Maryland & DC Utilities Association

Best Practices in Customer Engagement and Technology

Neel Gulhar | Senior Director of Product Strategy
Distributed Energy Resources

New competition

Energy Lag
Electricity use no longer follows overall economic conditions including GDP, as technological advances, government regulation and other changes have prompted Americans to use less electric energy.

Change in U.S. electricity use and gross domestic product

Electricity retail sales in trillion kilowatt-hours

Rate Pressure

ELECTRICITY RATES ON THE RISE
Residential electric rate per kilowatt hour

WANT TO COMMENT?
- PG&E’s customer service line: (800) 743-5000
- The Utility Reform Network, a consumer watchdog group, has instructions and advice on making complaints to the California Public Utilities Commission. Visit turn.org or call (415) 929-8876.
“We have an opportunity to create an energy sector that goes far beyond what people consider a traditional utility.”

-Audrey Zibelman, chair of New York’s Public Service Commission
20% solar penetration on some circuits in Oahu

Rates are 35 cents/kWh on some islands

HECO partnership with SolarCity
Massachusetts

Peak demand and reliability issues pushing grid transformation

Smart meter rollout over 5 years

Default dynamic pricing is being proposed
CUSTOMER IS AT THE FOCUS

BUILD SATISFACTION

NEW PRODUCTS

DECREASE COSTS
Where do you look to for advise regarding new energy products and services?

Answer: My local utility or current energy service provider
The average utility now sends 40 pieces of content to each customer per year.
Do you want more, less, or about the same amount of communications from your utility?

- 72% of customers want **more** frequent communication.
When are customers paying attention?

79% of customers read their utility bill every time it arrives.
41%

Received high bill in last 12 months
High bill made me feel anxious
47%

Called the Utility immediately after a high bill
69% are satisfied with utility

Those who understand the bill

22% are satisfied

Those who do not understand the bill
<table>
<thead>
<tr>
<th>Service</th>
<th>Importance</th>
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<tbody>
<tr>
<td>Alert you of any unusual spikes in your bill</td>
<td>7.50</td>
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<tr>
<td>Proactively inform you of any service interruptions</td>
<td>7.10</td>
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<tr>
<td>Provide you with advice or tools on how to manage usage on exceptionally hot or cold days</td>
<td>6.73</td>
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<tr>
<td>Provide you with information explaining rate changes</td>
<td>6.72</td>
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<tr>
<td>Provide you with products and services that help you control usage</td>
<td>6.31</td>
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<tr>
<td>Provide you with a smart meter and tools to allow you to manage consumption more precisely</td>
<td>6.28</td>
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<tr>
<td>Information on utility investments made to improve service</td>
<td>6.19</td>
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<tr>
<td>Provide insightful information on how to manage consumption</td>
<td>6.14</td>
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<td>Effectively explain how my rate impacts my bill</td>
<td>6.13</td>
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<td>Provide you with recommendations and services as the season changes</td>
<td>6.12</td>
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<td>Provide helpful customer service agents</td>
<td>6.04</td>
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<tr>
<td>Provide a website that is attractive and easy to use</td>
<td>5.72</td>
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“If people felt comfortable about replacing the CIS, they’d be doing it. But the estimates range in the $100Ms+, and that scares people. Again and again, people kick the can down the road.”

“Old tech struggling with the crown jewel of data.”

“That’s why this ecosystem/ constellation of applications have emerged.”

“You have to figure out how to piecemeal it or just keep it alive with what you have as long as you can.”

“Trend is moving towards more front-end systems designed to improve customer experience.”
Utility System Investment Model

~7 Years

$
7 Years

5,000 tweets/day

500,000,000 tweets/day
Software as a Service Investment Model

Time

Features

$
Software as a Service Investment Model

- 69M Customers
- < 1M Customers
- 55M Customers

Netflix

Average Utility

Opower Platform
UtilityCo

You used 15% more energy this week.

This week $18.71
Last week $18.28

Your projected bill: $82.88*
With about 14 days left. This is not a bill.

Your highest day: Saturday
Think about what uses the most energy on this day. See more

A closer look at your highest day
Saturday Jan 28 See more details

Customer insights

Weather: Temperature was 10 degrees colder than last month see details
Last month: Customer spent $24 more than same period last month see details
Last year: Customer spent $4 less than same period last year see details

Highest time of day: Customer uses the most energy between 6pm - 12am see details
Highest day of week: Customer uses the most energy on Saturdays see details
Most expensive day: Customer's most expensive day was Oct 31 see details
Neighbor comparison: Customer's energy increased proportional to similar homes see details

Billing details: Sep 28 - Oct 27, 2014

Electric Gas Total Avg Temp Last month Last year
$141.21 $14.10 $155.31 44° $24 $4

13 month billing history
At the end of the day, you cannot survive without your customer liking you, whether you’re a regulated utility or in a competitive market...That’s what it’s about.”

- James Munro, General Manager, Mercury Energy²
Call Volume

Mar Apr May Jun Jul Aug Sept

Overall calls: 11%
High bill calls: 19%