

Two Ways to Save At A Glance



Servicing parts of Maryland and the District of Columbia, Pepco offers customers “two ways to save” on specifically designated Peak Savings Days. Pepco’s Peak Energy Savings Credit allows customers to take an active role in energy management while the Energy Wise Rewards Program automatically cycles a customer’s central air conditioning unit and heat pump.

Program Statistics

- Approximately 77% of Pepco customers are aware of the Peak Energy Savings Credit Program
- 80% of customers learned about the program through direct mail, while 70% were made aware through bill inserts
- Customer aged 65+ preferred to be notified of an upcoming event by phone (60%) while customers aged 18-34 preferred to be notified by text (52%) or e-mail (36%)
- Customers reported that saving money on their monthly bill (58%) and helping the environment (25%) we’re the two strongest motivators for participating in the program.

Pepco: Two Ways to Save in Maryland

As Pepco installed smart meters throughout their service area in Maryland, customer engagement and satisfaction were held as central tenants that would influence the success of their programs. Pepco’s success to date can partially be credited to a robust customer education and awareness campaign that was tailored to best fit each of their customer segments. Empowering consumers with the tools to manage their energy usage, Pepco offers “two ways to save.”

Pepco’s Peak Energy Saving Credit allows customers to take an active role in energy management by reducing electricity use during a set time frame announced by Pepco while Pepco’s Energy Wise Rewards integrates a smart thermostat into a customer’s home, providing a hands on way to automatically cycle air conditioning units and heat pumps during periods of peak demand.

Background

Peak Energy Savings Credit: All Pepco customers are automatically eligible for the Peak Energy Savings Credit Program. Only customers who have opted out of smart meters are not eligible to participate, due to the need for detailed hourly usage data during the specific time period. Customers automatically receive a credit when they reduce their electrical usage during a period of “peak savings” which is typically announced the day before by Pepco. Customers can choose whether to participate or not on a specific day, and there is no penalty for not participating.

Energy Wise Rewards: At no cost to the customer, Pepco will install a web programmable thermostat or outdoor switch at the customer’s home and activate it during peak-use times in exchange for bill credits. During periods of “peak demand,” Energy Wise Rewards works to reduce electricity usage by “cycling” central air conditioners or heat pumps off and on during the specific time period, reducing their energy use.

The Program Nuts & Bolts

Similar to other demand response programs, Pepco’s Peak Energy Savings Credit and the Energy Wise Rewards programs are designed to assist customers in saving money and reduce the strain on the grid when electricity use is expected to approach critical levels. By providing both an active and a passive way to participate, these programs appeal to customer segments in different ways. An online portal allows customers to actively monitor their savings and alter the ways in which they are conserving electricity.

IT'S EASY TO SAVE ON PEAK SAVINGS DAYS.

Using these simple and hands-on tips, you can make saving money and energy easy this summer. We'll notify you the day before a Peak Savings Day with the hours to reduce your energy use.

Here are some helpful tips:

- **Shift** when you use large appliances to before or after event hours
- **Lower** blinds and close curtains to keep the sun from warming your home
- **Turn off** unnecessary lights
- **Raise** your thermostat manually, if health permits, or sign up for Energy Wise Rewards and make saving *automatic*. Visit pepco.com/rewards.

For every kilowatt hour (kWh) you reduce below your baseline* on Peak Savings Days, you'll earn a \$1.25 credit off your bill. The more you reduce your energy use, the more money you can save.



Specifics of the Peak Energy Savings Credit program:

- Pepco customers are automatically enrolled in the Peak Energy Savings Credit and more than two thirds of customers typically receive a credit. Savings range between \$3 and \$8 per Peak Savings Day.
- Customers are notified of the hours for a Peak Savings Day, usually one day before. Customers can receive a \$1.25 credit per kilowatt hour reduction below their baseline usage, calculated as the average of the 3 highest days of usage over the past 30 days, excluding weekends and holidays.
- Customers can choose to be notified of an upcoming Peak Energy Saving’s event in two of three ways — via a pre-recorded message delivered to a phone number of their choosing, a text message, or an e-mail. Through targeted messaging, Pepco helps educate consumers about the various ways in which they can reduce their electricity usage and reminds them that they can go online to learn more about their daily and hourly energy usage. Customers are able to see their baseline usage and Peak Energy Savings Credit amount both online and through the Pepco smart-phone app the day after a Peak Savings Day.

Details of the Energy Wise Rewards program:

- Energy Wise Rewards offers customers an automatic approach to energy management.
- At no cost to the customer, Pepco will install a web-programmable thermostat or outdoor switch at the customer’s home and cycle the air conditioner during peak-use times.
- Customers select their cycling level (50%, 75%, or 100%), and receive both an installation credit and a monthly credit ranging from \$8 to \$10 over the summer.
- Handing over limited control of their air conditioning units and heat pumps on Peak Savings Days enables Pepco to take the responsibility of helping customers save money while reducing demand on the electrical grid.

Hands-on-Ways to Save	Estimated Savings on Peak Savings Days
Avoid using your electric range to cook a meal	4.50 kWh
Shift when you use your clothes dryer	4.00 kWh
Raise your air conditioner setting 1–3 degrees	4.00 kWh
Shift when you run your dishwasher	2.00 kWh
Shift when you vacuum your home	1.25 kWh

energy wise rewards
Maryland

Energy Wise Rewards™ is the automatic way for customers with central air conditioning or a heat pump to save money and energy on **Peak Savings Days**.

- Get a web-programmable thermostat (a \$180 value) or outdoor switch installed at no charge
- With up to \$80 in Installation Credits and up to \$80 in Annual Reward Credits for each device installed, you can save \$160 or more off your bill in your first year
- We'll cycle your central air conditioning or heat pump off and on automatically to save energy

To sign up for Energy Wise Rewards, call **1-866-353-5798** or visit pepco.com/rewards.

Setting your air conditioner a few degrees higher, if health permits, is an easy way to earn credits off your bill.

Grilling outside saves energy and keeps your home cooler.

This program supports ENPOWER Maryland

Messaging Clarity & Awareness

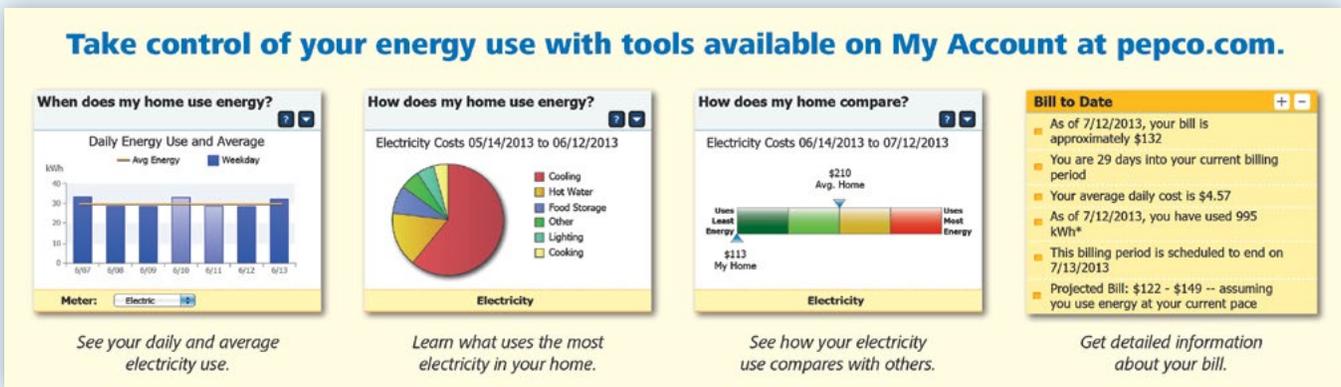
Knowing that different people would respond differently to messaging and energy information, Pepco tailored their messaging to best fit specific customer segments.

As the programs began to evolve, so too did the messaging associated with each program, shifting from program awareness to customer education. Through focus groups and surveys, Pepco learned that customers wanted more information on the best ways to save energy during Peak Energy Savings Days. Pepco provides customers with tips on how to best save energy in each season and during hours of peak demand. Consistency across Pepco’s messaging has helped their customers build knowledge about the program and learn how to best utilize savings techniques. As noted earlier, 77% of Pepco’s customers are aware of the Peak Energy Savings program.

The Enabling Technologies

The installation of an advanced metering infrastructure has enabled Pepco to offer the Peak Energy Savings Credit.

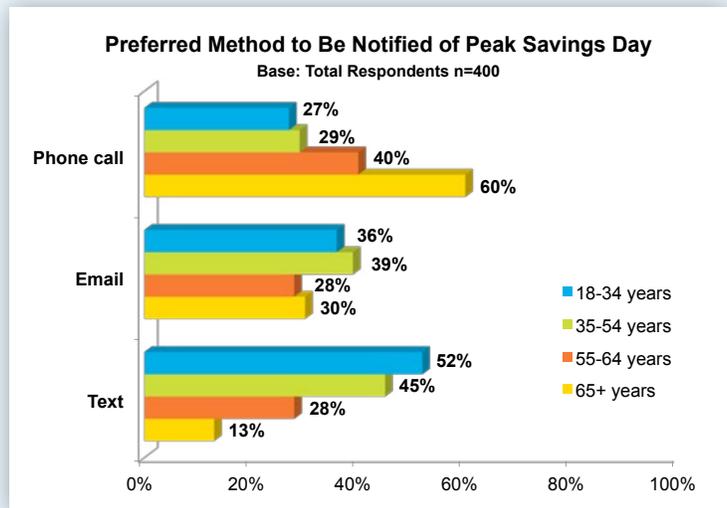
While the Energy Wise Rewards Program had been available in the past, more advanced thermostats are being offered, offering customers two options for saving money. Encouraging customers to become more aware of their energy usage has increased the success of these programs. Additionally, through traditional communications channels such as direct mail and bill inserts, Pepco provided easy to understand examples of what their online tools look like, encouraging characteristically non-digital consumers to get online and track their energy usage.



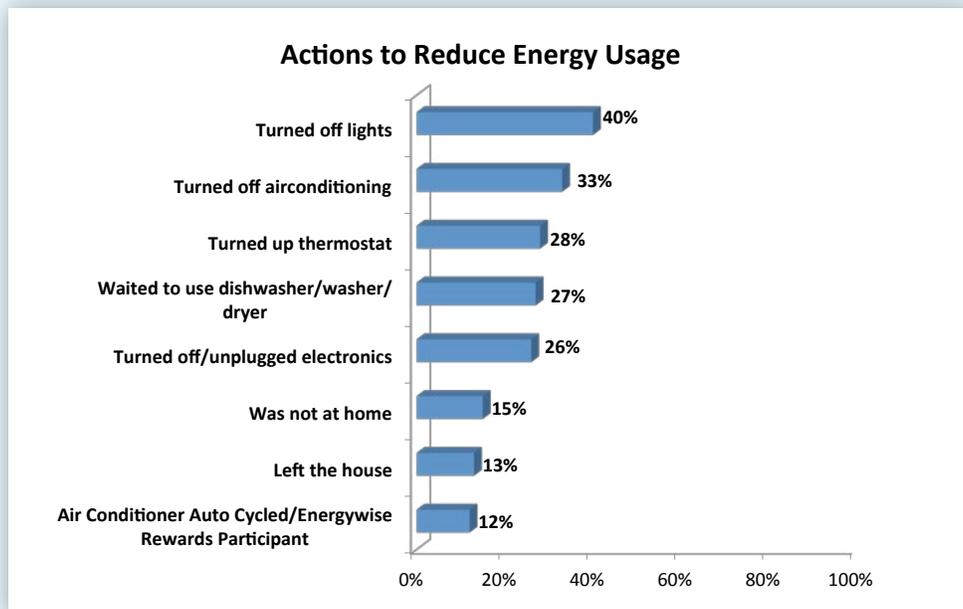
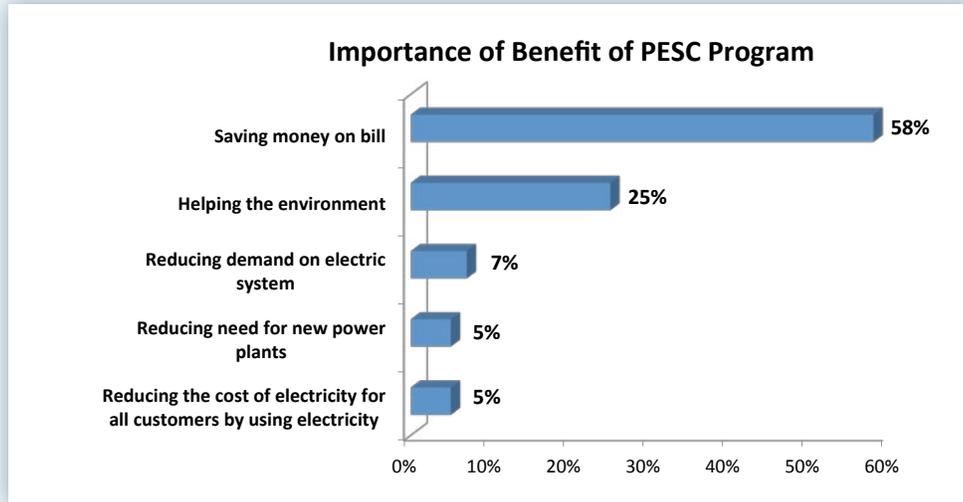
Segmentation, Engagement and Awareness

Relying on customer participation, Pepco found that different segments of the population preferred to be notified about an upcoming Peak Energy Savings day in a different manner. Most older customers preferred a phone call (40% among those ages 55-64, 60% among those ages 65+) while younger customers preferred a text message (52% among those 18-34 and 45% among those 35-54).

The majority of customers reported participating in Peak Energy Savings Days by simply modifying their behaviors. 40% of residents reported actively participating by turning off their lights, 33% of customers turned off their air conditioners, and 28% simply turned up their thermostats.



Additionally, customers reported that helping the environment and saving money on their bill were the two strongest factors influencing their participation. These two benefits are promoted in different messaging in order to highlighting their importance. Pepco has also found that customers like to see examples detailing how specific actions will help them save.



Summary

Having employed innovative marketing and awareness strategies, Pepco's Two Ways to Save programs have been extremely successful. By tailoring the programs and messaging in a manner that best fit the needs and behaviors of their specific customers, more than 77% of Pepco customers are aware of the energy savings options available to them.

Through in-depth research, Pepco has determined that the chief motivating factors that drive participation are individual desires to save money and help the environment.