

Bridging the Gap: Engaging Households in Idaho and Eastern Washington Through a Home Energy Report Program

About Avista

Avista is a 125 year old investor-owned utility that provides electric and/or gas service to Eastern Washington, Northern Idaho & Oregon. In 2012, Avista saved 150 MW and had about 14% of load "served" to customers by conservation.

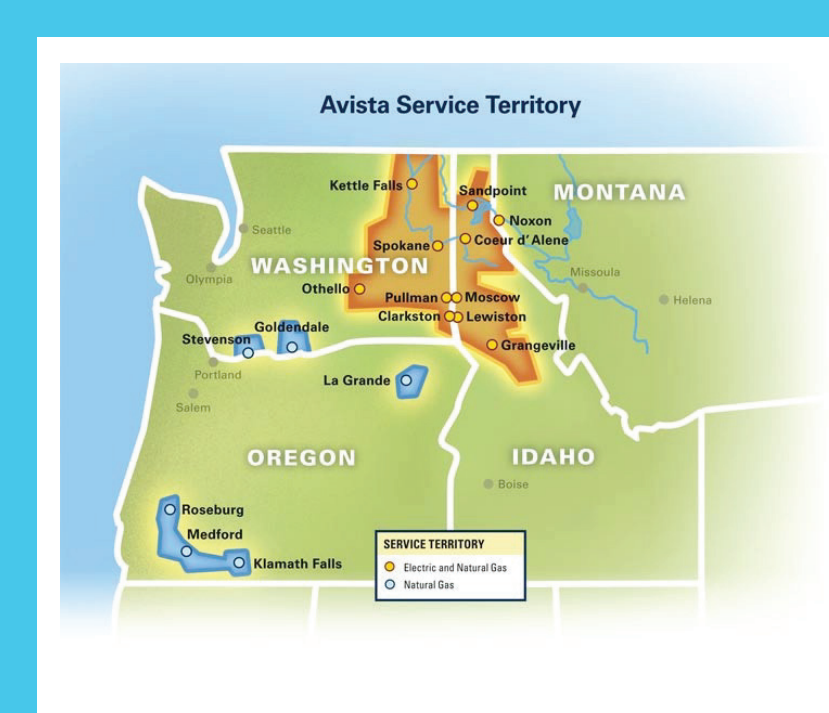
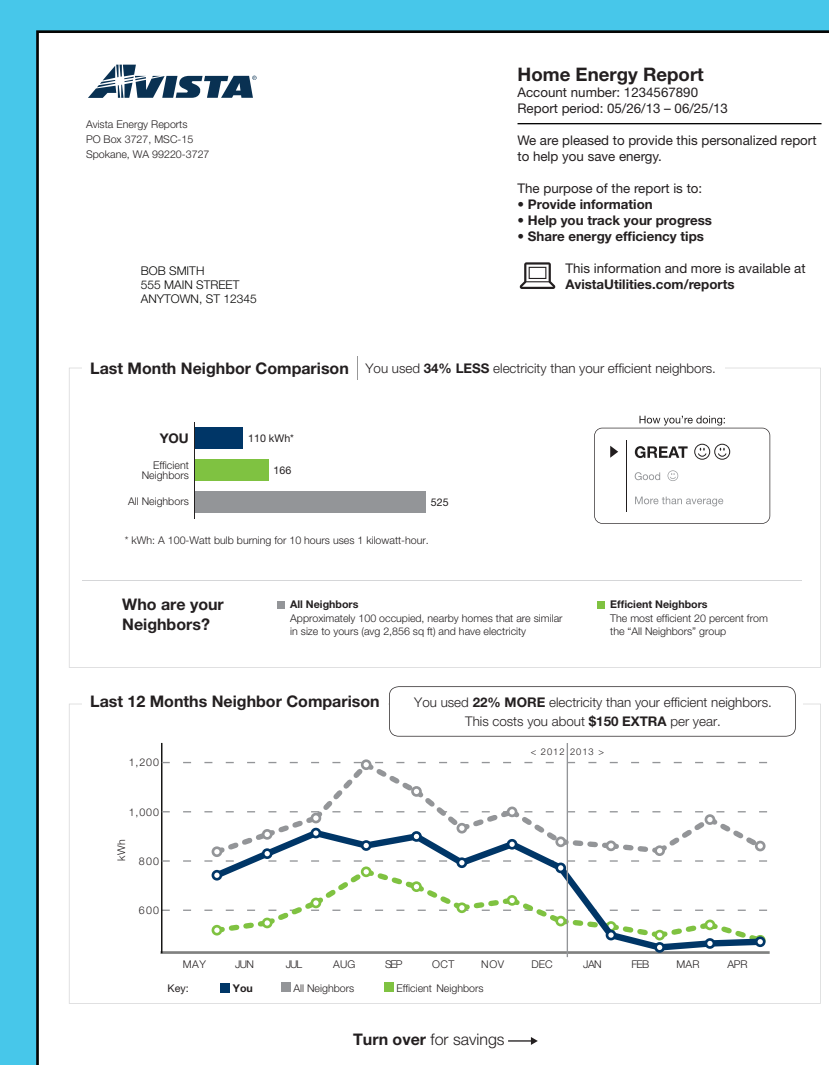
With a long history of innovation, Avista launched Itron, Ecova, and ReliOn, pioneered North America's first DSM system benefit change, invented the rheostat for the electric stove, and more. Avista has also sought to be customers' advocates through providing energy efficiency programs continuously since November 1978. This provides many benefits including helping residential and commercial customers reduce their energy bills, all the while reducing the need to build new generating facilities.

Customers ask why a company would pay them to use less of its product. The answer is several-fold. Efficient customers make for a healthy economy; for example, businesses are able to be more competitive in their markets. Energy efficiency is also among the lowest new cost of power to acquire (Avista's average cost of energy production is 6 cents/kWh; it costs upwards of 10 cents/kWh to construct new power plants). And there is an increased focus on "going green"; energy efficiency has very low emissions.

About Opower

Opower combines a cloud-based platform, big data, and behavioral science to help utilities around the world reduce energy consumption and improve their relationship with their customers. This helps consumers lower their energy use and costs, and significantly reduces carbon emissions. Opower is transforming the way the world approaches household energy conservation.

We partnered with our first utility client in 2007 from a rented desk in San Francisco. Since then, we've grown into a well-capitalized business with more than 500 employees, and offices in Arlington, Virginia, San Francisco, London, Singapore and Tokyo. We work with 93 utility partners, including 27 of the 50 largest U.S. electric utilities, and reach more than 32 million households and businesses across eight countries. Together with our clients and their customers, we're saving energy, saving money, and helping reduce carbon emissions.



Avista Utilities Home Energy Report Program

The Home Energy Reports program is a behavioral energy efficiency program that uses comparisons of customers' home energy use to that of their neighbors to help them better understand how they use energy and encourage them to use less. The program includes mailed print Home Energy Reports that provide personalized advice and interactive tools to help a customer manage their energy use. Launched in June 2013, 70k of Avista's electric customers received up to five print reports throughout the year. Also, one of the reports included a promotion for another Avista energy efficiency program. In just one year, the program has delivered more than the savings target for the program – 2.08% energy savings.

Project Leaders: Leona Doege, DSM Program Manager (Avista); Jon Powell, Partnership Solutions Manager (Avista); Mike Whittier (Opower).

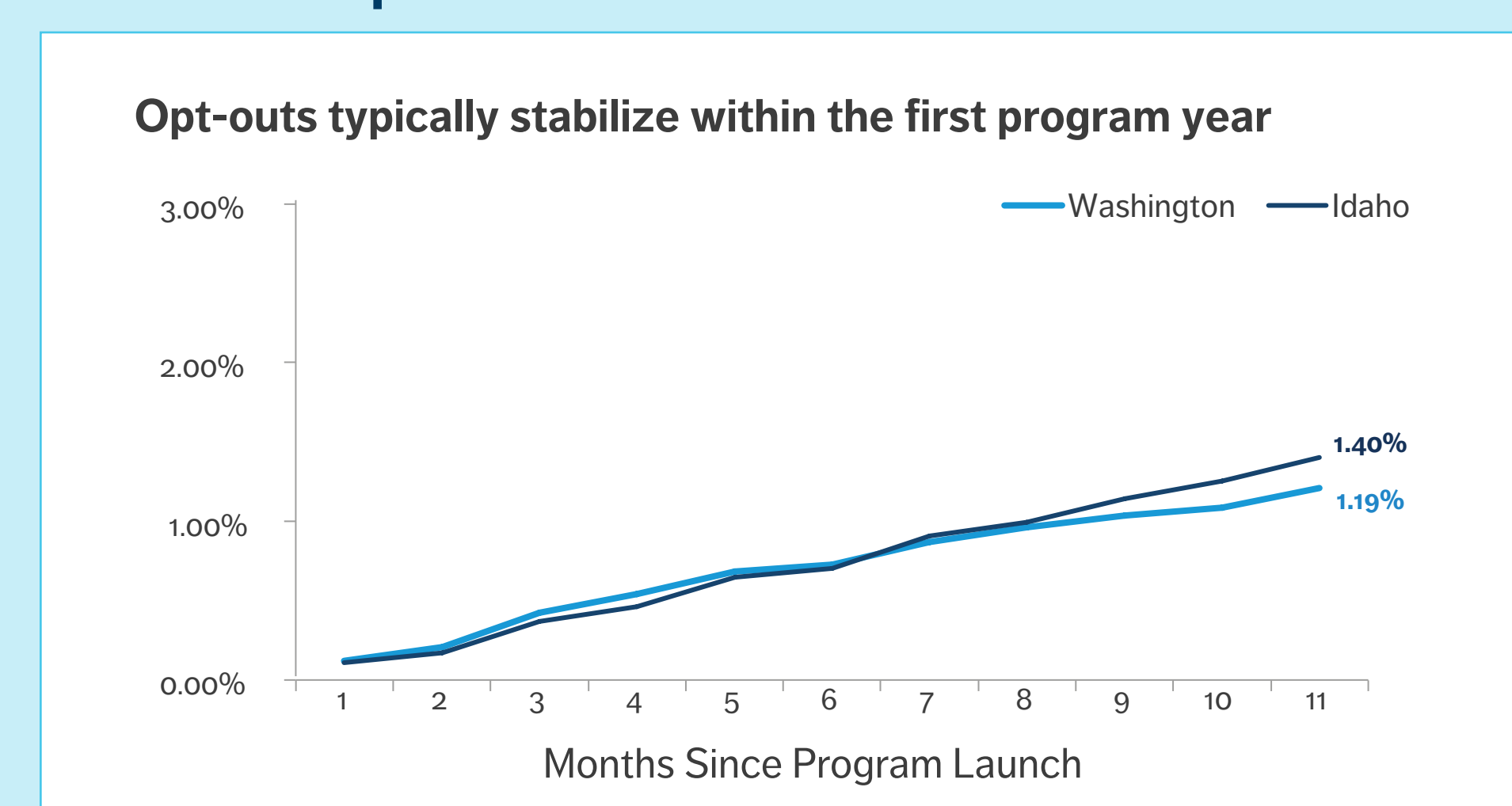
Program Snapshot

- 🏠 70k residential customers - 46k in Washington, 24k in Idaho
- 👥 20% of residential electric territory is being treated - high coverage
- 🕒 3-year measure life: long-term savings
- 😊 First program of its kind in Idaho, simultaneous deployment in two states
- ★ \$2 million budget for program

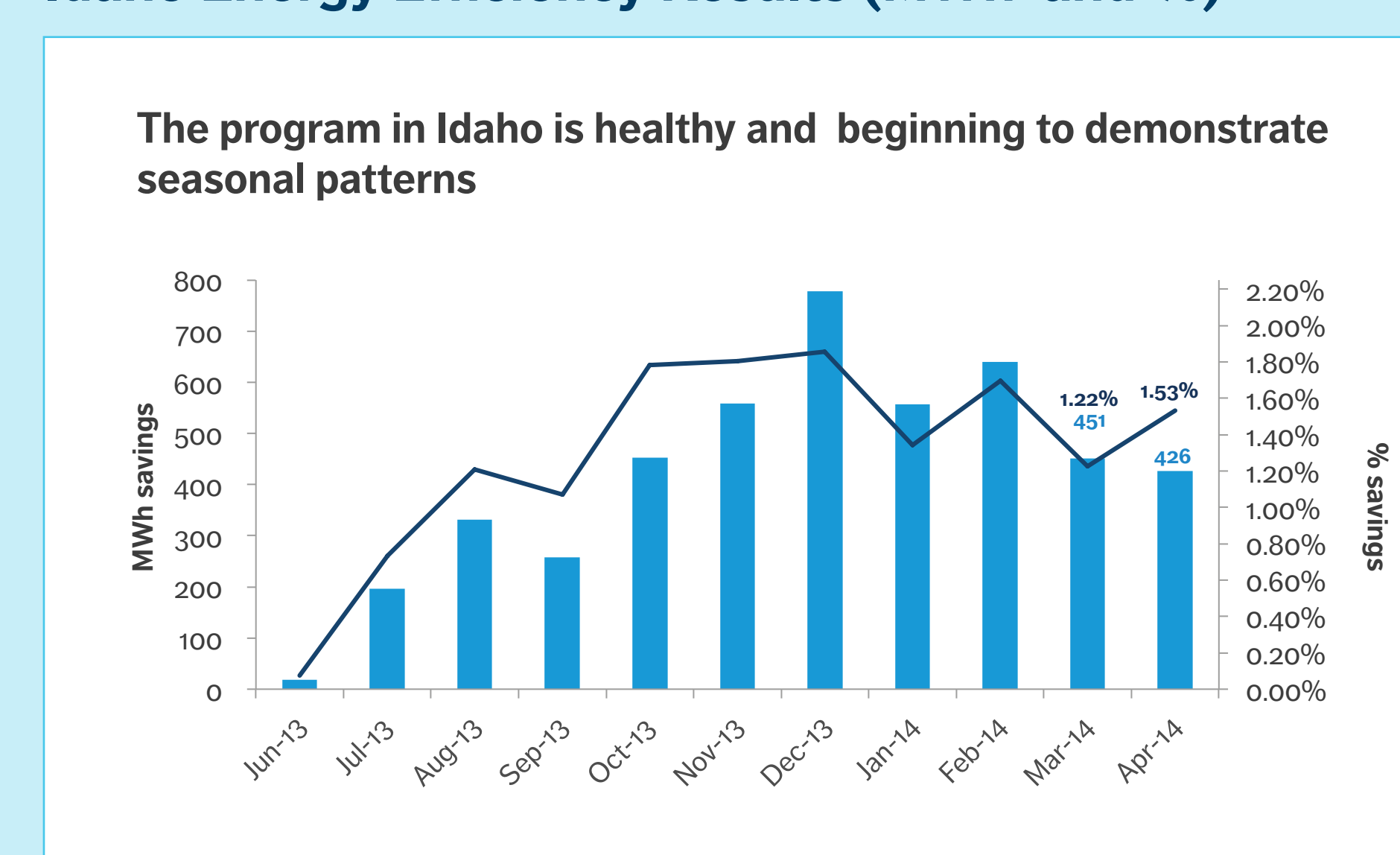
Program Results Summary

	Washington	Idaho
⚡ Cumulative savings	10.2 GWh	4.7 GWh
💰 Bill savings for Avista customers	\$754K	\$343K
📈 Average percentage savings (post-ramp)	1.70%	1.54%
🏆 Highest monthly percentage savings	2.08%	1.85%
📊 Average monthly savings (post-ramp)	1,169 MWh	515 MWh
👤 Cumulative opt-outs	548 (1.19%)	342 (1.40%)
👤 Average usage	16,158 kWh	16,303 kWh
⚙️ Cost/ kWh	\$0.030	\$0.036
★ Average TRC	1.6	1.3

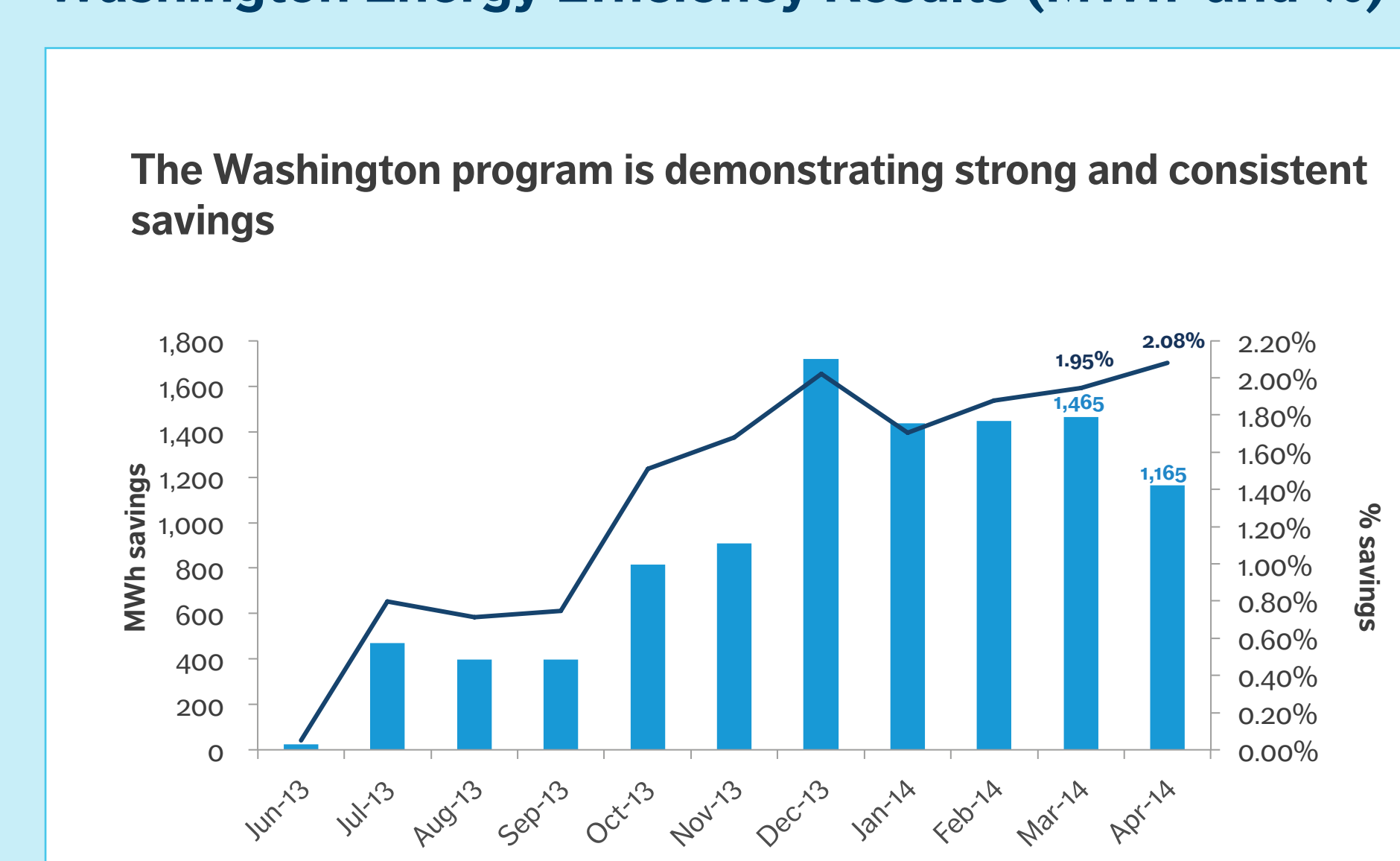
Customer Opt Out Rates



Idaho Energy Efficiency Results (MWh and %)



Washington Energy Efficiency Results (MWh and %)



Customer Experience

While utilities have run similar home energy report programs, there are several aspects of Avista's program that are unique.

This program serves Avista's service territory in Eastern Washington and Northern Idaho, which is:

- Predominantly suburban and rural population
- Deeply concerned about privacy and consumer protection

Avista designed program and internal strategy to meet the specific needs of their customers:

- Breadth of training: Educated customer service and front line field personnel about program
- Depth of response: Every customer concern received a reply

Regulatory Environment

While at least 35 states have approved behavioral programs, Avista's journey to program launch had distinct aspects.

First behavioral efficiency program in Idaho

Washington regulators and stakeholders have nation's longest history with behavioral energy efficiency programs

- Gold standard EM&V: Strictly followed SEE Action protocol for measurement and verification of energy savings from behavioral energy efficiency programs
- Longer term savings: Filed a 3 year measure life for home energy report program, including concepts of persistence
- Going Big: Initial program serves more than 20% of customer base.