

Rocky Mountain Power Utah Demand-Side Management Outreach and Communications Campaign Year 2 Report

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 promote energy efficiency and conservation through education and 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 year 2 (July 2010 - June 2011) of the demand-side management outreach and communications campaign, including an evaluation of the program in meeting its objectives and a summary of year 2 program activities.

Customer Survey Results

In an effort to determine the effectiveness of the outreach and communications campaign in increasing the awareness of and participation in Rocky Mountain Power’s DSM programs, the Company conducted pre and post campaign customer research. The findings of this survey work, along with program recommendations follow.

Research Methodology

Three research studies were conducted during the general timeframe of the year 2 report (July 2010 - June 2011) to assess the effectiveness of Company communications on customers’ awareness of and participation in the Company’s energy efficiency and demand response programs.

- Third-party, independent market research firms conducted residential customer surveys via telephone interview. The research studies had an initial 2010 baseline, followed by a 2011 survey used to measure changes in customer opinions and behaviors. In each study, the research companies used an identical questionnaire in 2010 and 2011 to allow for valid comparisons. **Utah Demand-side management (DSM) survey.** Telephone interviews were conducted July/August 2010 and July/August 2011 (additional information on this survey work can be found in Exhibits 1 and 2 to this report). This joint study with Questar 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 and May/June 2011 (additional information on this survey work can be found in Exhibits 3 and 4 to this report). This study evaluated advertising and communication awareness, message recall of 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 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).

- **J.D. Power residential survey.** J.D. Power conducts its annual residential customer satisfaction research using online surveys that customers complete throughout the year. Findings released in July 2010 represent interviews completed July 2009 – June 2010. The July 2011 results represent interviews conducted July 2010 – June 2011. Since the J.D. Power interview periods do not coincide completely with the year 2 report timeline, results are kept to a minimum (additional information on this survey work can be found in Exhibit 5).

Key Research Findings

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

Similar to 2010, the 2011 demand-side management survey reveals that the majority (95%) of Rocky Mountain Power customers believe 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, although the “very important” responses are slightly higher for customers who have enrolled in a Rocky Mountain Power program.

Actions taken to conserve electricity

Most customers said they have taken some action to conserve energy during the past year. Interestingly, fewer customers in the 2011 demand-side management survey (65%) reported taking an action compared to 2010 respondents (73%). This may be due to economic considerations or possibly because more customers have exhausted many of the lower cost avenues to improve energy efficiency in their homes. Similar to 2010, the 2011 results show a higher percentage of demand-side management program participants making an energy efficiency change compared to non-participants.

The opportunity to save money again surfaced as the main reason to take steps to conserve energy in the home. Equal percentages (75%) in the 2010 and 2011 demand-side management survey mentioned “saving money” as the primary motivator. No differences emerged between program participants and non-participants. Protecting the environment again placed a distant second (13%) as the main reason to conserve energy.

Specific energy efficiency actions taken by customers remain similar in 2011 compared to 2010. The two major categories of action focus on the purchase of energy efficiency products and consumers’ behavioral changes. The four most frequently mentioned actions, cited by 20% - 25% of customers, center on purchases: adding insulation, using energy-saving light bulbs, purchasing energy efficient appliances, and installing energy efficient doors or windows. Similar to 2010, the main behavioral changes include adjusting the thermostat and turning off lights.

The 2010 and 2011 customer awareness studies indicate Rocky Mountain Power’s advertising campaign has positively impacted customers’ energy efficiency decisions. In the 2010 research, 30% of customers said the Company’s advertisements or communications persuaded them to make an energy efficiency improvement. The 2011 percentage increased to 39%. The most frequently mentioned actions include purchasing energy efficient appliances/lights, generally becoming more aware of energy usage, and enrolling in utility incentive/rebate programs.

Awareness of demand-side management programs

The 2011 demand-side management survey revealed that, overall, 61% of Rocky Mountain Power residential customers are aware of energy efficiency programs offered by either Rocky Mountain Power or Questar. This is a decline from 2010, which is addressed under advertising and communications recall.

The Table 1 below shows three demand-side management programs resonate most strongly on total customer awareness, which are the combined responses for unaided and aided awareness. In both 2010 and 2011, See ya later, refrigerator®, Cool Keeper and Home Energy Savings are recalled by more than 60% of customers. Statistically, total awareness levels for these three programs remain unchanged during the past year. However, Cool Keeper unaided awareness declined significantly in 2011. Two other noteworthy changes occurred from 2010 to 2011: a significant increase in total awareness of *wattsmart* and lower awareness for Power Forward.

Table 1 – Program Awareness 2010 and 2011

Demand-Side Management Program	2010 Total Awareness	2011 Total Awareness
See ya later, refrigerator®	85%	83%
Cool Keeper	69%	67%
Home Energy Savings	65%	62%
Energy Star New Home	44%	48%
<i>wattsmart</i>	28%	41%
Cool Cash Incentive	41%	40%
Power Forward	40%	35%
Home Energy Analysis	29%	31%
Time of Day	28%	31%

J.D. Power & Associates’ studies reveal a positive impact of Company communications on customer awareness of DSM programs. In this research, customers indicated if they are aware of any plans Rocky Mountain Power has to offer additional energy conservation and efficiency programs. Overall customer awareness increased significantly from 45% in 2010 to 64% in the 2011 study.

Participation in demand-side management programs

The 2011 demand-side management research indicates that three-quarters of Rocky Mountain Power residential customers are current or past participants in at least one of the Company’s

energy efficiency programs. *wattsmart*, which was defined as “Rocky Mountain Power’s efforts to promote energy-efficiency and conservation and to educate customers on saving money on their utility bills”, garnered the highest participation rate (41%), followed by See ya later, refrigerator® (29%), Home Energy Savings (25%) and Cool Keeper (17%). These participation numbers are based on customer perceptions which take into account the accuracy of customer recall and their understanding of the programs.

For most Company programs, customers said they are past participants rather than currently enrolled. *wattsmart* stands out as the notable exception where all 41% said they currently participate in the initiative.

Advertising and communications recall

The 2011 customer awareness survey indicates nearly six in ten (58%) customers recall seeing, hearing or reading advertisements or communications from the Company. This represents a significant decrease from the 65% observed in 2010. The majority of recall in both studies came in the form of unaided awareness, which represents a more stringent measure than aided awareness. While total awareness declined in 2011, the unaided awareness levels are nearly identical in 2010 (42%) and 2011 (41%).

Several reasons may explain why advertising and communications awareness declined in 2011. The more prolific use of TiVo and DVRs can result in fewer customers watching television advertisements. When Rocky Mountain Power launched *wattsmart* in 2010, the television advertisements were new to customers; during the past couple years, the ads may have lost some of their uniqueness. Another possible explanation is that not as many companies were advertising in 2009 (due to the economic downturn) compared to 2010 and 2011, so Rocky Mountain Power now has a relatively lower television advertising share.

Customer communications have been effective in creating awareness of *wattsmart*. In the 2011 customer awareness survey, 57% of all interviewees remembered seeing, hearing or reading “being *wattsmart*.” Ad aware customers were much more like to remember “being *wattsmart*” than ad non-awares (78% vs. 32%).

Current and preferred energy efficiency information sources

Similar to 2010, television stands out as the primary channel where customers first saw or heard about Rocky Mountain Power’s energy savings programs (47%). Bill inserts received the second highest mention (28%) followed by radio (13%) and Company direct mail (11%). Television, bill inserts and radio also were the top three channels in 2010, though television and bill inserts were mentioned less often in 2011.

Customers named the most effective ways for Rocky Mountain Power to communicate how to lower energy usage and help them save money. As in 2010, bill inserts emerged as the clear frontrunner (2010=40%, 2011=38%). Customers again named newspaper/radio/television (20%), an email from the Company (13%) and direct mail (12%) as important information sources.

Website sources are another valuable source of information about energy efficiency. Nearly half the respondents would look for information about energy efficiency and home energy savings, rebates and/or products at Rocky Mountain Power's website. Many of these same customers also would turn to Questar or other websites.

Recall of advertising and communication messages

The customer awareness research measured customer recall of key messages in the Company's advertisements and communications. In both 2010 and 2011, messages focused on using energy wisely and energy efficiency programs received the highest recall – on both unaided and total awareness. *wattsmart* placed third in overall awareness message recall. Similar to 2010, messages with the highest recall fall in line with what Rocky Mountain Power customers think are the most important messages for the Company to deliver. These messages 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 37% response rate (41% in 2010). Questar Gas placed second (17%) followed by a home improvement retailer (15%) and the State Department of Energy (9%).

The majority of customers (56%) continue to believe Rocky Mountain Power shows concern about helping customers save money through lower energy use (58% in 2010). Only 15% said the Company is not concerned, while the remaining customers are neutral.

Conclusions and Recommendations

Rocky Mountain Power's communications and outreach program for demand-side management continues to have an impact on residential customers. The vast majority of customers believe it is important for the Company to offer programs to help customers conserve electricity. Interestingly, the DSM study indicates that awareness of programs offered by Rocky Mountain Power and Questar declined this year, while J.D. Power showed an increase in awareness of Rocky Mountain Power's energy efficiency offerings. In either case, about one-third or more customers said they are aware of specific programs. High awareness levels continue to exist for See ya later, refrigerator®, Cool Keeper and Home Energy Savings, while awareness of *wattsmart* increased significantly during the past year.

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. Importantly, 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 from 2010 to 2011, some 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, public service announcements and utility bill inserts as the top sources for having heard about Rocky Mountain Powers energy-savings programs. Likewise, customers believe bill inserts and newspaper, radio and television 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. 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 2 Campaign Activities

Communication

Communication efforts for 2010 - 2011 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 provide residential customers information related to the Company’s summer tiered rate structure.

The audiences for communications were prioritized as follows:

- *PRIMARY*: 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 2 outlines the value of each communication channel provided the overall effort.

Table 2 - 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	Rotation of advertisements Both 30 and 15 seconds spots Ave. of 137 placements/week July – September 17,453,600 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	Rotation of advertisements Averaged 189 placements/week 6,414,403 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	7,925,712 impressions
Web Site 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 18,294 web hits in 2010
Twitter (@RMP_Utah)	Awareness for early adopters regarding energy efficiency tips Tweets posted on a weekly basis	At the end of 2010 we had 388 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	At the end of 2010 we had 257 wattsmart facebook fans in Utah
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.	10,072,127 impressions and 50,236 clicks for all flash banners and paid searches during the campaign months.
Magazine	Content targeting business and metro area customers	<i>The Enterprise, Utah County Business Journal, Wasatch North Business Journal and Utah Business magazine.</i> 132,000 impressions
Spanish language media	Broadens communications to include Spanish speaking customers	1,939,289 TV impressions 712, 721 radio impressions
Transit	Supports the broadcast and print media while increasing awareness	

*Definitions can be found in Exhibit 6 to this report.

Total number of 2011 measures by communication channels will not be available until after year-end 2011.

Investments in communications were leveraged through the expansion of the **wattsmart** campaign developed and launched in April 2010.

The Company developed and produced new creative in an effort to increase participation in the Company’s air conditioning load control program, Cool Keeper. Testimonials from influential Utah’s¹ were utilized to communicate the public benefits of the program. Television, radio and print advertisements will continue to be utilized in future periods to the degree they remain relevant. The testimonial videos can be viewed at <http://www.coolkeeper.net/>

Web links to the current portfolio of advertisements are provided in Exhibit 7 to this report. Quarterly reports on activities for year 2 of the campaign are provided as Exhibits 8, 9, 10 and 11 to this report.

Outreach

Rocky Mountain Power leveraged off of its communications campaign through various public outreach initiatives in 2010 - 2011. Table 3 below summarizes the Company’s efforts to educate the public on the importance of incorporating energy efficiency practices.

Table 3 – Education and Outreach Initiatives

Initiative	Description
Jazz Partnership – Basketball media	As part of the Utah Jazz Green Team partnership, Rocky Mountain Power’s <i>wattsmart</i> programs receive media presence through television and radio (in-game, pre and post game), online and through a sponsorship of the halftime report during the green game on April 13, 2011. It also included in-arena presence through LED signage, “GameTime” magazine, “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 May-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” are highlighting low cost, no cost energy efficiency tips and the availability of Rocky Mountain Power programs through pre-game and in-game activities and visuals.
KSL Studio 5 Monthly Segment	A monthly segment was secured on "Studio 5," KSL's weekday "infotainment" show that airs at 11 a.m. each morning. A different topic regarding energy efficiency and the Company’s programs was featured during each broadcast.
Radio Disney Rockin’ Recess	Through Rocky Mountain Power’s sponsorship with the local Utah Radio Disney AM station, the Company was able to host

¹ Salt Lake City Mayor Ralph Becker, Lane Beatty, president of the Salt lake Chamber, Paul Pugmire, president of the South Jordan Chamber, Randy Rigby, president of the Utah Jazz and Sarah Wright, executive director of Utah Clean Energy

Initiative	Description
	Rocky Mountain Power <i>wattsmart</i> “Rockin’ Recess” in-school events to reach out to children during school with an energy conservation theme.
Act <i>wattsmart</i> video contest	On April 25, 2011, Rocky Mountain launched the “act <i>wattsmart</i> ” video contest. Designed to educate Utah citizens on energy efficient practices and encourage participation in Rocky Mountain Power <i>wattsmart</i> programs, the contest was open to all Utah residential customers. To enter, participants submitted a two-minute video of how they are being/can be more <i>wattsmart</i> - by using less energy.

Education

The energy efficiency and education program (*Think! Energy Utah – Take Action at Home*) is an energy efficiency educational collaboration by Rocky Mountain Power with the Utah State Energy program. 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 2010. The program consisted of a 60 minute assembly of fifth grade students and their teachers.

Presentations focused on important concepts, such as the need for energy efficiency, electrical generation and tips for students to saving energy at home. Students reviewed material learned during an “Energy Lingo” game, winning energy reminder magnets prizes for correct answers. At several of the presentations, the Utah Jazz Bear joined the game, adding Jazz tickets were awarded as prizes and for assisting in delivering the efficiency message. All presentations included the newly developed 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 presentation ended by communicating the importance of the *Think! Energy Student Booklet* and the *Household Report Card Survey* that students took home to share with their parents. In addition to the *Think! Energy Student Booklet* and *Household Report Card Survey* students received, 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, the “*Natural Gas*” poster, and the “*Electrical Generation*” poster.

Accomplishments for the Energy Efficiency Education program include:

- Presentations at 96 elementary schools throughout Utah
- 319 teachers/classrooms participated
- 8,572 fifth grade student participants

Outreach Campaign Budget Results

The Year 2 budget for outreach activities was \$1,500,000 as presented in table 4 below. A summary of expense activities is summarized in table 4 by communication channel.

Table 4 – 2011 Expense Activities

Communications Channel		Budget	Actual expense	Variance	Reason for Variance
Media	Television				
		\$335,000	\$330,750	\$4,250	
	Radio	\$150,000	\$146,819	\$3,181	
	Newspaper	\$150,000	\$151,169	-\$1,169	
	Magazine	\$40,000	\$41,302	-\$1,302	
	Transit	\$65,000	\$60,945	\$4,055	
	Multicultural media	\$60,000	\$59,829	\$171	
Media Subtotal:		\$800,000	\$790,814	\$9,186	
Green Team Sponsorship		\$250,000	\$250,000	\$0	
Home Energy Makeover Contest (Public Relations/Outreach)	Green games Rocking Recess planning and development	\$52,500	\$52,585	-\$85	
	Act wattsmart Video Contest (originally planned as the Home Makeover contest - the video contest was filed and approved on April 13.)	\$77,500	\$77,621	-\$121	
Public Relations/Outreach Subtotal:		\$130,000	\$130,206	-\$206	
Creative/Production/Planning		\$100,000	\$90,630	\$9,370	
Multicultural		\$20,000	\$20,535	-\$535	
Digital/Web	Online media	\$100,000	\$68,329	\$31,671	Green Team email campaign did not materialize.
School Presentation Program		\$75,000	\$75,000	\$0	
Research		\$25,000	\$16,749	\$8,251	Some research costs occurred after the FY end
Communications Channel Grand Total:		\$1,500,000	\$1,442,263	\$57,737	