

Protecting Vulnerable  
Customers in a  
Changing Utility  
Industry

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# Agenda

- Introductions
- Changes in the industry
- Vulnerability to changes
- Remedies



# About VEIC

- Mission to act with urgency to enhance the economic, environmental, and societal benefits of clean and efficient energy use for all people
- Energy efficiency, renewable energy, and transportation
- Innovative program design, planning, and implementation; policy, advocacy, and research
- National and international clients: government agencies, regulators, utilities, foundations, and advocates



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DC  
SUSTAINABLE ENERGY  
UTILITY

# About Elizabeth

## Elizabeth Chant, Principal Consultant, VEIC

- 23 years EE program and policy for low-income people and multifamily buildings
- Part of creation of Efficiency Vermont and DC Sustainable Energy Utility
- Board member, NEAUC, National Housing Trust, Home Performance Coalition, Three<sup>3</sup>



# Utility Industry Transformation

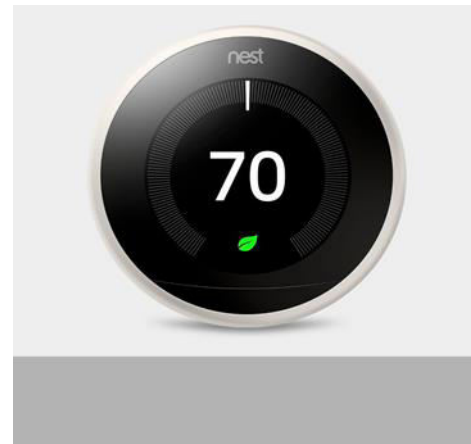


- Utility revenue base is changing and declining (plants, poles & wires)
- Consumption is decreasing in many places (efficiency is working!)
- Decentralized generation must be integrated in the grid management
- Utilities must invest in smart grid technology while maintaining conventional grid infrastructure



# Changes for Customers on the Horizon

- AMI / IoT
- Integrating distributed generation
- Prepaid service
- Customer data



# Advanced Metering Technology

- Digital meters have 2-way communication capability with data storage
- 2-way communications and storage features enable dynamic pricing and pre-payment
- Data storage allows utility to collect and track power usage and outages remotely - meter-readers no longer needed
- Digital readings enable:
  - Time-of-use rates
  - Usage notifications to your smart phone
  - Pre-payment based on usage patterns
  - Automatic disconnection and reconnection





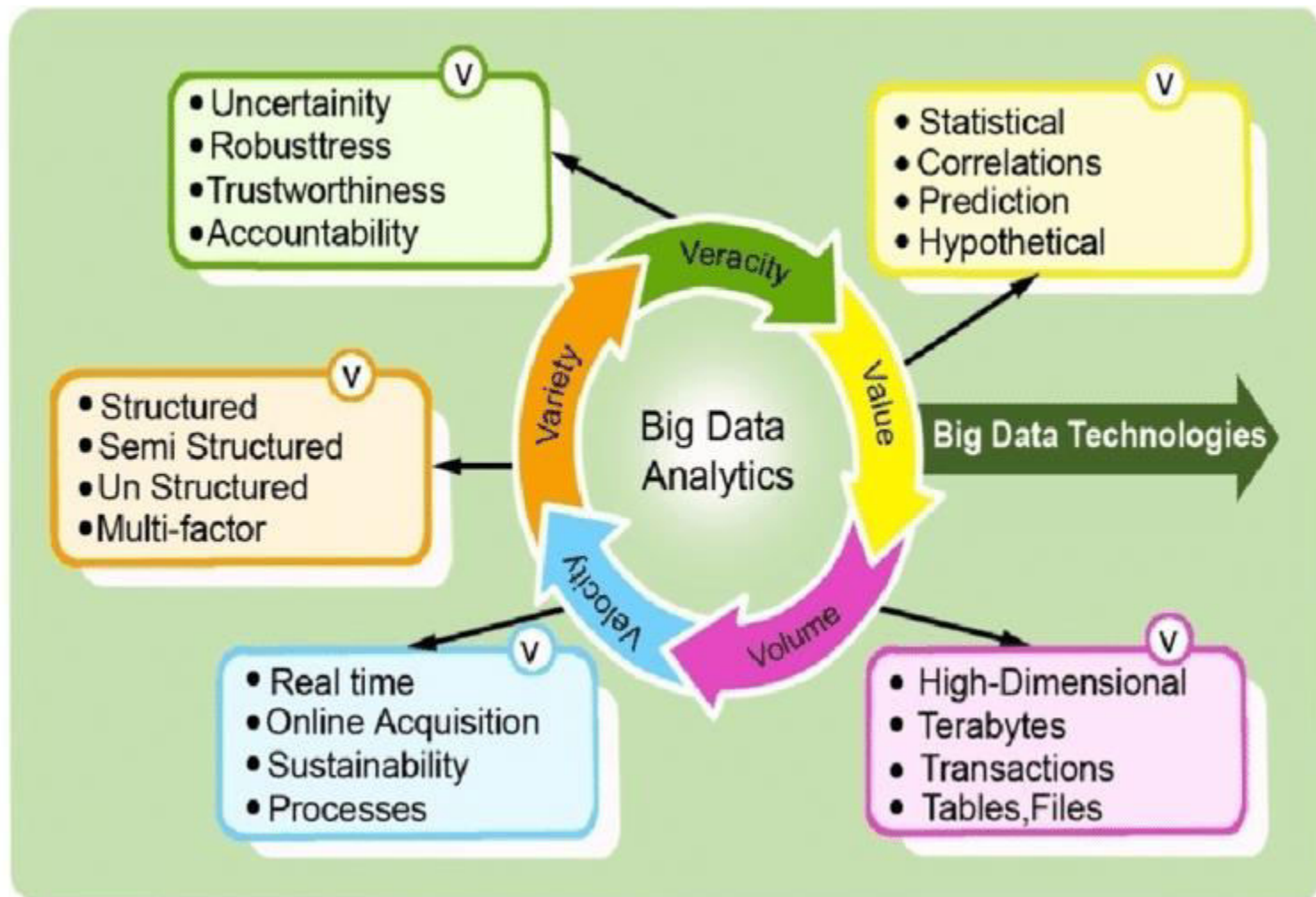


# Pre-Payment

- Payment deposited in account before service is turned on
- Remote, automatic disconnect if bill credits run out
- May not come with in-home device to monitor usage and credits
- Numerous service fees may be required:
  - Monthly program fees
  - Transaction fees
  - Reconnection fees if disconnected
- National Consumer Law Center found that customers of one electric co-op paid 11% more for electricity due to transaction fees



# The Value of Big Data



# Who is Vulnerable?

- Low income
- Moderate income
- Medical needs
- Less “control over schedules”
- Not part of digital world

## Meet ALICE!

- New United Way initiative to shine light on “asset-limited, income-constrained, employed”
- Some 66% of jobs in the US pay less than \$20 an hour

# What's at stake?

## How can we protect vulnerable customers?



# How can regulators and the utility industry protect customers?

## Pre-Paid Billing

- Opt-in policy
- Reduced deposit and discount for advancing capital before service
- If bill credits depleted, return to post-paid and lose discount; retain traditional billing & payment services
- Incorporate transaction or program fees into rates – not itemized on bill

Thanks to continued work by John Howat & others in NCLC Energy group!



# How can regulators and the utility industry protect customers?



## Dynamic Pricing

- Opt-in basis only
- Percentage of income payment plan (PIPP)
- Deliver demand responsive energy efficiency services





# Protections from Remote Disconnects

- Retain all notice provisions, including in-person visit to home
- Retain / introduce restrictions for days, temperatures, and health
- Reduce power to “basic needs” provision (e.g. 1 kWh / day, with increases as bills are paid)
- No or minimal disconnect and reconnect fee for remote reconnection

Consider your electricity being shut-off as getting a head start on Earth Hour.



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# Link Efficiency Services to Low-Income Billing & Payments

- Auto-enroll in EE programs through electronic requests for home energy visit
- Deliver targeted savings tips through home energy apps

- Pilot LIHEAP renewable projects offer chance to test new billing & payment approaches
- System for tracking



# Ensure that Utilities Offer Comprehensive EE / RE Portfolio

- Renters and owners
- All building types
  - Single & multifamily
  - Public & private
- Full range of measures
  - Electric, gas, and fuel
  - New construction & retrofit
  - LEDs, electronics, major appliances, behavior, weatherization



**Thank you!**

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