

How Energy Efficiency Improves Customer Satisfaction

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BUSINESS SERVICES

Agenda

- **Session Objectives**
- **Introduction to Vertex**
- **Why Energy Efficiency?**
- **Energy Efficiency and Customer Satisfaction**
- **Changing Customer Expectations**
- **Three Building Blocks**
- **Future Customer Satisfaction Challenges**
- **Conclusion**

Session Objectives

- Explore the linkage between energy efficiency programs and customer satisfaction
- Session Goals:
 1. Review the challenges serving customers in a world characterized by constrained resources
 2. Learn what it takes to deliver effective programs that satisfy customer needs and meet consumption reduction goals
 3. Examine the possibilities of energy efficiency programs related to customer satisfaction and transformation of the utility – customer relationship

Vertex - Who We Are



- We have grown rapidly through new business wins, acquisitions and alliances to be an **\$800 million global company**
- We employ nearly **9,000 people** in over **70 locations** delivering **Consulting, BPO/CMO, IT, Demand Side Management and Debt Management solutions** to clients in the US, Canada, the UK and India
- Vertex Business Services is **the market leader in Customer Management Services** for Utilities, providing a broad portfolio of services and solutions to over **70 clients** that serve over **23 million customers**
- Globally, we serve **200 clients** across **multiple sectors**



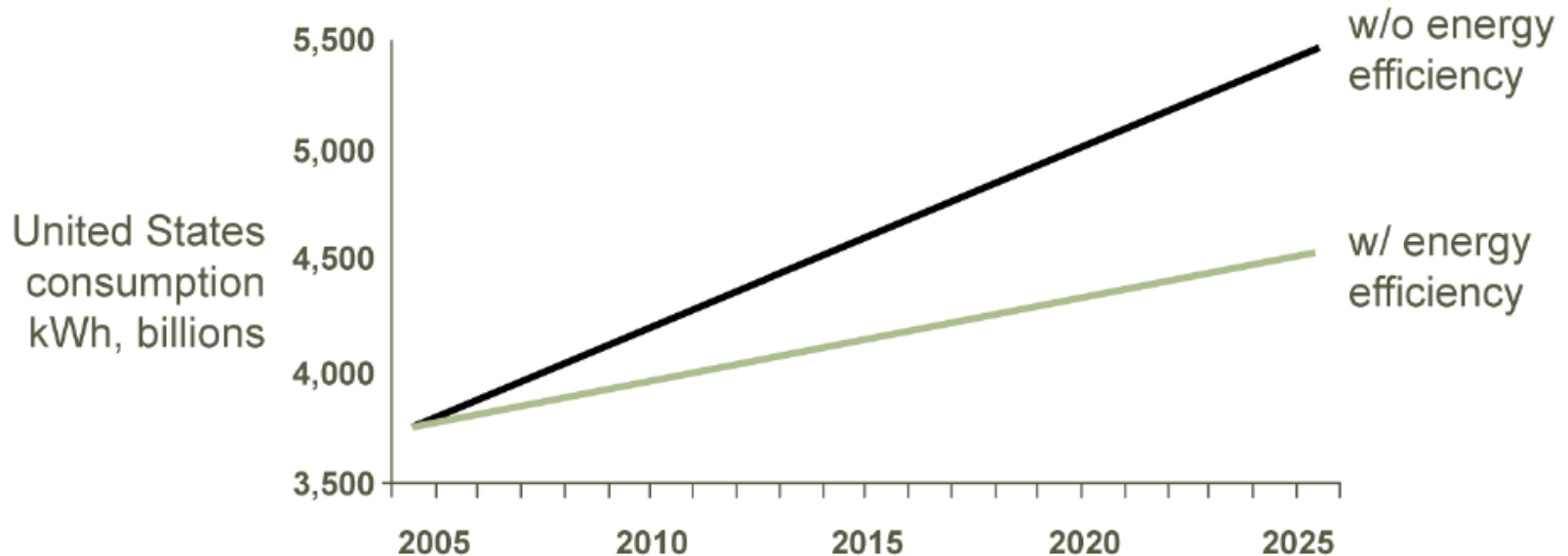
Who We Serve – Select Client List



Note: The above is not an inclusive list, but rather a sampling of the more than 70 utility and energy clients served by Vertex in North America.



Energy Efficiency . . . a resource that can help utilities meet demand, manage costs and reduce environmental impacts . . . *AND improve customer satisfaction?*



Sources: Energy Administration, Annual Energy Outlook 2006 and ACEEE



What Customers Are Saying

J.D. Power 2009 customer satisfaction study – utilities providing energy conservation information and online bill payment to consumers through their websites earned higher satisfaction scores

- What we've heard: *

- *"I appreciate this new service and am very interested in conservation. I found our conversation very informative and the service is just great!"*
- *"You were wonderful and extremely helpful. You translated things in a way that I can understand."*
- *"You have a great service and the information is helpful!"*
- *"It should be mandatory for everyone . . . to have a conversation with you. Very informative!"*
- *"Do you enjoy your job? It must be wonderful to have the ability to help people save money, conserve energy, and help the environment!"*

* Customer comments received by our Hydro One Energy Conservation Team



Changing Expectations

- Customers expect their utility to understand the cause and effect of their consumption
- Customers and regulators will look to utilities to align consumption with supply
 - Customers expect their utility to provide *actionable information and solutions* to help control energy costs
 - Regulators are pushing consumption reductions
 - Energy efficiency as a resource
 - Decoupling
 - Consumption reduction mandates
 - Utility incentives
- Customer satisfaction happens when expectations align with results

Three Building Blocks

- The most effective measures will not deliver results desired absent these three components
 1. Awareness
 2. Appropriate incentives
 3. Actionable information

All three touch the customer

Awareness

- How do we achieve customer awareness?
 - The right message, the right channel, at the right time
 - Analytics can help
- How do we go beyond awareness to drive participation?
 - *Who is most likely to participate?*
 - *Who is most likely to benefit?*
 - *Who is most likely to change their behavior?*
 - *What programs should be promoted and to whom?*
- Think like a retailer to attain the participation necessary to justify program investments
 - Data driven marketing efforts will improve program ROI
 - Internal data, external data, when combined with analytics, can deliver value for utilities and customers alike

Appropriate Incentives

- Are incentives necessary?
 - For almost any new product, initial introduction requires incentives to build demand
 - At some point, the strategy can move from “push” to “pull”
 - Outside of the regulated utility world, the amount, type and availability of incentives is driven by the market analysis vs. when public funding runs out
- What incentives work best?
- Are there significant variances among customers?
- What determines success?
- How much incentive is required?
- How long should it last?

Actionable Information

- At program inception:
 - What program or combination of programs for whom?
 - What actions/behavior changes recommended?
 - What results/benefits?
- Ongoing:
 - How much did the program save me on my last utility bill?
 - Why did my electricity usage increase last month?
 - Are there other things I can do to lower my utility bill?
 - What else can I do to support conservation goals?
- Actionable information drives satisfaction:
 - Enable customers to control their energy costs
 - Help customers support conservation goals and lessen their impact on the environment



The Future of Customer Satisfaction

How will the answers to these and similar questions impact utility customer satisfaction, attainment of conservation goals?

- Will utilities go past the meter to satisfy customers?
 - The usage on my in home display does not match my bill?
 - My smart refrigerator is not picking up the price signal?
 - My smart thermostat shows an incorrect IP address?
- What will customers expect?
- What skills, tools and processes will be impacted when a customer wants to know why their consumption spiked on Tuesday morning?
- How will PHEVs and distributed generation change the nature of customer interactions?



Conclusion

- The new math – multiplying energy efficiency benefits
 - Well-designed and executed programs will deliver economic and environmental benefits
 - Customer satisfaction is an expected by-product
 - Energy efficiency changes the dialogue with customers
 - It isn't going to be easy
 - The potential exists to transform the utility-customer relationship
- What happens if customers start to view your utility as a key advisor and valued consultant?
- If your utility does not play this new role, who will?

Thank You

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