

Customer Acceptance

Elisabeth Brinton, Chief Customer Officer

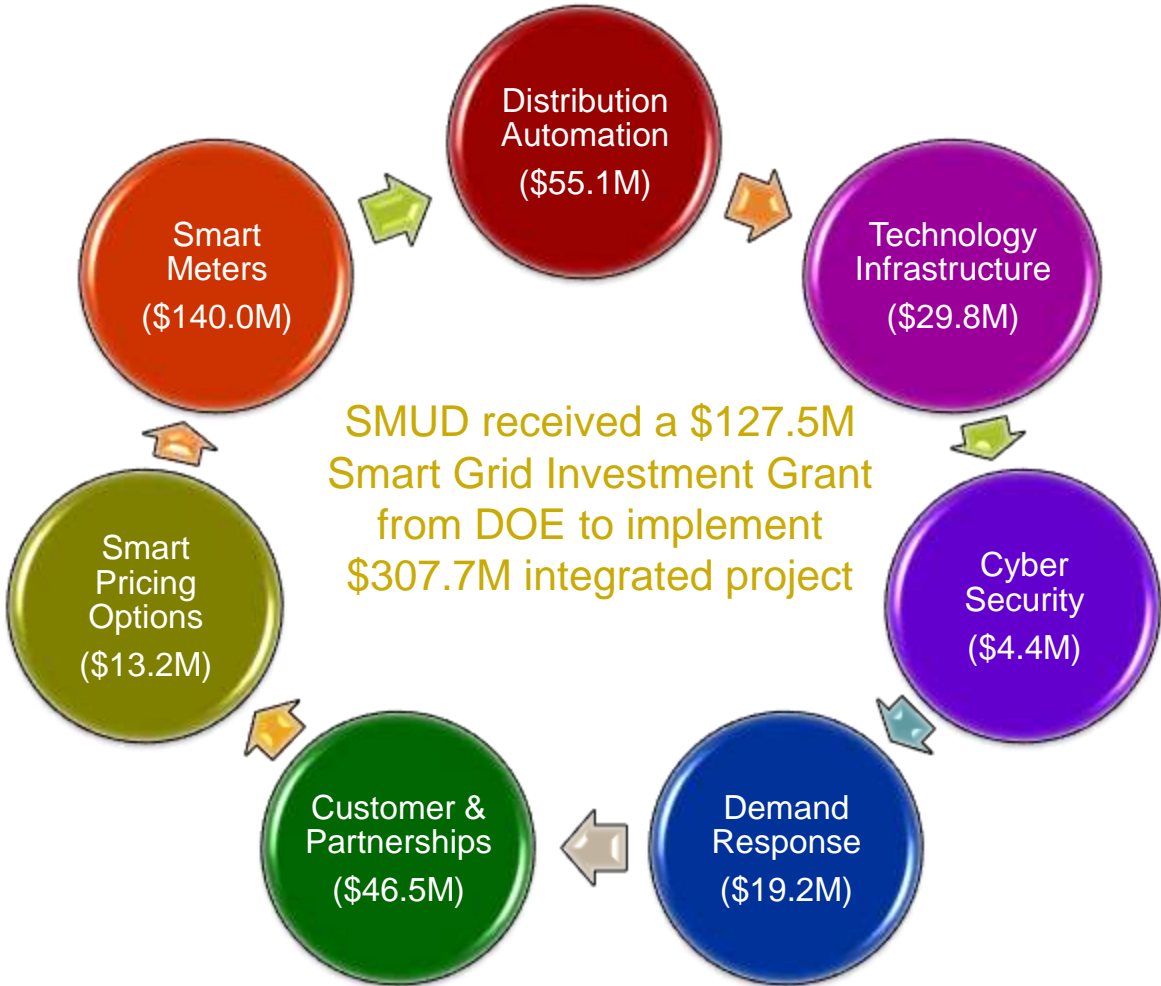
Powering forward. Together.



Thank you to the DOE

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Smart Grid Investment Grant Projects



About SMUD

- SMUD is a not-for-profit public utility
- Founded in 1946
- 600,000+ customers, serving 1.4 million people
- We are governed by a seven-member, elected Board of Directors
- We serve our customers under the authority of the California Constitution and the Municipal Utilities District Act

How We Do Things—Taking It To the Streets

For our customers, SMUD is a high touch, high attention organization. Examples include:

- Every dollar we spend is a dollar out of the pocket of our customers. They watch everything we do.
- Rate process—We do more than 100 community meetings every time we have a rate process.
- Open board meetings—The good, the bad and the sometimes odd. It's all aired in public.
- Social media—We love it and sometimes it hurts.
- Smart meters—Three years and 200+ community meetings later...

Modernizing the Electric Grid



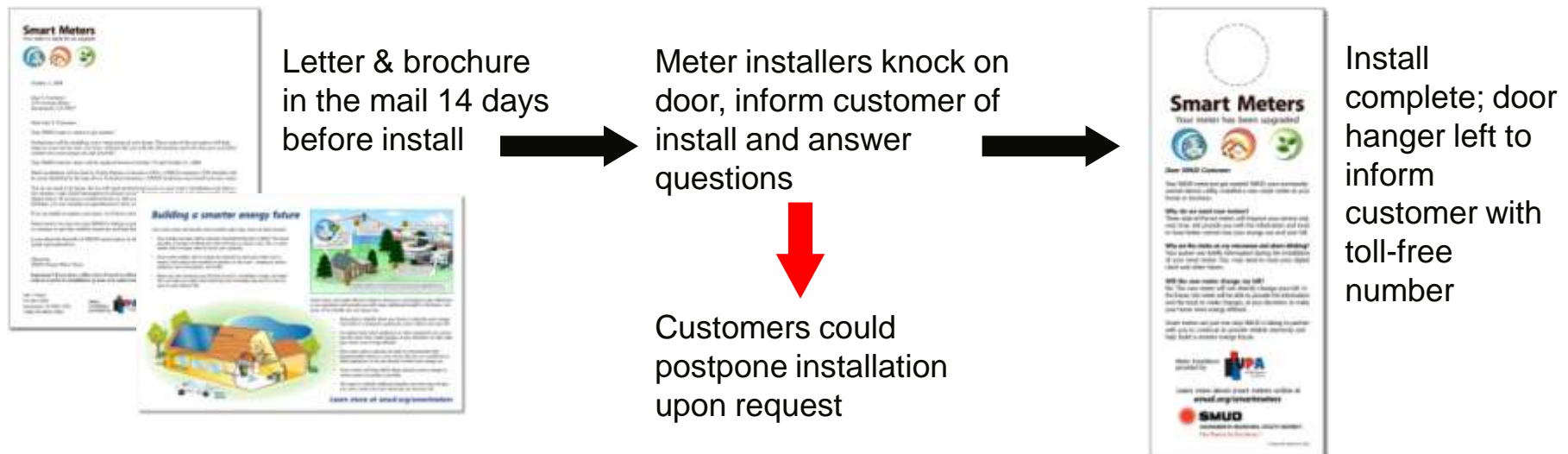
Laying the Foundation

- SMUD started to consider smart meters in 2001
- 2007 business case showed positive system benefits
- Staff spent more than two years to select the best system
- SGIG grant accelerated the process
- Board approved project in June 2009
- Project team conducted 18 months of testing before full rollout
- Finished rollout of more than 620,000 meters in June 2012
- 300 customers have opted out – About a dozen are very challenging
- Customer satisfaction remained above 96% throughout



Customer Outreach & Communications

- Started discussion with customers on smart meters long before the first meters were installed
- Offered focus groups for customers in 2009
- Developed and provided updated web site, videos and interactive meter installation map
- Presented regularly at public committee and board meetings
- Provided more than 200 community presentations
- Communicated directly with our customers:



Some Customers Wanted Out

Opt-Out Principles:

- Fairness
- No cross subsidization
- SMUD is a monopoly, but we can't act like one
- Offer alternatives that don't jeopardize the mesh

Opt-Out Process:

1. Customers could request to postpone installation
2. August 2011 SMUD's board adopted resolution
3. Benchmarked utilities across the US, evaluated alternatives, identified impacts and related costs
4. Developed fees (\$126 up front, \$14 month) to ensure that other customers would not subsidize the costs
5. Defined program details
6. SMUD's board adopted the Opt Out Policy on March 1, 2012

Fierce Opposition

- A small group of customers spoke at every board meeting for over a year, protesting the meters over perceived health impacts. We didn't and don't agree.
- In February, we held a public workshop to allow for expanded comments on both sides
- About 50 customers attended, 20 spoke, with 17 opposed
- Three industry experts: Joseph Paladino from the DOE, Ralph Cavanagh from NRDC, and Dr. Yakov Shkolnikov from Exponent.
- No minds were changed. To date, ~300 customers have chosen an analog meter
- Elected board in a tough spot

Opt-Out Lessons Learned

- Most customers are indifferent to the meters. Silent majority.
- About .003% care and care a lot. That's 2,000 people in Sacramento. Some are irrational. Very irrational.
- 1,700 ultimately took a smart meter. But it took heavy hand holding and personal touch to make it happen. Call centers should be prepared.
- Obligation to serve puts heat on the organization, and customers are quick to play that card.
- It's an expensive and time-consuming process.

Smart Pricing Options Pilot

- Recruited ~7,800 customers for a two-year opt-in time variant rate. Rates include TOU with in-home display (IHD), TOU with no IHD, CPP with IHD and CPP with no IHD.
- Placed ~3,300 customers on an opt-out time variant rate for two years. Rates include TOU-CPP with IHD, CPP with IHD and TOU with IHD.

Lessons Learned Summary

- With time variant pricing, about 5% of customers will quickly raise their hand and opt in.
- With heavy recruiting, including numerous mailings, phone calls and door hangers, another 9% is possible. Key question: Is it scalable?
- Need robust marketing packets with complete program details, “call to action” and easy enrollment tools. Again, expensive, heavy hand holding.
- Focus on off-peak rather than peak when describing the rates and benefits. 21 hours reduced price resonated.
- Business reply follow-up postcard most used enrollment channel
- Confirmation of the importance of research before launch and throughout pilot for continual improvement

Opt-In Brochures



Microsites – One for Each Plan

SMUD Home Page Contact Us Login to SMUD Account

SMUD™ Plan Details Energy Saving Tips FAQ's Review My Usage Plan Assistance

Summer Weekday Value Plan

Manage your summer energy use.
Reward yourself and the environment too!

[Learn More](#) [Sign Up Now](#)

Welcome

You are invited to participate in SMUD's SmartPricing Options, a two-year pricing pilot that can help you manage your energy use during the summers of 2012 and 2013. The **Summer Weekday Value Plan** is being offered to a small group of randomly selected SMUD customers for a limited time. Sign up today and you'll be able to take control of your electricity costs and help the environment.

Get a Countertop Energy Monitor *free* with program!

Follow up postcards



Reward yourself and the environment too!

There is still time to participate in the Summer Weekday Value Plan. Sign up today and you'll receive a discount off the standard rate on the amount you pay for your electricity during off-peak hours each weekday from 1 through September 30. Through September 30, you'll save 10% on weekdays (7:00 a.m. to 7:00 p.m.) and 15% on weekends, July 30 and Labor Day.

During peak hours – weekdays from 8:00 a.m. to 7:00 p.m. – the more you use, the higher the standard rate. That means the 90% of the time you get a discount!

By managing your energy usage, you'll save money, protect the planet and your wallet. Sign up today and help the environment.

Sign up today for the Summer Weekday Value Plan and you could be saving the best rate advantage of new pricing and energy management tools. You'll also receive a FREE SmartSense electricity use display that shows your real-time electricity usage!

For more details visit www.smutd.com or call 1-800-326-5500. www.smutd.com or call us toll-free at 1-800-326-5500.

SMUD
Sustainable. Smart. Simple.

Reward yourself and the environment too!

There is still time to participate in the Off-Peak Discount Plan. Sign up today and you'll receive a discount off the standard rate on the amount you pay for your electricity during off-peak hours each weekday from 1 through September 30, except for 7:00 a.m. to 7:00 p.m. (This plan is effective 8/1/12 and 8/27/12).

During peak hours on weekdays from 8:00 a.m. to 7:00 p.m. – the more you use, the higher the standard rate. That means that you'll get a discount 90% of the time during the evening period! (Standard rates will occur on July 30 and Labor Day).

By managing your energy usage during non-peak hours, you'll save money, protect the planet and your wallet. Sign up today and help the environment.

Sign up today for the Off-Peak Discount Plan and you could be saving the best rate advantage of new pricing and energy management tools. You'll also receive a FREE SmartSense electricity use display that shows your real-time electricity usage!

For more details visit www.smutd.com or call 1-800-326-5500. www.smutd.com or call us toll-free at 1-800-326-5500.

SMUD
Sustainable. Smart. Simple.

Geo-Targeted Web and Print Ads

Would you like to save money on next summer's electricity bills?



Learn More

You may be able to save if you can reduce your electricity use between 4 p.m. and 7 p.m.



Would you like to save money on next summer's electricity bills?



Learn More



Would you like to save money on next summer's electricity bills?

You may be able to save if you can reduce your electricity use between 4 p.m. and 7 p.m.

SmartPricing Options are being offered to a small group of randomly selected SMUD customers for a limited time. If your home is selected to be part of this pilot, you'll be among the first to take advantage of new pricing and tools that will let you take control of next summer's electricity bills. You'll also reduce the impact of electricity use during peak hours.

To find out if your home was randomly selected to participate in this pilot, visit smud.org/smartpricing or call 1-855-734-7655.




Powering forward. Together.



Felton, Stoughton & Collins is a 60" x 90" color

Mass Media Campaign Landing Page

SMUD Home Page Login to SMUD Account

 **SMUD™**

Would you like to save money on next summer's electricity bills?

Why
Saving Electricity During Peak Hours Is Important

All energy is not created equally. During the summer months, and especially during weekday late afternoon and early evening hours, the demand for electricity soars.

To meet this higher demand, we often have to buy energy from very expensive and less environmentally friendly sources. The high costs are absorbed by all of us, but the environmental costs affect the entire planet. By reducing electricity use during peak periods, we can avoid purchasing less desirable forms of energy.

See if You Were Selected

You may be able to save if you can reduce your electricity use between 4 p.m. and 7 p.m. during the summer

SmartPricing Options are being offered to a small group of randomly selected SMUD customers for a limited time. If your home is selected to be part of the initial pilot, you'll be among the first to take advantage of new pricing and tools that will let you take control of next summer's electricity bills.

Half of the customers whose homes were randomly selected will be eligible to participate the summer of 2012. The other half will be eligible for the plan the summer of 2014.

To find out if your home is randomly selected to participate in SMUD's SmartPricing Options, click the button below. You'll need to complete the enrollment information to get your participation date.

Questions? Call us toll-free at 1-855-736-7655.

Door Hanger Campaign



Would you like to save money on your summer electricity bills?

You may be able to save if you can reduce your electricity use between 4 p.m. and 7 p.m.



Powering Forward Together 



SMUD SmartPricing Options let you take control of your summer electricity costs.

SMUD is offering SmartPricing Options to a randomly selected group of SMUD customers for a limited time. This is part of a two-year pricing pilot for the summers of 2012 and 2013. If your home is selected to participate, you'll be among the first to take advantage of new pricing and tools that will let you take control of your summer electricity bills.

Enrolling in this plan will allow you to manage your summer electricity use and help the environment if you can reduce your electricity use between the peak hours of 4:00 p.m. to 7:00 p.m. Using less electricity during peak hours, shifting the time you use electricity (like doing laundry after 7:00 p.m.), or reducing your use overall can help you save money on your bill.

It's good for the environment, too!

During the summer – especially during weekday late afternoons and evening hours – the demand for electricity soars. To meet this demand, we often have to buy electricity from very expensive and less environmentally friendly sources. The high costs we absorb by all of us but the environmental costs affect the entire planet. By effectively managing your electricity usage during peak hours, we can avoid purchasing less desirable forms of energy.



To find out if your home was randomly selected to participate in this pilot and to enroll, log in to My Account at smud.org or call toll-free 1-800-733-7333.

 **SMUD**
smud.org

SMUD 2012
Member of the Board of Directors

Opt-Out brochures



Smart Grid/Meter Benefits to our customers and SMUD

- Improve Our Distribution System
 - Enhance system reliability, improve outage response, and improve integration of renewable energy and electric vehicles
 - Meet new regulations and reliability requirements
 - Upgrading our transmission and distribution is part of normal operations
- Enhance Customer Programs & Services
 - Offer new energy efficiency programs, time-based pricing, electric vehicle programs, and energy usage displays
- Capture Environmental Benefits
 - Lower system voltage
 - Reduce related energy losses and requires less generation
 - Lower vehicle miles
 - Improves regional air quality and benefits health
- Lower Operational Costs
 - Reduce meter reading, manual billing, meter maintenance, and field services costs reduced
 - Provides annual savings estimated at \$14 million
 - Maintain some of the lowest rates in California

Smart Grid Enabled Tech Projects



Questions?

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