

DATE: Thursday, June 28, 2017
TIME: 1:00 p.m. – 4:00 p.m.
LOCATION: Xcel Energy Larimer Office

Meeting Purpose: Xcel Energy's marketing team will provide pilot program updates and proposed changes

- **Attendee Names**

Xcel Energy	Tandy Dilworth, Liz McKinnie, Alicia Harvey, Louise Wood, Ryan Matley, Kerry Klemm, Kristin Gaspar, Kevin Cray, Eric Van Orden, Ian Snow, Jennifer Wozniak, Liz Alvarez, Carla Scarsella, Stacey Simms
Navigant	Karen Ehrhardt, Brian Eakin, Nicole Fry, Stuart Share
WRA	Gwen Farnsworth
CPUC Staff	Erin O'Neill, Jason Pequet
EFCA	Jake Schlesinger on Behalf of EFCA
CEO	
COSEIA	
SWEEP	
Independent Advocate	Karey Christ-Janer
OCC	Cory Skluzak

- **On the Phone*:**

CEC Energy Office	
Staff	Elizabeth Stevens
Xcel Energy	Anna, Ken
City of Boulder	
Outreach CO	
OCC	

*Some participants who were not clearly identified on the phone may not be included

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Agenda and Discussion:

- Kickoff by Regulatory – Tandy Dilworth
- Introduction by Program Manager – Stacey Simms
- Program Status Update and Path Forward – Stacey Simms

No Opening Questions or Comments

Colorado Rate Program Updates Presentation and Discussion:

Marketing Test Period

- March 3, 2017 to date (June 28, 2017)

Marketing Objectives

- Ensure consistency with Settlement Agreement
- Create awareness and interest of attractive customer rates
- Drive enrollments
- Target critical customer segments
- Maximize customer satisfaction & energy demand reduction
- Provide easy-to-understand and effective educational materials
- Preserve integrity of measurement of results

Staff Comment: It's not necessarily about reducing demand, but rather shifting demand away from the peak, and it's not necessarily an energy efficiency issue, it's a time of use issue. The results from the impact analysis will tell us to what extent participants shifted consumption to other times and/or reduced some of their total demand.

WRA Comment: Not that it couldn't be about reducing demand.

Navigant: The impact analysis is about reducing consumption during peak or shifting total consumption, period to period. We're trying to capture all aspects.

WRA Recommendation: Each of us can write down five issues that indicate goals of success to ensure we're seeing what we're looking for.

Independent Advocate: For example, a demand response tie to reducing air conditioning.

XE: How many people here are involved in a TOU program, four or five? If we were to ask why someone is not on the rate, it's complex.

WRA: The outcome is awareness of energy use.

WRA Question: Should we all be on the TOU rate as stakeholders? **XE:** If you want to participate, participate. We want people who think about energy and as well as those who don't. If you're interested, we want you involved. **Navigant Comment:** In the Study

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there will be various types of customers (various spectrums) on the rate. [NPR article from a professor at DU](#). We are looking at 10k or more to be enrolled on the rates so stakeholder involvement would have minimal impact.

Key Learnings and Recommendations

- Marketing has been effective at driving awareness but not enrollments
- Very unlikely to reach 44k participants in cost-efficient manner, in time for data collection, before advice letter filing
- Recommendations for Path Forward
 - Phase II of Program: optimize successful tactics and utilize new channels
 - Depending on results from campaigns, consider introducing incentives

Results of Test Period (March – May 2017)

- Enrollment through June 23, 2017
 - High sign up rates in early weeks (weeks 1 through 4) due to successful email campaigns and early adopters. Slower but steady uptake since.
 - Over 600k emails sent and is the most successful tactic
 - Newspaper
 - Over 68k direct mail sent. There are still two segments to hit. In July there will be a new direct mail to new segments and segments that have once been touched. Direct mail is performing lower than benchmarks.
 - 25m digital impressions. Digital ads are successful at driving interest and education, but not enrollments.
 - Earned media – The Company has met a couple of times with internal teams. The Company has nine different pieces in the market and have pitched the program at least one hundred times. There will be additional media during the summer.

EFCA Question: What segments hasn't the Company touched

XE: Haven't touched seniors or EV – plans in place

Marketing Tactics Performance and Benchmarks

- Email appears to be the most successful tactic
- XE's direct mail response is not as high as benchmarks against nine other utilities. Sign up is approximately 1%. Still a good performer to keep in the marketing mix. Offer and incentives influence response rate.
- Website Analytics - we are outperforming many of the other XE programs. Benchmarked against MN Renewable Connect program which has some

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similarities to this program. We know that we are getting twice as many website visits. Customers are browsing but not signing up.

OCC Question: IS XE tweaking the website based on experience? **XE:** Yes. We did not want to make a bunch of changes while the website was still being built. Now that we are out of the test period changes have been and will continue to be made. For example, new video locations and changing pages. We moved the video front and center to rates posting.

Navigant Question: What is the landing page? **XE:** Specifically it's the Energy Rates page at xcelenergy.com/residentialrates. We realized the residential rates page was a difficult place for a customer to start, so we moved it. The online ads go straight there when you click.

Staff Questions: Concerning direct mail, does XE have any ongoing inklings about what is/is not working? Where are people coming to the website from?

XE: We saw a boost from direct mail. We think we had good response from renters and seniors. We know that we could have sharpened the message to PV customers and have changed that. A big driver in California direct mail is a business reply card, however, we have a different situation and have provided a paper survey that doesn't work well with a reply card. **XE:** Customers who receive an email, see a link that lands them on the page. Those who receive direct mail have to type the link in a browser. Facebook links to the website. Also, call center agents are scripted if calls come in. There is digital advertising too.

EFCA Question: Expand on PV segment and sharpening message.

XE: At our last stakeholder call, we heard from one solar provider who received a complaint about making the communication sharper that the program was an option. On copy going forward we've called out there are options, just not the two new options. We have not had any escalated calls going through the call center.

Rate-related Solar Developer Outreach

- March 31, 2017: The Company reached out to large solar developers via webcast with introduction to rates, interactions to the rates from a solar prospective, the rec incentive through the lens of a solar customer, and options for solar developers.
- Follow-up calls with solar developers. Engagement was limited on this call. Relatively quiet.
- Follow-up 1:1 calls with bigger developers. A big takeaway was how are rates going to change for specific customer, not just averages. We are trying to hone in on those.

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Independent Advocate Comment: As an example, an analysis of a house in California and various rates. If the developers can say "based on usage and what's on your roof" they can tell you. A solar developer could prove helpful in deciding.

WRA Question: How did they do they analysis?

XE Question: Did they have analytics? Without the analytics it is a leap of faith.

Independent Advocate: Yes, post AML.

XE Comment: There is increased complexity with the rate. There is an interaction between what's on the roof and other devices, but the crux of the rates is shifting your load and your demand, and solar should help.

Staff Comment: A solar developer should be able to tell you when you are generating. If you are facing sun during peak you probably will save, if not you probably won't. Doesn't have to be that complicated, right?

EFCA Comment: That is not what I'm hearing from my clients. Not sure they are convinced it would work out that way. On the opt out, it's six months which isn't a full cycle that a customer could look at. EFCA and COSEIA have not been invited to the training calls with solar developers and want to be included going forward.

XE Comment: We will invite. A customer can opt out of the program at six months and also after one year.

Electric Vehicle Outreach

- The Company has been working on developing relations
- February 28: In person Electricians Training. Fielded questions while installing outlets and smart chargers. Overview of rates.
- June 22: In person Auto Dealers Training through the CO Auto Dealers Association. They are still adapting to their position on EV. Can't speak broadly that they are supportive of EV. The Company will continue with the effort.
- Outreach through CO EV Coalition with marketing and infrastructure committee presentations.
- Outreach through community events

XE Comment: When we are talking PV and EV we are talking about rates cross-functionally.

Projected M&V Impacts

- We are at 2,276 enrollments March-May
- Projected out we estimate 7,500 enrollments with no overlapping segments
- If we allow overlapping we could increase our sample by 15%. It helps but doesn't get us all the way to our target number.

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- Statistical significance is likely for TOU and TDR participants overall, and possibly for TOU renters and general population. Statistical significance is unlikely for all others.

XE Comment: The 44k target number was designed on an enrollment basis to include opt outs. So, the Company grossed up the number to the number of customers we need to recruit into the pilot. The 2,276 number is less opt outs so the appropriate comparison is to 36,483, which is the number we need to have on the rate in 2019.

OCC Question: Concerning the percentage of target needed weekly going forward. Isn't it likely the 7,500 is high? **XE:** The 7,500 number is generous.

OCC Question: Back to weekly enrollment and tactics, what happened in week 12 when numbers went up? **XE:** We launched direct mail using bulk mail. It was sent from the printer to USPS which means they deliver when they deliver so instead of hitting week 9, we hit week 11 and 12. Lesson learned. We saw in week 8 the trend was down so we sent a second email. It wasn't as successful as the original email effort. We brought social media back in as well. The digital ad campaign was optimized in first month of trial. After that, the digital ad changed. Keep in mind that at the Company we try to manage all emails and this program is not the only issue the Company emails out about. Its important to see the big picture view of all the emails the Comoany is managing. **OCC Additional Question:** Earned media = free media. Haven't seen anything on local news media. What happened in week 15? **XE:** The earned media summary is attached as an appendix to this presentation. We've made well over 100+ pitches to reporters since the launch. The media ran the story at the initial launch, but frankly there is nothing new to tell. We have to balance our media asks across other news stories, but we continue to pitch this program as the news cycle warrants.

Independent Advocate Comment: I found myself not reading the headlines on ads. They are everywhere. There is no font differentiation for example on evaporative cooler ad. I do like that there are buttons to click on for each rate. Anything to diffentiate the rates would be nice. Visual symbols, like a clock, building blocks, something and people need to identify with. The ad campaign with the red box is not conducive to drawing a customer in except for color. **XE:** Every program we market we want differentiation. There are standards; right now and it's the red standard. We are getting interaction beyond benchmarks but we are losing people. Could be a variety of reasons but we won't know that until we talk to those people. **Independent Advocate:** After I click through the similarity of colors, there are tabs and draws me in to click on places to go. Everything looks so similar on landing page. When I click through, it's very well displayed. **XE:** Thank you. Very good point. We have two infographs (slides 24 and 25) that will be used as educational tools and draw people in.

CPUC: What level of statistical confidence was used in assigning green, yellow, and red labels to each of the sub-population cells in the table?

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Navigant: Impact is based on sample design with a 90% confidence interval. We may not have a definitive confidence interval for a specific segment but we can give insights. We will report what we have concisely.

WRA: Is Other =general population. **XE:** Yes.

Budget Update – Results of Test Period March-May

- Total spend is \$300,000 in advertising and promotion
- Budget benchmark is \$289 per participant cost for sign-up without including the early adopters
- Baseline budget is \$1.9M.
- Navigant provided industry budget benchmark detail. Notably:
 - OG&E strategy is cost effective with good results
 - Cali IOUs do not include incentives
 - The incentive is an important part of the number to consider.

WRA Question: Did all have opt in and out? **XE:** All were opt in except National Grid.

Navigant: National Grid was opt out of what?

Independent Advocate Question: Have we thought about an incentive? **XE:** Yes we have. Our numbers don't appear to be out of the norm in experience with other states. A full disclosure, in Minnesota there is a stakeholder group considering the opt out model.

Phase II Campaign

- Two month campaign plan
- The campaign will have new tactics, increased use of existing tactics and a hold steady and removal of some tactics
- Don't know how digital and paid advertising will change yet. Will optimize these.

EFCA Question: What does AllConnect mean? **XE:** This is a third party vendor who takes the call when the customer signs up for new service, for any service such as telephone, cable, water, electricity, etc. There is a way where they can talk about the rates and programs. Touch point. Proven to be very cost effective. There are multiple new service connection touchpoints that can be adjusted.

Education: Driving Enrollment and Optimizing Resources

- In the next two months, use enhanced surveys and focus groups to understand those customers that are aware of the program and why the program doesn't work for them, or are they confused, are we not meeting them in providing education for action. Want to understand what is going into the customer decision. A pop-up survey will ask the customer about their experience. Will engage with Navigant on how to use the results.

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WRA Question: What about a usability approach? You're having them sit at a computer and have them click through the links and ask questions. **XE:** Good idea and good value perhaps. We want to really know why are and why are they not enrolling. Want to know the decision making process. Understanding the decision.

Independent Advocate: Maybe the customer fears that the Company's rates are going up perhaps. Perhaps, what if I'm using more during the peak times?

WRA: Three big reasons to learn and say maybe not. 1. Risk or Fear. 2. Not all decision makers are there. 3. Convenience.

XE: and 4. It's not for them.

Independent Advocate: Maybe it's about who's responsible for the bill or non control of energy usage.

OCC Question: Can results of marketing research be given? Would Xcel use this information in its 2019 AL filing? **XE:** This is not statistical information. And not sure we would use it in any material way in the 2019 filing.

EFCA: Essentially what you are talking about is developing solar specific materials. I would just ask that as consistent throughout, we have an opportunity to socialize it.

Tools: Solar decathlon is a national competition of universities that come together to talk about highly efficient houses, attributes. Here in Denver this year. Oct. 5 – 15th.

WRA: Display containers converted to highly efficient homes. EV competition. National drive electric week.

Independent Advocate: To Staff's point that it is not an energy efficiency program, but if there is an environmental aspect to solar or EV can we parse out some information as a motivator.

XE: The focus group will also help us understand the motivators. One of the things we are looking at is that approximately 1,800 out of the approximate 2,300 people that have enrolled thus far have signed up in order to save money. The next bucket of reasons was environmental. While we were in the test phase we were looking at additional tactics for recruitment. We are now considering building out specific messaging that resonate with why individuals signed up, so for example about environmental.

WRA: WRA is in favor of this and encourages the company to use an environmental message.

Staff: We don't want any backlash by focusing more on environmental and not the economics.

XE: We are on board with that.

Staff: We would be nervous about marketing something we are not sure about. We are looking at the environmental part

WRA: There are a lot of opportunities for the environmental message.

Insights Platform and My Account

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- My Account release
 - Interval energy data deployed June 2017
 - Insight platform
 - We talked about this at our last stakeholder meeting. We are in the process of contracting with a 3rd party vendor who will take the 15 min. interval data and 1) provide information to help customers succeed on the rate, 2) control energy, and 3) understand energy use. Will provide targeted steps to help conserve energy. Will share the name of vendor asap. It will take about 6 months to get fully deployed and hoping for a January timeframe.
- **EFCA Question:** Is it all about demand response? **XE:** There are some parallels with the current myEnergy and behavior based changes. The difference here is the structure around the rate. It is behavior based.
- **XE:** We brought this up broadly very early on. In February, the Company took on the impetus to implement something. When we did the research, every successful TOU program had a similar platform. **Navigant:** Yes, some form of customer portal. The most engaging had information updated on a daily basis. It depends on how the data management system processed the data. The Insights platform is based on monthly data. **XE:** There is a lot around DSM.
- **EFCA Question:** You're saying DSM is one of the solutions? **XE:** Not sure if solar is part of the package? **EFCA:** if so, what parts of solar?
- **WRA:** Breakdown should include the Riders.
- **Staff Question:** Have you issued the RFP? Which budget is this attached to? **XE:** Yes. In April. The latest budget that was presented as an update during our Monthly Stakeholder Call.

Reminder Tools

- **Time of Use**
 - This will be a cling. Working with a vendor on heat rating to make sure they don't fall off. Envisioning it on a dishwasher, washer, dryer, thermostat.
- Navigant Comment:** Think about putting a line about "DON'T START THE DRYER BEFORE..."
- XE:** We have a few ideas but we don't want to be in a position to dictate how someone uses their energy at their house.
- Navigant:** I'm thinking the customer can fill in the blank. **XE:** We will check on the possibility of a blank cling.
- Independent Advocate:** Have tick marks for all the hours of the day. The picture is not intuitive. Rotate it 15% ish to look more like a clock. So 9:00 a.m. would be true north.

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XE: We tried the tic marks and you have to use the a.m. and p.m., but we will take a look at it. We tried even a sun and moon

Navigant: When we tried this visual we used a straight line and broke it out.

XE: We tried the straight line and didn't get a good result. We will try the Independent Advocate's suggestion and see where it goes.

Staff: Like's the look like a programmable device. Auto timer. Our other reaction is the simpler the better. Somewhere you need a footnote about the weekends as this is representative of the week only.

XE: To your point, making sure the customer is aware of behavior effects on the weekend. Will take note and play with it.

- **Peak Demand Pricing**

- This will also be a cling.

WRA Comment: People need to be able to crasp that green is across time.

Navigant: Didn't get continuous time.

Independent Advocate: Tic marks?

XE: Make it look more like a clock.

Independent Advocate and OCC: Like a "Do Not" sign.

XE: We don't want to tell people not to use electricity. It goes against the spirit of the program. We will look at this.

WRA: Got feedback from Vote Solar that there is a chart of appliances and kW usage for appliances. Feedback is that the pictures represent the lower end of kW usage. Gwen will email Brian with the background on this.

Education Campaign Budget Details

- My Account is built into the Company's internal IT costs.

EFCA Question: Is the \$2m for the Insight platform included or not? The \$1.9m is the marketing budget and not inclusive of Insight.

XE: \$1m was included in the implementation budget.

OCC Question: Is Insight going to be for all customers eventually?

XE: it's just intended for pilot participants right now. The budget is for the pilot.

OCC: This strikes me as a shockingly high cost.

XE: We currently do not have a platform with that type of integration. There are considerable integration costs.

Independent Advocate: This is largely a one-time cost.

XE: Set up costs and contract costs. The contract costs would continue. The set up costs will not be a lot.

OCC Question: Is the purpose of the platform to incent people in or help customers understand energy usage and savings?

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XE: Primary purpose is help customers understand the behavior that affects their energy bill.

OCC Question: So if the projection is an optimistic 20%, what is the price? **XE:** Asked for pricing based on full enrollment numbers. Will go down slightly if full enrollment is not obtained.

Independent Advocate: Insight could help control attrition.

XE: This solution is proactive as it sends communications to customers while My Account requires sign in and you have to look at it.

EFCA Comment/Question: Not representing clients, just my opinion. Seems like the message is coming just from the Company. Strikes him as could be some bias by directing customers to Company DSM programs that the company then gets an incentive for. Is there a way to set some more specific parameters? **Staff:** Agree. Google for example. This could have the same issue that Xcel will push you to one of their programs to help them save. Is the first thing you recommend to someone the behavior that benefits the Company the most? **Independent Advocate:** Incredible opportunity but perhaps an ethics issue. **WRA:** As in AGIS, one of the big things was about PSCo having all the data. A customer can activate a radio signal and another provider can access it to provide energy feedback. Maybe that's how the Company could solve that in this case. **XE:** The data in Insight comes directly from Xcel, monthly, through the AMR meter. This is not a DSM only focus in Insight. Way more behavioral.

EFCA: I thought I heard you say that you were going to reference other programs.

XE: That's one of the things the tool can do. We will think about your point. We do think it's a big part of our role to advise customers on what to do to succeed on the rates.

OCC: Want to voice concern about cost again. $\$2m \div 7,761 \text{ participants} = \258 per customer for Insight costs. This is twice the cost of the bridge meter. You have to ask, do you get the bang for your buck. **Staff Question:** Originally it was \$1m and now it's \$2m? Why? **XE:** The original was to be determined regarding integration costs. We have to integrate the Insight platform into our system and exchange the data.

Future Opportunities: Incentives

- **Draft Design and Incentive Approach**
 - There isn't a silver bullet best practice
 - Incentives: Maybe \$25 upon enrollment and maybe \$75 if still on the rate after post opt out period
- **Next Steps**
 - Instead of August meeting we are thinking to send a report on progress and meet again in September.

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WRA Question: Incentive around smart thermostat? **XE:** Smart Thermostats are very expensive and can be almost \$300 per customer. Cash seemed to resonate the most instead over a gift card.

EFCA: Clarity to keep in mind to talk about in September