

Rocky Mountain Power
Utah Demand-Side Management Outreach and Communications Campaign
Year Three Report
July 2011 – June 2012

Preface

On June 11, 2009, the Public Service Commission of Utah (“Commission”) approved Rocky Mountain Power’s (“Company”) proposal to implement an outreach and communications campaign. The overarching objective of the program is to increase customer awareness of and participation in the Company’s demand-side management (“DSM”) programs. In approving the campaign, the Commission directed the Company to monitor program effectiveness on an annual basis and to report on such assessments to the Commission. This report presents an assessment of the third year (July 2011 - June 2012) of the demand-side management outreach and communications campaign, including an evaluation of program objectives and a summary of year three activities.

Customer Survey Results

In an effort to determine the effectiveness of the outreach and communications campaign to increase the awareness of and participation in Rocky Mountain Power’s DSM programs, the Company conducted pre- and post-campaign customer research.

Research Methodology

Two research studies were conducted during the general timeframe of the Year Three report. Third-party, independent market research firms conducted residential customer surveys via telephone interviews. The research studies had an initial 2010 baseline. The Company conducted surveys in 2011 and 2012 that utilized the 2010 baseline to measure changes in customer opinions and behaviors. In each study, the research companies used an identical questionnaire to allow for valid comparisons

- **Utah Demand-Side Management (DSM) survey.** Telephone interviews were conducted July/August 2010, July/August 2011 and September 2012 (additional information on this survey work can be found in Exhibits 1 (Survey Summary) and 2 (Survey Questions) to this report). This was a joint study with Questar that evaluated the importance of utilities offering energy efficiency programs, actions taken to conserve energy, awareness and participation in energy efficiency programs, and preferred sources for energy efficiency information.
- **Customer awareness survey.** Telephone interviews were completed May/June 2010, May/June 2011 and May 2012. Additional information on this survey work can be found in Exhibits 3 (Results) and 4 (Questionnaire) to this report. This study evaluated advertising and communication awareness, message recall and message importance, call to action based on Company communications, and the impact of the communications campaign on customer perceptions of Rocky Mountain Power. This research also evaluated the opinions of

customers who had seen, heard or read Company advertisements and communications (ad aware) compared to those who did not recall the communications (ad non-aware).

Key Research Findings

Importance of Rocky Mountain Power's demand-side management programs

Similar to 2010 and 2011, the 2012 demand-side management survey reveals that the majority (93%) of Rocky Mountain Power customers think it is very important or somewhat important for the Company to offer programs to help customers conserve electricity. The overall importance levels are similar for demand-side management program participants and non-participants. However, customers who have taken action to save energy during the past year are more likely to believe it is "very important" for the Company to offer these programs compared to customers who have not taken action to save energy.

Actions taken to conserve electricity

The majority of customers said they have taken some action to conserve energy in their home during the past year. Interestingly, fewer customers in the 2012 demand-side management survey (60%) reported taking action compared to 2011 respondents (65%) and 2010 survey participants (73%). This declining trend may be due to economic considerations or possibly because more customers have exhausted many of the lower cost measures to improve energy efficiency in their homes. Customers are more likely to have taken action to save energy if they are aware of the Company's energy efficiency programs.

The ability to save money again emerged as the primary motivation for customers to take steps to reduce home energy usage. In the 2012 demand-side management survey, 78% of customers who took an action mentioned "saving money" as the main reason – slightly higher than the 75% reported in 2011 and 2010. Similar to previous years, protecting the environment surfaced as the second most commonly mentioned reason (13%) followed by the need to replace an old or broken appliance (9%) and the desire to improve home comfort (8%).

Specific energy efficiency actions taken by customers remain similar in 2012 as compared to 2011 and 2010. The two major categories of action focus on the purchase of energy efficiency products and consumers' behavioral changes. Among customers who have taken action the three most frequently mentioned measures are: installing energy efficient appliances (27%), using energy-saving light bulbs (25%) and adding insulation to an attic, roof or walls (23%). Similar to previous years, the main behavioral changes include adjusting the thermostat (16%) and turning off lights (16%).

The customer awareness surveys indicate Rocky Mountain Power's advertising campaign has positively impacted customers' energy efficiency decisions. In the 2012 research, 30% of Rocky Mountain Power customers reported taking an action based on the Company's advertisements or communications (2011=39%; 2010=30%). The most common actions have related directly to energy conservation measures including: purchasing energy efficient appliances/lights; turning off lights/appliances when not in use; and enrolling in the Company's incentive/rebate programs.

These categories had also surfaced among the most frequently mentioned actions observed in the 2011 and 2010 studies.

Awareness of demand-side management programs

The 2012 demand-side management survey revealed that, overall, 59% of Rocky Mountain Power residential customers are aware of energy efficiency programs offered by either Rocky Mountain Power or Questar. This finding is similar to the 61% reported in 2011, but a decline from 2010 (71%).

In terms of unaided program awareness, Cool Keeper (12%) and See ya later, refrigerator® (9%) were the most commonly mentioned energy efficiency programs. The vast majority of customers recognized Rocky Mountain Power as the programs’ sponsor.

Survey results from 2012 - shown in Table 1 below - reveal that more than half of Rocky Mountain Power customers are aware of See ya later, refrigerator®, Home Energy Savings and Cool Keeper. In terms of trends, awareness of See ya later, refrigerator® has remained fairly stable while awareness of Home Energy Savings and Cool Keeper have declined in the past two years.

Customer awareness of *wattsmart* showed a second consecutive annual increase, as nearly half the customers now recall *wattsmart*. Program recall has remained stable for Cool Cash Incentive and Home Energy Analysis. In 2012, awareness declined for Energy Star New Home and Time of Day.

Table 1 – Total Program Awareness 2010 – 2012

| Demand-Side Management Program | 2010 Total Awareness | 2011 Total Awareness | 2012 Total Awareness |
|--------------------------------|----------------------|----------------------|----------------------|
| See ya later, refrigerator® | 85% | 83% | 86% |
| Home Energy Savings | 65% | 62% | 58% |
| Cool Keeper | 69% | 67% | 57% |
| <i>wattsmart</i> | 28% | 41% | 47% |
| Cool Cash Incentive | 41% | 40% | 40% |
| Energy Star New Home | 44% | 48% | 34% |
| Home Energy Analysis | 29% | 31% | 29% |
| Time of Day | 28% | 31% | 24% |

Participation in demand-side management programs

Overall customer participation in Rocky Mountain Power’s demand-side management programs remained fairly similar to findings reported in 2011. As shown in Table 2, participation modestly increased for See ya later, refrigerator® and Home Energy Analysis while participation slightly declined for the other programs.

Table 2 – Program Participation 2011 – 2012

| Demand-Side Management Program | 2011 Total Participation | 2012 Total Participation |
|--------------------------------|--------------------------|--------------------------|
| See ya later, refrigerator® | 29% | 34% |
| Home Energy Savings | 25% | 22% |
| Cool Keeper | 17% | 16% |
| Cool Cash Incentive | 11% | 9% |
| Home Energy Analysis | 2% | 5% |
| Energy Star New Home | 5% | 4% |
| Time of Day | 4% | 3% |

Advertising and communications recall

The 2012 customer awareness survey indicates nearly six in ten customers (57%) recalled seeing, hearing, or reading advertisements or communications from the Company. This awareness level remains steady with 2011 (58%) but still lower than the 65% observed in 2010. The majority of recall in the three studies came in the form of unaided awareness, which represents a more stringent measure than aided awareness. While total awareness is lower in 2011 and 2012, the unaided awareness levels are similar all three years: 2012 (39%); 2011 (41%); 2010 (42%).

Customer communications have been effective in creating awareness of *wattsmart*. In the 2012 customer awareness survey, 54% of all interviewees remembered seeing, hearing or reading “being *wattsmart*.” This is a slight, though not statistically significant, decrease compared to the 57% reported in 2011. In both studies, ad aware customers were much more likely to remember “being *wattsmart*” than customers who did not recall any Rocky Mountain Power advertising or communications.

Current and preferred energy efficiency information sources

Similar to findings reported in 2010 and 2011, television stands out as the primary channel where customers first saw or heard about Rocky Mountain Power’s energy savings programs (49%). In 2012, bill inserts significantly increased compared to last year (38% versus 28%). At least 10% mentioned two other channels: newspaper (12%) and family/friends/neighbors (10%). Radio landed in the top three channels named in 2010 and 2011 (13% both years), but this year declined to the fifth most frequently mentioned channel (8%).

The 2012 customer preferred communication channels are very similar to findings reported in 2010 and 2011. Bill inserts emerged as the clear frontrunner (2012=41%; 2011=38%, 2010=40%). About two-in-ten customers again named newspaper/radio/television as the second most preferred method, followed by direct mail (11%) and an email from the Company (10%).

Utility websites are another valuable source of information about energy efficiency. Overall, 35% of customers said they would look for information about energy efficiency and home

energy savings, rebates and/or products at Rocky Mountain Power's website (a decline from 48% in 2010 and 2011).

Recall of advertising and communication messages

The customer awareness survey measured customer recall of key messages in the Company's advertisements and communications. In 2010 and 2011, messages that focused on using energy wisely, energy efficiency programs, and *wattsmart* received the highest recall. This finding is similar in 2012, but there is some variance. The highest recall messages in 2012 include: using energy wisely, electrical safety and energy efficiency programs.

Credibility of Rocky Mountain Power as information source

Rocky Mountain Power customers continue to view the Company as a trustworthy source of energy efficiency information. When asked which one of five organizations customers would most likely contact first for energy efficiency information, Rocky Mountain Power topped the list with a 38% response rate (2011=37%; 2010=41%). Questar Gas again placed second (17%) followed by a home improvement retailer (13%) and the State Department of Energy (8%).

The majority of Rocky Mountain Power customers (57%) continue to believe the Company demonstrates concern about helping them save money through lower energy use (2011=56%; 2010=58%). Only 13% said the Company lacks concern, while the remaining customers place themselves in the "neutral" camp.

Conclusions and Recommendations

Rocky Mountain Power's communications and outreach program for demand-side management continues to have a positive impact on residential customers. The vast majority of customers continue to believe it is important for the Company to offer programs to help customers conserve electricity. Customers aware of the Company's demand-side management programs are more likely to have taken an action to make their home more energy efficient. Awareness of *wattsmart* increased for the second consecutive year and more than half the customers are aware of See ya later, refrigerator®, Home Energy Savings and Cool Keeper.

The outreach and communications campaign delivers key messages about energy conservation and opportunities for customers to save money. Research shows many customers recall messages on these specific topics and place value on the importance of these messages. The outreach program appears to once again have had a positive impact on how customers view the Company, and Rocky Mountain Power continues to be viewed favorably as a credible source of energy efficiency information.

In view of the measurable positive impact of the outreach and communications campaign, Rocky Mountain Power should sustain at least the current level of advertising and communications, and continue delivering key energy efficiency messages across a variety of channels. The following tactics are recommended to solidify and strengthen the campaign. Given that many research findings are similar to 2010 and 2011 several recommendations remain the same as last year.

- Continue promoting the *watt*smart campaign to reinforce energy efficiency messages, raise demand-side management program awareness and increase program participation.
- Customers identify television ads, utility bill inserts and public service announcements as the top sources for having heard about Rocky Mountain Power's energy-savings programs. Likewise, customers believe bill inserts and television, newspaper, and radio ads are the most effective ways to communicate energy savings information. Continue to promote Rocky Mountain Power's energy-savings programs through the media (TV, radio and newspapers) and coordinate those efforts with utility bill inserts.
- Maintain the themes of advertisements; the most important messages have the highest recall among ad aware customers. Where appropriate and when budgets allow, develop new messages to keep the campaign fresh.
- Assure that communications accentuate the money-saving aspect of participating in Rocky Mountain Power's energy efficiency programs.
- Capitalize on Rocky Mountain Power's status as the number one source for energy efficiency information.
- Given the importance of the Company's website as a source of energy efficiency information, make sure customers can easily locate key program content and customer benefits.

Year Three Campaign Activities

Communication

Communication efforts for July 2011 – June 2012 were developed to provide residential and business customers with comprehensive information related to the Company's energy efficiency and peak reduction programs; low-cost, no-cost approaches to reducing electric consumption; and to provide residential customers information on the Company's summer tiered rate structure.

The audiences for communications were prioritized as follows:

- *PRIMARY*: Residential households in Rocky Mountain Power's service area
- *SECONDARY*: Early adopters and public decision makers
- *TERTIARY*: Small and large businesses

Various communications channels were utilized to optimize effectiveness, frequency and coverage; and to build on the messages. Table 3 outlines the value provided by each communication channel.

Table 3 - Communication Channels

| Communication Channel | Value to Communication Portfolio | Placement |
|--|--|---|
| Television <i>(the attached quarterly reports outline the stations where advertisement were placed)</i> | Due to the strength and reach of the Salt Lake City designated market area, television works as the most effective media channel | July – Sept 2011 – Averaged 168 spots per week April – June 2012 – Averaged 321 spots per week 31,550,541 impressions |
| Radio <i>(the attached quarterly reports outline the stations where advertisement were placed)</i> | Given the cost relative to television, radio builds on communications delivered via the television while providing for increased frequency of messages | July – Sept 2011 – Averaged 148 spots per week April – June 2012 – Averaged 254 spots per week 16,569,626 impressions |
| Newspaper <i>(the attached quarterly reports outline the periodicals where advertisement were placed)</i> | Supports broadcast messages and guarantees coverage of the Utah service territory | 5,567,561 impressions |
| Website www.rockymountainpower.net | Supports all other forms of communications by serving as a source for detailed information regarding the company’s program and other energy efficiency opportunities | wattsmart.com 137,547 web hits in 2011 |
| Twitter (@RMP_Utah) | Awareness for early adopters regarding energy efficiency tips Tweets posted on a weekly basis | As of June 2012 we had 1,188 Twitter followers in Utah |
| Facebook www.facebook.com/rockymountainpower.wattsmart | Awareness for early adopters regarding energy efficiency tips and a location to share information Information posted three times a week | As of June 2012 we had 533 wattsmart Facebook fans for Rocky Mountain Power |
| Other Online <i>(i.e. banner ads on local sites, blogs, behavioral ad targeting, and pay-per-click ad placements*)</i> | Supports the broadcast and print media while also increasing awareness for early adopters who are online and are likely to be receptive to energy saving messaging. | 11,733,436 impressions and 52,926 click-throughs for all flash banners and paid searches during the campaign months. |
| Magazine | Content targeting business and metro area customers | <i>The Enterprise, Utah Business magazine and UMA the Voice.</i> 50,000 impressions |
| Spanish language media | Broadens communications to include Spanish-speaking customers | 1,428,571 TV impressions 271,085 radio impressions |
| Transit | Supports the broadcast and print media while increasing awareness | |

*Definitions can be found in Exhibit 5 to this report.

The total number of 2012 impressions measured by communication channels will not be available until after year-end 2012.

In July 2011, new creative was developed to increase awareness and enhance behavioral changes during summer cooling. The new summer cooling creative materials supplemented the **wattsmart** campaign that was initially developed and launched in April 2010.

Web links to the current portfolio of advertisements are included in Exhibit 6 of this report. Quarterly reports on activities for year three of the campaign are provided as Exhibits 7, 8, 9 and 10.

Outreach

Rocky Mountain Power leveraged the messages initially developed in the communications campaign through various public outreach initiatives in 2011 - 2012. Table 4 summarizes the Company's efforts to educate the public on the importance of incorporating energy efficiency practices.

Table 4 –Outreach Initiatives

| Initiative | Description |
|--|--|
| Jazz Partnership – Basketball | As part of our partnership with the Utah Jazz Green Team, the Rocky Mountain Power <i>wattsmart</i> programs receive a significant media presence through television and radio (in-game, pre and post game), on the web and during the halftime report at the “green game.” It also included an arena presence through LED signage, “Game Time” magazine, and “SuperScreen” features. Additional media included one hundred 30 second KJZZ TV prime time spots, one hundred 30 second radio spots on Citadel stations (101FM, 98.7FM, 93.3FM, 1320AM, 101.9FM, 860AM, 107.5FM and 1230AM) and a six week pre-movie feature at all Megaplex theaters in May and June. |
| Jazz Partnership - Baseball | On- field promotions during 24 home games throughout the Salt Lake Bees season – including messaging on the LED signage at Spring Mobile Ballpark. |
| Jazz Partnership – Basketball “Green Games” | “Green Games” highlight low cost, no cost energy efficiency tips and Rocky Mountain Power efficiency programs through pre-game and in-game activities and visuals. |
| Radio Disney Rockin’ Recess | Through Rocky Mountain Power’s sponsorship with the local Utah Radio Disney AM station, the Company was able to host Rocky Mountain Power <i>wattsmart</i> “Rockin’ Recess” in-school events to reach out to children during school. |
| Ragnar Relay | Rocky Mountain Power’s <i>wattsmart</i> program sponsored the Ragnar Relay event. Twelve <i>wattsmart</i> Rocky Mountain Power employees completed the 192 mile Ragnar Relay from Logan to Park City. The team spread the word about energy efficiency with messages on their shirts, vans, and banners at the exchange points. The sponsorship included banners at the start, runner exchanges, the finish line, and a booth at the “finishers fair.” Rocky Mountain Power was able to share the <i>wattsmart</i> message with nearly 40,000 Ragnar attendees |

| Initiative | Description |
|------------------------|---|
| Multicultural Outreach | Rocky Mountain Power provided outreach support at the Cinco de Mayo festival in West Valley City. The Company had a booth positioned beside the McDonald's Stage providing an opportunity to get the <i>watt</i> smart message out to nearly 20,000 attendees. Company representatives spoke to attendees about being <i>watt</i> smart and energy efficient. The sponsorship also included 120, 30-second spots on Telemundo and inclusion in minimum 100 promotional announcements. |

Education

This is the third year that the energy efficiency and education program, *Think! Energy Utah – Take Action at Home*, was offered to fifth grade students throughout Utah. The program encourages students to *Think! Talk! and Take Action!* to save energy. The school-to-home energy awareness and energy efficiency education program was conducted by a team of National Energy Foundation presenters in October and November of 2011. Each presentation consisted of a 60 minute assembly for fifth grade students and their teachers.

Presentations focused on concepts, such as the need for energy efficiency, electrical generation and tips for students to save energy at home. Students reviewed material from the “Energy Lingo” game, winning energy reminder magnet prizes for correct answers. At several of the presentations, the Utah Jazz Bear joined the game to assist in delivering the efficiency message. All presentations included the custom made Utah Jazz Bear efficiency video vignettes designed to create student interaction by deciding whether or not the Jazz Bear was making wise energy choices. The end of the presentations stressed the importance of sharing the *Think! Energy Student Booklet* and the *Household Report Card Survey* at home with their parents. In addition to the *Think! Energy Student Booklet* and *Household Report Card Survey*, teachers were provided program implementation materials; flyers to describe student and teacher incentives for returning surveys and teacher evaluations; a set of parent letters, the new “*Bright Ways to Save Energy*” and “*Energy Efficiency in Action*” posters; and the “*Natural Gas*” poster, and the “*Electrical Generation*” poster.

2011-2012 School year accomplishments for the Energy Efficiency Education program include:

- Presentations at 120 elementary schools throughout Utah
- 368 teachers/classrooms participated
- 9,938 fifth grade student participants

Outreach Campaign Budget Results

The Year Three budget for outreach activities was \$1,500,000 as presented in Table 5. Expense activities are summarized by the channel of communication.

Table 5 – Year Three Expense Activities

| Communications Channel | | Budget | Actual expense | Variance | Justification for variance |
|---------------------------|--|-------------|----------------|----------|------------------------------|
| Media | <i>Television</i> | \$322,000 | \$322,092 | -\$92 | |
| | <i>Radio</i> | \$138,000 | \$137,952 | \$48 | |
| | <i>Newspaper</i> | \$126,000 | \$126,079 | -\$79 | |
| | <i>Magazine</i> | \$39,500 | \$39,455 | \$45 | |
| | <i>Transit</i> | \$64,500 | \$64,398 | \$102 | |
| | <i>Multicultural media</i> | \$60,000 | \$60,024 | -\$24 | |
| Digital/Web | <i>Online media</i> | \$50,000 | \$49,986 | \$14 | |
| Public relations/outreach | <i>Pitches, Green games, Rocking Recess, Ragnar planning and development</i> | \$79,091 | \$79,000 | \$91 | |
| | <i>Multicultural Outreach</i> | \$40,000 | \$39,228 | \$772 | |
| Sponsorship | <i>Utah Jazz Green Team</i> | \$235,909 | \$239,417 | -\$3,508 | Incremental cost for playoff |
| | <i>Real Salt Lake</i> | \$10,000 | \$10,000 | \$0 | |
| | <i>Ragnar Relay Sponsorship</i> | \$15,000 | \$15,000 | \$0 | |
| Education | <i>NEF</i> | \$125,000 | \$125,000 | \$0 | |
| Creative | | \$170,000 | \$170,639 | -\$639 | |
| Research | | \$25,000 | \$24,031 | \$969 | |
| | | \$1,500,000 | \$1,502,301 | -\$2,301 | |

Table of Report Exhibits

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| Exhibit 5 | Online content definitions |
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Exhibit One

Exhibit Two

Exhibit Three

Exhibit Four

Exhibit Five

Exhibit Six

Exhibit Seven

Exhibit Eight

Exhibit Nine

Exhibit Ten