
Using Customer Intelligence to Enhance Energy Efficiency Program Effectiveness

Wayne Willis, Detectent

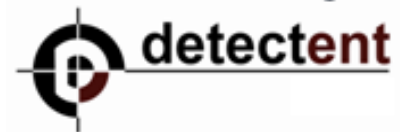
Thursday January 29th, 2009

Using Customer Intelligence to Enhance Energy Efficiency Program Effectiveness

- Introduction of participants and research objective
- Description of current process
- Description of new process
- Results
- Lessons Learned

Purpose of Research Initiative

- Determine if behavioral analysis techniques combined with customized customer outreach can dramatically increase the efficiency and cost effectiveness of EE Program execution
- Organizations Involved
 - NSTAR Electric and Gas, Massachusetts' largest IOU serving more than 1.4m customers in 100+ counties
 - RISE Engineering, Provider of EE Services to customers in New England
 - Detectent, Provider of Customer Intelligence Services to North American Utilities

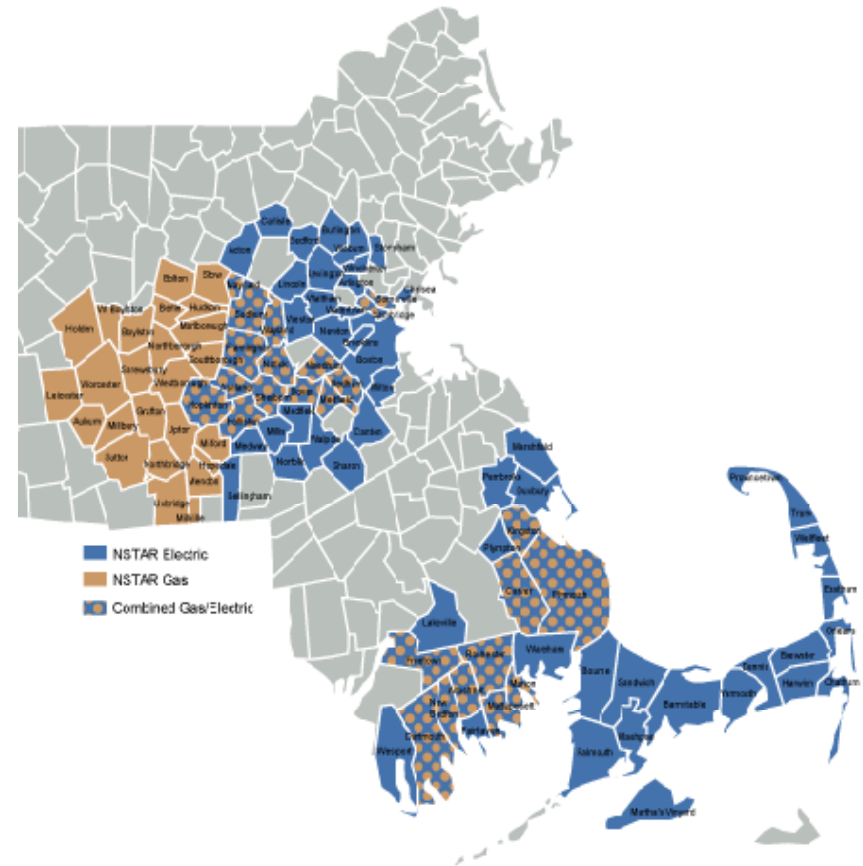


Purpose of Research Initiative

- NSTAR has 4 industry partners that perform EE services to 140,000 small commercial customers (<200KW)
 - RISE Engineering is the largest serving 40,000 NSTAR customers
- NSTAR's EE goals will double in the next few years
 - Current processes for engaging customers to participate in EE programs may not be sufficient to meet new goals
 - Current processes are not cost effective and are prohibitive to new EE industry partners
 - RISE is concerned that they will not be able to meet new targets with current processes

NSTAR Electric and Gas

- Massachusetts' largest investor owned utility
- Service approximately 1.4m customers across 100+ communities in Eastern Massachusetts



Rise Engineering

- One of the oldest energy efficiency organizations
 - One-stop shopping center for all energy efficiency needs including onsite audits, contracting and financing services
 - Established in 1977
 - Focus on small business sector, mainly lighting programs
- Serving most major New England utilities and their customers
 - Has provided services to over 220,000 commercial, industrial and residential customers

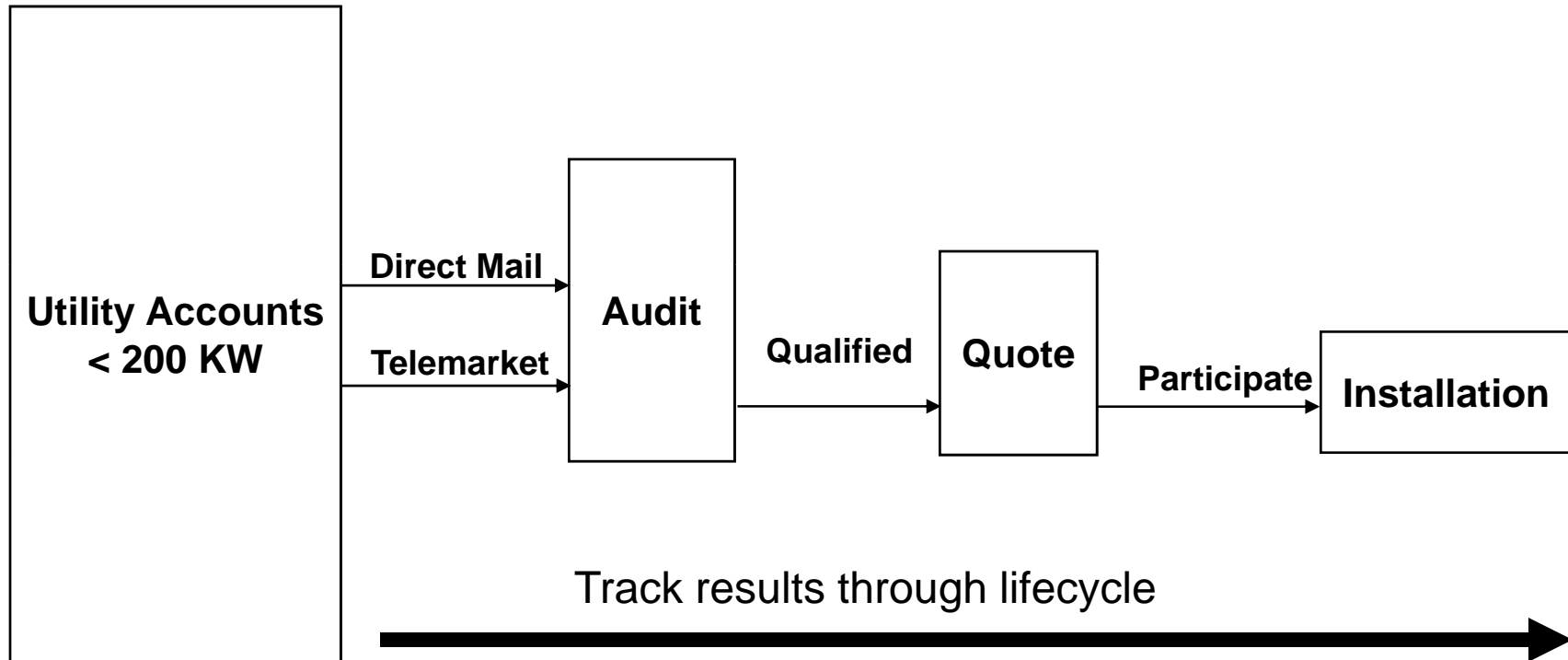
Rise Engineering

- NSTAR's top performing and largest volume energy efficiency solution provider
 - Manage 40,000 of NSTAR's 140,000 commercial accounts
 - In 2007, achieved 104% of anticipated program participation goals
 - Have implemented EE solutions for 600 to 1400 NSTAR customers each year since 1999

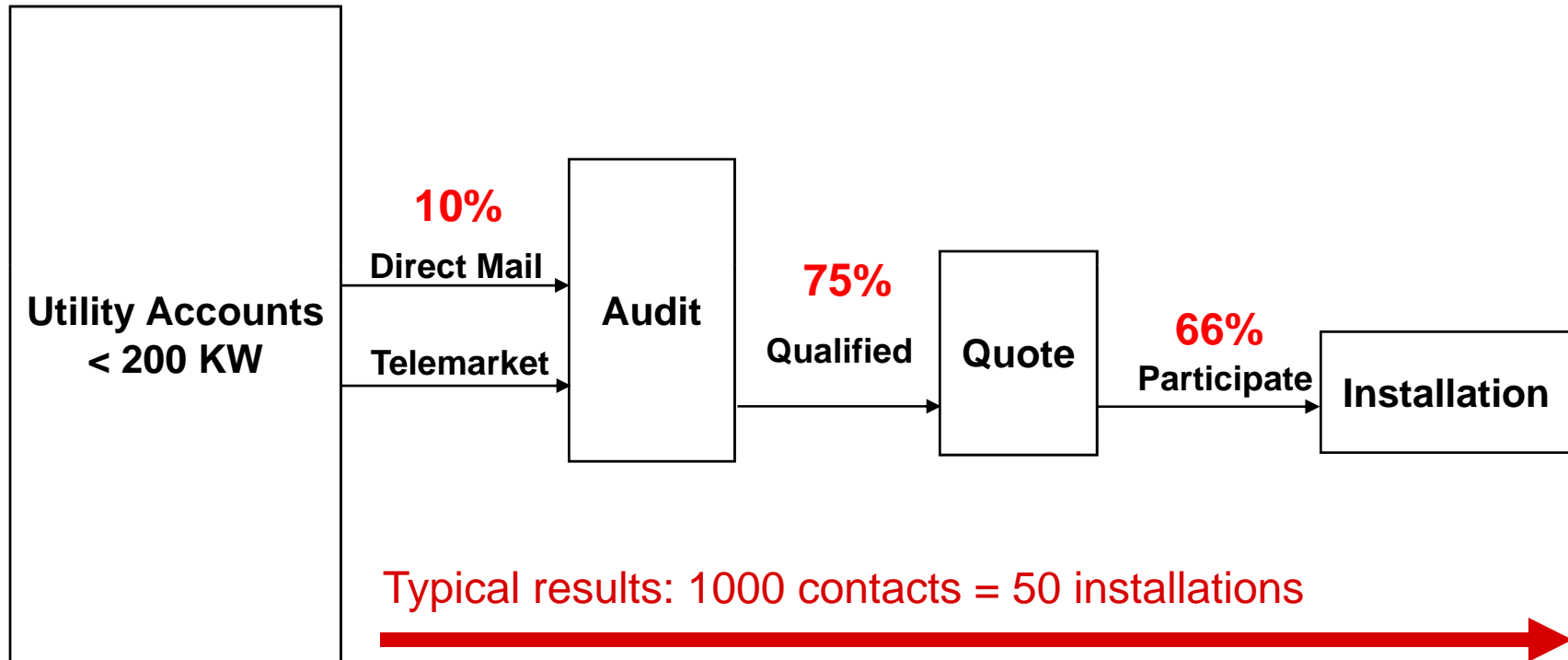
Rise Engineering

- NSTAR process requires RISE to:
 - Proactively market and sell sanctioned programs
 - Execute on-site audits at no cost to the customer
 - Provide proposals for customer for implementation
 - Provide implementation services to customers
 - Track program lifecycle by customer by activity:
 - Customer contact
 - Onsite audit
 - Implementation

RISE / NSTAR Process

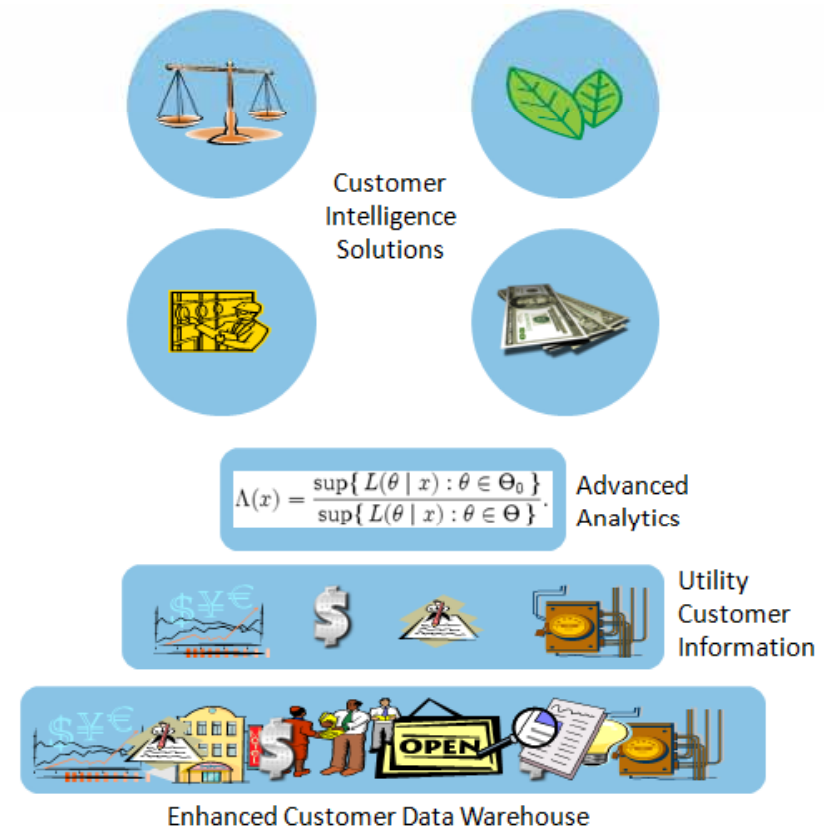


RISE / NSTAR Process



Detectent

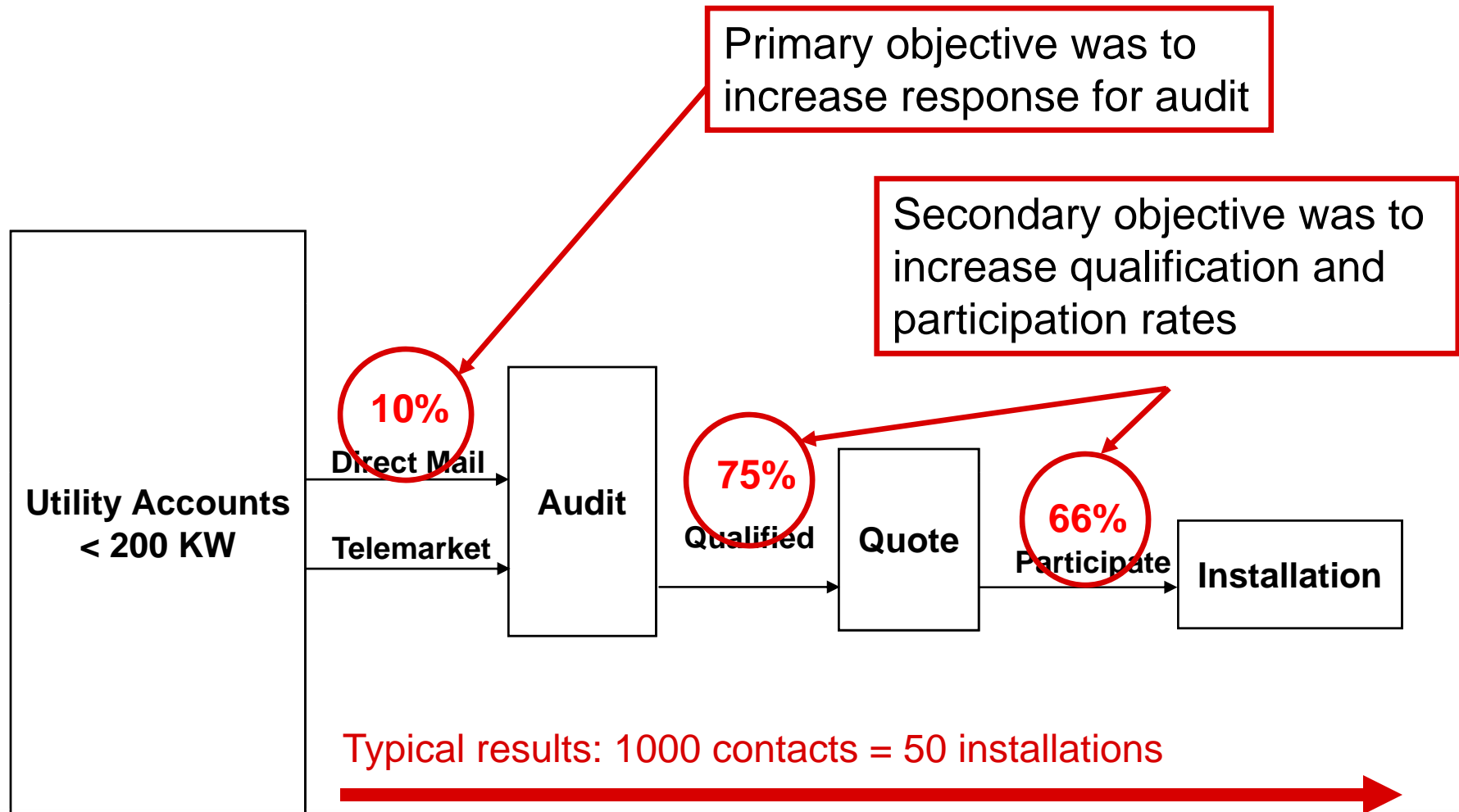
- Provides Customer Intelligence for business decision support in areas such as:
 - Accurate Billing
 - Energy Efficiency Program Optimization
 - Energy Theft
 - Risk Optimization



Detectent

- Gather additional information about each customer that is in scope of project
- Rank customers based on potential benefit
- Use RISE's database of past results to identify characteristics that are indicative of a positive result (willingness to participate)
- Communicate program messages effectively
- Track results

Objective: Higher Participation Rate at a Lower Cost

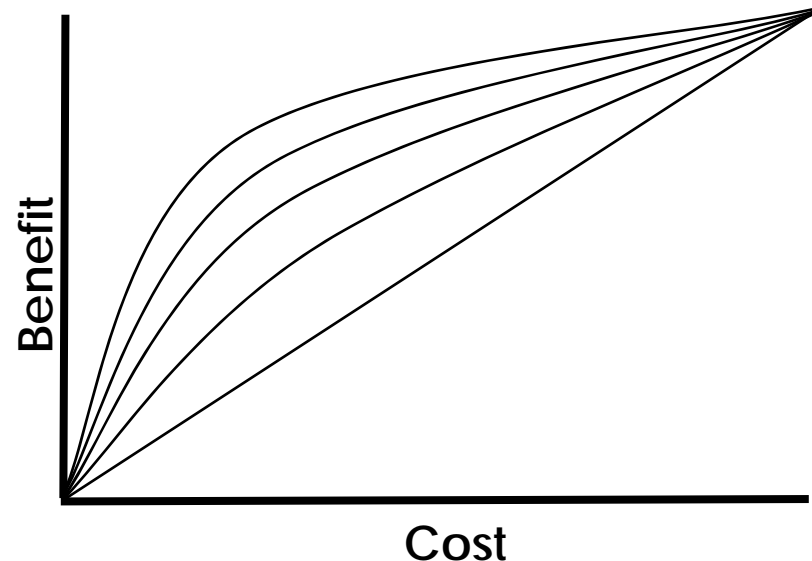


Objective: Higher Participation Rate at a Lower Cost

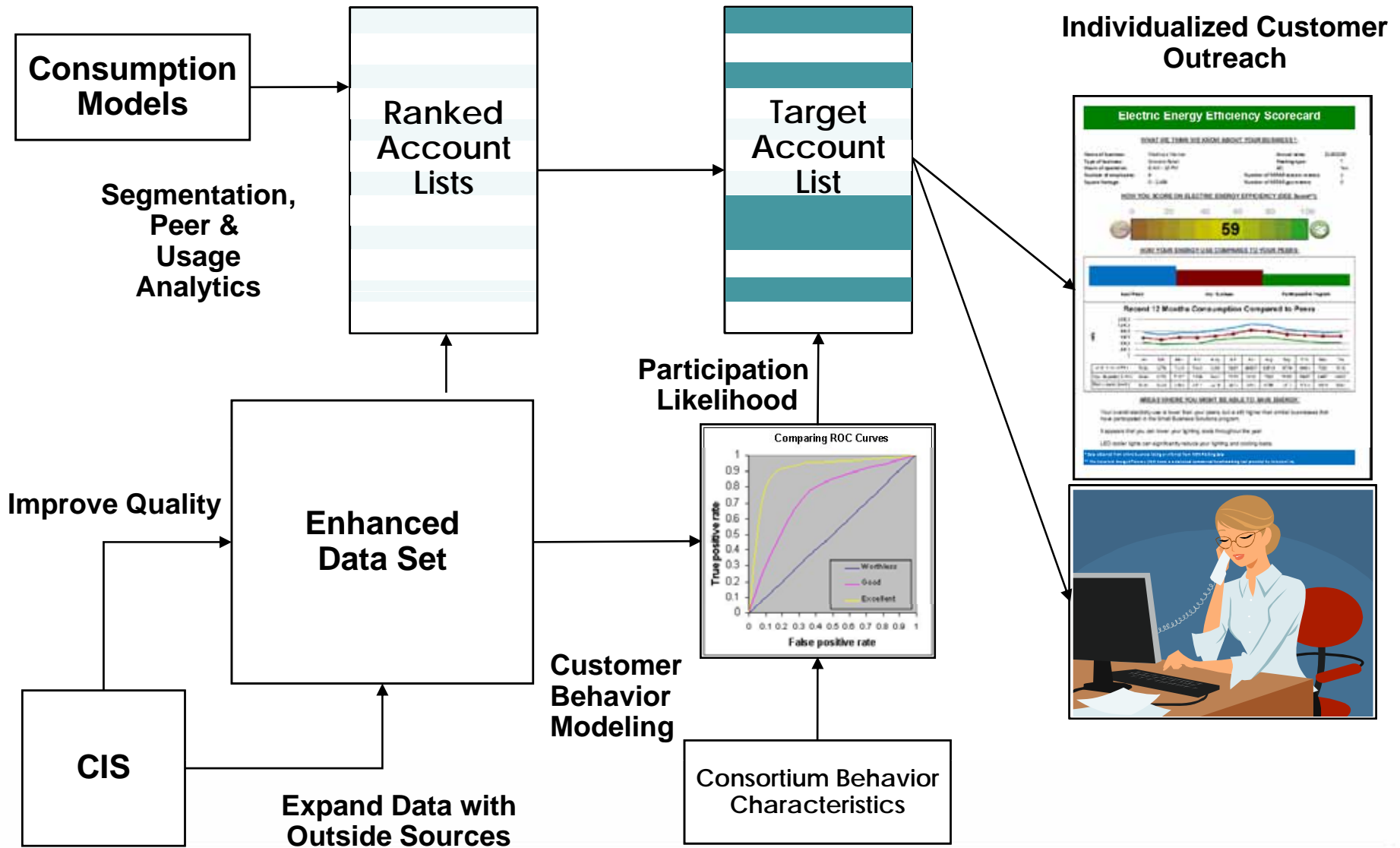
- Primary Measurement and Goal:
 - Increase response rate for audit from 10% to 20%
 - Achieve 100 audits from 500 customer contacts
 - Versus 100 audits from 1000 customer contacts
- Secondary Measurement and Goal:
 - Increase qualification rate from 75% to 80%
 - Increase participation rate from 66% to 75%
 - Achieve 60 implementations from 100 audits
 - Versus 50 implementations from 100 audits

Objective: Higher Participation Rate at a Lower Cost

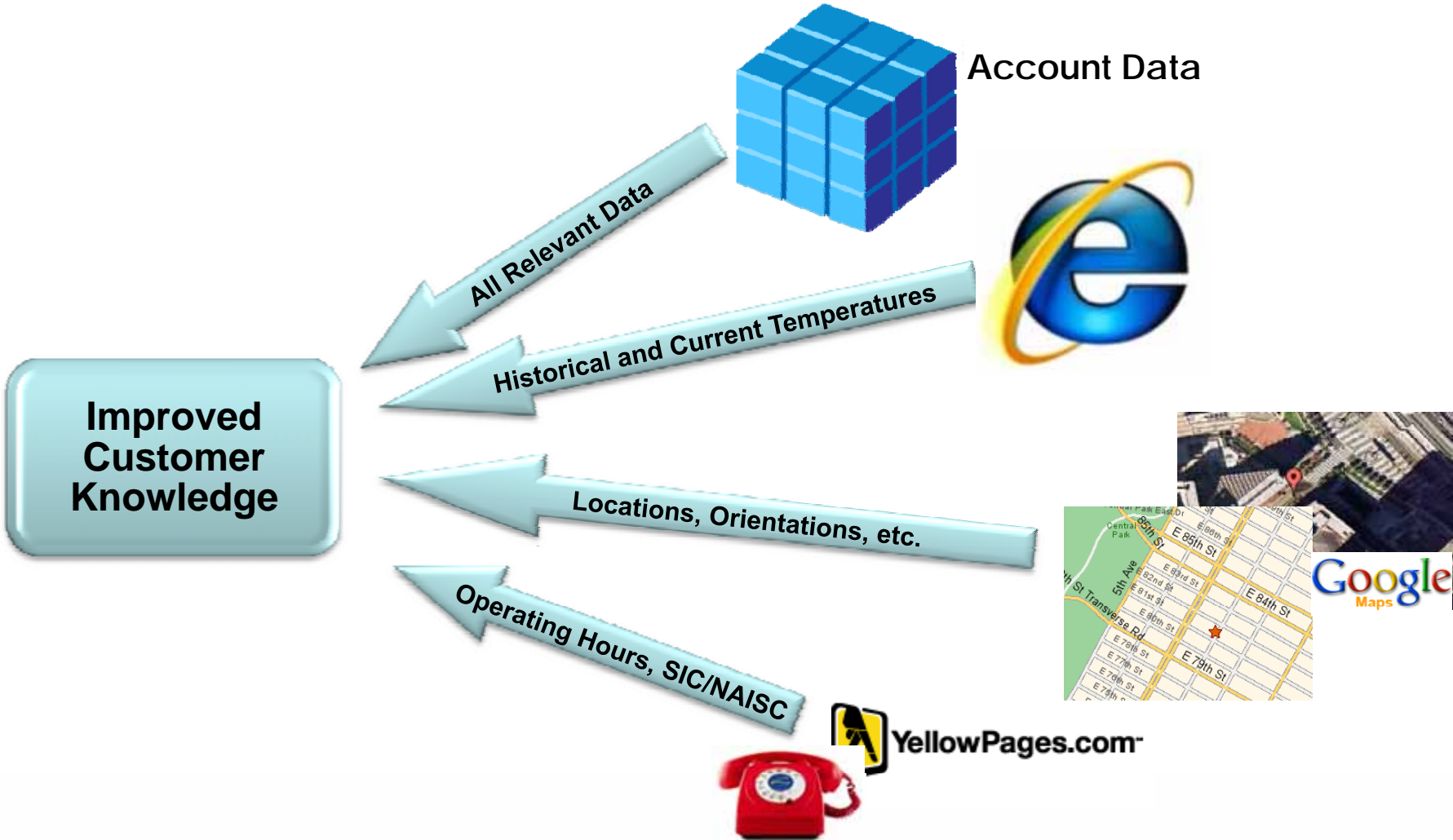
- Outreach with random program communication
- Align accounts and programs
- Rank accounts based on potential benefit
- Prioritize accounts based on likelihood of participation
- Outreach with individualized program communication



Overall Process Followed



Enhanced Customer Information



Enhanced Customer Information

Business Name
Phone Number
Address
Contact
Pri. SIC Code



Business Name
Phone Number
Address
Contact
Pri. SIC Code
Sec. SIC Code
Type of Business
Website
of Employees
Annual Sales
Sq. Footage
HQ/Branch
of PCs



Knowing your customer enables:

- Peer Grouping
- Usage Characterization

What they knew

What we gathered

Sample Data Elements for Behavioral Modeling

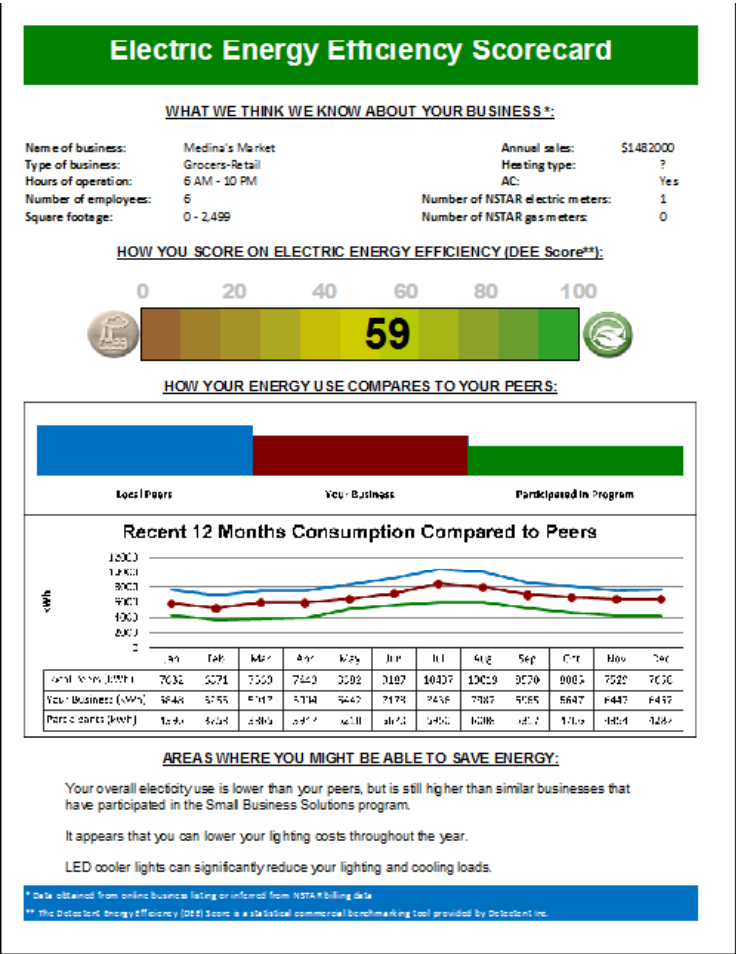
- YellowPagesYears
- YellowPagesSpending
- NumberOfPCs
- HeadQuarters
- AuthorityLevel
- Title
- NumberOfSquareFeet
- CreditRating
- AnnualSales
- NumberOfEmployees
- AvgIncomeArea
- IncomePct5YrIncrease
- ElectricityMax
- ElectricityMin
- ElectricityBase
- ElectricitySummer
- DemandMax
- DemandAvg
- PctElectricHeating
- ElectricHeating
- PctElectricCooling
- ElectricCooling
- PctGasHeating
- GasHeating
- ElectricityWinter
- AuthorityGender
- YellowPagesBusinessCode
- ElectricityMaxPerEmployee
- ElectricityBasePerEmployee
- ElectricitySummerPerEmployee
- ElectricityWinterPerEmployee
- DemandMaxPerEmployee
- DemandAvgPerEmployee
- ElectricityMaxPerSales
- ElectricityBasePerSales
- ElectricitySummerPerSales
- ElectricityWinterPerSales
- DemandMaxPerSales
- DemandAvgPerSales
- TurnOnDate

Custom Communication

Tells the customer that this is not a generic mailer

Provides a comparison to local peers

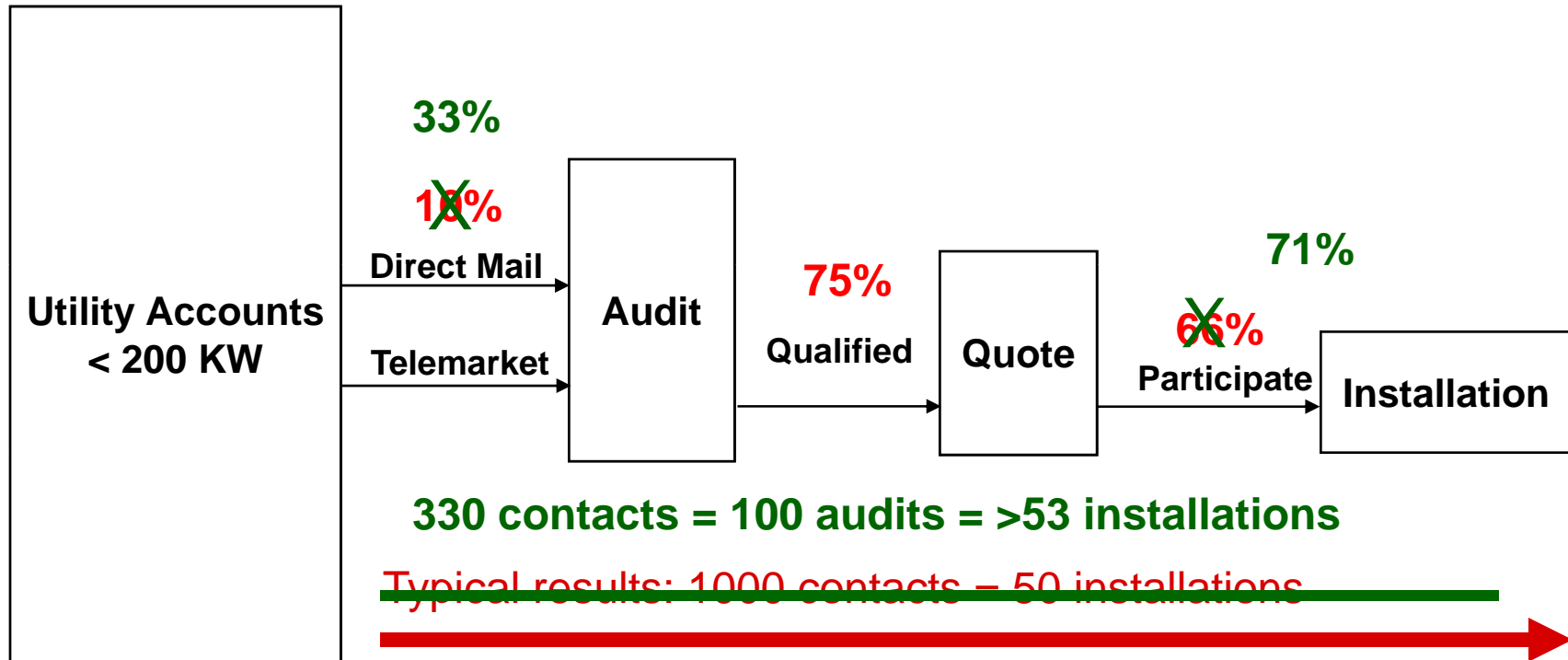
Informs the customer of possible EE solutions



Results

- Five hundred ranked target accounts were selected for mailing/contact in batches of about 70 each
- 100 audits were booked with only 330 contacts made
 - *At this point, the goal of 100 audits was reached*
- *This is a 330% improvement over past process*

Results



Lessons Learned

- Initial batch of 75 phone contacts was from NSTAR supplied phone number
 - Many were incorrect numbers, cell phones, etc.
 - Batch was re-processed with public business number and contact was 3x improved
- The scorecard was very well received and was instrumental in creating urgency
- Off-hours (after 5pm) and multilingual calling would have increased response
 - As many as 40% were flagged as 'no-contact made' by RISE

Thank you

Wayne Willis

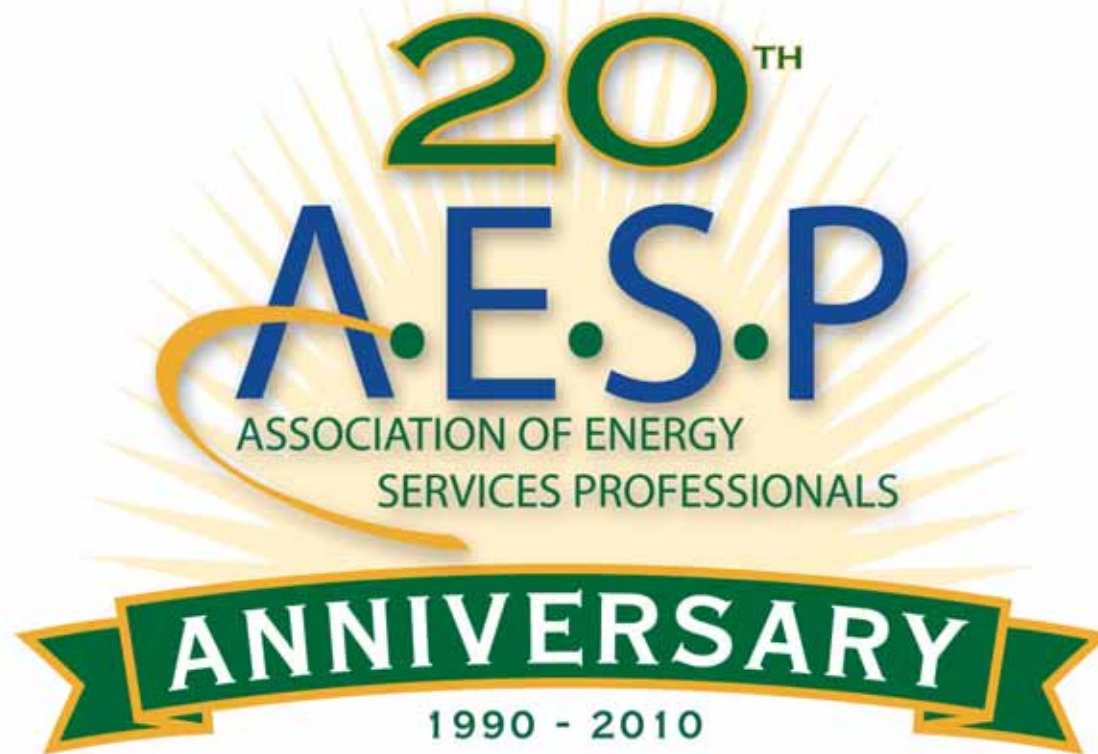
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