

Green Mountain Energy Company



Designing Green Power Products that Work for Your Market

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Overview

- ▶ Kicking Off the Product Design Process
- ▶ Role of Research
- ▶ Product Development by Market
 - Texas
 - Oregon – PGE partnership
- ▶ Q&A

Kicking Off the Product Design Process

- ▶ First ask: “Why do we need a new product?”
 - Identify the gap (consumer or portfolio)
- ▶ Additional variables to consider
 - Target audience/segmentation
 - Demographic
 - Psychographic
 - Product content
 - Pricing/margin structure
 - Channel(s) of distribution



Role of Research

- ▶ Research needs will vary depending on answers to first set of questions
 - Fill in info gaps
- ▶ Quantitative & Qualitative each may play a role
 - Quant
 - Breadth of responses, but not depth of understanding
 - ❖ Examples: setting prices, gauge basic interest level, etc
 - Qual
 - “Peel away the layers of the onion”
 - ❖ Examples: naming a product, understanding consumer perceptions, etc

Case Study: Renewable FutureSM

- ▶ New product in PGE's renewable portfolio
- ▶ Led with two quantitative studies
 - Summer '05 & Winter '05
 - Online & Phone methodologies
 - Probed product concept, name, pricing and messaging
- ▶ Followed by six focus groups
 - March '06
 - Talked to both residential and small business
 - Mix of renewable and non-renewable customers
 - Probed product concept & intent to participate, as well as name, messaging and graphics



Portland General Electric

Texas Portfolio

- ▶ Deregulated, highly competitive market
- ▶ Product portfolio consists of three primary usage-based products*
 - Residential/House
 - Pollution Free
 - 100% Wind
 - Apartment
 - Apartment Community Product
- ▶ Key variables in introducing new products for TX market
 - Competitive trend toward contract products
 - Consumer mindset/decision levers
 - “Active & Involved” target segment growth and evolution
 - Price still major factor
 - ❖ Messaging must demonstrate the “value”

Role of Texas Products

Products	Description	Consumer Target
100% Wind	<ul style="list-style-type: none"> ▶ 100% new wind ▶ M2M or 1 yr contract ▶ Usage 	<ul style="list-style-type: none"> ▶ Most environmentally conscious ▶ Least price conscious
Pollution Free	<ul style="list-style-type: none"> ▶ Hydro, new wind ▶ M2M or 1 yr contract ▶ Usage 	<ul style="list-style-type: none"> ▶ Majority of Active & Involved segment ▶ Interested in environmental benefits, but not biggest lever ▶ Still highly price conscious
Apartment Community Program	<ul style="list-style-type: none"> ▶ Natural gas, new wind ▶ M2M or 1 yr contract ▶ Usage 	<ul style="list-style-type: none"> ▶ Least likely to be environmentally motivated ▶ Circumstance driven ▶ Most price conscious

Oregon Portfolio

- ▶ Not a deregulated market
- ▶ Partner with PGE to offer a renewable product portfolio
 - Renewable Future (usage)
 - Green Source (usage)
 - Clean Wind (block)
- ▶ Key variables in introducing new products for OR market
 - Consumer mindset
 - Oregonians more primed for environmental message
 - Since market is not deregulated, price plays a very different role
 - Understand the premium for cleaner electricity
 - Demand for fixed rate product/predictability
 - High interest in local generation

Role of Oregon Products

Products	Description	Consumer Target
Renewable Future	<ul style="list-style-type: none"> ▶ 100% new wind ▶ Klondike II ▶ Fixed rate until 2012 ▶ Usage 	<ul style="list-style-type: none"> ▶ Highly environmentally conscious AND attracted to budget predictably/stability
Green Source	<ul style="list-style-type: none"> ▶ New wind, new geothermal, new biomass ▶ Regional ▶ M2M ▶ Usage 	<ul style="list-style-type: none"> ▶ “Average” environmentally conscious consumer
Clean Wind	<ul style="list-style-type: none"> ▶ 100% new wind ▶ Regional ▶ Sold in 250 kWh blocks 	<ul style="list-style-type: none"> ▶ Want to support cleaner energy, but generally not willing to pay the price to fully offset their electricity

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