Partner or Compete: Utility Decisions on Home Energy Management
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Appeal of Home Automation Features (Q4/12)

"Q7410. It is now possible to monitor and manage your home using mobile phones, computers, and tablets. This could be done while you are at home or even while you are away from home. In thinking about the ability to monitor and manage your home in this way, how appealing is the ability to..."

(Among BB HHs Without/Non-Intender Professionally Monitored Security Systems, n=1,953, ±2.22%)
Willingness to Buy Home Monitoring Products: Energy vs. Non-Energy (Q4/12)

"Q7435. How likely are you to purchase the following if the product can be monitored and managed from inside your home or while you were away using a computer, mobile phone, or tablet?"

(Among BB HHs, N=2500, ±1.96%)

- No products, 45%
- Non-energy products only, 17%
- Energy products only, 1%
- Energy & non-energy products, 37%
Partner or Compete

Panelists

Kevin Meagher
Vice President & General Manager, Smart Home
Lowe’s Companies, Inc

Mauro Dresti
Senior Manager, Mass Markets: New Programs & Products
Southern California Edison

Moderator

Tom Kerber, Director of Research, Parks Associates
Partner or Compete: Utility Decisions on Home Energy Management

- The competitive environment
- The opportunity
- Go to market
- Partnering for success
The Internet of Things is game changing……

Global Home Automation will grow from $7Bn in 2011 to $47Bn in 2018
Transparency Market Research
The world is changing - everything will be connected....

Everyone sees this as an opportunity to generate new revenues by moving beyond traditional boundaries to deploy new products and services to the consumer but there are real problems....
The Opportunity

The industry is failing consumers...

The market today....

- Point to Point solutions
- Multiple Apps and UIs
- Unconnected channels
- Complex and expensive
- Multiple Service Charges
- No interoperability
- Cannot scale

... is complex and confusing

Consumers need us to....

- Focus on the consumer
- A single UI to integrate
- Connect everything
- Support open standards
- Open platforms
- Strong partnerships
- Integrated solutions

... make ‘things’ simple, affordable and scalable

We believe we need to think differently ....

...in the future, it will be the combination of product with service that will deliver value .
...it’s not connecting customers to things that will ultimately deliver value, it’s connecting things to each other.
...the data from ‘things’ will reshape the business models
We believe we have a unique position and lead role because we sell things…

…however, we believe offering breadth will be critical to success…
Our market entry…

Offer Smart Home product starter kits with á la carte options

Overlay simple, tiered services with low priced entry levels

A simple, single UI for mobile and the web.

Then just keep adding new devices and services

We aim to deliver:
• Simplicity
• Affordability
• Scalability

To Make homes:
• Safer
• More efficient
• Easy to manage

…offering more than home energy management.
Partnering to succeed

What we bring to a partnership….

Solutions….

…we all need to work to offer more and scale to meet consumer needs!
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Demand Response Partnership Opportunities
About Southern California Edison (SCE NYSE-EIX)

One of the Country’s Largest Investor-Owned Utilities

• Serves nearly 14 Million people in 15 counties with 4.9 million residential and business accounts
• Covers 50,000 square miles
• Peak Load of 23,300 MW
• Over 1,700 MW of Demand Response
• 160 MW of DR utilizing OpenADR
Existing Enabling Technology

- There are two paths into the home which enables different features for the consumer.
- SCE wants to create “optionality” for its customers and will offer programs utilizing both paths.
2014 New Proposed Programs

- **3rd Party PCT Program**
  - Uses OpenADR 2.0 to call events directly to the device or through the partner’s cloud
  - Uses PTR-LC pay for play incentive (approximately $60 annual savings per customer)
  - Co-branding opportunity with SCE
  - Can apply to both Residential and Small Business markets

- **Real Time Energy Consumption**
  - Uses Smart Energy Profile (SEP) 1.x and reads directly from meter
  - Co-branding opportunity with SCE
  - Can apply to both Residential and Small Business markets
Demand Response Mass Market Roadmap

- **1st Quarter CY 2014**
  - PTR-ET DLC
    - HAN IHD
    - Develop Cloud-based 3rd Party PCT DR Program
    - Launch Near Real-Time Meter Reads with interested partners

- **2nd Quarter CY 2014**

- **3rd Quarter CY 2014**
  - Launch 3rd Party PCT DR Program

- **4th Quarter CY 2014**
Architecture (3rd Party) Partner

Uses broadband networked Thermostats connected to 3rd party cloud services. The utility will utilize an open protocol (OpenADR) to initiate events and partners will control individual devices. Consumers will receive $1.25/kWh they save during an event.
Real Time Energy Usage Architecture

- Consumers can see their real time energy usage on the partner’s display device of choice. (stand alone device, gateway with webserver or smart phone matched with appropriate gateway)
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Smart Energy Summit: Engaging the Consumer examines the expanding market for energy solutions and home controls and its impact on utilities, service providers, retailers, manufacturers, and consumers.

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Keynote Speakers

**Erik Charlton**  
VP of Business, Nest

**Bill Horrocks**  
VP, Product Management, Xfinity Home, Comcast

**Stuart Lombard**  
President and CEO, ecobee

**Deborah Kimberly**  
VP of Distributed Energy Services, Austin Energy

**Kevin Meagher**  
Vice President & General Manager, Smart Home, Lowe's
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