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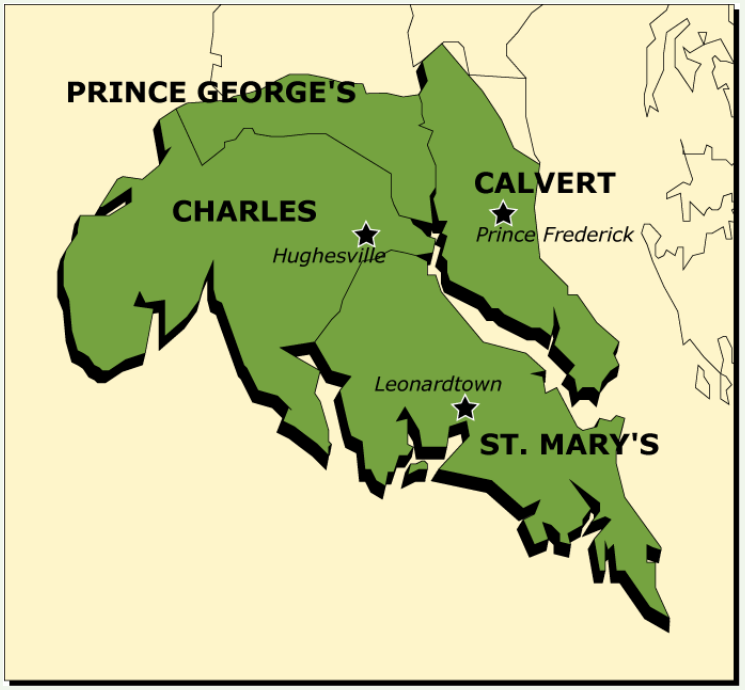


Implement a Demand Response Program with Minimal Upfront Costs

Jeff Shaw, Environmental Programs and Energy Conservation Director, SMECO

Overview

- Service territory – 1,150 square miles
- 12,073 total miles of line
- 490 fulltime employees
- 138,000 residential customers
- 54 substations
- Awarded its 7th consecutive J.D. Power award for customer service and Customer Service Champion



- Recognized by U.S. Environmental Protection Agency as a 2014 ENERGY STAR® Partner of the Year

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Overview

- SMECO and Comverge collaborate to meet the Maryland Public Service Commission challenge to reduce demand for electricity.
- EmPOWER Maryland requires utilities to reduce energy consumption 15% by 2015.
- Comverge designed, deployed and currently manages a pay-for-performance program, where SMECO pays only for the megawatts delivered.
- Program costs reduced through efficient marketing and operations as well as optimized curtailment strategy

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Background

- SMECO engaged Comverge to aggregate individual residential and small commercial load.
- The SMECO Cool Sentry program was developed in February 2008.
- Capacity goals were established by program year with a contractual agreement for a capacity of 50 megawatts by 2013.

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CoolSentry Program Details





- Participants choose either a Smart Thermostat or DCU.
- Initially, the program offered 50% cycling on outdoor switches and 3 degree setback on thermostats.
- Bill credit of $50 issued over summer months.

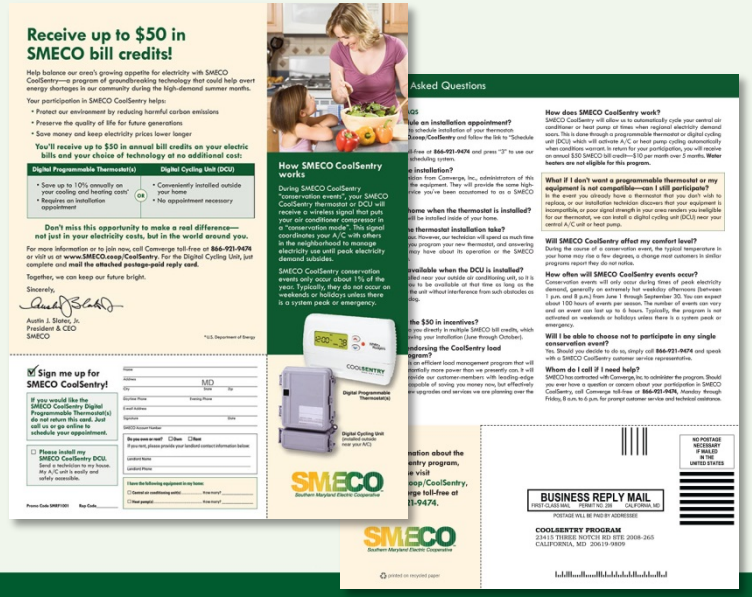
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Marketing

- Direct mail
- Community Events
- Presentations to apartment property managers
- Contacted participants in the legacy program
- Door-Door



Direct Marketing



Face-to-Face Marketing

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Marketing

- Simple offer and incentive structure minimized customer confusion
- Consistent messaging across various marketing channels
- New marketing tactics were deployed to increase responsiveness as direct mail response rates declined
- Out-bound telemarketing to schedule appointments for further discussion about the program or installation
- Out-bound telemarketing and direct enrollment increased awareness, raising penetration to over 50%

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Efficient Operations

- Comverge and SMECO share customer information to rapidly address customer service opportunities.
- Comverge technicians continuously perform quality checks on equipment in the field.
- Comverge and SMECO reconcile data base information monthly.

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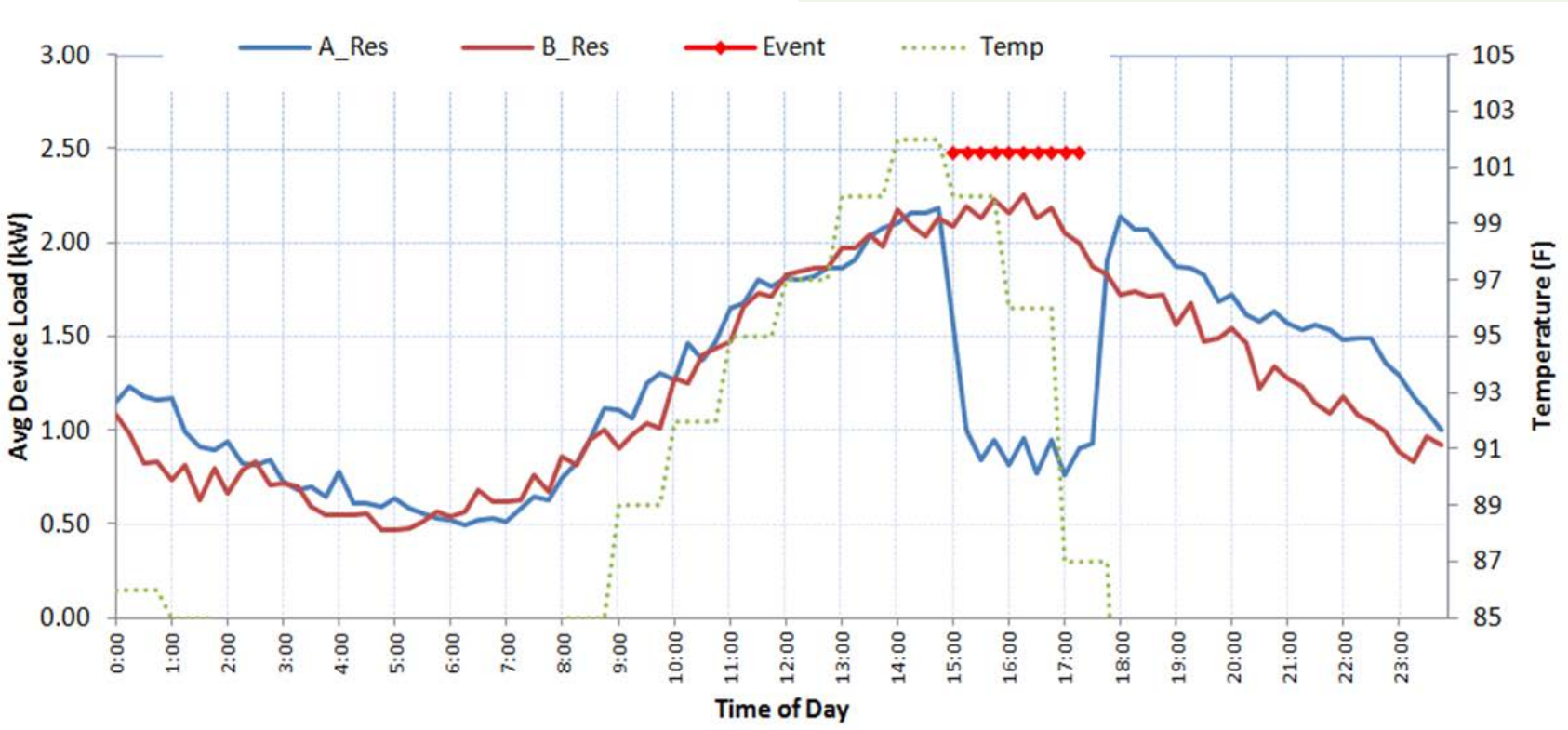
Optimized Curtailment

- Recently, SMECO decided to change curtailment strategy offer cycling to all devices plus a higher level.
- Comverge supported the change with modifications to IntelliSOURCE – demand response software – and new collateral explaining the change and offering an upgrade to a 75% level of cycling.
- Within 30 days of announcing the change, over 2% of existing participants upgraded to 75% cycling.

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Optimized Curtailment

IntelliSOURCE Significantly Reduces Load During Events



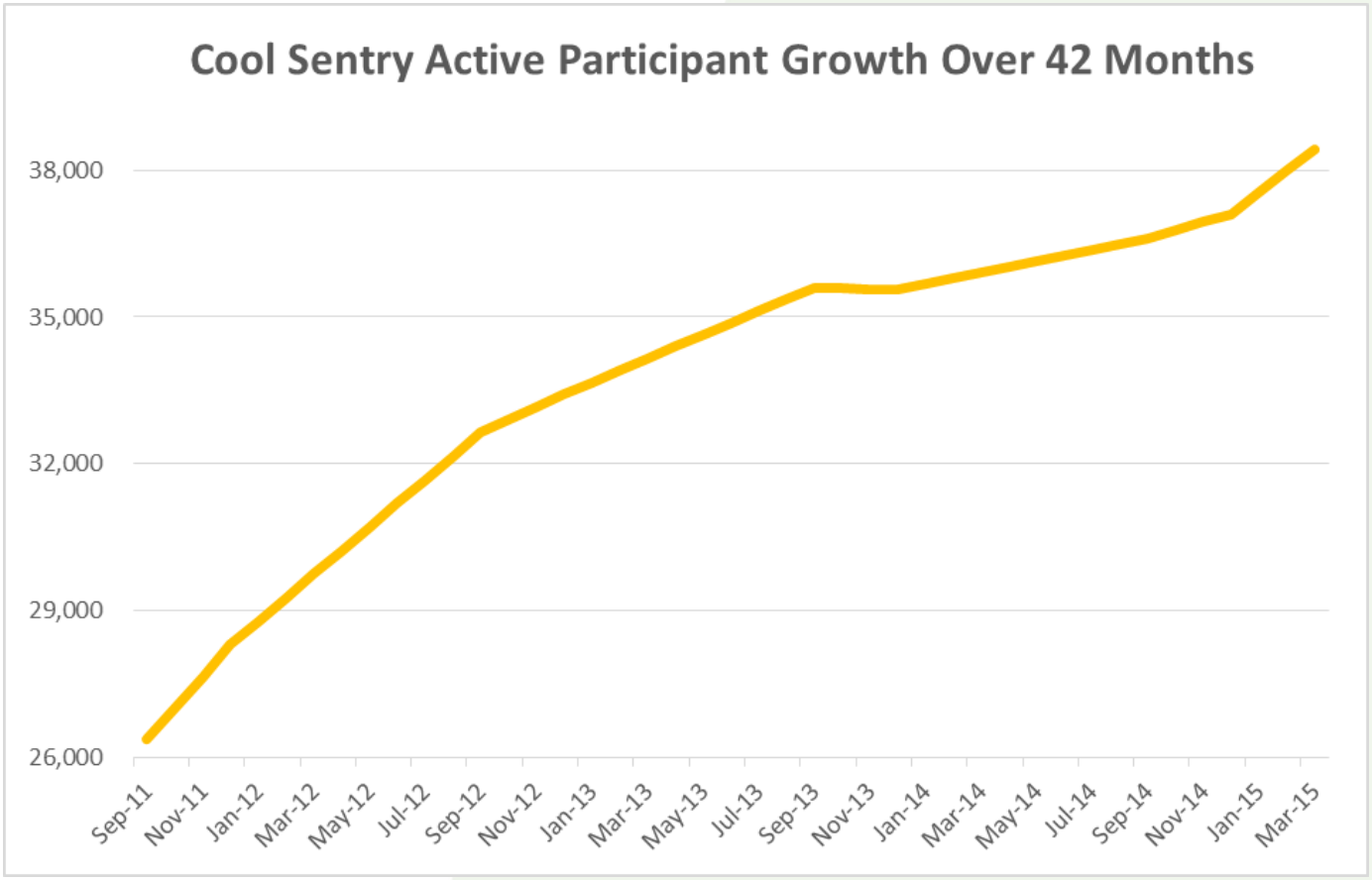
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Results

- Over 41,000 devices installed
- Over 50% of eligible customers currently participate
- Over 55 Megawatts capacity available for load control
- Results to date exceed program year forecast

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Results



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