

Abstract #: 354

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Abstract Title: Transforming Customer Engagement through Demand Response

Abstract Text:

Can demand response transform residential energy use from an “out-of-sight, out-of-mind” mentality into a “must-have” consumer experience? California has set the stage for third parties to engage residential homes and provide grid services on behalf of customers without involving the utilities. As a result, an opportunity exists for innovative new techniques to engage customers from a demand side perspective, giving third parties the ability to monetize energy reductions. Using proven behavioral techniques, researchers in the San Francisco Bay Area have discovered methods to increase event participation as compared to utility-driven capacity programs by providing 1) education via clear, personalized messaging, 2) low barriers to entry, and 3) consistent feedback to users. During 2014, the team tested the efficacy of an array of behavioral modification techniques, ranging from direct personal incentives to community-based donations. The team found that lottery-based incentives, in which local sub-lap participants pooled their earnings together over a 2-week period had a marked increase in event participation. Another novel program tested was a loss-aversion technique, in which participants were pre-awarded incentives, but faced the prospect of losing the incentives for event non-participation. This approach resulted in an even higher 24% increase in event participation. These results are even more fascinating while viewed in light of customer research and interviews indicating loss-aversion programs would fare poorly across the user base. Join this discussion to discover and unlock new motivators behind residential demand response and empower communities to better address their evolving energy needs.