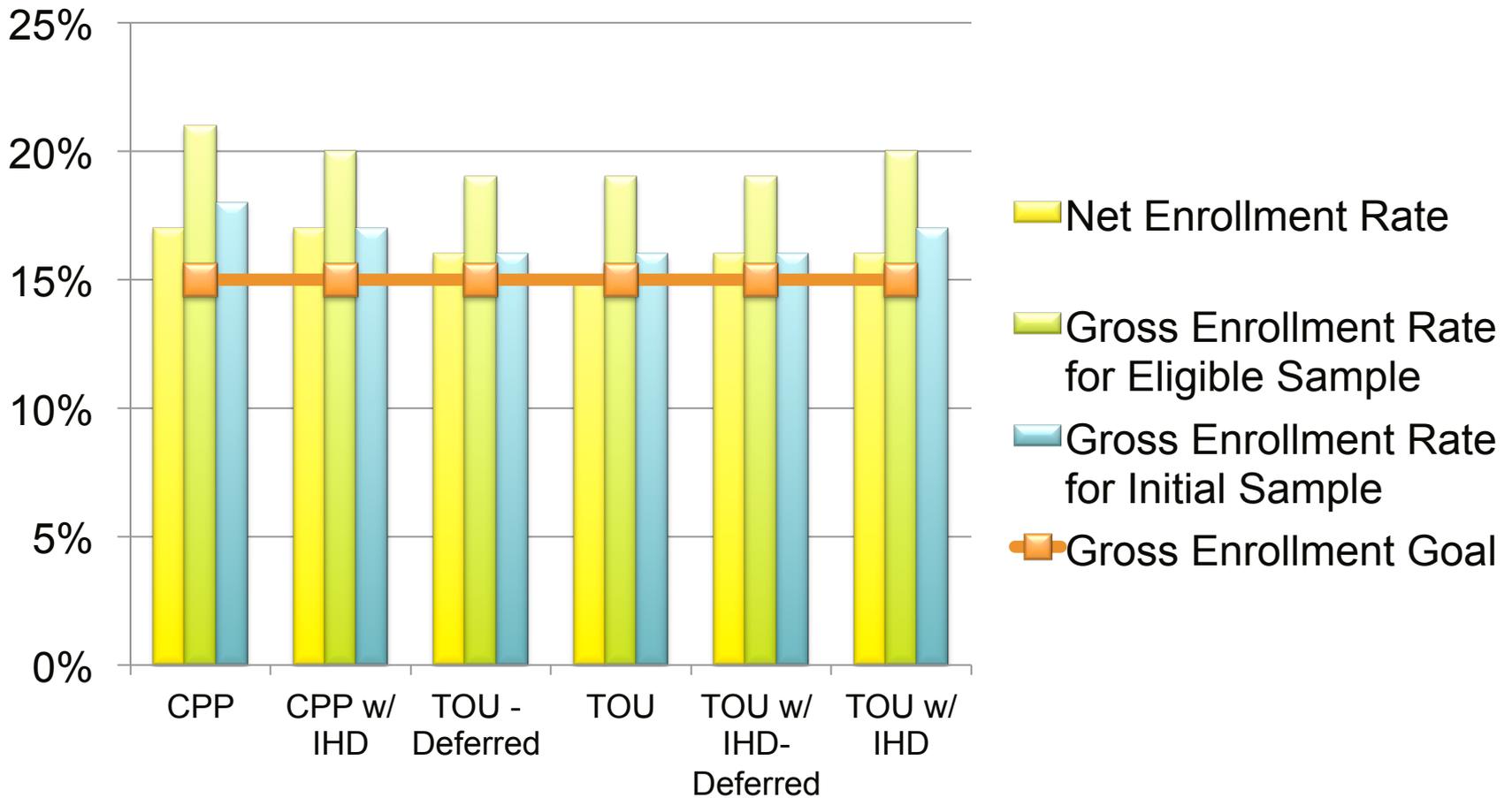
[smud.org](http://smud.org)

# Recruitment channels and enrollment

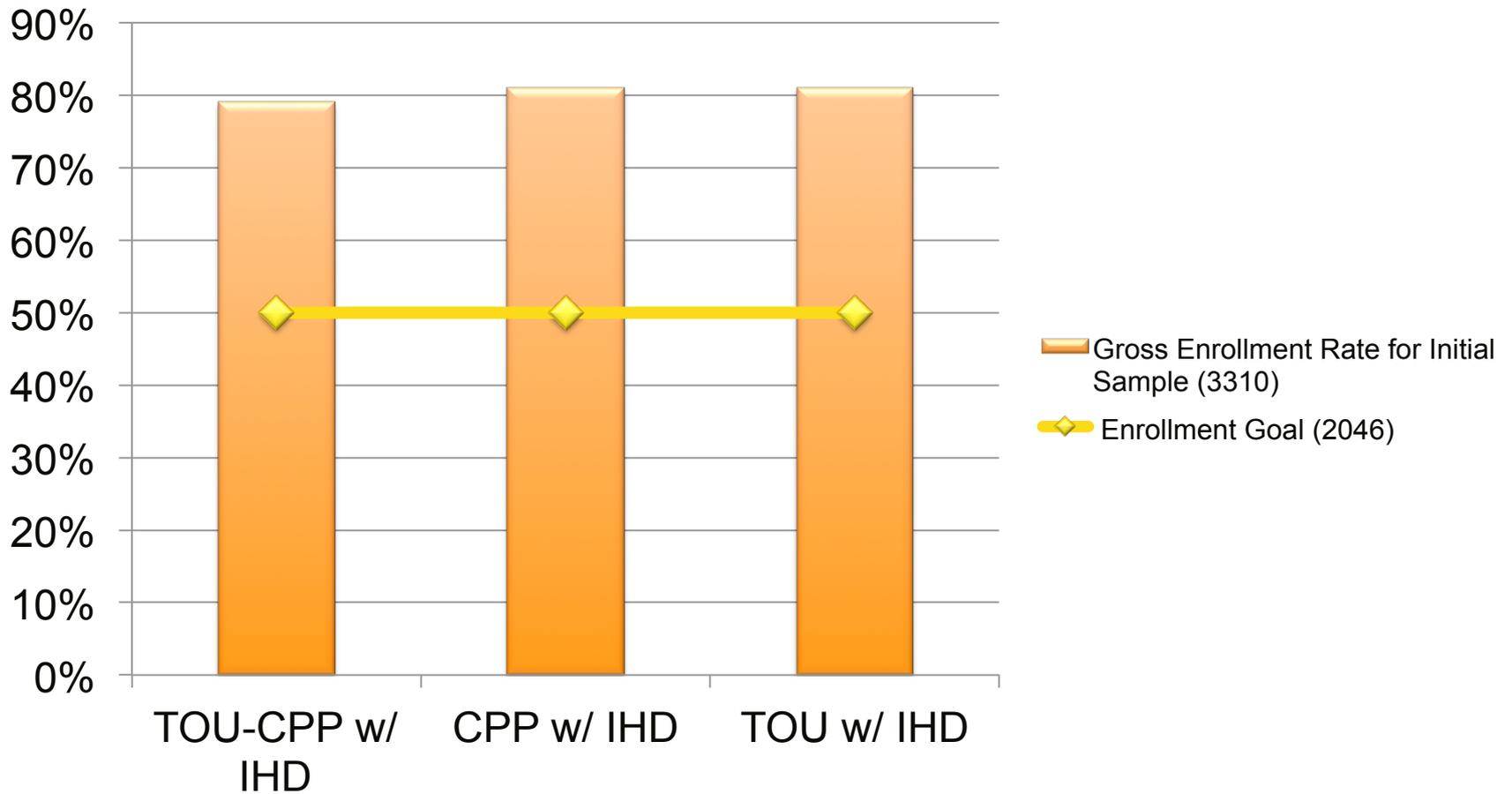
---



# Opt-In Enrollment Rates



# Opt-Out Enrollment Rates



# Recruitment results

- 16% -18.8% enrollment rate for opt-in pricing plans
- 94%-98% for opt-out (default) pricing plans
- 107- 120% of our enrollment goals!

# Retention & Education Tactics

---

- Welcome packet
- Critical Peak event notification & tips
- Yesterday's Data Today ([smud.org](http://smud.org))
  - Online usage graphs
- Social media
  - Offer-specific Facebook groups
  - Educational YouTube videos
  - Pinterest
- Sweepstakes & giveaways
- Pricing plan websites

# Welcome packet

## SmartPricing Options Welcome Packet

Everything you need to keep cool  
and save money this summer!



SMUD

### Electricity Use Display

### Peak Hours and Conservation Days

### SMUD SmartPricing Options Discount Card

### Energy-Saving Tips

### Messages by Text

### Welcome

Welcome to the **Optimum Off-Peak Plan!** Your new electricity pricing plan is effective this summer - June 1 through September 30 - and next summer - June 1 through September 30, 2013. This welcome packet is full of tools and tips to help you - and everyone in your home - better manage your electricity usage and save money on your energy bills all summer long.

#### These tools include:

- A magnet for your washer or dryer that reminds you to do laundry during off-peak hours
- A refrigerator cling with energy-saving tips
- Recipe cards - scan the code to link to kitchen tips videos!
- A discount card for local businesses

As a participant in SMUD's SmartPricing Options, we'll contact you periodically for surveys. These surveys may be by phone or email.

If you have any questions, you can speak to a SmartPricing Options representative at 1-855-736-7655 or send an email to [smartpricing@smud.org](mailto:smartpricing@smud.org). You can also visit [smud.org/optimumoption](http://smud.org/optimumoption).



© SMUD 2013

Printed on Recycled Paper | D0110D-WL 8/13

## SmartPricing Options Discount Card



Successful food blogger & recipe developer Betty Heathman has been making her food as good as it tastes for over 20 years. With a focus on using fresh, local and non-GMO foods, she's the author of the book *Carrots Are Not Just for the Juice*. She's also the author of *Beet Noodle Honey Buns*, *Beet Noodle Burgers*, *Beet Noodle Dots*, and *Beet Noodle*. Her recipes have been prepared in households across the United States. Since 2005, she's been the Food Editor for *Always Quarterly* magazine. Learning from Betty, they've partnered with us to provide you with quick and easy recipes that use fresh ingredients. Enjoy!



Take the heat out of your kitchen and put your grill to work or serve cool dishes that can be prepared in advance. Enjoy dinner outside with friends and family. The recipes included in this package can help save energy, money and time - especially between the peak hours of 4:00 p.m. and 7:00 p.m.



For more energy-saving recipe tips and tricks, scan this code with your smartphone.



Blackberry Balsamic Salmon

SMUD



Curried Bean and Eggplant Stew

SMUD



Grilled Chicken with Florentine Mashed Potatoes

SMUD



Mexican Beef Salad with Mini Jalapeño Corn Muffins

SMUD

**Remember!**  
Start your laundry  
before 4 p.m. or after 7 p.m.



For more ways to save, visit  
[smud.org/optimumoption](http://smud.org/optimumoption)

SMUD

## Energy Saving Tips

Little Things. Big Potential.

- **Set your air conditioner thermostat** to pre-cool your home before 4:00 p.m. and use fans to help cool your home. Also program your thermostat a few degrees higher from 4:00 p.m. to 7:00 p.m.
- **Close curtains and blinds** on windows that get direct sun.
- **Do laundry**, ironing, vacuuming, dishwashing before 4:00 p.m. or after 7:00 p.m.
- **Use your grill** or serve cool dishes prepared in advance. Enjoy dinner outside with friends and family.
- **Do activities that don't use energy**, such as board games or playing with water toys outside, to save energy during peak hours.
- **Shut off all electronic devices** not completely in use. Even a sleeping computer or TV set uses energy.

For more ways to save,  
visit [smud.org/optimumoption](http://smud.org/optimumoption)

SMUD



# Smart Value website

SMUD Home Page | SMUD Account

**SMUD™** [Home](#) [Plan Details](#) [Energy Saving Tips](#) [FAQ's](#) [Review My Usage](#) [Contact Us](#)

## Summer Weekday Value Plan

Sign up today and you could save on your summer electric bills! Reward yourself and the environment too.

[Learn More](#) [Sign Up Now](#)

### Welcome.

The **Summer Weekday Value Plan** can help you take control of your summer electricity bills, manage your energy use and help the environment. This plan is part of SMUD's SmartPricing Options, a two-year pilot that is being offered to a small group of randomly selected SMUD customers for a limited time. Half of the customers whose homes were randomly selected will be eligible to participate the summer of 2012. The other half will be eligible for the plan the summer of 2014.

Find out which offer your home was selected to receive – just click the "Sign Up Now" button below or call us toll-free at 1-855-736-7655.

Let's work together to reduce the impact of electricity use during peak hours. Please explore this website to see plan details and discover ways you can save money by

Get a Countertop Energy Monitor *free* with program!

Why is saving energy during **Peak Hours** important?

We Need Your Feedback.

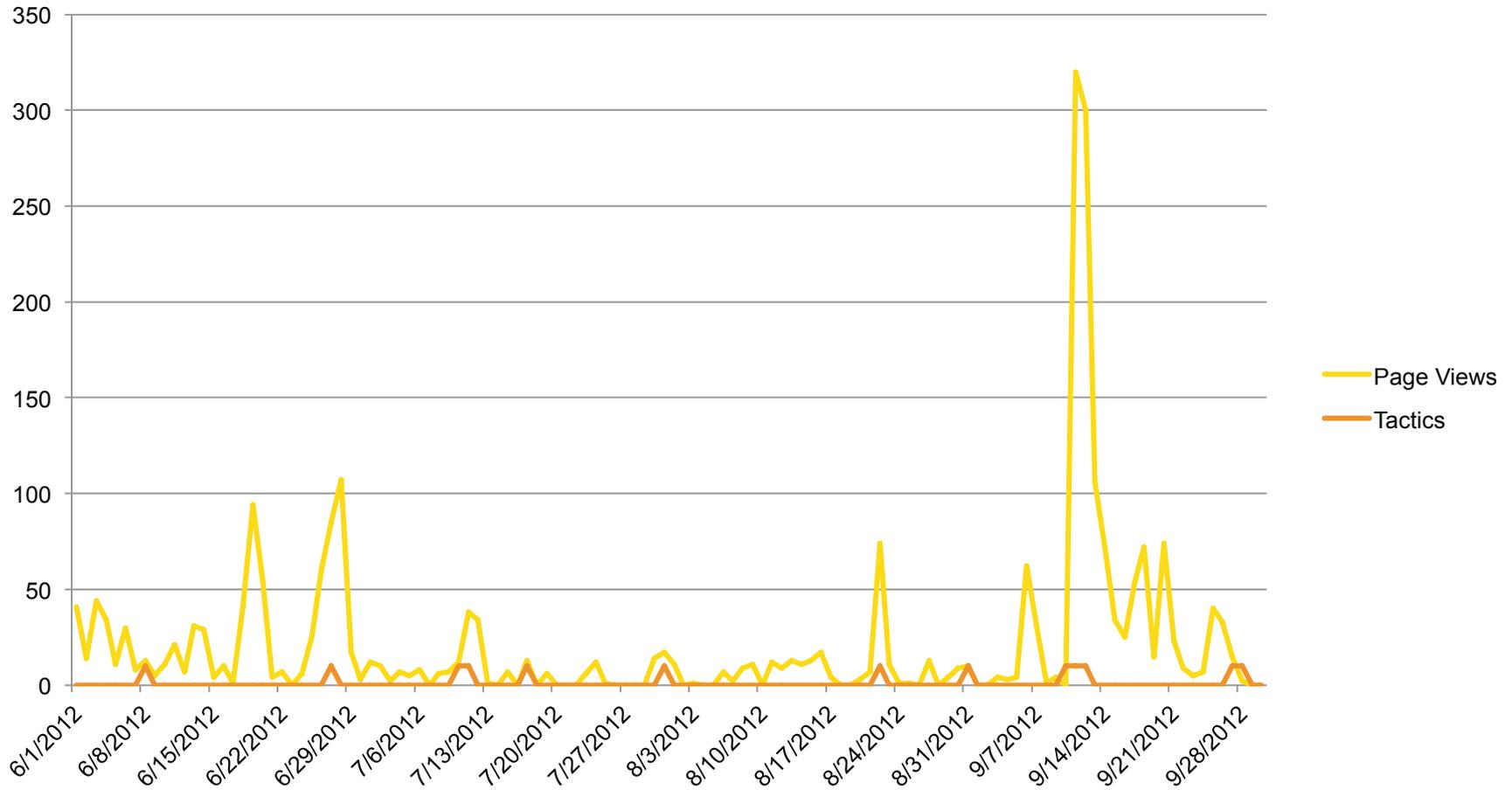
# The Home Depot sweepstakes

---



# Smart Discount website visits

---



# Facebook groups

The screenshot shows a Facebook group page for 'Smart Value'. The page header includes the group name, a search bar, and navigation links like 'Home', 'Find Friends', and 'Karen'. The left sidebar contains navigation options such as 'Welcome', 'News Feed', 'Messages', 'Events', 'Photos', 'Browse', and 'Find Friends'. Below this are 'GROUPS' and 'APPS' sections. The main content area features a post by 'Karen Mac' with a text description and a link to 'SMUD: Home Rebates and Energy Solutions'. The post includes a photo of a house and a link to the SMUD website. The right sidebar shows 'Requests (1)' for 'Kim Smith', 'What is this group about?' with 'Set tags', and 'Suggested Groups' including 'SS HOA Group', 'SATSANGA', 'Secret Chicken Society', 'AMMA Centre Malaysia', and 'Elk Grove Freecycle'.

**Smart Value** About Events Photos Files Notifications Create Group

Write Post Add Photo / Video Ask Question Add File

Write something...

27 members (1 new) · Message · Invite by Email

+ Add People to Group

Requests (1) See All

Kim Smith [Accept] [X]

What is this group about? Set tags

Suggested Groups See All

SS HOA Group 26 members [Join Group]

SATSANGA 196 members [Join Group]

Secret Chicken Society 61 members [Join Group]

AMMA Centre Malaysia 3,679 members [Join Group]

Elk Grove Freecycle 104 members [Join Group]

**Karen Mac**

Some of you have asked about discounts and rebates on energy efficient products and appliances. Here's an easy way to find out what's available - use our new interactive Home Rebates & Energy Solutions web tool.

When you move the cursor to the orange-colored parts of the house and click on that section, up pops information about rebates and financing. Move the cursor inside the garage and click on the orange washing machine and you'll get information about a rebate on clothes washers. Go inside the house and click on the orange light hanging in the kitchen, and you'll get information on incentives for CFLs and LED light bulbs.

**SMUD: Home Rebates and Energy Solutions**  
www.smud.org

Locate rebates and energy saving solutions for your home with SMUD's interactive Energy Solutions house.

Like · Comment · Unfollow Post · Share · September 4 at 3:00pm

Walter Babigian likes this. Seen by 10

Write a comment...

# Facebook contests

---



Who's ready for...  
**Fun with Flip Flops!**



Don't miss out on  
**Flashback Summer Fun!**



We want to know...  
**How cool are you?**



It's time for a  
**Hot Day Haiku!**

# Remember!

Start your laundry  
before 4 p.m. or after 7 p.m.



For more ways to save, visit  
[smud.org/discountoption](http://smud.org/discountoption)



**Karen Mac** ▶ Discount Option

August 28

Have you used your washer/dryer magnet and refrigerator cling? Are they helpful?

Unlike · Comment · Follow Post

👍 You like this.



**Estelle Eumont** It's on our washer! I usually use it on mornings. 😊

August 28 at 3:49pm · Like · 🔄 1



**Karen Mac** Glad it's working! Do you use the refrigerator cling?

August 28 at 3:51pm · Like



**Estelle Eumont** Hmm I don't know where my husband put it!

August 28 at 3:53pm · Like · 🔄 1



**Rich Asay** Yep - up and visible - we give a tour/explanation to all our guests. They are jealous. This is my kind of middle-class bling!

August 28 at 7:05pm · Unlike · 🔄 2



**Karen Mac** That's awesome, Rich!

August 29 at 10:22am · Like



Write a comment...

Sponsored 📢

See All

**SO MANY CHOICES**

network4g.verizonwir...

**4G LTE**

With lots of amazing Verizon 4G LTE devices to choose from, fast comes how you want it.

**Nike+ FuelBand**

nike.com

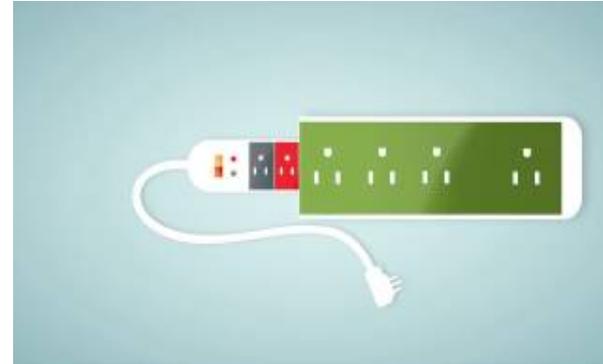
Additional colors now available. Life is

# Pinterest

The screenshot shows a Pinterest profile for 'SmartPricing Options'. At the top, there is a search bar, the Pinterest logo, and a user profile for 'SmartPricing' with a notification badge. The profile header features a circular clock icon and the text: 'SmartPricing Options' and 'SMUD's SmartPricing Options gives you everything you need to keep cool and save money this summer!'. Below this, statistics show 17 Boards, 592 Pins, and 231 Likes. To the right, a 'Repins from' section lists Dawn Mills, Bounce Energy, and ReFab Diaries. Further down, it shows 73 Followers and 17 Following. The main content area is a grid of boards:

- Cool Summer Recipes**: 90 pins. Image shows a pizza with tomatoes.
- Energy Saving Tips**: 6 pins. Image shows a hand dropping a coin into a piggy bank.
- Summer Fun**: 46 pins. Image shows a family on a boat.
- Cool Facts About Energy**: 7 pins. Infographic with statistics like '3 MONTHS' and '107'.
- New Uses for Old Stuff**: 132 pins. Image shows a speaker with a plant growing out of it.
- July 4th - Independence Day**: 41 pins. Image shows fireworks.
- Good Stuff for Pets**: 51 pins. Image shows a dog bowl on a chair.
- Summer Party Ideas**: 24 pins. Image shows a large red pot with marshmallows.
- Backyard Ideas**: 13 pins. Image shows a bench with string lights.

# YouTube - MySMUD



# Infographics

The image shows a screenshot of a Pinterest pin from SMUD. The pin features an infographic titled "What difference does a bulb make?". The infographic compares three types of light bulbs: Standard, CFL, and LED. Below the titles, there are icons for each bulb type. At the bottom, a bar chart shows the average life span for each: Standard (1,200 Hours), CFL (8,000 Hours), and LED (50,000 Hours). The pin also shows interaction metrics: 1 Pin, 3 Likes, and an Image icon. The Pinterest interface includes a search bar, the Pinterest logo, and a SmartPricing widget on the right side.

**What difference does a bulb make?**

Bulb Type	Average Life Span
STANDARD	1,200 Hours
CFL	8,000 Hours
LED	50,000 Hours

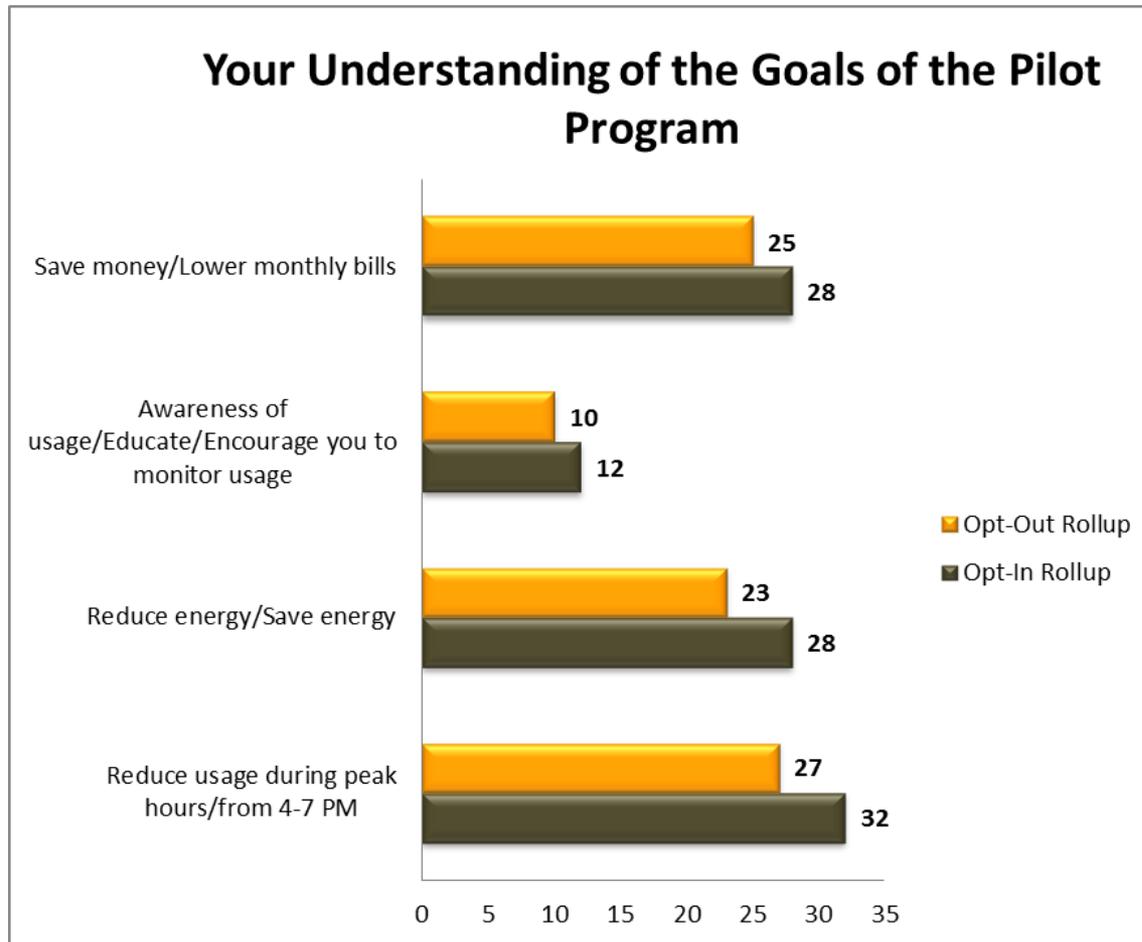
# Educational game

---



[www.phantomappliances.com](http://www.phantomappliances.com)

# Understanding pilot goals



# What customers want:

---

- Industry terms explained clearly (e.g., kWh, peak hours) and examples that help them understand the possible savings involved.
- Specific information about peak hours, examples of ways to conserve electricity.
- Low-cost or no-cost measures that are easy to implement.
- Messages that have a friendly tone and easily connect conservation with saving energy and money, and helping the environment.
- Realistic situations and images in materials. Locations that appear to be in or around Sacramento.

# Language examples

- **What's a kWh?** A kilowatt-hour (kWh) is the term used to measure the amount of electrical power used in one hour. Kilowatt-hours are what the electric meter on the side of your house measures. This is the basis for calculating your monthly electric bill.
- **Off-Peak Hours:** Off-peak hours are Monday through Friday before 4:00 p.m. and after 7:00 p.m., all day on weekends, July 4th and Labor Day. That means that 90% of the time, you get a discount.
- **Energy saving tip:** Use less electricity during peak hours by shifting when you use (like doing laundry after 7:00 p.m.) or by reducing your overall usage (powering off your TV when you're not watching).

# Lessons learned

---

- Communication
  - Robust marketing packets with complete program details, “call to action” and easy enrollment tools
  - Focus on off-peak rather than peak when describing the rates and benefits
  - Confirmation of the importance of research before launch and throughout pilot for continual improvement
- Even when customers say they want it, they are unlikely to use it.
  - My Account enrollment is 40%, but participation increases with time-based pricing
  - Facebook groups and Pinterest are at 3%-4%

*Customers that are engaged with the utility are happier with the utility.*

# Questions?

## Here's how to reach me:

---

Karen McCord

Marketing Specialist

Communications, Marketing & Community Relations

Sacramento Municipal Utility District

[karen.mccord@smud.org](mailto:karen.mccord@smud.org)