Rural Broadband

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Engaging Rural Customers

Fall 2016
PSC Issues
Notice of Investigation (NOI)
• Rural vs. Urban
• What role does broadband play?

December 2016
PSC approves $26 Million
• 2017-2018
• Deliver benefits to rural customers
• Encourage broadband expansion
Rural Wisconsin
Rural Program Design Objectives – per PSC Order

1. First and foremost, the goal of these programs is to offer rural customers in the 582 zip codes new or revised programs that will increase their participating in EE programs.

2. Additional objective of these programs is to create market strategies and increase access to EE markets for these customer through the use of broadband by partnering with internet service providers (ISPs) on some packages, and promoting other packages that offer energy efficient products or services that are broadband dependent.
Programmatic Variables

- Programs should also be designed to seek additional benefits through increased access to broadband services by:
  - Tying increased use of the internet to energy efficiency measures
  - Incentivizing broadband providers to market Focus on Energy along with new or upgraded service
  - Cost-effectiveness concessions
2017-2018
Rural/Broadband Initiatives & Budgets

Connected Device Kits
- Focus is partnering with Internet Service Providers to offer customers enrolling in new service or upgrading service their choice of 5 energy savings kits and an incentive off service

Communication Provider Initiative
- Dedicated funding and technical support for energy related projects: lighting, heating and cooling equipment, UPS Systems/Rectifiers, and Soft switch retrofits
- Increased incentives for custom projects

Rural Homeowners & Small Businesses
- Direct Mail Energy Assessment Surveys
- Rural Home Performance: Includes incentive towards assessment and bonuses for Trade Allies
- Increased incentives for Small Businesses located in targeted communities
- Increased mass media engagement and community based outreach
$26 Million
Rural Portfolio Allocation

- Rural Portfolio Allocation
  - Connected Device Kits, 62%
  - Infrastructure Retrofits, 16%
  - Rural Small Business, 12%
  - Online Analytics Platform Pilot, 2%
  - Direct Mail Energy Assessment Pilot, 1%
  - Rural Home Performance, 4%
  - Rural Outreach and Engagement, 3%
  - Direct Mail Energy Assessment Pilot, 1%
Connected Device Kits – Where we were

- Efforts in 2017 focused on engaging Internet Service Providers (ISPs) to offer kits to their customers with qualifying internet speed
  - Primary channel for recruitment was the Wisconsin State Telecommunications Association (WSTA)
  - Kits could recruit new/upgrading customers or reward existing
  - Nine rural ISPs enrolled in the Program in 2017
  - Focus on Energy provided technical/financial support for marketing
  - Only one ISP aggressively used the Program to expand service

- Progress to the 2017/2018 kit goal was relatively low through 2017
Connected Device Kits – Where we are

- Achieve necessary scale to meet goal, pivoted from the ISP channel to partner directly with utilities
  - Utility engagement has occurred in three waves:
    - Cooperative and municipal utilities where entire territories aligned with rural qualified ZIP codes
    - Coops/munis with rural/non-rural overlap
    - Investor-Owned Utilities (IOUs), with Alliant Energy aggressively marketing the Program

- Through 6/9/18...
  - Customers from 92 utilities have participated in the Program
    - 20,933 kits have been ordered (22.9% to kit goal)

- The Program continues to be offered through ISPs, with four additional ISPs launching the Program in 2018
Communications Provider Initiative – Early Trends

- Telecoms and Internet Service Providers
  - Two distinct (yet connected) segments
- Building rapport
- Understanding customer priorities
- Very limited uptake
Communications Provider Initiative – Modifications

- Decrease delivery time for assessment reports
- Increase number of Level 1 assessments being provided
- Increase involvement outbound success stories and utilize technology specific case studies
Communications Provider Initiative – Transitioning

• Industry is seeing large surge of territory expansion, joint partnerships, and acquisitions by existing Providers.

• Improved digital platforms are providing increased services for customers which further promote the need/use of data centers and colocation sites.

• Providers need to support demand for internet bandwidth due to technology trends:
  • 4K-TV broadcasting, smart-city/autonomous vehicle projections, smart grid/home components, and the Internet of Things (IOT).
• 30% of small business owners site lack of capital as the reason for not doing energy efficiency; Easy and accessible financing is one solution for this market.

• 39% of small business owners do not own the building; Engaging property owners is crucial to upgrading technologies in these buildings.

• Targeting residential Trade Allies to engage with small to medium size businesses because they often need the same HVAC equipment and controls
Community Small Business Outreach Initiative – Turning the Corner

Leveraging
- Utility trusted partners
- Community-based organizations

Design Additions
Kit-based additions

Awareness
- Outreach during assessments
- Social media

CSBO
Future “rural” planning

Quad III Planning
(CY’19 – CY’22)

- Rural defined as Ag or customer sites in rural zip codes
- Offerings to drive engagement 5 themes
- Ag, industrials, and small business, broadband, and LEAN
- Dedicated budget
- Utilizes surplus from Quad II Rural Broadband initiative
Thank You

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