

Linking Energy Efficiency to Energy Delivery



from Progress Energy-Florida

Field Service Case Study from “How Energy Efficiency Issues Impact Utility Customer Service Operation” Workshop presented following the American Gas Association and Edison Electric Institute Customer Service Conference on April 2, 2008 in San Diego

Executive Summary

Progress Energy-Florida has just launched an employee communications program that ties customer awareness of energy efficiency services to the performance and incentive goals for the field services operations personnel. Discover how the utility’s Energy Delivery employees are empowered and rewarded to promote energy efficiency.

Program Description

Demand Side Management (DSM) is making a comeback at many utilities across the country and Progress Energy-Florida has been one of the utilities leading this charge. While many utilities focus on educating customer service employees about its programs, Progress Energy-Florida has developed a program that links customer awareness of energy efficiency programs to the field services’ employee incentive bonus plan. This program, which started in January 2008, was viewed as a critical way to ensure its field services employees were fully educated about the company’s efficiency programs, explains John Masiello, Director DSM & Alternative Energy Strategy.

“We wanted to offer a Balanced Solution strategy that focuses on all aspects of promoting energy efficiency, alternative energy, and state of the art power plants and we knew we had to build awareness internally. We also wanted to find ways to work the message into all aspects of Energy Delivery. So we integrated the DSM goal into the existing incentive plan. This ties employee bonuses to achieving corporate wide DSM reduction goal to achieve 80 MW of winter demand along with their other incentive goals,” Mr. Masiello adds.

A critical element of this was to focus beyond the traditional front-lines of customer service and include the Energy Delivery Department. “Energy efficiency had been under various departments within the company and now it is now part of the Energy Delivery organization.” Mr. Masiello said.

2008 DSM Awareness Initiative

This initiative incorporated all three aspects of the field services' performance goals: the company-wide corporate goal, tracked through its Employee Compensation Incentive Plan (ECIP); the Key Performance Indicator (KPI) goals; and the employee's Performance & Developmental Planning (PDP) goals for their annual review.

The ECIP goal is measured by the success of achieving the 80 MW demand reduction. The KPI goal is the increased awareness about the utility's energy efficiency program among a portion of customers that are surveyed who interacted with an Energy Delivery employee in the field. The PDP goals are tracked based on the increased knowledge and awareness each Energy Delivery employee has about the utility's energy efficiency programs and how effectively they personally support efforts to educate the customers by generating leads.

To translate these goals into actions, the Energy Efficiency staff developed a Communications Plan targeting key stakeholders and describing specific tactics to meet these goals.

"The purpose of this communication plan is to ensure a successful roll-out of the DSM Awareness Initiative to educate our Energy Delivery partners and enable them to be effective ambassadors to market our Energy Efficiency programs to customers, community leaders and fellow employees," Mr. Masiello says.

Progress Energy-Florida developed supporting collateral materials for customers that include door-hangers, DSM program hand outs and other DSM collateral materials to support the 20% awareness goal. The leads generated through this activity are then tracked using a special toll free number.

To help its employees achieve their PDP goals, the utility is providing a variety of energy efficiency outreach activities designed to build awareness of its programs among these employees and their management. These activities extend beyond just leaving customer's marketing materials, but also demonstrate the utility's firm commitment to having energy efficiency awareness permeate all aspects of its business.

Conducting Employee DSM Awareness Training: The DSM and Alternative Energy Strategies team will also provide training opportunities on the company's energy efficiency program and outreach to the Energy Delivery leadership team.

Showcasing Energy Efficiency: The DSM and Alternative Energy Strategies team is also promoting energy efficiency awareness at various activities throughout the year, including at Employee Expos and Energy Efficiency Fairs and during Energy Awareness Month (October).

Branding Service and Bucket Trucks: As a way to further promote the message in the communities the utilities serve, 25 percent of the line, service, and bucket trucks used in Energy Delivery will have the energy efficiency branding messages on these vehicles by October 2008. These messages include the Save the Watts Guy and other energy efficiency messaging used throughout Progress Energy's website and educational materials.

Sponsoring the Lineman's Rodeo: For the first time, the DSM and Alternative Energy Strategies team was invited to attend the annual Lineman's Rodeo. The team sponsored a tent with games and displays that promoted Energy Efficiency programs. This event was attended by over 2,000 employees and their families. The team was able to enhance awareness of the programs and encourage employees and their families to personally participate in these programs.

Putting Displays in Operations and Customer Service Centers: The DSM and Alternative Energy Strategies team is also reaching out to all of the Operations Centers and Customer Service Centers by hosting Energy Efficiency EXPOs with information and messages about the company's energy efficiency programs.

Mr. Masiello summarizes these activities in this way: "We are doing various activities internally to promote awareness like scheduling meetings in the operations centers to explain energy efficiency, or showcase our programs at EXPOs for the employees where they can interact with our experts, We're also leveraging opportunities to promote energy efficiency at company events like the Lineman's Rodeo with tents and energy efficiency displays where we can encourage employees to personally participate and help them understand how they can help support the company's Balanced Solution strategy. "

Results

Although this program has only been underway a few months, the initial feedback has been positive. "The folks are responsive at the operations center and we are working with the Energy Delivery leadership throughout the company as well," Mr. Masiello says.

Evaluation and Verification Activities: Since these three sets of goals are tied to the employee performance and the incentive plan, they are tracked in a variety of ways. For the ECIP goals, "The 80 MW goal status is reported monthly and the Energy Delivery employees support this personally by generating leads as measured by the toll free number on the materials they distribute or give to customers," says Mr. Masiello.

To measure the KPI goals, "A portion of customers are surveyed each month through our market research department. These are customers who have had a transaction with the Energy Delivery department and are surveyed to measure their satisfaction with the service they were provided. The survey questions for energy efficiency will now measure awareness and recollection of receiving information from the field service personnel" in addition to measuring customer satisfaction, Mr. Masiello adds.

Program Results to Date: Since this initiative was just launched in January 2008, it is too soon to determine program results.

Lessons Learned

Even though this is a new program, Progress Energy-Florida has already identified some of the critical factors necessary to program success. These lessons learned are:

1. Start at the top.

This corporate-wide awareness initiative began at the highest levels of the company because it wanted to demonstrate a continuing commitment to DSM. To be successful, Mr. Masiello said that these types of programs must be supported by senior management.

“It takes a lot of upfront work to change attitudes and behaviors. We met with regional Vice Presidents and talked with them about this initiative and they all agreed to build awareness going from the top down,” he says. “The Senior VPs wanted an awareness goal and this kind of directive has to come from the top down. We worked through how best to do this. Then we met with the general managers and their leadership teams and worked on ways to make it happen at the lower levels. We are fortunate to have senior management at Progress Energy who understand the value of energy efficiency programs and openly support DSM in all aspects of the company’s strategy.”

2. Make energy efficiency personal.

Another critical element was tying the corporate success of energy efficiency programs to the employee incentive programs. In this way, the employees have a vested interest in promoting these programs, not just because they help to achieve a demand reduction but also because it can lead to financial incentives or awards. Employees have some real “skin in the game” and then are rewarded in tangible ways for their support in marketing these programs during every customer transaction.

As Mr. Masiello says, “It is important to make energy efficiency relevant to personal development for employees as well as incentive goals.”

3. Develop a comprehensive communications plan that targets key audiences.

The third critical element of executing this initiative was to develop a strategy that ensures that progress could be tracked and measured. This was part of the communications plan developed by the DSM and Alternative Energy Strategies department to support its field services operations.

These approaches seem to be working. The message about the vital role that energy efficiency plays in the overall company’s success has already started to show up in subtle ways.

“This is the first time we have been invited to the Lineman’s Rodeo. Each participating department has a different colored shirt but our department has tie-dyed shirts of all the colors to show that we are part of every department and we’re all part of each other’s success this year and going forward.” Mr. Masiello adds.

To Learn More

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Progress Energy, headquartered in Raleigh, N.C., has than 21,000 megawatts of generation capacity and \$9 billion in annual revenues. Progress Energy includes two major utilities that serve more than 3.1 million customers in the Carolinas and Florida. The company is the 2006 recipient of the Edison Electric Institute's Edison Award, the industry's highest honor, in recognition of its operational excellence. The company also is the first utility to receive the prestigious J.D. Power and Associates Founder's Award for customer service. Progress Energy serves two fast-growing areas of the country, and the company is pursuing a balanced strategy which includes aggressive energy efficiency programs, investments in renewable energy technologies and a state-of-the-art electricity system. For more information about Progress Energy, visit the company's Web site at www.progress-energy.com.

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AGA-EEI Post-Conference Workshop

This case study was developed to support the AGA-EEI Customer Service Conference and Exposition as a post-conference workshop that focused on "Energy Efficiency in Customer Service." Other case studies developed for this workshop were: Call Center Case Study: CSRs on the Front Line of Energy Efficiency Joan Shafer, WE Energies; Billing and Payment Processing Case Study: Generating Interest in Demand Response Programs, Beth Freibert; and Commercial Account Management Case Study: Treating Trade Allies like Family, Roseann Brusco, N-Star.