

CHAPTER 3

The End User as a Stake Holder

Juliet Shavit

Executive Summary

Utilities have not made a proactive effort to invest heavily in marketing communications efforts for the simple reason that in regulated environments without competition customers have had little reason to engage with their utility other than call when they had questions about their bill. They want their lights on, then they pay their monthly bill.

As the industry transforms operationally and lays out smart infrastructure for next generation reliability, security and energy reduction, a new paradigm shift is taking place where customers must comply with technology change, and in many cases, even become instrumental in the new service delivery ecosystem.

In a smart grid environment, customers play a critical role in energy reduction as they become more proactive in energy management. This changes dramatically the rules of engagement between utilities and customers.

This paper highlights some key areas utilities must be mindful of as they lay out their AMI customer education programs. By acknowledging the importance of customer education and investing in quality education and communications, utilities will find that their roads are much smoother to travel as they make their way down the smart grid path.

Forward

Utilities have historically had a very one-way relationship with customers. Customer want electricity, they pay their electric bill. Pretty straight forward.

Therein lays the irony of smart grid. While smart grid leverages technology to offer up two way communications between the utility and technology through wireless communications, it also offers up a paradigm shift for a new model for customer communications. A model that moves from information to education to engagement. This paradigm shift is underscored by recent deployments globally that have proven that without the same amount of care given to customer education around AMI, the fulfillment of technology and business objectives of smart grid are not realized.

For the first time in the history of energy and utilities, customers have a significant role to play in the new service delivery ecosystem. If customers do not engage with new tools and reduce energy use, the business case for smart grid is dissolved. Similarly, if customers do not use new online energy management tools and data presentment that come from smart grid investments in technology, the utility is left with shiny new tools.

After all direct load control is only as good as people who sign up for it.

The trend we now see is that in most regulated utility environments, utilities have less and less room to impose programs or rates on customers without justification of a full blown

existing customer education plan. In short, smart grid is the catalyst for utilities to change the way they interact with customers, and the way customers interact with them.

As utilities look to roll out successful AMI deployments, they should keep in mind a number of best practices that have helped utilities around the globe gather success. One need only look at utilities that have *not*, adopted these strategies to see where the largest failures have been.

Understand Stakeholder Engagement

Stakeholders comprise both internal and external influencers who can ensure the success of an AMI rollout. Internally that means employees from all silos—deployment, marketing, customer care, etc. Making sure you are doing internal communication and have an open structure for communications and planning as you roll out AMI will be critical to the success of the program.

Similarly, customer advocacy groups, regulatory bodies, government, and solutions providers offer up another minefield when it comes to AMI. Carefully navigating that minefield and strategically collaborating will be critical to a successful AMI rollout.

Education should come in phases

Trying to educate a consumer on critical peak pricing before you've swapped out their meter is akin to swallowing a chicken whole. That's simply not possible. Breaking down the elements of information and planning communications in phases will help ensure that customers not only support the rollout, but actually are educated as needed during critical phases.

Understand Your Customer

Market research is a critical component of rolling out customer education for smart grid. While utilities think they know their customers, making assumptions is their biggest faux pas. A good solid research plan to evaluate customer attitude, opinions and understanding before the first meter hits the home should kick off a more complex series of studies to understand how the utility is doing—every step of the way. Make sure your research people sit next to your marketing people.

Build Flexibility and tracking into your plan

If you walk into a pilot thinking you will be sticking to a straight schedule and there is no room for flexibility, you are building yourself a recipe for disaster. Only the most experienced smart grid experts know that agility is key to the success, because no matter how much you think you know about how to get this right, you're probably wrong somewhere. The key is to be prepared to handle challenges as they arise.

Test

Utilities are notorious for thinking that they understand customer behavior. After all, aren't employees all electric customers? This is one of the greatest issues in utility education.

People are different. Segments are different. Regions are different. If you think something works, do the litmus test—ask customers through focus groups, online panels, or any way you can. Testing is critical to customer education and making sure concepts, materials, designs, and tactics resonate.

Monitor

If you follow all of the above strategies, then all you have to do is make sure you are effective. Even though you may see load reduction, you will also want to see how that load is reduced. Customer education could play a critical role in laying the plan for metrics and monitoring of key AMI milestones.

To learn more about these best practices, visit www.smartenergy-ip.com

ABOUT THE AUTHOR Juliet Shavit is President and CEO of SmartMark Communications, LLC. She is also the Founder of SmartEnergy IP™, a research and consulting organization within SmartMark wholly dedicated to smart grid customer education. She currently works with utilities around the world on smart grid customer education efforts. Ms. Shavit has been published both in the US and abroad and is a frequent speaker at events. She has been featured on the cover of *European Communications* and *Mobile Europe* for her leadership role in smart grid customer education. Ms. Shavit can be reached at jshavit@smartmarkusa.com.

ABOUT SMARTENERGY IP™ Smart Energy IP™ is a research and consulting organization within SmartMark Communications, LLC that is dedicated to helping utilities communicate the benefits of smart grid to customers. As utilities roll out smart grid initiatives – from smart meters to dynamic pricing programs – there are ways to ensure that customers are best prepared to make smart energy choices and positively support these rollouts. SmartMark Communications has over a decade of experience in the energy and utilities customer care domain, helping utilities and suppliers market effectively to customers. For more information, visit: www.smartenergy-ip.com.

Sources:

2011 AMI Customer Education Benchmarking Report (by SmartEnergy IP)

2012 AMI Customer Education Spending Report (by SmartEnergy IP)

2013 AMI Customer Education Pricing Programs Report (by SmartEnergy IP)

2013 Smart Grid Customer Education Symposium, Nashville TN
2012 GridComms Conference , London UK