

**Statewide Consumer Education
Related to Potential Electricity Price Increases
and Energy Conservation
Stakeholders Meeting of October 24, 2007
Hearing Room 1
Commonwealth Keystone Building**

The meeting was called to order at 10 a.m. by PUC Manager of Communications Tom Charles, who introduced staff from the following offices and bureaus: Communications; Law; Conservation, Economics and Energy Planning; Fixed Utility Services; and Consumer Services. Vice Chairman James H. Cawley's Office, Commissioner Kim Pizzingrilli's Office, and Commissioner Tyrone J. Christy's Office also were represented.

Welcome and Recap

Those in attendance were asked to introduce themselves and the company or organization that they represented. Anyone that did not receive the email announcing the meeting or was new to the group was asked to sign the sign-in sheet to receive future correspondence about meetings and other activities.

The Commission last summer entered a Final Order to direct a number of actions to mitigate potential significant electricity price increases, particularly when the rate caps come off consumers' bills. The centerpiece of that order is a potential \$5 million statewide and local consumer-education effort centered on energy conservation and efficiency, but also touching on choice and low-income options.

A recap of the August 29 meeting and the draft implementation plan revised after the last meeting was made available for everyone.

The revised Implementation Plan includes the language from the Final Order on the statewide campaign and was modified using input from the previous meetings.

One part of the Final Order requires stakeholders to look at how other states have implemented similar programs. This meeting featured a presentation on the New York campaign, from Ron Cerniglia, former Director of the Office of Retail Market Development, New York Public Service Commission.

Status on Budget Request for Campaign

The consensus of the stakeholders at the August 29 meeting was to ask for \$5 million for the first year of the campaign. The Commission has submitted its budget request to the General Assembly for \$5 million for the first year, and the need for future requests will be evaluated each year thereafter. The funding has not been secured yet, and is subject to approval by the General Assembly.

The Commission noted in the budget request that future funding will be requested based on input from the Stakeholders and survey results during the campaign.

The Stakeholders will continue to discuss what should be accomplished in the campaign and which consumer groups the campaign should be targeting.

A comment was made that the PUC does receive termination information on some commercial accounts. These accounts are normally for smaller businesses. The PUC typically doesn't handle payment arrangements for commercial customers. Some of the campaign material could cross over to help the small commercial class.

The Commission will collect information on the rate changes throughout the state from the EDCs. The EDCs will have different prices for all rate classes for both residential and commercial customers.

Once the funding is approved, vendors on statewide contract will begin research and develop work for the campaign. Stakeholders would continue to meet and provide input through this process.

A request was made for Stakeholders to send contact information for other states consumer-education programs to the Commission for review. A national research group from Washington, DC, that offers conservation tips to the weather forecasters and newspapers, was suggested for a future meeting.

Focus of Upcoming Stakeholders Meetings

Now that the funding request has been made, the Stakeholders can begin discussing the direction the campaign should head and what the messages it should contain. The main concern at this time is what audiences the campaign needs to target and the timing of the campaign.

Research Update from Other States' Best Practices

As outlined in the Final Order, the Commission staff and Stakeholders are to research similar efforts from other states, such as New York, Texas, California and New England.

The Office of Communications worked with several organizations to put together a draft document on the best practices and similar efforts in other states. This document was emailed to all the stakeholders prior to the meeting and is available at this meeting.

The document lists the consumer education on energy prices and conservation conducted by New York, Texas, California, New England and Maryland. Please review the document and provide any updates or additional information.

Presentation on New York Campaign

Ron Cerniglia, Director of National Advocacy, Government and Regulatory Affairs, for Direct Energy, formerly of the New York Commission, presented efforts undertaken by the New York Public Service Commission (NY PSC).

Copies of Mr. Cerniglia's presentation are available.

In New York, the Public Service Commission (PSC) implemented energy restructuring efforts rather than the state legislature.

There are at least seven suppliers for electricity and eight suppliers for natural gas for residential customers in every major service territory in New York.

The NY PSC felt that consumer-education efforts, specifically coordinated efforts between the utilities, suppliers, New York State Energy Research and Development Authority (NYSERDA) and the Commission staff, were a critical component to foster competitive markets.

Mr. Cerniglia highlighted the New York State Energy Research and Development Authority's (NYSERDA) large conservation campaign. NYSERDA is a state authority which began in 1998 with a focus on electricity, energy efficiency, and demand reduction measures. Its funding, through a system benefit charge collected by electric utilities, is \$1.87 billion through 2011. Of this total amount, \$31 million is allocated for general awareness and marketing activities and \$18.3 million has been spent through June 2007.

Efficient lighting, Energy Star® appliances, audits and the implementation of identified measures have been a main focus for the mass market. Utilities have played a key role in educating their customers and must be involved, and hopefully supportive, for the market to be successful. Competitive suppliers are educating their customers about the benefits of competitive markets and energy efficiency. For example, Direct Energy has specific tips on its web site addressing air conditioning, heating systems, water heaters, laundry, cooking, refrigerator, lighting, windows and insulation.

The NY PSC's modest media effort, \$500,000 to \$1 million per year, coupled with an active grassroots program targeting smaller audiences, included plain-language materials, mailings to consumer leaders, train-the-trainer workshops, and partnerships. The NY PSC directed utilities to provide consumers with similar information also.

For the “Your Energy...Your Choice” campaign, the media was used, 1 million YEYC 12-page newspaper inserts in key media markets, and a TV commercial, “Evening in NY,” with the goal of driving customers to a Web site and a dedicated toll-free telephone number.

In 2004, the NY PSC significantly increased its consumer-education efforts to focus on consumer choice. This campaign was called “Use Your Power to Choose.” The PSC worked with the utilities and suppliers to maximize efficiencies and impact. The core messages are: companies other than utilities are competing to supply your gas and electricity; you may receive better value and/or receive other features or benefits by switching; your utility will still deliver your energy and respond to emergencies; cooperative purchasing through aggregation could save you money; and shopping for a new supplier is easy. This campaign cost between \$1 million to \$2.5 million per year.

In November 2005-06, the NY PSC launched the Web site, “Power to Choose,” in response to consumers who wanted the ability to compare electric and gas offerings from their utility and suppliers. Customers just supplied their zip code and the Web site provides pricing, terms, value added service offerings, environmental disclosure of generation mix, and contact information. The web site was updated monthly.

In fall 2004 to March 2005, the NY PSC launched a statewide campaign promoting renewable energy to residential and business customers. The campaign was called “Green Power is Clean Power” and funded at \$1.25 million. The goal was to create emotion, raise awareness and encourage a call to action while emphasizing that each individual consumer can make a difference.

Tom Charles was asked about the main message of the potential consumer education campaign. Tom Charles said the start of the campaign would focus on conservation, potential increases and also include messages on choice.

The NY PSC did a program promoting Energy Star® appliances. One example from the campaign was that if a consumer brought in an old air conditioner, they would receive a \$75 credit for a new Energy Star® unit.

The suggestion was made to look at California’s best practices. The utility companies went door to door to help low-income consumers and seniors learn about conservation. The comment was made that there needs to be a creative way to reach all consumers, including those who don’t watch television or read newspapers.

Consumer Advisory Council Update

The Commission's Consumer Advisory Council (CAC) will be attending the meetings moving forward and will be on the agenda each month. The CAC devotes a portion of their regular monthly meeting to discussing this topic.

Harry Geller, a member of the CAC, said at the last meeting the CAC handed out draft comments, which are listed in the minutes.

The CAC would suggest targeting any campaign toward residential consumers and the most vulnerable audiences.

The consumer education will need to be coordinated both on a statewide and local level. They recommend using TV and radio news reporters; weather forecasters; direct outreach with a specific topic to consumers; and special programs and projects to teach school-age children to conserve energy. The children will take what they have learned home to share and practice.

The use of 21st century technology needs to be an integrated part of the outreach.

The comment was made that the suggestion of using school groups hasn't been addressed. This technique should be considered. Tom Charles said that Page 3 of the draft implementation plan mentions youth-related outreach. The Office of Communications is looking into this issue.

The Department of Environmental Protection (DEP) is focusing on local governments to help educate their consumers about utility bills and how they are using energy in their homes. It was mentioned that local governments need to be trained now for the upcoming years.

Open Discussion on Draft Implementation Plan

At the last meeting, the consensus was to focus on two messages. These new messages are the fourth and fifth bullets on the draft implementation plan. The messages are:

- Customers can control the size of their electric bills through energy efficiency, conservation and demand side response measures; and
- Cost-effective energy efficiency, conservation and demand side response programs and technologies have been identified, and information about them is readily available.

There was a suggestion at the last meeting from Office of Consumer Advocate (OCA) to have a discussion on where to "drive" or refer consumers to during the eventual campaign. The suggestion was made that there should be one Web

site and one 1-800 number for the campaign. This subject can continue to be a topic for discussion.

For youth education, the suggestion was made by the CAC to work with schools to create a "YouTube"-type Web site for children to use and do special service or science projects on. The site would work similarly to "YouTube."

For the next meeting, the group may want to think about nailing down concisely what we want to accomplish and which customer classes should be included.

Next Meeting

There was a suggestion made to hear from other groups that have educational programs related to energy efficiency. Stakeholders were asked for assistance in recruiting speakers.

A request was made to send out the list of the Stakeholders that are attending and participating in the meetings so participants can interact with one another. This list was emailed to Stakeholders on Dec. 13.

Meeting was adjourned at 11:50 a.m.

The next meeting will be January 28th.