



# DEMAND RESPONSE (DR) ADDITIONAL INFORMATION APPENDIX K

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# 1. Flex Smart and Flex Rewards

The following devices are eligible for enrollment in the program:

**Table K.1: Flex Rewards OEMs**

| Eligible Thermostat Manufacturers   | Additional Eligible Thermostat Manufacturers Starting Q4 2023   |
|---|---|
| <ul style="list-style-type: none"> <li>• Google Nest</li> <li>• ecobee</li> <li>• Mysa</li> <li>• Sinope</li> </ul> | <ul style="list-style-type: none"> <li>• Honeywell TCC &amp; Home</li> <li>• Amazon</li> <li>• Sensi</li> </ul> |

The following manufacturers will be partnered with PSE to offer DR programs:

**Table K.2: Manufacturer partners**

| EV Charger Manufacturers  | EV Telematics Partner   | Water Heater and Water Heater Control Manufacturers                              |
|---|---|--|
| <ul style="list-style-type: none"> <li>• JuiceBox</li> <li>• ChargePoint</li> <li>• Wallbox</li> <li>• EVoCharge</li> </ul> | <ul style="list-style-type: none"> <li>• SmartCar telematics</li> </ul> | <ul style="list-style-type: none"> <li>• Rheem</li> <li>• SkyCentrics</li> </ul> |

The following provides an overview of the incentives and rewards by demand response program:

**Table K.3: Flex Smart overview of incentives**

| Flex Smart               |                   |                         |                                     |
|--------------------------|-------------------|-------------------------|-------------------------------------|
| Device Type              | Enrollment Reward | Anniversary Reward      | Limited Time Offer Enrollment Bonus |
| Smart Thermostat         | \$50/thermostat   | \$20/season             | \$25                                |
| Baseboard Thermostat     | \$20/unit         | \$10/season             | \$10                                |
| New in 2024 - 2025       |                   |                         |                                     |
| Mini-Split Controls      | \$45/house        | \$25/season             | TBD                                 |
| EVs and EV Chargers      | \$50/house        | \$10/month participated | TBD                                 |
| Water Heaters & Controls | \$50/unit         | \$25/year               | TBD                                 |

**Table K.4: Flex Rewards overview of incentives**

| Flex Rewards      |                            |                                     |
|-------------------|----------------------------|-------------------------------------|
| Enrollment Reward | Seasonal Reward            | Limited Time Offer Enrollment Bonus |
| \$25              | \$1.00/kWh shed per season | \$10                                |

| Additional Rewards            |                                   |                     |
|-------------------------------|-----------------------------------|---------------------|
| Type of Reward                | Reward Amount                     | Planned Launch Date |
| Customer Enrollment Referrals | \$10/customer enrolled (no limit) | November 2023       |

## 2. Flex Event recap

PSE's first Flex Event took place on August 15, 2023, where emails were sent out to over 431,000 current residential customers asking for their participation between 4-6pm in reducing their electrical usage. Post-event results showed total curtailment surpassed the 5 MW 2023 Demand Response target as the program averaged 6.1MW curtailment per hour over the two-hour event, with a peak of 7.19 MW saved during the second hour from 5-6pm.

## 3. Marketing and outreach plan

PSE will work closely with 3rd party vendors responsible for implementation to ensure that vendor industry experience is combined with PSE's deep knowledge of its customer base to maximize recruitment results. Planned activities include leveraging many marketing channels, including traditional mailers, email, PSE.com program pages, social media, direct marketing, and community event outreach.

PSE is committed to using the community engagement outcomes to inform and shape the marketing and outreach for demand response. The objective for the programs is to effectively engage a broad base of both existing and new customers, while promoting a deeper understanding of demand response's role in shaping a sustainable energy future. This comprehensive goal is attained through innovative advertising and outreach campaigns, strategically designed to encourage active participation in the programs, all guided by specific goals:

- **Awareness:** Continuously inform and alert customers through various channels about PSE's demand response programs and how they can participate.
- **Customer education:** Educate PSE customers on the impact they can have by adjusting their energy consumption during peak demand periods. Provide them with straightforward energy saving strategies and keep them informed about the critical times when adjusted usage should take place.
- **Customer insights:** Utilize existing data and customer segmentation models to ensure that marketing efforts target residential customers in named communities for both ADR and BDR programs. Prioritization for C&I DR customers will be on recruitment for C&I facilities in named communities.
- **Transcreation of marketing materials:** Adapt marketing materials to support recruitment goals of non-English dominant customers and other named communities.

- **Retention:** Encourage ongoing participation in demand response programs by reminding participating customers of the impact they are making and showing appreciation for their efforts.

The core message of the demand response programs will be communicated to customers using PSE's brand voice, characterized by a personal, conversational, and accessible tone:

*"With PSE's Flex Programs, you have the power to make a significant difference when energy demand is at its peak – benefiting you, your community, and the planet. Shifting energy usage moves us closer to a carbon-free future by matching usage to availability."*

PSE will accomplish its demand response program goals by implementing the following strategies and tactics:

- **Email:** Deploy targeted email campaigns throughout the customer's lifetime in the programs.
  - **Acquisition:** Email customers identified as likely owning an eligible device and/or an AMI meter but have not yet enrolled.
  - **Retention:** Notify participating customers of demand response events; these notifications may also be delivered by SMS. They will also educate customers with seasonal energy-saving tips. Additionally, emails will deliver rewards in the form of digital gift cards to maintain program engagement.
- **Direct mail:** To reach customers who are unresponsive to email or other digital communications, physical direct mail such as postcards may be employed.
- **Advertising:** Utilize multiple channels for advertising, including digital display ads, digital video, keyword search, and paid social media.
- **Owned and earned media:** Leverage the PSE newsletter, website, as well as media coverage and organic social content.
- **Cross-program collaboration:** Incorporate demand response messaging into campaigns and materials for related programs, such as the PSE marketplace, smart thermostats, EVs, and water heaters.
- **Customer outreach:** Present the demand response programs at community outreach events, both virtual and in-person as appropriate, throughout the service territory. Implement customer campaigns tailored to high-priority communities identified through market research and intelligence.

## 4. Demand response program funding

The table below provides a breakdown of the costs for demand response programs in the years 2023 – 2025.

**Table K.5: DR funding overview**

| <b>Calendar Year</b> | <b>Rider Funding</b> | <b>Power Cost</b> | <b>Annual Portfolio Cost</b> |
|----------------------|----------------------|-------------------|------------------------------|
| 2023                 | \$1,000,000          | \$1,953,245       | \$2,953,245                  |
| 2024                 | \$4,930,745          | \$11,391,237      | \$16,321,982                 |
| 2025                 | \$5,300,945          | \$16,618,635      | \$21,919,580                 |