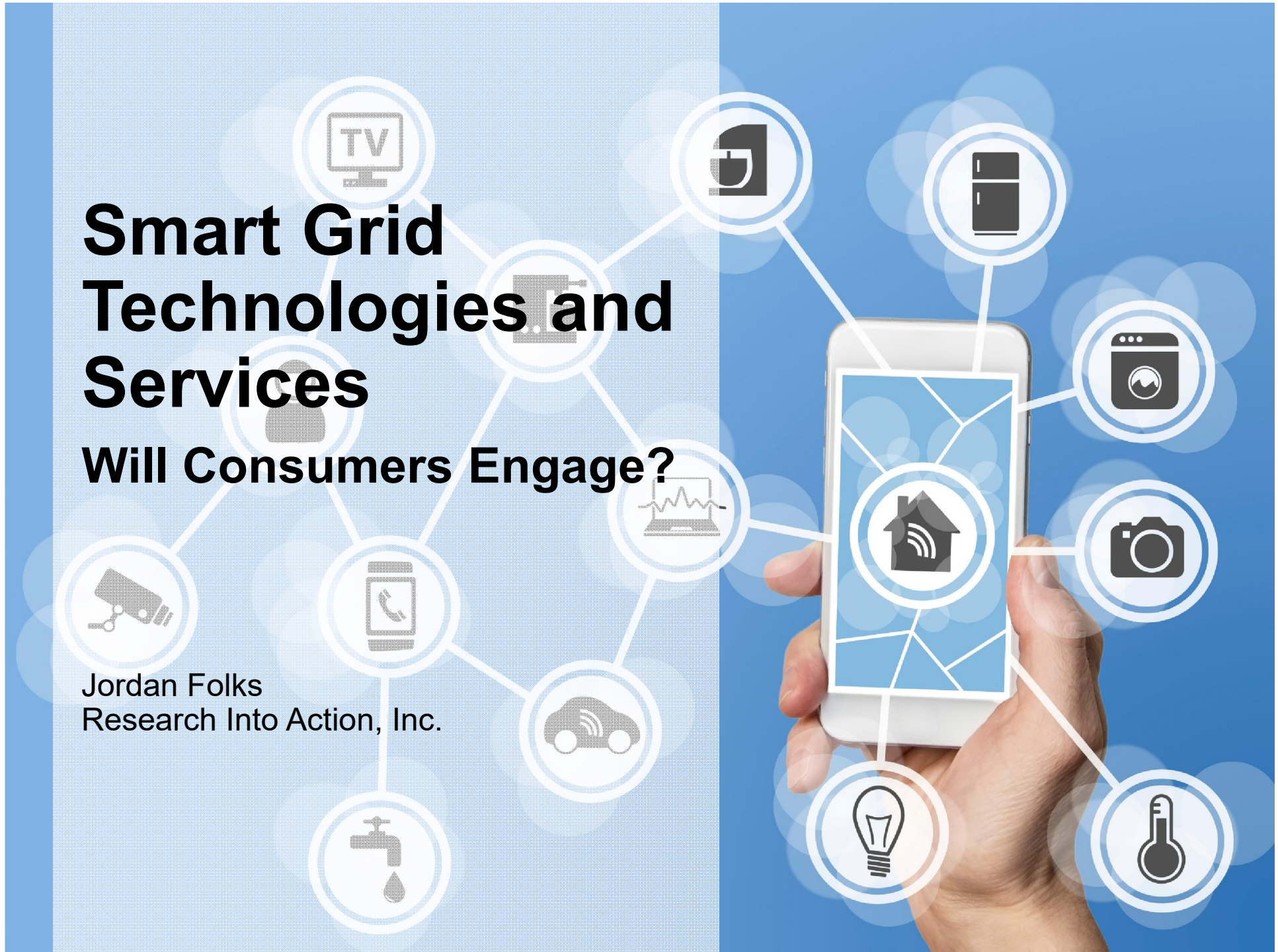


Smart Grid Technologies and Services

Will Consumers Engage?

Jordan Folks
Research Into Action, Inc.



Will consumers engage?

- Yes, if you give them what they want
 - But that might not be what you think it is



The Study: The Empowered Consumer

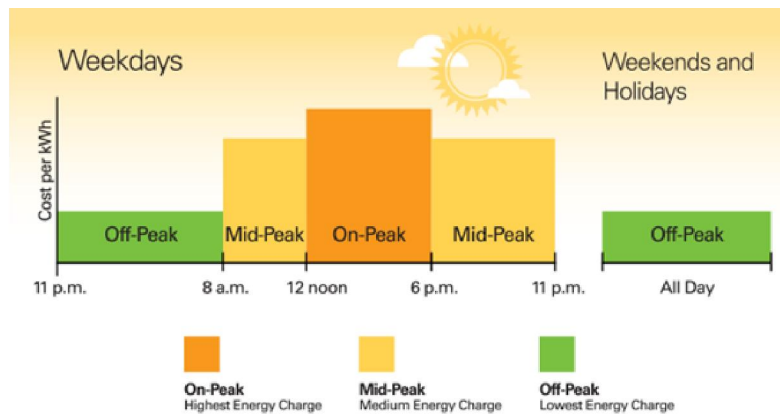
- Representative survey of 1,500 consumers (online panel)
 - Awareness of and interest in smart grid technologies
 - Perceived benefits and barriers
 - Regional and/or sociodemographic variation
- Close-ended survey questions
- Experimental survey design – choice based conjoint



The Experiments

Random (balanced) assignment to one of two conjoint experiments

*Experiment A:
Time-Varying Rate Plans*



*Experiment B:
Smart Thermostat Programs*



What is conjoint again?

- Series of randomized trade-off questions
 - Provides more nuanced insights on consumer preferences and willingness to pay/participate than standard self-report methods

Golf Study

If you were considering buying golf balls for your next outing and these were the only alternatives, which would you choose?

(1 of 17)

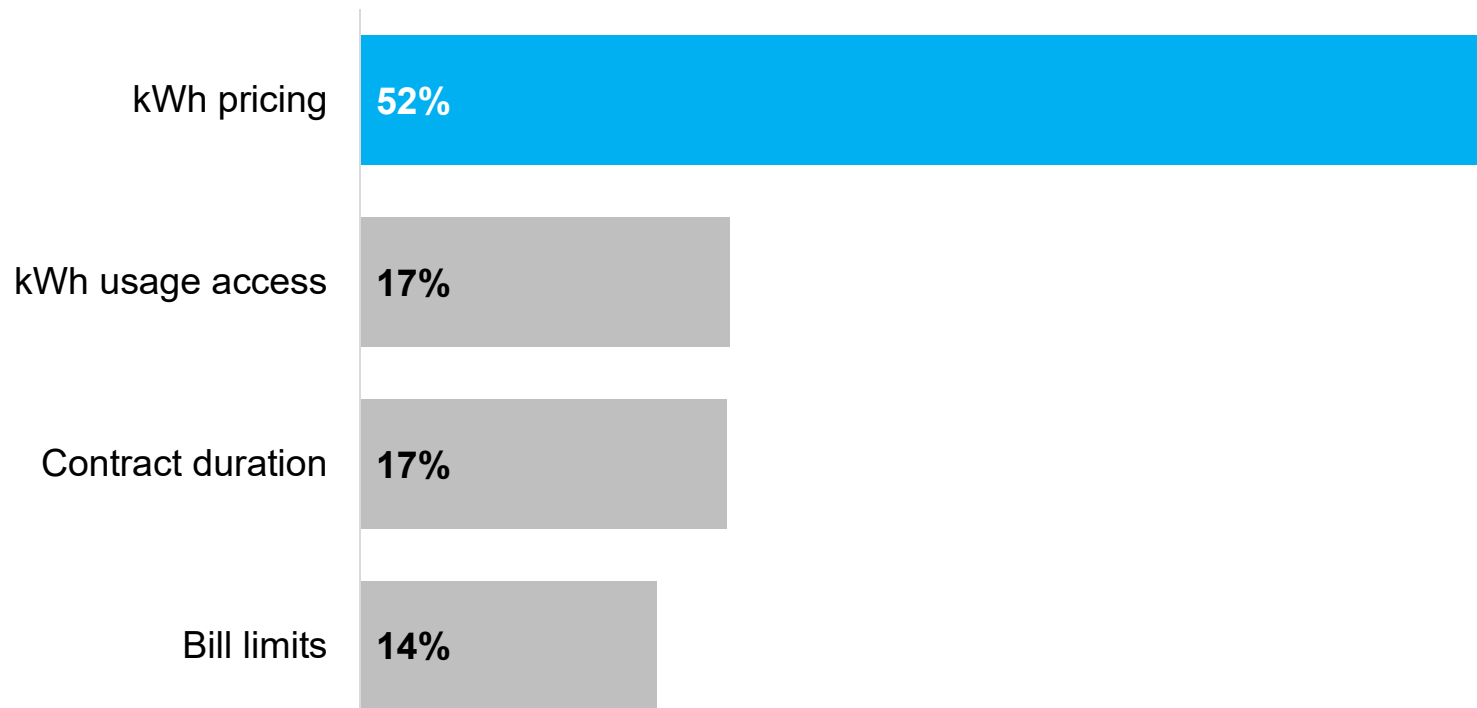
Brand:	Long Shot, by Performance Plus	Eclipse+, by Golfers, Inc.	High-Flyer Pro, by Smith and Forester	NONE: I wouldn't choose any of these.
Performance:	Drives 5 yards farther than the average ball	Drives 10 yards farther than the average ball	Drives 15 yards farther than the average ball	
Price:	\$8.99 for package of 3 balls	\$6.99 for package of 3 balls	\$4.99 for package of 3 balls	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



0%  100%

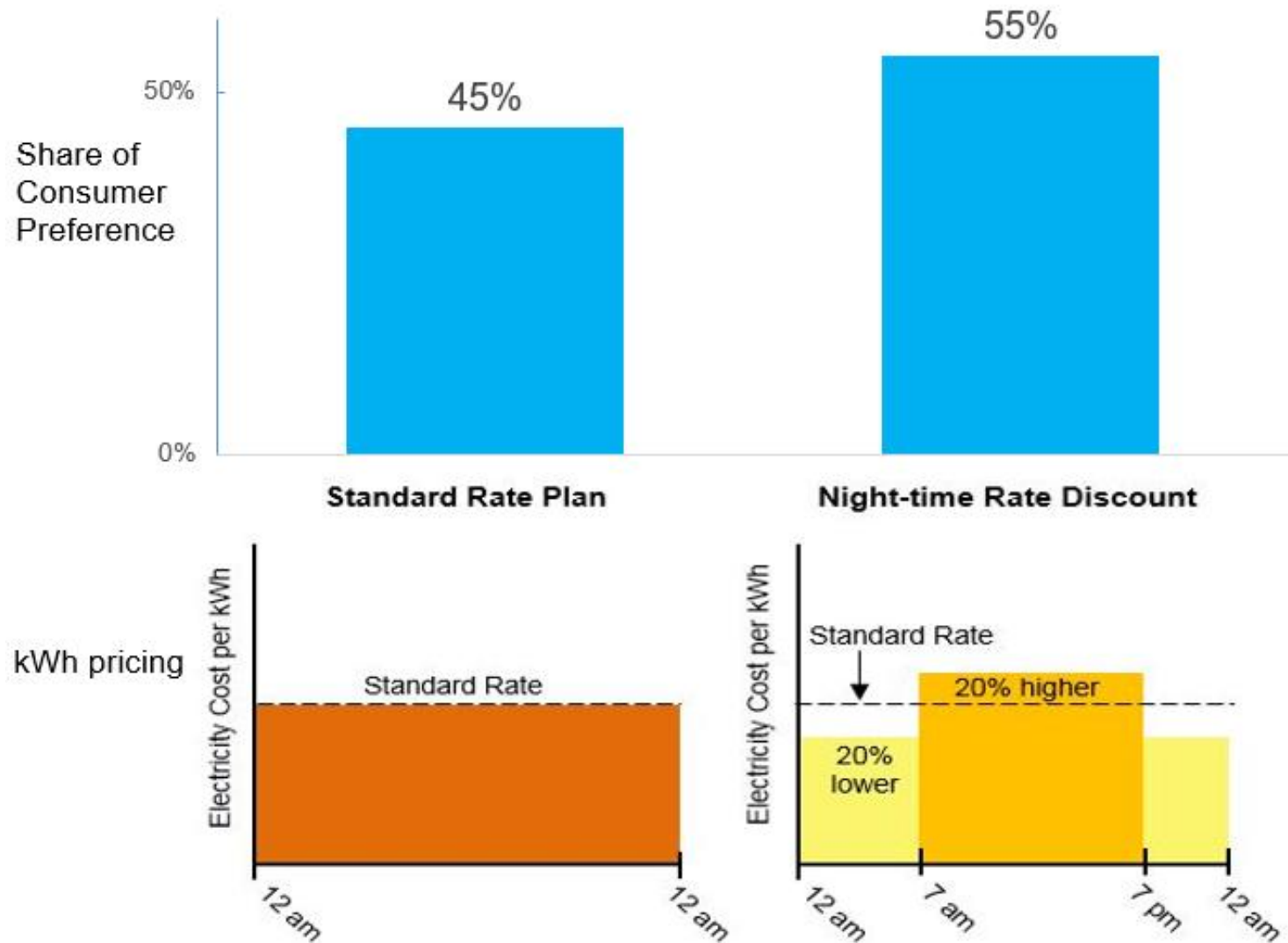
Time-varying Rate Plan Experiment

Relative Importance of Rate Plan Elements

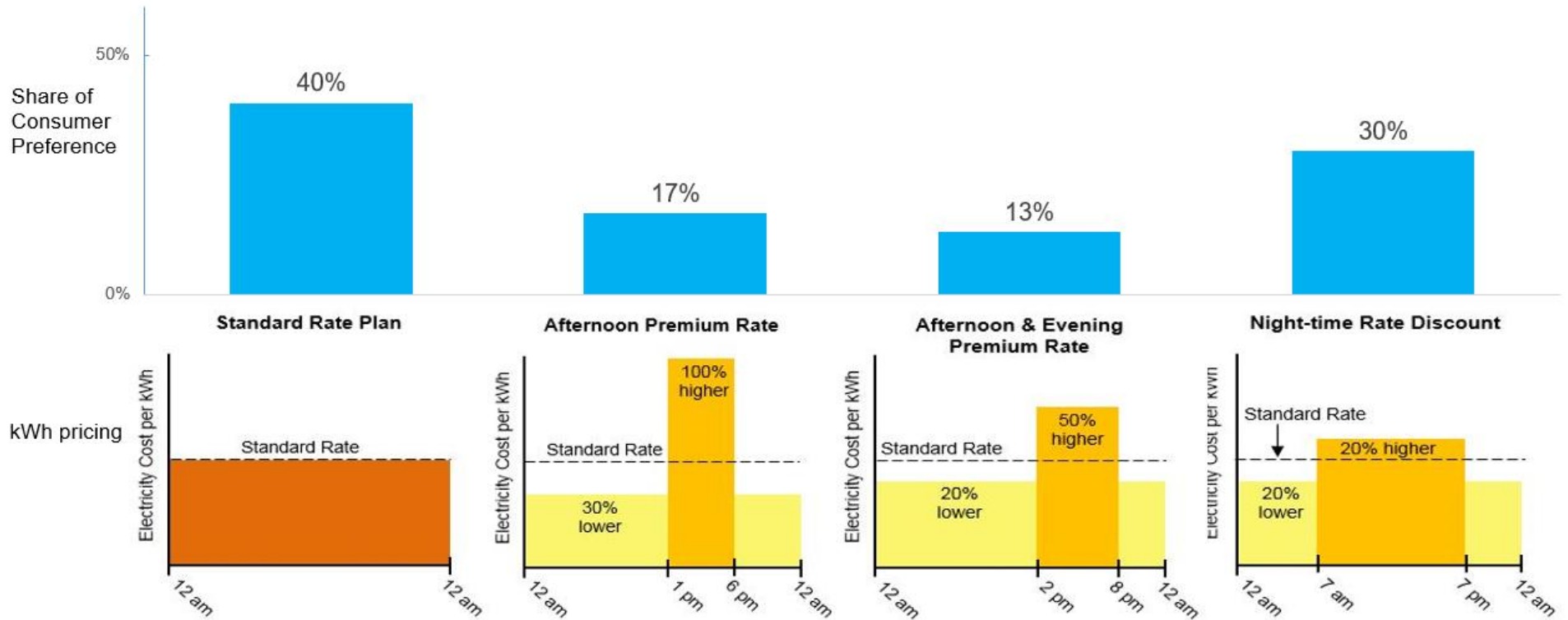


Sums to 100%

If utilities had to pick one to offer, this is the one



Expanding options expands participation

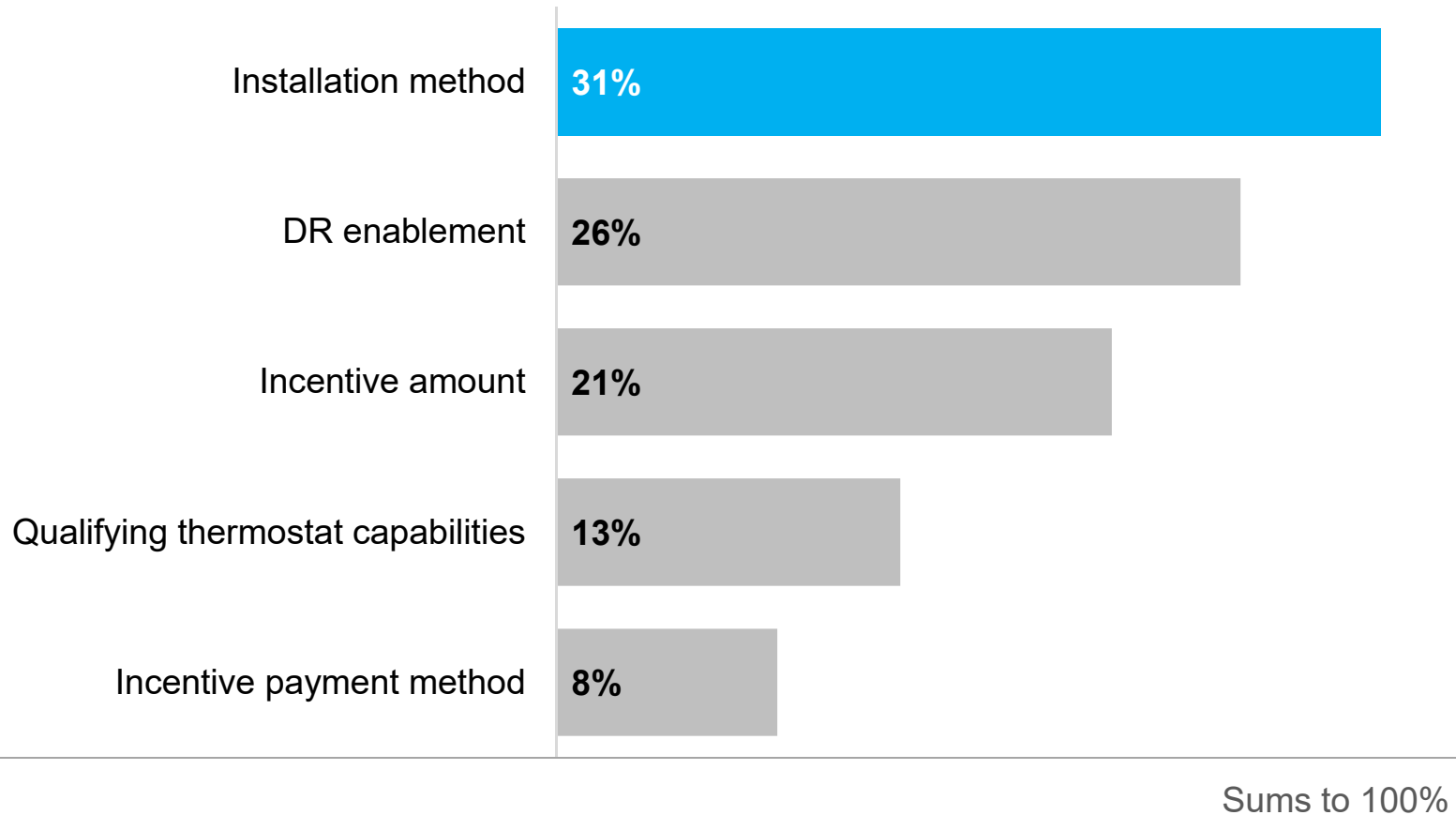


It's not where you are, it's who you are

Segment	Segment Size	Quote	Rate Preferences
Green Champions	30%	"Smart energy technologies fit our environmentally aware, high-tech lifestyles."	High interest in TOU
Savings Seekers	20%	"How can smart energy programs help us save money?"	High interest in TOU
Status Quo	18%	"We're okay; you can leave us alone."	Strongly prefers standard rate
Technology Cautious	17%	"We want to use energy wisely, but we don't see how technologies can help."	Strongly prefers standard rate
Movers and Shakers	15%	"Impress us with smart energy technology and maybe we will start to like the utility more."	Strongly prefers standard rate

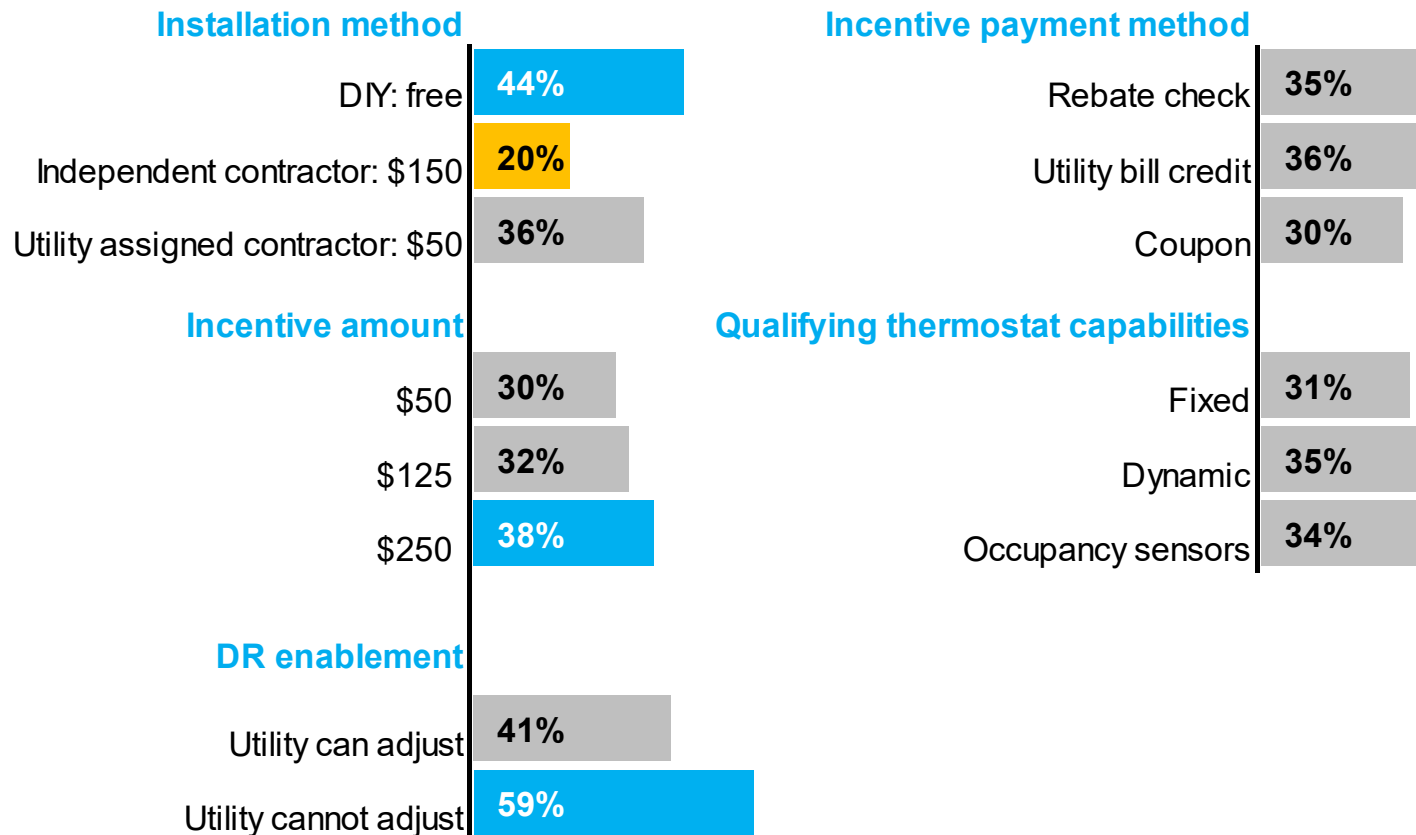
Smart T-Stat Program Experiment

Relative Importance of Smart Thermostat Program Elements

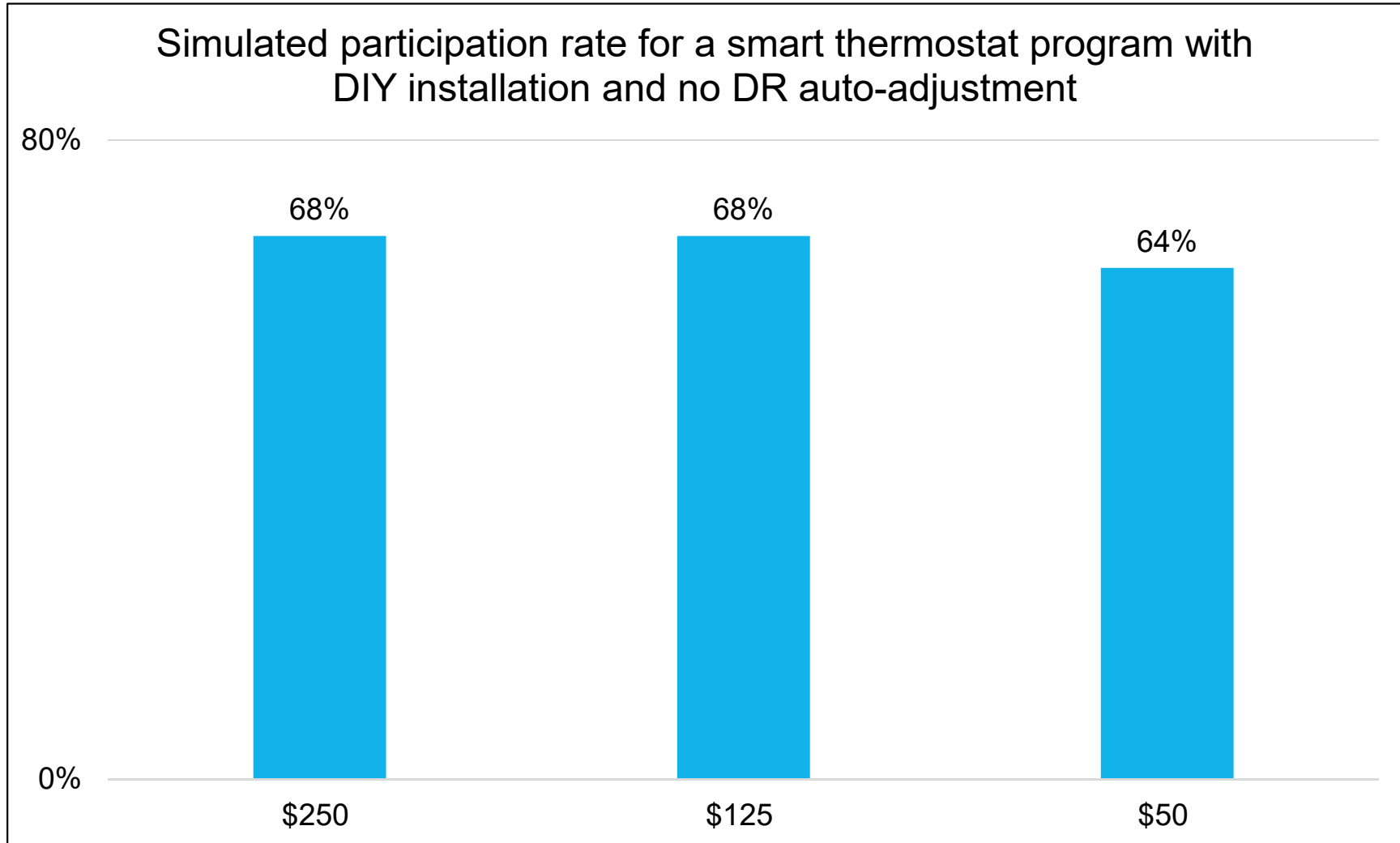


Consumers prefer lowest out-of-pocket cost and no DR enablement

Relative Consumer Preference








Are incentives more of a pointer than a motivator?








Interest is driven by sociodemographics, not region

Segment Interest in [any] Smart Thermostat Program

Green Champions	Savings Seekers	Status Quo	Technology Cautious	Movers and Shakers
 80%	 82%	 57%	 59%	 63%

Segment Interest for Smart Thermostat DR Programs

Green Champions	Savings Seekers	Status Quo	Technology Cautious	Movers and Shakers
 44%	 46%	 36%	 36%	 35%

So, *will* consumers engage?

- Multiple choices/offerings to satisfy the different wants and needs of a varied customer base
- Incentives help, but bigger isn't better
- Interest in smart thermostat programs is high, but DR is a hard sell
- Some segments are harder targets than others
 - Luckily, half of population are good targets!
- Design customer-centric programs

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Contact:

Jordan.Folks@researchintoaction.com