

Overview

The decision to close the San Onofre Nuclear Generating Station (SONGS) in June 2013 resulted in a significant capacity gap in Orange and San Diego Counties. At the same time, load is forecasted to grow by 25 MW per year in the Johanna-Santiago vicinity, which further compounds the resource planning challenge facing Southern California Edison (SCE) and CAISO.

To address this challenge, SCE filed testimony before the CPUC in August 2013, calling for a “Living Pilot” where preferred resources to replace the base load capacity previously served by SONGS can be tested, as part of a balanced approach.

The Simple Energy Customer Engagement Platform has proven its capability to deliver industry-leading energy efficiency and coincident peak load reduction results in San Diego County that were independently verified by a leading third party M&V firm. Further, because the Platform relies on digital-first engagement, the energy efficiency results delivered are highly cost effective and easily scalable. For these reasons, Simple Energy proposes that its digital-first Customer Engagement Platform should be a preferred load management resource for SCE to evaluate as part of the Living Pilot.

Simple Energy’s recommendation deploying the Platform to address the SONGS-related reliability challenges in the West LA basin are:

1. **Firm Load Reduction** - Motivate customers on the Platform to conserve energy and reduce coincident peak load using gamification grounded in modern behavioral science
2. **Scheduled Load Reduction** - Optimize the notification process for customers on peak event days. Better notification will result in better savings rates

Firm Load Reduction

Preferred Resource - Attribute Class A

Simple Energy’s perspective on saving energy through customer engagement has roots in a core belief: the number one challenge to any behavioral energy efficiency program is convincing customers to take action and motivating them to continue these actions.

Our strategy leverages the power of SaaS (Software as a Service) with our Customer Engagement Platform to scale rapidly. The Platform incorporates the most current and applicable behavioral science techniques to motivate measurable and verifiable peak load reduction and energy savings.

The Simple Energy Platform consists of three modules:

1. **Energy Insights** – The Energy Insights module uses push messaging through email and a companion web portal. Customers receive comparative insights about their energy usages, tips on how they can engage in energy efficiency behaviors, and micro-targeted program and service offerings. In exchange for completing specific actions to reduce energy consumption, customers earn points.
2. **Energy Challenge** - The Energy Challenge Module allows users to compete against their friends and neighbors to earn prizes, badges, and points. It builds upon the comparison mechanisms used in Energy Insights and includes a leaderboard where users can see their own energy saving progress versus that of others, a powerful extrinsic and intrinsic motivation to save energy.
3. **Rewards Marketplace** – In the Rewards Marketplace module, customers can redeem the points earned through the Energy Insights module for deals and offers from national and local retailers.

Key Platform Features

- “Auto-Enroll” Messaging – The program starts with opt-out digital messaging to customers. These Energy Insights reports provide customers context about their energy usage and compelling motivations to change their behavior.
- Multi-Channel engagement – Customers receive information in the preferred channels where they are already spending their time, including email, SMS, mobile, and Facebook.
- Micro-targeted messaging and offers – Customers are targeted with specific motivational messages as well as program and product offers to drive energy savings and participation.

Through Simple Energy’s extensive experience in developing engagement programs, we’ve discovered different motivations work for different people. While moms will share home energy savings tips with Facebook friends, young professionals want timely information from their smart meter delivered on their iPhone. Others take action for the opportunity to compete with their friends to win a new iPad.

Given these differences, our approach enables us to deliver high-value, capital-efficient energy saving programs with maximum flexibility. Simple Energy’s Customer Engagement Platform facilitates programs with customized and convenient messaging actions. Key motivational features include:

- **Intrinsic and Extrinsic Motivation** – We recognize individual customers and businesses for their accomplishments with badges, social sharing, and chances at enticing prizes from our growing list of local and national merchants.
- **Actionable Energy Insights** – Our *Analytics Engine* provides customer-specific intuitive feedback from the customer’s smart meter. Timely normative comparisons, tips, and a scoring system educate and drive action, anytime, anywhere.
- **Competition** – Humans are naturally competitive. Simple Energy’s scoring and leaderboard features encourage healthy competition among neighbors and friends.
- **Community Focus** – The Platform also supports community-based competitions. Community outreach, comparison groups, and awards mobilize the organizational power of existing groups and create lasting community partners.
- **Social Comparison and Sharing** – When people see someone they know doing an activity, they are much more likely to do so. Simple Energy harnesses the power of social networks, using sharing and recognition to drive awareness and action.

SIMPLE ENERGY SOFTWARE PLATFORM	
Key Technology Features	
1	Turnkey Software as a Service Solution that is highly Scalable
2	Powered by Simple Energy Data Analytics Engine
3	Available on Web, Email, Mobile and Facebook
4	Integrated Privacy by Design Principles that Protects Customer Privacy and Data Security
5	Cost-Effective and Verifiable KWh Savings
6	Providing First-in-Class Customer Engagement and Satisfaction

Scheduled Load Reduction

Preferred Resource - Attribute Classes A and D.1

Optimized Notification

Simple Energy’s Customer Engagement Platform has the capability to drive an innovative notification campaign to deliver real peak load reduction in the Johanna-Santiago vicinity. For the last several years, California IOUs

have piloted dynamic pricing programs and have achieved meaningful results. For example, PG&E's Smart rate has demonstrated peak load reduction to the order of 13-14%, but its impact studies indicated that with enhanced messaging, the results could have been even better. In other words, despite the financial incentives introduced in dynamic pricing, the study suggested that the notification process was an effective lever to achieve peak load reduction.

Simple Energy proposes an engagement campaign integrated with CAISO that is structured around optimization of the event day notification process, to achieve:

- Two-way communication with customers to ensure they understand fully the grid implications surrounding the shutdown of SONGS.
- Higher average savings rates due to optimized notification, engagement, and motivation; and
- Increased participation and awareness of other resource attribute classes, such as direct load control.

In order to drive the above mentioned scheduled load reduction, Simple Energy will configure its platform to engage with CAISO in a campaign focused on notification and motivational optimization, including:

- Intelligent messaging based on data-driven analytics and micro targeting;
- Ability for user to define his/her optimal notification frequency and channel;
- Leveraging of game mechanics to provide additional non-financial incentive for customers to reduce load;
- Driving of retention and combatting of attrition through the Simple Energy Rewards Marketplace;
- Communicating in real-time with customers via their preferred communications channels;
- Notifying multiple members of a household (or business) who affect consumption, not just the bill payer him or herself; and
- Detailed analytics and continuous A/B testing to quantify efficacy of notification.

Conclusion

Simple Energy's Customer Engagement Platform is a highly cost effective solution capable of driving meaningful firm and scheduled load reduction to help close the gap created by the closing of SONGS. Because the platform is software-based, it is easily scalable, making it an ideal candidate to be evaluated as a Preferred Resource in SCE's Living Pilot.

Simple Energy looks will welcome the invitation to participate in the November 6 workshop.

Contact

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