

Energy Efficiency Services

Exhibit 7 2012-2013 Marketing Plan Overview

January 1, 2012

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PSE Energy Efficiency Marketing Executive Summary

The Energy Efficiency Services (EES) Marketing team is designed to support the promotion of energy efficiency program offerings to achieve targets. This is accomplished by exercising promotional outreach to various market segments: residential direct-to-consumer, commercial and industrial, retailer, dealer, home and commercial builder and trade ally groups—with the goal of influencing and motivating those in PSE’s service area to take specific, energy-efficient actions. The team anticipates customer needs, fosters community within specific channels and ensures delivery on EES’s brand values, through a variety of marketing programs, promotions, communications and events.

In order to tailor EES Marketing efforts specifically to the unique community drivers that encourage customers in those regional areas to take action on EES programs, the Marketing team will align more deliberate planning and outreach with newly-established corporate regional hubs that can serve as efficient delivery channels for EES opportunities within localized communities with localized needs. EES Marketing will also assess how to leverage PSE employees as delivery channels within their personal communities, and as they come into contact with customers in their daily work effort.

As a partner to EES Marketing, EES Market Research provides understanding of customer perceptions, motivations and barriers to adoption of energy-efficient behavior by gathering and analyzing demographic, structural and end use equipment data, as well as geographically targeted research.

In 2011, research was provided to help the design of rebate levels and customer incentives; results from the 2010 Residential Characteristics Survey were made available—providing data from a larger pool of respondents and updated data on housing stock and equipment characteristics; regional demographic data and analysis information was used to help design targeted grassroots efficiency efforts in certain locales; findings regarding language spoken at home supported the design of Rock the Bulb™: The Re-Energize Tour, which was made available to speakers of languages other than English; and cost as a barrier to energy-efficiency upgrades was also reported, which will likely influence future promotion strategy to residential markets. Additional research examples:

- Customer participation surveys for Rock the Bulb, heat pump water heaters, showerheads, HomePrint Assessment™, LEDs, and weatherization and HVAC contractor pricing
- Pre-launch “Re-Energize” platform, social media and multimedia customer focus groups
- New customer lifecycle research
- Consumer feedback about program bundling

In 2012, PSE’s Residential Segmentation research and Communications Strategies Study will be updated to provide EES updated information about what motivates customer behavior in regards to energy efficiency, and how customers receive and respond to information, respectively.

Residential Structure Markets — Existing and New Construction

Primary End-User Audiences: Homeowners, Tenants, Homebuilders, Multi-Family Property Owners, Multi-Family Developers/Builders

2011 Highlights Review

Retailer and Dealer Channels

In 2011, Residential Energy Management capitalized on one of its most effective communication vehicles for moving self-installed energy-efficiency products: point-of-purchase (POP) within the retail environment. Early in the year, a refresh of all store signage was undertaken to bring the look and messaging in line with the “Re-Energize” platform. The result was a roll out of a cohesive suite of signage at more than 400 retail stores throughout PSE’s service area timed with the launch of the new PSE.com. Lighting products, showerheads and refrigerators that qualify for PSE rebates are now more easily identifiable to customers due to the new signage, stickers and shelf tags.

The team also brought back the popular Rock the Bulb campaign, with an re-directed outreach effort aimed at hard-to-reach populations: customers who, because of language or cultural barriers, may not have heard about PSE’s energy efficiency offerings. Through translated materials, presence at ethnic community events and collaboration with ethnic and non-English media outlets, the campaign focused on bringing the Rock the Bulb message to those customers. The overall campaign goal was to distribute 200,000 goals in eight weeks through retail events service area-wide.

In addition to bill inserts, e-newsletter mentions, web banners and traditional advertising, the team orchestrated a community outreach effort to promote the refrigerator decommissioning program. PSE contracted a local arts educator to work with eight student organizations throughout the utility’s service area to decorate doors from recycled refrigerators. The artist then assembled the students’ art into one large sculpture in the shape of a dinosaur. The final art piece, known as Fridgeasaurus, launched with a media tour that resulted in several TV news stories and then continued to tour through the communities corresponding with the youth organizations. Fridgeasaurus was on display at Rock the Bulb events, retail stores, community events and finally at PSE’s Renewable Energy Center. At each stop on Fridgeasaurus’ tour, information was made available to customers about PSE’s appliance programs and they were encouraged to sign up for the refrigerator decommissioning program. In a few of the display locations, the truck used to pick up refrigerators at customer’s homes was also displayed on-site in an effort to drive interest and recognition of the program.

Earlier in the year, a new business model derived from HomePrint™ was launched by the Dealer Channel—HomePrint Assessment. The marketing strategy and messaging varied slightly from the original launch since this is a ‘free’ in-home service to single-family residential electric customers. A more mass media approach was taken to build momentum from “the most powerful word in advertising,”—free. In order to spur primary lead generation to and through contractors, a combination of bill inserts, collateral distribution/contractor representation at community events and support from ARRA-funded organizations have been the core marketing elements driving the program.

Another energy-savings strategy behind HomePrint Assessment is keeping the customer aware of and engaged in following up with priority upgrade recommendations. An e-mail template that merges dynamic assessment findings/recommendations unique to the customer into the message, has been designed and is delivered once the report is processed. Every 60 days, if a recommended upgrade is not completed, a friendly e-mail reminder will be sent.

In order to move dealer channel product more effectively in last half of the year at the onset of the heating season, limited time offer matching contractor rebates were positioned with the market to complement existing PSE product rebates through a variety of promotional media.

In Sept 2011, the Dealer Channel team took the lead on what most likely is the first ever customer webinar provided by a regional utility. The 45-minute presentation educated customers on: why PSE supports energy efficiency, what current efficiency offerings PSE provides and other helpful resources.

Earned Media/Social Media: Proactive pitching of Rock the Bulb campaign resulted in deep coverage of campaign events in localized areas. Launch of program attracted multi-cultural media outlets which had typically been underserved by PSE public relations. Rock the bulb relied heavily on social media through facebook and twitter to rally event participation as did the refrigerator recycling program. Refrigerator Recycling also relied heavily on earned media placements and proactive followups and interactive social media postings. Several program undertakings were positioned with press through news releases and followup interviews.

Standing quarterly e-news publications:

Re-Energize Your Home (Homeowners and Tenants)

Re-Energize Your Toolbelt (contractors who specialize in homeowner market)

2011 Highlights Review

Multi-Family Retrofit and Single Family New Construction

One of the most result-oriented tactics in developing new business for the Multifamily Retrofit program is through participation in various industry events. Marketing strategies include targeting events that attract the program's primary and secondary target audiences, apartment property owners and weatherization contractors. In 2011 the program continued to leverage working with several industry associations by exhibiting at the Washington Multifamily Housing Association Conference and several Rental Housing Association workshops. This type of outreach provides the program with the highest level of new customer leads. At the annual Trends Conference, the largest housing rental exhibition in the West Coast, messaging centered around signing up for a 'free energy audit', which resulted in 40 new customer leads from the conference. Six months thereafter, those leads turned into nine project audits; seven projects scheduling a direct installation of free showerheads, water heater pipe wraps and CFLs; 12 projects are still in progress; five owners are not interested; and seven projects were out of PSE's service area.

The Multifamily Retrofit program co-hosted a weatherization contractor program training session collaborating with the Dealer Channel as a way to educate trade allies on new program information and continuing to reiterate the differences between single-family and multifamily retrofit projects.

The use of e-tools for the release of program news has proven successful and an economical way to reach property owners and weatherization contractors with benchmarking results being higher than industry standards in the real estate market.

To help entice builders to take up Northwest Energy Star Home (NWESH) certification, the Single Family New Construction program offered several promotional initiatives that included but not limited to offering free visibility to NWESH builders through June bill insert; partnering in NWESH's a Welcome Home campaign by providing a 'limited' offer to the first eight builders who 'certified' to the 2011 ENERGY STAR specification.

The SFNC program continued to support the City of Issaquah's z-Home project -- giving it visibility through regular e-news broadcast to builders to promote on-site educational classes available to builders and contractors to learn about new technologies being utilities for this project, as well as distributing project materials at builder driven events.

Several communications were delivered to Single Family New Construction homebuilder customers in light of transition to state new building codes and impacts to program business rules. Marketing communication consisted of website updates, newsletter announcement, revision to all brochure as well as hosting training workshops with building partners and direct-to-builder interaction.

Earned media/Social Media: Leveraging with social networking tools have continued to gain more popularity. Many of PSE's valued green-focused industry partners have seen a return here, as well as many of our contractors, showroom partners and builders – it's an effective way to reach our customers.

Standing e-news publications:

Re-Energize newsletter for Homebuilders

E-News Alerts for MF Property Owners

Residential Markets 2012 Plan // Major Promotional Elements

Residential market promotions will continue to assess audience attitudes and purchasing habits to develop strategies and tactics that bring more qualified leads in the door to achieve respective program targets, educate customers about energy efficient products and offers, and find new ways to reach customers who may not have participated in PSE's programs before.

Through retailer channel promotion, with legislative activity around the lighting industry, it will be more important than ever to have clear messaging about which products we recommend (and rebate) for customers and how they differentiate. One of the primary objectives in the lighting arena will be to align our messaging with other regional utilities to reduce customer confusion and improve clarity in geographic areas where we share customers. As CFL bulb use continues towards a saturation point, we will also need to get creative about our lighting promotions, such as targeting low income and hard to reach populations and including LED messaging for the more technophile consumer.

Customer clarity and convenience will be a major theme for this channel in 2012-13 as we look to remove barriers to participation. We are looking into delivery mechanisms that improve customer satisfaction, such as instant rebates through retailers for products other than lighting and online ordering – utilizing our new web capabilities. Marketing specific to these opportunities will need to also carefully track activity to see if these new mechanisms are getting the desired results. Clear, compelling program value propositions and messaging as well as more targeted outreach will be key to addressing customer needs and concerns across the many demographics in our customer base. By fully utilizing our market research capabilities, we will analyze research data and gather customer opinions on buying habits that will help us refine our outreach methods.

The Dealer Channel's marketing tactics will be focused on a go-to-market strategy that enhances our messaging. Homeowners are exposed to significant white noise on energy efficient decisions and product purchases on a daily basis. Consequently, the mental filtering has increased which creates a bigger challenge for penetrating share-of-mind with customers.

We will strive to strengthen our program value propositions and create messaging which highlights energy-efficiency benefits, not just attributes. We need to focus on what ultimately will help our customers in saving money, helping the environment and making their home more comfortable.

With the increasing market saturation of lighting, HomePrint Assessment will be packaged differently to keep it a free program while still being cost effective. This may include some leave-behind showerheads. Other than altering the program messaging, the marketing strategy will continue to be awareness-building, participation and follow-up on upgrade recommendations.

With refined messaging in both distribution channels comes a more targeted delivery. We intend to better identify prospective customers by program through data knowledge management in conjunction with capabilities delivered by our market research team. By combining housing stock specifications with customer demographics, we can build tighter message distribution models and integrate that into our geographic metrics to create a more targeted approach to our marketing.

Another integral tactic will be multi-channel or cross marketing. We've made great inroads in collaborating with the across retailer/direct-to-consumer and dealer channels and developing strategic, integrated customer merchandising plans. Our contractor network is a crucial conduit to our customer and we intend to further enhance that interface component. Along with developing a new Customer Referral Service business model which will add new contractor participation and broaden our network, we will increase market penetration by supplementing certain residential retrofit segments with complementary program offerings. An example of this might be a plumbing contractor who could also deliver other demand management measures.

Earned Media /Social Media: Proactive pitching of various high-profile campaigns will be engaged to deepen press coverage of offerings in localized areas and create newsworthy events. These consumer-based campaigns gain most advantage from social interactions on facebook and twitter and these tools will continue to be heavily used to rally event and program participation. Several program undertakings will be more traditionally positioned with press through news releases and followup interviews.

The Multifamily Retrofit program will continue to target working with property owners, managers, contractors, trade allies and tenants to encourage installation of energy-efficient measures and will build upon 2011 strategies for qualified lead generation. The Multifamily Retrofit program is adding two pilots, adding in multifamily air sealing and electric line voltage thermostats that will require the development of new marketing tools and strategic pre-positioning. To support the "Re-Energize" brand, the program will also modify existing marketing materials and displays to implement the new look and messaging.

The Multifamily Retrofit team will continue to build upon contractor relations by developing cross program guidelines and marketing documents that differentiate market rate from low income projects. The development of a program/contractor advertising tool kit is targeted in 2012, outlining key messages for the program's pre-approved contractors, who can use this in their promotions, cross messaging PSE's Multifamily incentives.

Multifamily New Construction promotional efforts will focus updating marketing materials with information about measures and incentives that have been developed in response to code changes.

Single Family New Construction (SFNC) will continue to support the Northwest ENERGY STAR Homes (NWESH) brand promotion to builders by marketing PSE's incentives. To help builders offset the cost of building an NWESH, there will be a concerted marketing push to bring in qualified leads for this certification by offering a higher ENERGY STAR Home Bonus.

Showrooms will manage the Advanced Lighting Package and receive PSE's incentives for each home secured as 80% ES lighting. This approach aligns with what's being offered by other Western WA utilities and will bring messaging consistency with those utilities that is highly desired by both the builder and showrooms. Marketing will create collateral to support these changes and help educational messaging and training events to all builder and showroom partners.

The SFNC will continue strengthening our marketing partnerships with local sustainable builder and new construction associations, working on cooperative marketing tactics through print, web and e-broadcasting.

Earned Media / Social Media: Positioning case study articles in localized industry publications, and continuing to leverage social networking tools from industry partners with green focus like various Built Green programs.

Commercial and Industrial Structure Markets — Retrofit and New Construction

Primary End-User Audiences: Business Owners (small and large), Commercial Building Owners, Commercial Developers/Builders, Facility Managers

2011 Highlights Review

The Energy Smart Grocer program, offered through several utilities, was revitalized in PSE's service area with a renewed contract with the program provider, updates in incentives, and new branding and materials. EES Marketing had a successful collaboration with the program provider and the Business Energy Management (BEM) staff managing the program that has resulted in a new website, staff badges and stationery. This program serves small and large commercial grocers.

With the changes in federal standards for tubular fluorescents ahead, EES Marketing has supported the commercial rebates and custom retrofit grant programs with a campaign urging the phase out of inefficient T12 lighting. During 2011 most PSE commercial customers will have been notified through bill inserts, newsletter articles and presentations about the opportunity to upgrade with incentives from PSE.

Additionally, EES Marketing has developed a creative campaign to support the Tier 2-Enhanced Lighting Incentive under the custom retrofit grant program. "The Whole Enchilada" campaign urges PSE customers to approach lighting upgrades in a comprehensive manner with greater incentive levels for doing everything possible to make a building's lighting more efficient. New lighting measures, including the four new commercial lighting rebates have been added to our promotional information for customers.

BEM also co-hosted another successful Powerful Business Conference with EES marketing providing program management, assistance with speakers, promotional materials and information for the day of the event. This conference was attended by nearly 300 people who are involved in energy management and conservation for public and private facilities. Also in the events arena, EES Marketing supported the Resource Conservation Manager program with its annual meeting for RCMs, providing display materials, handouts and securing the keynote speaker.

Earned Media/Social Media: Several Cal Shirley-ghost authored article placements over the course of the year in the Talbot 100 newsletter for multi-cultural small business owners as well as several news releases announcing various program undertakings (ie: T-12 conversion) and grant awards to customers. **Social Media:** Research will be conducted to determine if target markets are moderate to high users of social media channels and to support quality as positioning tactic.

Standing quarterly e-news publications:

Re-Energize Your Business (Business Owners; Facility Managers)

2012 Plan // Major Promotional Elements

An array of rebates, custom retrofit grants, and programs for portfolio building owners will continue to be offered to non-residential customers during 2012. Promotional efforts will focus on generating targeted leads in Commercial Rebates, Custom Retrofit Grants, Building Energy Optimization Program, Resource Conservation Management, and the outsourced programs for small business outreach, data centers, building tune-up /tracking, and industrial programs.

Within the Commercial Rebates area, promotional efforts will concentrate messaging and positioning within industries with highest potential: hospitality, commercial kitchens, lighting and small business outreach. Within the Custom Retrofit Grants, EES Marketing will support the emphasis on the expansion of the Building Energy Optimization Program by focusing on the commercial real estate arena.. Within the RCM program, we will continue to support a mix of marketing, program communications and events.

Finally, BEM will host a major event during the spring of 2012. The West Coast Energy Management Congress will showcase the programs and expertise of PSE's Energy Efficiency division with keynote speakers, session presenters, tradeshow displays and printed materials. EES Marketing will be involved in executing the conference logistics and supporting BEM by working with the events group to coordinate the displays and the materials.

Earned Media / Social Media: Will continue article placements in the Talbot 100 newsletter for multi-cultural small business owners as well as several news releases announcing various program undertakings and grant awards to customers. **Social Media:** Research will be conducted to determine if target markets are moderate to high users of social media channels and to support value as positioning tactic.

EES Portfolio Support

2011 Highlights Review

In 2011, the “Re-Energize” brand—developed in 2009 and 2010—was deployed in earnest to PSE’s customer base, in an effort to help consumers to think about energy use in a new way, while supporting the overarching business drivers of Energy Efficiency Services.

Early in the year, events evaluation came under new cross-departmental guidance, resulting in a focused approach that streamlined the number of and increased the quality of events participated in by EES, backed by feedback from trade-allies and overall effectiveness research. Re-Energize branded booth display materials, interactive displays and engagement kits for Community Relations Managers to use in the field were developed, produced and implemented to provide customers a cohesive face-to-face experience—all in alignment with a newly converted general brochure suite, bill inserts, customer e-newsletters, program messaging, collateral and campaign materials, community office displays and website. New procedures were put in place to better inform Energy Advisors and EES staff of promotional messaging and the prioritization of EES offerings.

In the spring, a new PSE.com website was launched, featuring the “Re-Energize” branded Savings & Energy Center. The updated website boasts an improved user experience, with more intuitive navigation and new online tools, including the interactive rebate finder, CFL recycling and retailer locator maps and integrated social media tools and multimedia channels. The site was developed as the foundation for making more sophisticated energy management and self-service tools available to customers online, in support of the EES business drivers and customer research. It will also help EES to capitalize on advanced online marketing opportunities, using a uniquely customized and personalized merchandising approach.

Earned Media / Social Media: Earned media is driven through the channel side of energy efficiency, primarily through residential public relations opportunities as represented under those sections of this document. Re-Energize Facebook site registers approx 300 friends and is continually updated with fresh and original conversational content based on program opportunities and educational links on energy efficiency content through third party sites directed to customers.

EES Portfolio Support 2012 Plan // Major Promotional Elements

In pursuing its multi-year phased approach, the emphasis will shift from back-end functionality development to an emphasis on utilization of the online customer facing tools and content curation/maintenance.

This next phase of the web enhancement plan under Mainstreaming Green is designed to provide significant new tools for PSE’s residential and business customer base, community partners and trade allies to be able take even better control of their energy use—with personalized energy management tools, targeted merchandising, self-service rebate and application transactional capabilities. The updated features within the energy-efficiency section of the website will also help EES to capitalize on advanced online marketing opportunities.

New capabilities will include:

- Personalized energy usage dashboards to help customers manage home and business usage and demand
- Personalized promotions, rebates, coupons and offers and targeted content based on customer's profile
- Sophisticated web use tracking and analytics analysis
- Additional multimedia content; improved content voice and tone

New aspects of content creation will focus on applying video instructional tools and storytelling from customers who have made energy efficient choices in their lives.

Events will continue evaluation with increased focus on reaching the most captive audiences in the right venues, via a variety of new channels, such as using webinars and co-branded events. Additional emphasis will be placed on event design, to ensure that PSE-hosted events reflect the "Re-Energize" brand, in look, feel and customer experience. Education will continue to develop new offerings online, and potentially return to in-classroom programs.

Earned Media / Social Media: Earned media is driven through the channel side of energy efficiency. Re-Energize Facebook site will continue to host fresh and original content based on program opportunities and educational links on energy efficiency content on third party sites directed to customers. In 2012, will test drive more experimental features to trigger interactive conversations with friends and support for viral distribution opportunities.

Appendix A: Exhibit 3 Program/Channel Marketing Plan Sections

RESIDENTIAL ENERGY MANAGEMENT

SINGLE – FAMILY EXISTING

Retail and Direct to Consumer Channel Marketing Section

The objectives for the Retail Channel's 2012-13 marketing strategy are to help achieve respective program targets, educate customers about energy efficient products and offers, and find new ways to reach customers who may not have participated in PSE's programs before.

With legislative activity around the lighting industry, it will be more important than ever to have clear messaging about which products we recommend (and rebate) for customers and how they differentiate. One of the primary objectives in the lighting arena will be to align our messaging with other regional utilities to reduce customer confusion and improve clarity in geographic areas where we share customers. As CFL bulb use continues towards a saturation point, we will also need to get creative about our lighting promotions, such as targeting low income and hard to reach populations and including LED messaging for the more technophile consumer.

Customer clarity and convenience will be a major theme for this channel in 2012-13 as we look to remove barriers to participation. We are looking into delivery mechanisms that improve customer satisfaction, such as instant rebates through retailers for products other than lighting and online ordering – utilizing our new web capabilities. Marketing specific to these opportunities will need to also carefully track activity to see if these new mechanisms are getting the desired results. Clear, compelling program value propositions and messaging as well as more targeted outreach will be key to addressing customer needs and concerns across the many demographics in our customer base. By fully utilizing our market research capabilities, we will analyze research data and gather customer opinions on buying habits that will help us refine our outreach methods.

Another integral tactic will be multi-channel or cross marketing with the dealer channel as well as corporate initiatives and Green Power/Carbon Balance initiatives that target a similar audience. Our retail network also provides supplemental avenues for messaging customers with the product directly in front of them. By collaborating closely with retail partners, we can reach customers when they are in the most likely position to make a purchasing decision and influence them to choose energy efficient products. Several new media tactics will be entertained as they are applicable to program objectives.

Lighting

- ❖ Collaborate with peer Puget Sound utility roundtable group to develop consistent messaging region-wide.
- ❖ Address legislative and technological changes for customers in clear, simple terms.
- ❖ Simplify the in-store buying process with informative point-of-sale materials.
- ❖ Increase awareness of the variety of products on the market.
- ❖ Continue to educate customers on safe handling of CFL bulbs to reduce barriers to adoption.

Appliances

- ❖ Increase awareness of rebate offerings, so that when it comes time to make the critical purchase, customers know all the options available.
- ❖ Continue to encourage customers to recycle old, inefficient appliances.
- ❖ Make the connection for customers that their electric utility provides appliance recycling, which is not a logical conclusion for most people.

Showerheads

- ❖ Communicate variety of purchasing options to customers and streamline the process with clear point-of-sale materials and improved online functionality.

Pilots

- ❖ Manage expectations for pilot participants.
- ❖ Carefully track results for discussion of whether to develop into a program offering.

Incremental marketing strategies:

- Promote comfort and convenience across all offerings.
- Integrate low income program components wherever possible.

SINGLE – FAMILY EXISTING**Dealer Channel Marketing Section**

The Dealer Channel's marketing tactics will be comprised of several key initiatives which will be instrumental in achieving respective program targets for 2012-13. One of the primary objectives in our go-to-market tactic will be to enhance our messaging. We realize the significant white noise our customers are exposed to on a daily basis. Consequently, the mental filtering has increased which creates a bigger challenge for penetrating share-of-mind with customers. We will strive to strengthen our program value propositions and create messaging which highlights energy-efficiency benefits, not just attributes. We need to focus on what ultimately will help our customers in saving money, helping the environment and making their home more comfortable.

With refined messaging comes a more targeted delivery. We intend to better identify prospective customers by program through data knowledge management in conjunction with capabilities delivered by our market research team. By combining housing stock specifications with customer demographics, we can build propensity models and integrate that into our geographic metrics to create a more targeted approach to our marketing.

Another integral tactic will be multi-channel or cross marketing. We've made great inroads in collaborating with the retailer/direct-to-consumer channel and developing strategic, integrated customer merchandising plans. Our contractor network is a crucial conduit to our customer and we intend to further enhance that interface component. We will increase market penetration by supplementing certain residential retrofit segments with complementary program offerings to our Customer Referral Service. An example of this might be a plumbing contractor who could also deliver other demand management measures.

We will continue to gauge tactical effectiveness through measureable analytics and modify accordingly – always moving forward with the future in mind. Simply put, our go-to-market mantra will be; wash, rinse, repeat.

Fuel Conversion

- ❖ Focus on the "low hanging fruit" of water heat conversion by pinpointing specific criteria and target market to those high potential customers (utilizing our market research capabilities).
- ❖ Enhance both contractor and community (where applicable) support by further educating them about the significant conversion incentives along with the direct benefits of natural gas.
- ❖ Integrate measure with PSE's residential water heater leasing program, if reactivated.

HomePrint Assessment

- ❖ Leverage our Mainstream Green investment to develop and execute a web-based video campaign on the assessment experience incorporating actual customer testimonials.
- ❖ Create supplemental sales-oriented training for participants to help convey the program to customers from more of a value proposition perspective.
- ❖ Drive cross-channel opportunities within our contractor network to supplement the program delivery.

Space Heating

- ❖ Implement more targeted marketing space heating campaigns, based on right application for fuel type, utilizing propensity modeling.
- ❖ Enhance customer awareness of program modifications; new 10.0 HSPF heat pump tier, 95% AFUE on gas furnaces and addition of boilers to fuel conversion.
- ❖ Create deliverables on promoting integrated space and water heating systems.

Water Heating

- ❖ Develop Do-it-Yourself bundling strategies with flow restrictors and pipe wrap.
- ❖ Implement more targeted marketing water heating campaigns, based on right application for fuel type, utilizing propensity modeling.
- ❖ Create deliverables on promoting integrated space and water heating systems.

Weatherization

- ❖ Create marketing initiatives for addition of air sealing measure.
- ❖ Create marketing initiatives for addition of windows.
- ❖ Develop new marketing strategy for internal management of manufactured home duct sealing program.

Incremental marketing strategies:

- Facilitate the design and production of new program collateral.
- Promote our “instant rebate” initiative.
- Create/execute “Limited-Time-Offer” and “Matching Rebate” campaigns on various program measures.
- Continue to develop co-branded campaigns with respective trade allies.
- Plan and implement a customer-centric Virtual Energy Efficiency Expo.
- Integrate financing messaging whenever appropriate.
- Integrate low income program components wherever possible.

Low Income Weatherization Marketing Section

The Low Income Weatherization program is a highly prescribed program that relies on its partner housing agencies to deliver its offering to eligible low-income homeowner participants.

The primary marketing objective is to elevate program awareness and end-user opportunity among key housing agencies' administrators. With many eligible participants already on agencies' waiting lists, necessity to market directly to the low-income homeowner is limited to opportunistic collateral distribution primarily at agency sites.

Partner Marketing with Housing Agencies

The key strategy will be to continue to encourage Housing Agency Administrators to move applications swiftly and smoothly through the approval process, and to identify LIW opportunities to eligible candidates. This will require a communications program that delivers the current information to them about LIW features and benefits as well as technical program provisions. There will also be effort to passively deliver collateral through this channel on other single family residential offerings and energy efficiency tips that could be helpful to candidates on the waiting list.

This effort must also allow for peer recognition and results accomplishment to motivate administrators to push program opportunity whenever suitable.

- Quarterly Newsletter (Administrators)
- Annual Forum (Administrators)
- Recognition Program (Administrators)
- Updated LIW brochure (multi-languages / Homeowners)

Multifamily Retrofit Program Marketing Section

Key marketing strategies for the multifamily retrofit program work in tandem with the program's business development team to expand and build a prospect network in a changing market. Outreach efforts increase program participation with multifamily and condominium complex property owners and property managers; help to leverage relationships with trade-alley contractors; and bring tenant awareness on the value of in-unit energy efficiency upgrades and how tenants play apart. The primary promotional strategies include but not limited to:

Industry Events and Membership Collaborations

Industry events are a strong lead generating tool for the program – it's one of the best ways to quickly get face-time with contractors and property owners. The program partners with several multifamily associations who manage these types of events. The program leverages outreach through various association memberships such as the Washington Multifamily Housing Association and the Rental Housing Association. These partnerships broaden the program reach to provide venues where members can collectively engage. The program targets several large-scaled exhibitions that are comprised of MF property owners, on-site leasing managers, maintenance personnel, contractors, suppliers and associated professionals. In addition to attending conferences, there are several workshops and presentations held throughout the year that provide additional networking opportunities, learning, recognition and motivation with smaller organizations. The promotional tactics used to support this strategy include:

- Booth & tabletop displays
- Booth materials: brochures, drawings, signage
- Program handbooks: company and program profiles, logo usage and applicable advertisements
- Pre-event advertising (publications, e-news, e-vites, web)
- Presentation leave behinds
- Post event surveys/debriefs
- Tracking leads generated for ROI

Collateral Development

To complement the program's business development outreach efforts, promotional materials are designed and produced to effectively communicate key messages and highlight the benefits of the efficiency measures to target audiences. Persuasive collateral is used during direct customer engagement, site visits and event outreach as well as an cross-selling tool for program contractors. Educational leave behinds are also designed to help tenants understand the immediate and long-term benefits of installations. The collateral development strategy may include but not limited to following materials:

- Executive summaries
- Direct installation notices
- Case studies
- Cross utility interaction
- Service area maps
- Recycling educational brochures
- Third party business cards
- Customer participation surveys

Advertising Campaigns and Media Relations

To generate program awareness amongst multifamily customers, various [advertising](#) campaigns are launched through multiple means or channels to make customers aware about its presence in the market. The program typically uses a bundled approach to highlight measures and program benefits.

The advertising and media relations tactics used may include:

- Print advertisements in trade publications
- Contractor advertising co-operatives
- Direct Mail and/or Eblasts
- Online/Website Development
- Newsletters
- Internet advertisements
- Social media
- Television
- Radio
- PR / Editorial coverage

Multifamily New Construction Marketing Section

PSE's Multifamily New Construction (MFNC) Program utilizes a mix of marketing activities to reach the designers, owners and developers of new multi-unit residential structures including market-rate condominiums, apartments, senior and assisted living housing, student housing, townhomes, mixed-use (with commercial uses) and others. The 2009 state energy code (effective 1/1/2011) redefined multifamily construction, expanding to include properties with three or more units.

With the market pressures of home foreclosures, unemployment and reduced single family new construction, several sources indicate that we can expect an increase in activity in multifamily new construction, especially in rental apartments. Many Puget Sound region residents are seeking this type of housing due to lower income, the inability to secure bank loans for home ownership, the need for smaller and more affordable living space, and need to stay close to more urban centers and workplaces.

Communications

We will renew our efforts to communicate key messages about the MFNC program. These will include updates in program measures and incentive levels, changes in eligibility to include developments with three or more units, and how PSE can be an extension of the project development team, available to participate in early design design charettes.

- Update printed materials to incorporate RE-ENERGIZE brand plus any new measures and incentive levels
- Update pse.com to incorporate any new measures and incentive levels
- Develop case studies to demonstrate the wide array of projects that are eligible

New Business Development

New program management brings new contacts and knowledge of the marketplace that will enhance the MFNC efforts at this time. There is a current opportunity to take advantage of the in-house knowledge of architects and developers who are currently or recently working in the multifamily arena.

- Review of publications and lead-finding information
- Mail to MFNC designers - letters and summaries from program manager
- Mail to MFNC developers – letters and summaries from program manager
- Meetings with designers and developers

Coordination with Other EES and PSE Programs

- Cross promote MFNC program with BEM New construction program
- Cross promote MFNC program with gas development program
- Work with Energy Efficient Communities staff to promote program
- Utilize existing PSE media including Builder Newsletter and email blasts when appropriate.
- Work with Corp Comm to publicize significant projects.

Advertising

Develop strategy based on the developing market conditions and affordable opportunities in appropriate publications.

Industry & Customer Events

- Continue to participate in conferences and tradeshows
- Host or co-host events for customers and contractors with other programs
- Continue to co-sponsor the MBA at a modest level

Single-family New Construction Marketing Section

The single-family new construction program uses a diverse mix of integrated marketing, promotion communication strategies and tactics to ensure customer awareness and participation. The primary objective is to elevate program awareness to building partners and help educate their customers (homebuyers) about the benefits of building and living in an energy efficient home.

Green Building Cooperatives

SFNC program's partnership goal with various green building associations is to increase the number of homes certified through Northwest ENERGY STAR Homes and Built Green programs, plus promote the benefits of purchasing a green certified homes. Green building cooperatives help PSE to extend visibility using less money – has a broader reach than what could be obtained independently. Partners promote PSE's energy efficiency programs, green building, ENERGY STAR Homes, and building practices that result in energy efficient homes. Key partners include but are not limited to: Northwest ENERGY STAR HOMES; Master Builder Associations (King, Snohomish, Pierce, Central, Skagit, Island Counties); and Sustainable Connections.

Partners will give prominent recognition and promote PSE's programs in conjunction with NWESE and Built Green programs with all their outreach materials including but not limited to:

- All collateral materials
- Website
- Newsletters
- Radio and print advertising
- Industry events and educational classes
- Provide certification numbers and results on promotional activities when and where applicable.

Advertising and Collateral Development

The program uses a bundled approach to release reoccurring messaging and updates to its primary and secondary target audiences.

- Direct-to-builder brochures
- Direct mail and advertisements
- Newsletters
- Online /website development
- Consumer education: bill inserts, model home signage, builder cooperatives
- Cross program positioning: Community Outreach and Education, Gas Growth, REM
- Other PSE division collaborations: Customer Construction Services and CRM's

Industry Events and Builder Relations

As a lead generating tool and to increase program awareness with large volumes of industry partners, builders, contractors, suppliers and associated design professionals, the program exhibits at various green building conferences and exhibitions as well as presenting to smaller organizations and workshops. Primary promotional tactics include:

- development of displays and signage
- design and production of collateral materials
- pre-event advertising (publications, e-news, e-vites, web)
- post event surveys/debriefs
- tracking leads generated for ROI

BUSINESS ENERGY MANAGEMENT

Commercial / Industrial Retrofit Marketing Section

PSE's Custom Retrofit Grant Program has traditionally relied on the following channels to maintain an abundant quantity of custom retrofit project leads: repeat program participants, internal PSE channels such as Major Accounts Representatives and Community Relations Managers, and trade ally relations with contractors, engineering design firms and energy services companies.

These channels have brought projects to PSE's Custom Retrofit Grant Program however, our customers and trade allies are experiencing continued economic challenges that affect the size and types of projects they are able and willing to undertake. Customers are making fewer capital project investments and are focused on getting value from O&M budgets. We expect this to continue during the 12-13 cycle.

The Custom Retrofit Grant Program has experienced an increase in the number of smaller projects, which is likely due to the current economic conditions faced by building owners and managers. Because the number of projects has been increasing, while the amount of savings achieved through custom retrofit grants has been decreasing, the staff time required to manage custom grants could exceed capacity and cost-effectiveness if this trend continues.

Business Energy Management (BEM) will respond to this trend with an increased focus on programs that reward operational efficiency upgrades such as the existing Building Energy Optimization Program and new contracted programs aimed at greater energy efficiency in data centers and industrial operations. In addition to helping BEM manage the custom retrofit grants in a way that remains cost effective, the new contracted programs that are being added will have key advantages for PSE customers. The contracted programs for data centers and industrial operations will connect PSE customers with industry experts who have nationwide success in energy-efficiency efforts for similar customers who typically have valued reliability and productivity above energy efficiency. Moreover, the new programs will make up for savings being lost to increasing stringency in codes and standards, such as the lighting efficiency standards taking effect in 2012.

Finally, during 2011 BEM underwent a market assessment and process evaluation of the Custom Retrofit Grant Program which has provided information about four markets and about the energy-efficiency measures that have the most opportunity in each. We will work to communicate with decision-makers within the markets of commercial real estate, healthcare, public sector and food processing about the set of energy-efficiency incentives that will appeal to them.

Communications

We will continue our efforts to communicate about the Custom Retrofit Grant Program with the following tasks:

- Update printed materials to incorporate RE-ENERGIZE sub-brand
- Develop new brochures for target markets
- Update pse.com with new programs and/or program changes
- Develop case studies to demonstrate an array of projects – and use on pse.com, and in public presentations on PSE's energy-efficiency programs
- Develop case studies on four BEOP projects

Coordination with Other EES and PSE Staff

We will continue with routine communications with internal PSE channels that are responsible for direct communication with customers and others who influence decisions about energy efficiency such as public officials.

- Presentations to Energy Efficient Communities Meeting
- Presentations to Major Accounts Representatives
- Presentations to Energy Advisors about new programs
- Work with Corporate Communications to publicize significant projects.

Coordination with Program Providers

Marketing will provide messaging and marketing coordination with outsourced programs such as:

- Energy Smart Grocer
- Industrial program
- Data center program

Coordination with Trade Allies

We will continue to work with contractors, engineers and energy service companies who deliver custom retrofit projects to BEM and who communicate with building owners and managers about PSE's programs.

- Regular meetings to update trade allies on developments in the Custom Retrofit Grant Program
- Provide review and information about PSE's role in custom retrofit projects
- Coordinate with trade allies on PSE energy efficiency program messaging.

Industry & Customer Events

- Continue to participate in conferences and tradeshows
- Host or co-host events for customers and contractors with other programs

Commercial / Industrial - New Construction Marketing Section

PSE's program for commercial new construction will remain an incentive for building designers and developers to include energy-efficiency measures that are above and beyond that which is required by the building code. However, the 2009 state energy code (effective 1/1/2011) has made the baseline requirements high enough so that PSE's Whole Building Prescriptive Approach has become obsolete and is removed from program offerings. Additionally, limited utilization is expected of PSE's energy modeling Whole Building Approach.

We expect that market activity for new construction will remain modest during the 12-13 cycles and that PSE's offering will consist of the new construction commissioning program, the commercial rebates, the component approach custom grants, and Whole Building Approach.. Overall, we expect new leads for BEM new construction to remain low during the 12-13 cycle.

Communications

- Develop new construction brochure to include the revised program and new construction commissioning.
- Update pse.com
- Update standardized content for public presentations
- Develop case studies that include new construction commissioning and likely rebates or components

Relations with Trade Allies

Redirect our efforts from a focus on architects to a focus more on local commissioning agents

Coordination with Other EES and PSE Programs

- Utilize BEM internal newsletter to notify internal audiences about program changes
- Presentation to Energy Advisors explaining code changes and commissioning.
- Article for Builder Newsletter.

Resource Conservation Manager Marketing Section

PSE's Resource Conservation Manager (RCM) Program utilizes a board array of marketing materials and training activities to reach it's customer base . The nature of the RCM program and its need for ongoing communications efforts with customers uses a combination of promotional marketing and customer communications. An integrated approach is required to support this program.

To reach the cost-effectiveness threshold required, PSE's RCM program targets large portfolio-based customers or groups of customers who will be able to recover the cost of implementing their RCM program through resource savings achieved. PSE's RCM program has an impressive performance record evidenced by a variety of factors.

As the RCM concept has developed, PSE's RCM program is beginning to experience challenges in the marketplace. Private companies are marketing similar packages of services, creating some confusion and even some departure from PSE's program. Ongoing communications, public relations and RCM training are critical to convey the value and integrity of PSE's program to new and existing customers.

This marketing plan is designed to address the following needs:

1. To sustain program growth and ensure customer retention.
2. Increase customers' understanding of the program and the potential that might exist in their organization for cost-effective savings
3. Ensure that PSE staff have a solid understanding of program eligibility and approach.
4. Promote the success of our customers to demonstrate the value of O&M programs.
5. Ensure our program materials are tailored and professional.
6. Link the program to local requirements such as RCW 19.27A and City of Seattle Ordinance 123226.

Below are the action items and deliverables associated with marketing the RCM program in FY 2012 – 2013

I. Program Communications to Existing Customers

We will support the RCM program with design and layout of information and training materials for customers.

- Revise and re-brand existing information pieces :
 - Shutdown checklists
 - Energy technology briefs
- Create specific tools for behavior-based programs including:
 - PSE-branded light switch or "turn me off" sticker
 - Bookmark or small collateral piece with top 5 actions for building occupants
 - Short video talking about the RCM program that can be used both customer program development (ie to share with their internal audiences) or for PSE use with new customer.s.
- Support for the RCM annual meeting
 - Q1 – 2012; Create list of potential speakers for future events
 - Develop displays and handouts as needed
- Develop a strategy and implementation plan to effectively utilize a facebook page or other social marketing tool to facilitate sharing of communications and resources
- Establish resources and protocol for webinar training that incorporates full webinar functionality including audio.

II. Marketing Communications to Existing and Potential Customers

We will provide marketing materials including brochures, web updates, and others to communicate about the RCM program.

- Update marketing materials to incorporate RE-ENERGIZE sub-brand plus any program changes required.
 - Design flowchart that provides an overview of the 3 year agreement time frame with RCM grants and deliverables shown as milestones.
 - Create a frequently asked question informational sheet
- Each quarter of 2012 and 2013, develop and publish a case study in varying media types to demonstrate an array of success stories in several key RCM markets including;
 - RCM success stories in non-traditional settings: shared programs, hospitals, light industrial, property management, etc
 - Highlights of what an RCM does and why it works
 - Outline of why PSE values the RCM program and the value that a customer receives from the support provided.
 - Link the RCM program support tools to the state and City of Seattle benchmarking requirements; EPA portfolio manager.

III. Internal PSE Communications

We will renew our efforts to communicate key messages about the RCM program to audiences inside of PSE that serve as channels to customers and other stakeholders. This activity would be coordinated with other community communication efforts through corporate communications and corporate affairs.

- Provide a conduit for communicating critical updates or program information to the CRM/EE Communities group and the new geographic organization of major accounts
- Review communications developed by EE Communities to ensure appropriate messages are conveyed.

IV. Coordination with Corporate Communications

Although media relations for PSE is owned by Corporate Communications, a joint effort will be required to convey the scope of the program and its value to customers.

- Work with Corp Comm to publicize successful projects.
- Work with Corp Comm to develop articles about RCMs and their accomplishments as defined above.

Small Business Lighting Rebate Marketing Section

We expect that PSE's Small Business Lighting program, the prescriptive menu of lighting incentives for Schedule 24 and Schedule 8 customers, will remain in strong demand during 2012 and 2013. It offers most small business owners an opportunity to easily take advantage of energy-efficiency incentives and it offers many trade allies and vendors an effective means of serving small businesses.

The Small Business Lighting program will require a mix of communications and marketing efforts to continue a high level of communication with customers and contractors.

Communications

- Update Small Business Lighting brochure to incorporate current messaging and RE-ENERGIZE sub-branding
- Update pse.com as needed.
- Update standardized content for public presentations
- Develop case studies that include successful Small Business Lighting projects for a variety of business types.
- Use bill inserts to reach small business customers with message about energy-efficient lighting

Relations with Trade Allies

- Host contractor information and training sessions
- Support contractors with program information

Coordination with Other EES and PSE Programs

- Utilize BEM internal newsletter to notify internal audiences about program changes

Presentations to Energy-Efficient communities, Energy Advisors and others about Small Business Lighting

Commercial Rebates Program Marketing Section

PSE's Commercial Rebates Program will be proactive in using a mix of marketing and communications activities to reach the decision makers and influencers in four main areas:

- Hospitality Rebates
- Commercial Kitchen Rebates
- Small Business Outreach - Direct Installations
- Commercial Lighting Rebates

The Commercial Rebates Program includes dozens of additional rebates that may not easily fit into one of the categories listed above. These rebates will need maintenance of communications including brochure and web updates throughout the year. All materials will incorporate the RE-ENERGIZE sub-brand.

Hospitality Rebates

To promote the group of rebates that is likely to be of most benefit to the hospitality (hotel/motel) market, marketing activities will include:

- Print and Web materials targeted to this market that include rebates for packaged terminal heat pumps, lighting controls, commercial kitchen equipment, laundry equipment and others;
- Targeted promotions - Direct mail or bill inserts to hotel/motel owners and managers in PSE service territory;
- Participation in the Washington Lodging Association; and
- Development of case studies to demonstrate value of energy efficiency particular to this market.

Commercial Kitchen Rebates

To promote the commercial kitchen rebates to restaurants and other owners and managers of commercial kitchens (school cafeterias, corporate cafeterias, church kitchens, etc.), marketing activities will include:

- Update of marketing materials to incorporate RE-ENERGIZE brand plus any program changes required;
- Participation in various restaurant and food service organizations; and
- Develop case studies to demonstrate value of energy efficiency in restaurants and other food service facilities.

Commercial Lighting Rebates

Marketing will continue to promote the small business lighting program, new commercial lighting rebates and T12 phase out during 2012, along with managing the promotional efforts around instant rebates available through vendors.

- Development of Point of Sale display materials for participating instant rebate vendors;
- Update of small business lighting brochure and web materials to incorporate RE-ENERGIZE brand and any program changes; and
- Development of bill inserts for promotion of lighting rebates including new rebates approved in 2011.

Small Business Outreach – Direct Installations

We expect this program to be provided by an outside contractor serving small business customers throughout the PSE service territory. This contractor will provide much of its own marketing yet will cooperate with internal PSE channels such as community relations and energy-efficient communities. Marketing will coordinate with the contractor on the appropriate use of the PSE logo and review materials for program accuracy.