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March 27, 2015

Debra A. Howland, Executive Director  
State of New Hampshire  
Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

Re: Docket No. DE 14-216, 2015-2016 New Hampshire CORE Energy Efficiency Plan  
Home Energy Reports Program  
Informational Report

Dear Director Howland:

At the Quarterly CORE Team Meeting held on March 16, 2015, the Commission's staff and stakeholders in attendance requested that an informational report be filed with the Commission summarizing the plans of Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource" or "Company") related to the Residential Home Energy Reports program for the 2015 and 2016 program years. Below is a summary of the status and initial results of the 12-month pilot program and the Company's recommendations for the program in 2015 and 2016 based on the initial pilot program results.

#### Background and Status

In February 2014, Eversource launched a twelve-month Residential Home Energy Reports Pilot Program targeting a group of 25,000 randomly selected residential customers. These customers received personalized, printed energy savings reports and had access to a program website. Two engagement approaches were utilized to test the effect messaging has on energy savings and enrollment in other energy-efficiency programs. Half of the program participants received reports containing "normative" messaging - customers' electric usage was compared to and ranked against similar households; while the remaining half of the program participants received "rewards" messaging - customers received reward points for saving energy and could redeem those points for gift cards. The final Home Energy Reports under the pilot program were delivered to these customers in February 2015. In mid-April, participants in the rewards messaging group that have points remaining will be sent an e-mail reminder that they have until the end of April to redeem their points. This will mark the end of the pilot program. Upon the close of the pilot program, the Home Energy Reports Program vendor will provide a final analysis of the savings results for the twelve-month period March 2014 – February 2015. In addition, an independent third-party evaluator (Navigant Consulting) will verify the energy

savings overall, and for each engagement group, and will assess customer satisfaction with the program. A final report from the program evaluator is anticipated to be received in June 2015.

Pilot Program Initial Results (March 2014 – December 2014)

- As shown in the tables below, initial data demonstrate that normative messaging results in significantly more energy savings than rewards messaging. The cumulative percent savings over the time period is 1.59% for normative messaging versus 0.28% for rewards messaging.

Normative Messaging Results				
Month	Monthly kWh Saved	Percent Savings	Cumulative Percent Savings	Cumulative kWh Saved
March 2014	38,619	0.46%	0.44%	
April 2014	94,381	1.36%	0.81%	133,000
May 2014	89,368	1.31%	0.95%	222,368
June 2014	105,979	1.34%	1.09%	328,347
July 2014	114,850	1.27%	1.13%	443,196
August 2014	117,332	1.35%	1.16%	560,529
September 2014	118,191	1.62%	1.21%	678,720
October 2014	149,432	2.13%	1.31%	828,152
November 2014	180,448	2.44%	1.43%	1,008,600
December 2014	243,132	2.41%	1.59%	1,251,732

Rewards Messaging Results				
Month	Monthly kWh Saved	Percent Savings	Cumulative Percent Savings	Cumulative kWh Saved
March 2014	0	0.00%	0.00%	
April 2014	32,243	0.47%	0.20%	32,243
May 2014	42,846	0.63%	0.32%	75,088
June 2014	39,694	0.51%	0.38%	114,782
July 2014	5,905	0.07%	0.31%	120,687
August 2014	11,595	0.13%	0.28%	132,282
September 2014	39,008	0.54%	0.31%	171,290
October 2014	22,656	0.33%	0.31%	193,945
November 2014	21,179	0.29%	0.31%	215,124
December 2014	0	0.00%	0.28%	215,124

- Only 81 of the 25,000 customers opted out of the program or 0.32%. This opt-out rate is 40% lower than the industry average. This statistic, along with the fact that the Company received very few customer concern contacts, leads Eversource to believe that customers are satisfied with the program.
- Rewards’ messaging leads to greater online engagement than normative messaging and may be most beneficial for nudging customers to take high-value one-time actions
  - Account creations and web logins are approximately 5 times higher for the rewards participants than for the normative participants
  - Email open rates are 2.5 times higher than the industry average if the email contains rewards messaging
  - Email click through rates are 8 times higher than the industry average if the email contains rewards messaging

Home Energy Reports Program for Program Years 2015 and 2016

In the 2015-2016 New Hampshire Statewide CORE Energy Efficiency Plan (“2015-2016 CORE Plan”) approved by the Commission in its Order No 25,747 in Docket No. DE 14-216, Eversource included the following budget and savings goals for a Residential Home Energy Report Program in program years 2015 and 2016.

Program Year	Budget	Participation	Lifetime Savings
2015	\$280,402	25,000	4,589,501 kWhs
2016	\$249,903	25,000	6,803,115 kWhs

In addition, Eversource indicated the savings estimates are based on targeting 25,000 high-use residential customers in order to achieve a high level of energy savings. At the time of the filing, Eversource was also considering targeting residential customers on a circuit scheduled for distribution system upgrades and indicated a final decision on the program design would be made in early 2015 after the pilot program evaluation was completed.

At the time the 2015-2016 CORE Plan was filed with the Commission, the preliminary pilot program results showed that customers in the normative group were saving energy twice as much as customers in the rewards group. Based on ten months of data, that difference has broadened to almost six times as much ( $1,251,732 / 215,124 = 5.8$ ). Based on these results, Eversource is confident that normative messaging is superior to rewards messaging as an energy savings tool. In addition, the low program opt-out rate coupled with the fact that the Company has received very few customer concern contacts, has lead Eversource to believe that our customers are generally satisfied with the program.

Because the difference in results is so significant, Eversource does not recommend waiting until the pilot program evaluation is completed before launching a program in 2015. Eversource is prepared to launch a program targeted to 25,000 higher-use residential customers in late April 2015. Based on a review of the usage and demographic data of our residential customer population which receive service through a single meter, customers chosen for the 2015/2016 program will have an average annual usage of 12,884 kilowatt-hours or 1,074 kilowatt-hours per

month. Sixty-two percent of these households are less than the average size home in New England. Focusing on higher use residential customers will lead to a greater level of kilowatt-hour savings per program dollar invested, which is a more cost-effective use of Eversource's energy efficiency budget. Other targeting criteria, such as targeting customers on a circuit scheduled for distribution system upgrades, will continue to be reviewed and considered on a going forward basis. This option, however, cannot realistically be delivered under the Home Energy Report budget approved for 2015 and 2016. Eversource will also consider utilizing rewards messaging as part of its ongoing Home Energy Reports program potentially to increase customers' on-line engagement or to nudge customers to take a one-time action.

Eversource submitted an abstract entitled "Broccoli or Ice Cream? What Drives Energy Savings?" on the unique pilot program design and initial results of the pilot conducted in New Hampshire. This abstract was selected from nearly 500 submissions to present at the 2014 Behavior and Climate Change Conference held in December 2014. As a result of this presentation, Eversource's Home Energy Reports program administrator has received several requests to discuss the New Hampshire results in other forums. The results are receiving a great deal of interest at a national level. The final program evaluation results will be utilized on a going forward basis to potentially update and improve our 2015/2016 program and the programs of other utilities on a going forward basis.

Eversource reviewed its plans with the Commission's staff and stakeholders in attendance at the quarterly meeting held on March 16, 2015. To the best of our knowledge, there is no opposition to Eversource proceeding in the manner described herein and initiating a new Home Energy Reports program in April 2015. Please let us know if there are any questions concerning this informational filing. Receiving any comments and/or suggestions by April 8, 2015, will minimize the potential for delays in our program launch.

Very truly yours,



Matthew Fossum  
Senior Counsel

cc: Service List