



Marketing renewable energy during a recession: Lessons learned from the residential market

September 15, 2009

Renewable Energy Markets

Amanda Mortlock
Senior Manager, Utility Partnerships



What we'll cover

- Churn
- Size of purchase
- Enrollment mechanisms—what's changed and what hasn't
- Messaging
- Launching a new program

Churn

- Question: Are people dropping out of these programs now that economic concerns have increased?
- Answer: No (mostly).

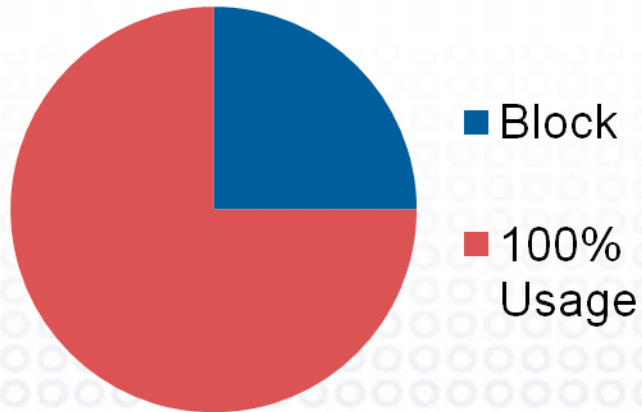
The percentage of enrolled customers who leave the program each year has not increased dramatically in any of 3Degrees' utility partnerships.

Size of purchase

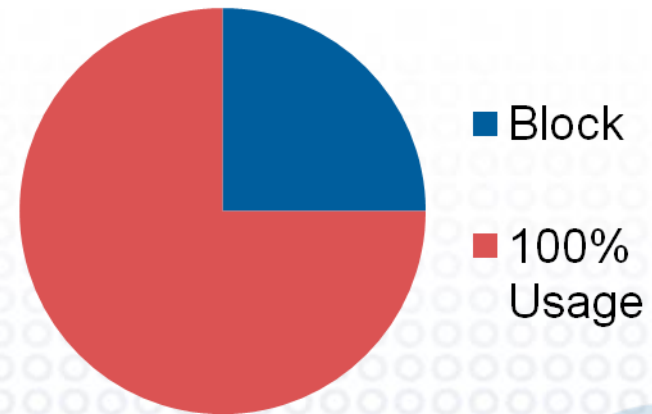
- Question: Are residential customers who enroll purchasing less?
- Answer: No.

Size of purchase—option selected

Distribution of enrollments 2008

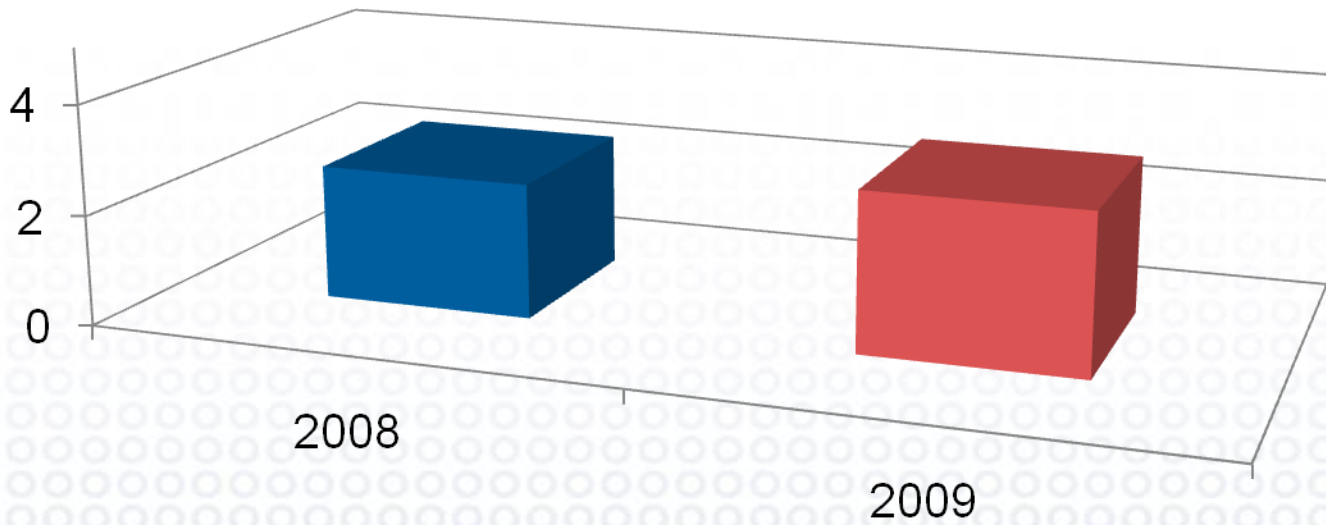


Distribution of enrollments 2009



Size of purchase—number of blocks

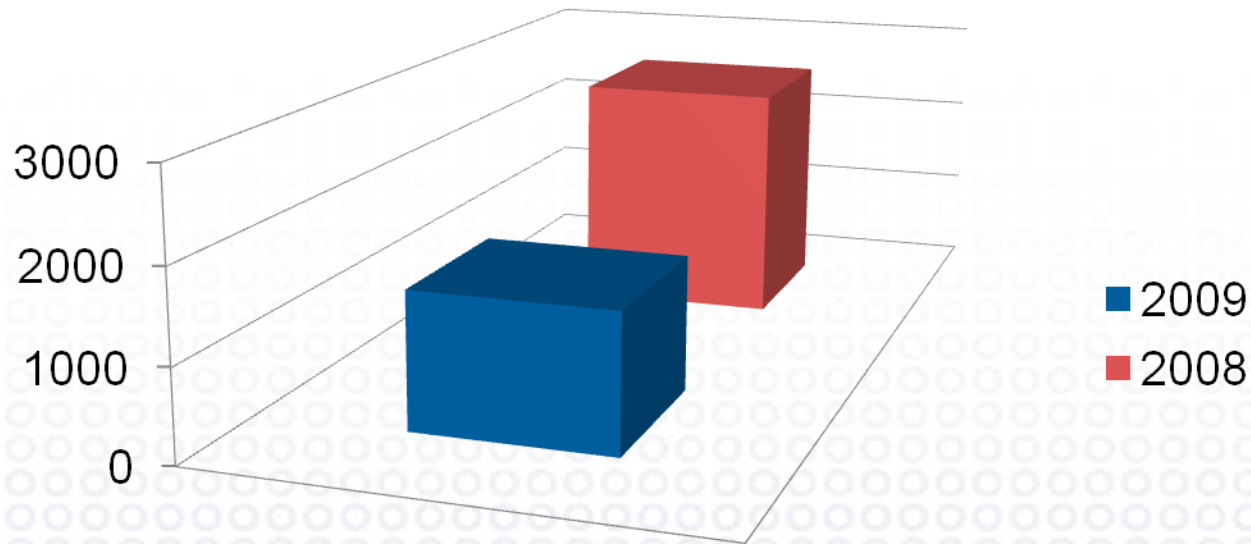
Number of blocks purchased



Enrollment mechanisms

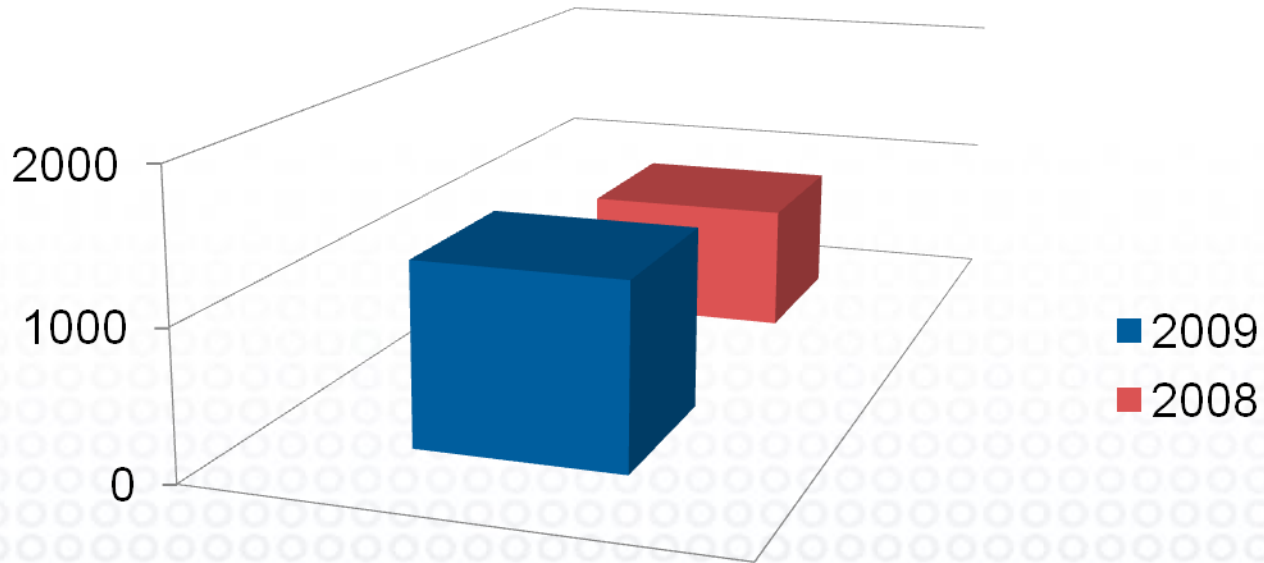
- Question: Are people still enrolling at the same rates as in previous years?
- Answer: It depends

Enrollments from low-touch, untargeted tactics



A 43% decrease in response rate

Enrollments from high-touch tactics



A modest increase in enrollment rates; a significant increase in enrollments due to increased investment.

Messaging to increase sales in low-touch tactics

Dear Name,

What if you knew that every time you turned on the lights, you were investing in a sustainable energy future, influencing the way energy is made, helping our economy and even saving the planet?

Last year, the Blue Sky™ renewable energy program helped avoid more than 600,510,000 pounds of CO₂ emissions. That's like taking 51,360 cars off the road for a year.*

You can start making a difference today by signing up for the Blue Sky renewable energy program.


Why it works

Did you know that more than 40 percent** of the electricity used in Oregon comes from coal? Signing up for Blue Sky guarantees that additional renewable energy is added to our region's power pool in the exact amount of your purchase. This reduces the need for energy from other non-renewable sources and creates environmental benefits that lead to a healthier planet for our children and future generations.

Now is the time to invest in a renewable energy future

You only have to sign up once and you can change or cancel your participation at any time. Sign up for Blue Sky today by mailing the attached form in the enclosed postage-paid envelope, calling toll free at 1-800-769-3717, or visiting pacificpower.net/blueskyenroll.

Sincerely,

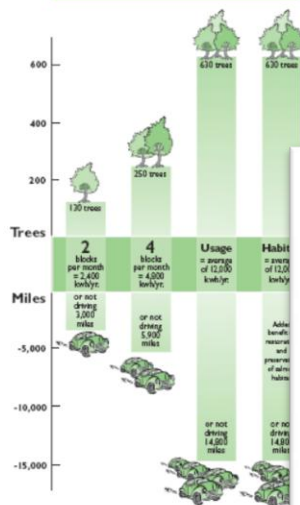


Karen Gilmore
Vice President, Customer Services

*The Blue Sky program is Green-e Energy certified (www.green-e.org) and overseen by the Oregon Public Utility Commission. Green-e Energy certification means that the product supported meets the rigorous national environmental and consumer-protection standards established by the nonprofit Center for Resource Solutions for voluntary renewable energy programs. All Blue Sky purchases are in addition to any renewable energy Pacific Power may purchase or generate. The environmental benefits figures in this letter are based on the average non-base load generation emissions from the Western Energy Coordinating Council (WECC) region, as updated December 2008, and on data and calculations provided by the US Environmental Protection Agency (www.epa.gov/electricity/energy-resources/egrid/index.html) and www.pacificpower.net/blueskyenroll.

Which option is right for me?

Choose Usage or Habitat to purchase renewable energy equal to your monthly usage. Or choose Block if you want to purchase a portion of your energy from wind sources at a fixed cost and help support development of community-based renewable energy projects.



Dear Name,

What if you knew that every time you turned on the lights, you were investing in a sustainable energy future, influencing the way energy is made, helping our economy and even saving the planet?

Last year, the Blue Sky renewable energy program helped avoid more than 600,510,310 pounds of CO₂ emissions. That's like taking 51,360 cars off the road for a year.*

You can start making a difference today by signing up for the Blue Sky renewable energy program. Plus, if you sign up for any Blue Sky option by July 15, 2009, we'll send you a FREE environmentally friendly stainless steel water bottle.

Why it works

Did you know that more than 40 percent** of the electricity used in Oregon comes from coal? Signing up for Blue Sky guarantees that additional renewable energy is added to our region's power pool in the exact amount of your purchase. This reduces the need for energy from other non-renewable sources and creates environmental benefits that lead to a healthier planet for our children and future generations.

Which option is right for me?

If you'd like to purchase renewable energy equal to your monthly usage, choose the Usage or Habitat options. If you want to purchase a portion of your energy from wind sources at a fixed cost, choose the Block option.

Sign up by July 15, 2009 to receive your FREE stainless steel Blue Sky water bottle. To sign up, mail the attached form in the enclosed postage-paid envelope, call toll free at 1-800-769-3717, or go to pacificpower.net/blueskyenroll.

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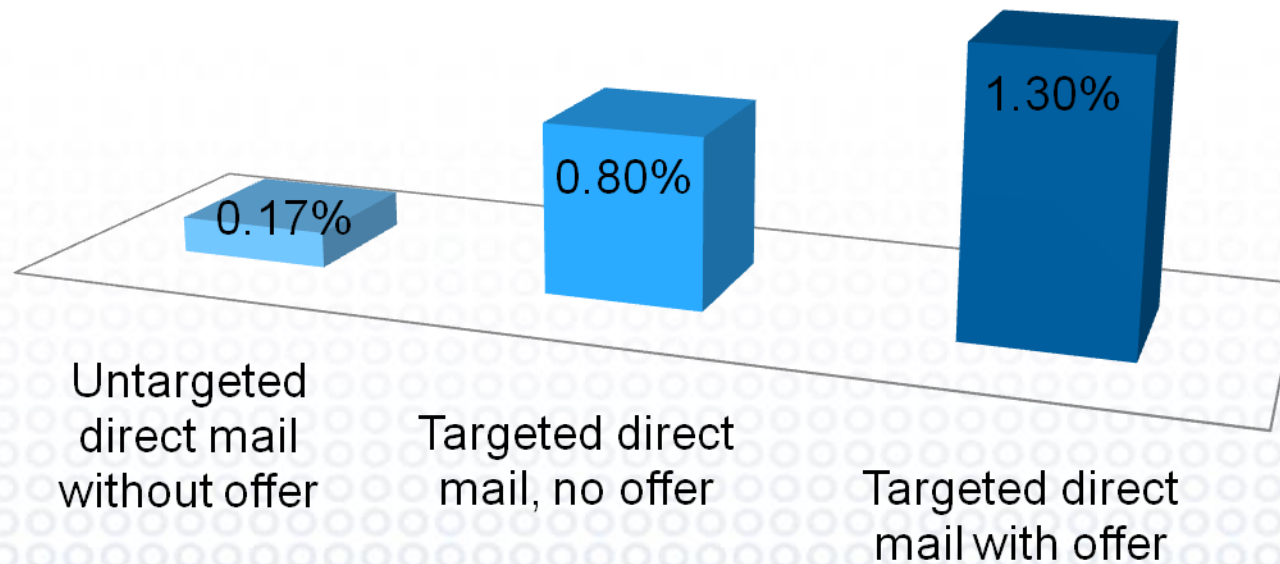


Sign up for Blue Sky today!

If you sign up by July 15, 2009, we will mail you a FREE stainless steel water bottle by August 15, 2009.

Messaging to increase sales in low-touch tactics

Response rates



Messaging to increase sales in high-touch tactics

- Empathy
- Empowerment
- The right incentives



2009 Wind Farm Tour group photo at Goodnoe Hills wind farm in Goldendale, Washington



3Degrees' RosAnna Noval tabling at Normandale Dog Park rain or shine.

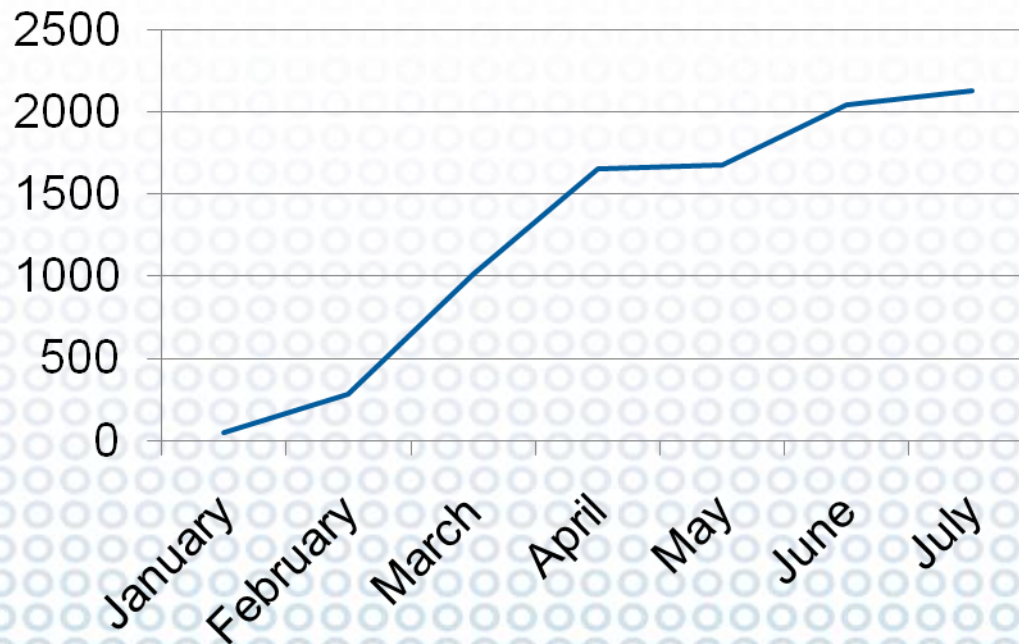


3Degrees' RosAnna Noval talking to a group of people about solar, wind, and the renewable energy project map at Central Oregon's Park. Photo: 3Degrees

A new green pricing program now?

- Question: Can you successfully launch a new voluntary renewable energy program in the middle of a recession?
- Answer: Yes.

Dominion Green Power program growth



Conclusions

Yes, the recession is having an impact—from churn rates to enrollment rates. But,

- Customers still value renewable energy
- With the right marketing plan and focus on personal communication, programs will continue to grow during tough economic times

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Amanda Mortlock

PARTNERSHIP MANAGER

amortlock@3degreesinc.com

T 503.295.9400

F 503.227.1562

The Gadsby Building
1306 NW Hoyt Street, Suite 201
Portland, OR 97209

