

Smart Energy Solutions achieves satisfaction and savings

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Below is a press release distributed on February 24, 2016, by National Grid.

National Grid today announced results from year one of its two-year Smart Energy Solutions (SES) program—the most comprehensive smart grid pilot underway in the Northeast. Findings from approximately 11,000 customers revealed that in 2015 the SES program achieved a 98 percent retention rate, a 72 percent customer satisfaction rate and total customer savings of \$1.25 million on their electric bills. Participating customers also experienced remarkable energy savings: collectively, customers saved a total of 2,300 megawatt-hours – enough to power a local library in Worcester, MA for nearly a year. Additionally, the average customer reduced their usage by nearly four percent during peak periods of electricity demand.

“We are thrilled with the encouraging results from the Smart Energy Solutions program and would like to thank our customers for their valuable participation,” said Ed White, vice president, New Energy Solutions, National Grid. “We have learned a great deal, including that many customers are excited about the program and want to proactively manage their energy use. We are continuing to enhance the SES program and hope to gain even more insight in the coming year.”

The Massachusetts Department of Public Utilities (DPU) approved National Grid’s Smart Energy Solutions program in 2012. To keep the DPU and other interested parties updated, National Grid prepared an interim evaluation report on the customer experience. A detailed report on the performance of the electricity distribution system soon will be submitted to the DPU.

“These reports have provided valuable data and insight that will help influence how we modernize our electricity system in the future,” White added. “As part of the SES program, we have been piloting advanced automation on the electricity distribution system. This includes special equipment and switches that communicate and operate to automatically isolate power outages, minimizing the impact to customers. During two major events the technology helped us reduce the time customers were interrupted by more than 75 percent.”

Customer Savings and Performance

The most important phase of the SES program began in early 2015 with the activation

of two dynamic pricing plans: Smart Rewards Pricing and Conservation Day Rebate. Both these plans provided participants with opportunities to lower their energy bills. During the summer of 2015, National Grid notified customers of 20 Conservation Days, days when demand for energy was expected to be high. On these hot and humid days, the price of electricity increased during designated hours, called Peak Events.

During Peak Events, customers utilizing no-cost in-home technologies (digital picture frames, smart thermostats, smart plugs and the online energy portal) were able to reduce energy usage upwards of 30 percent. The most popular action was to avoid using energy-intensive appliances during Peak Events. The average residential customer using the Smart Rewards Pricing plan saved more than \$100 during 2015. The average residential customer taking the Conservation Day Rebate plan received a total of \$20 in credits for reducing their usage during the 20 Conservation Days. Collectively, participants in both plans saved a total of \$1.25 million in 2015.

Customer Engagement and Experience

As part of the program evaluation, National Grid explored customers' expectations of the program, their reasons for participating, and their experience during the first summer of Conservation Days. Key findings include high customer satisfaction, bill savings, and retention rates with few customers opting-out of the SES program's time-based rates. More than 70 percent of customers were satisfied with the Smart Energy Solutions program.

Importantly, the company found that that customer savings were in line with other, mostly opt-in, smart grid pilot programs across the country. The interim evaluation report stated, "The 98 percent retention rate achieved to date by National Grid, coupled with the fact that the Company called more event days [Conservation Days] in 2015 than any other dynamic rate (pricing) pilot, is remarkable."

2016: A Look Forward

National Grid is continuing to enhance the performance of the Smart Energy Solutions program in 2016. These measures include exploring better ways to communicate with customers in advance of and during Conservation Days; enhancing the WorcesterSmart online portal to provide new types of incentives and redeemable rewards for customers to become more active in the SES

program; and delivering "actionable" information to customers on how they are using energy and ways in which they can reduce their energy use and save money.

National Grid's Sustainability Hub, located at 912 Main Street in Worcester, will continue to be an important location for customers and the larger Worcester community. Since opening in the fall of 2013, the Hub has provided over 6,000 visitors

with hands-on education about sustainability, smart grid technologies and energy efficiency.

To learn more about the Smart Energy Solutions program including the pricing plans, please visit www.worcestersmart.com. To access the Smart Energy Solutions Interim Evaluation Report, please visit <http://web1.env.state.ma.us/DPU/FileRoom> and search for DPU Docket 10-82 (“Smart Grid Working Group”).

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