Pepco Holdings

PHI to reach more than 380,000 customers for demand response

OVERVIEW
Pepco Holdings (PHI) is one of the largest energy delivery companies in the Mid-Atlantic region, serving about two million customers in Delaware, the District of Columbia, Maryland, and New Jersey. PHI subsidiaries Pepco, Delmarva Power and Atlantic City Electric provide regulated electricity service. In addition, Delmarva Power provides natural gas service, and Pepco Energy Services provides energy efficiency and renewable energy services. As a regulated transmission and distribution company, PHI’s business strategy focuses on upgrading infrastructure, building a smarter grid and enhancing the customer experience as a means to achieve its shareholder and environmental sustainability goals. In February 2014, PHI won the POWERGRID International Project of the Year award for its direct load control program, and in March 2014, Energy Central named PHI Energy Company of the Year. In 2015, PHI received more recognition, winning the Peak Load Management Program Pacesetter Award and the Smart Grid Consumer Collaborative CLEAR Award for Consumer Education. Operating across multiple jurisdictions (DE, DC, MD, and NJ) poses unique challenges.

CUSTOMER
Pepco Holdings

SERVICE TERRITORY
Delaware, the District of Columbia, Maryland, and New Jersey

TECHNOLOGY
Demand response solutions, including:
» IntelliSOURCE® Enterprise Demand Response Management System
» IntelliTEMP® smart thermostats
» IntelliPEAK® load control switches
The EmPOWER Maryland Energy Efficiency Act of 2008, for example, requires Maryland’s electric utilities to develop programs that achieve specified peak demand goals and a 15 percent reduction in electric energy demand by 2015. Similarly, New Jersey has a reduction goal of 20 percent by 2020, and the District of Columbia had a reduction goal of 15 percent by 2015. To meet these state initiatives, PHI outlined an aggressive initiative of energy efficiency and demand response programs. One of these was Energy Wise Rewards, which has at its core the widespread deployment of state-of-the-art AMI meters, driving high levels of customer participation in demand response programs such as the recently launched Peak Energy Savings Credit (PESC). PHI realized, however, that developing and implementing the multiple programs on a compressed schedule to meet state-specific goals had many challenges:

» Launching a variety of demand-side management (DSM) programs with limited internal staff
» Developing solutions to address communication with non-AMI devices
» Achieving state-specific goals, such as Maryland’s greater than 50 percent program participation rate
» Ramping an implementation team capable of fast-track fulfillment of more than 350,000 initial devices
» Recruiting participants without the advantage of a foundational active legacy program upon which to build
» Creating effective marketing campaigns to enroll and retain program participants

The task confronting PHI was not only to determine the best way to manage the various aspects of their plan but whether to undertake the execution in-house by increasing staff levels or to collaborate with a vendor experienced with such programs. PHI’s list of key considerations pointed to the need for a broad range of technical, commercial and IT solutions as well as variable staffing levels to implement the programs.
SOLUTION

To explore the available options, PHI called on Itron, a leading provider of integrated demand response, energy efficiency, and customer engagement solutions for electric utilities. PHI selected Itron as its implementation partner for reasons including:

» Itron’s ability to execute a broader vision by bundling energy-saving products

» Itron’s resources and ability to explain the energy-saving products bundle to PHI customers face-to-face at their facilities and homes

» Itron’s ability to cross-sell other PHI energy-saving products at no added charge to PHI

» Itron IntelliSOURCE software platform’s capability to automate and track all major elements of the Energy Wise Rewards program

» Itron IntelliMARKET®’s extensive experience with demand response, dynamic pricing, and energy efficiency program management and marketing

» Itron’s capability to meet regulatory reporting requirements

» Itron’s fulfillment experience and flexibility to ramp resources as needed

Under the expanded relationship, PHI and Itron share various responsibilities. PHI provides oversight and guidance for the overall program while the two companies jointly develop tactics to meet regulatory goals.

With its experienced program management, marketing, technical, commercial, engineering, IT and customer support professionals, Itron is responsible for virtually all of the implementation of PHI’s Energy Wise Rewards program. This includes development and execution of marketing tactics along with creation of collateral materials to increase participation levels. Itron is responsible for administering and managing the enrollment process along with the integration of participant information with PHI’s customer and billing systems. On the post-sales side, Itron’s staff undertakes all control device fulfillment, maintenance, and repairs, in addition to operating the call center to field customer questions.

Working together, the companies have successfully deployed more than 456,000 energy management devices, including Itron IntelliTEMP web-programmable thermostats and IntelliPEAK control switches.

Itron IntelliSOURCE Enterprise software provides the foundation for the program through:

» Automation for all phases of mass-market demand response programs—from marketing, installation, and inventory to control and analytics—and facilitation of all essential workflows in one common database

» Identification of optimum load control equipment for deployment

» Establishment, maintenance, and production of timely reports from a participant database

» Installation and maintenance of load control equipment

» Integration of program data into PHI customer and billing systems

» Maintenance of ongoing customer relations with participants

» Compliance with the various regulatory reporting requirements
“Our Energy Wise Rewards program reflects PHI’s commitment to reduce energy consumption in all of our markets, as well as our strong support of the EmPOWER Maryland initiative. We look to Itron to expand our Energy Wise Rewards program to give us even more flexibility managing peak energy demand. In addition, Itron’s IntelliSOURCE provides us with the insight and control we need to optimize load control events and ensure we have capacity available when needed.”
– Jay Demarest, PHI Customer Relations and Programs Director

RESULTS
Partnering since 2009, PHI and Itron have achieved significant successes. Highlights include:
» Reaching 400 MW load reduction and counting
» Installing 456,000 control devices and counting
» Receiving PJM revenue for capacity
» Opening eight different markets in allfive PHI jurisdictions
» Launching commercial and master meter programs in Maryland
» Reaching an approximately 50 percent program penetration among eligible households in the Pepco Maryland jurisdiction

Looking forward, PHI and Itron expect their expanded relationship will lead to additional benefits for PHI, including increasing load reductions through higher participation rates in Energy Wise Rewards and Peak Energy Savings Credit. Learn more about the Energy Wise Rewards program at energywiserewards.pepco.com