

The Rise of Behavioral Tactics in Utility Energy Programs

When it comes to energy programs, success is often measured using old standards. Although utilities across the country spend \$8 billion annually* to help customers lower their energy use, these programs only take advantage of a fraction of the available potential. In contrast, an energy savings program that leverages behavioral tactics has the potential to increase a customer's savings by 16 to 20% as compared to total annual US residential energy use.** With the exponential rise of digitally engaged customers, the need for utilities to evolve their approach has never been greater.



Meet the Full Economic Potential with Energy Efficiency

10M TONS of CO2 Abated

Save
18,679 GWh in Annual Electricity Savings

\$2.2 BILLION in End-Use Consumer Savings Each Year

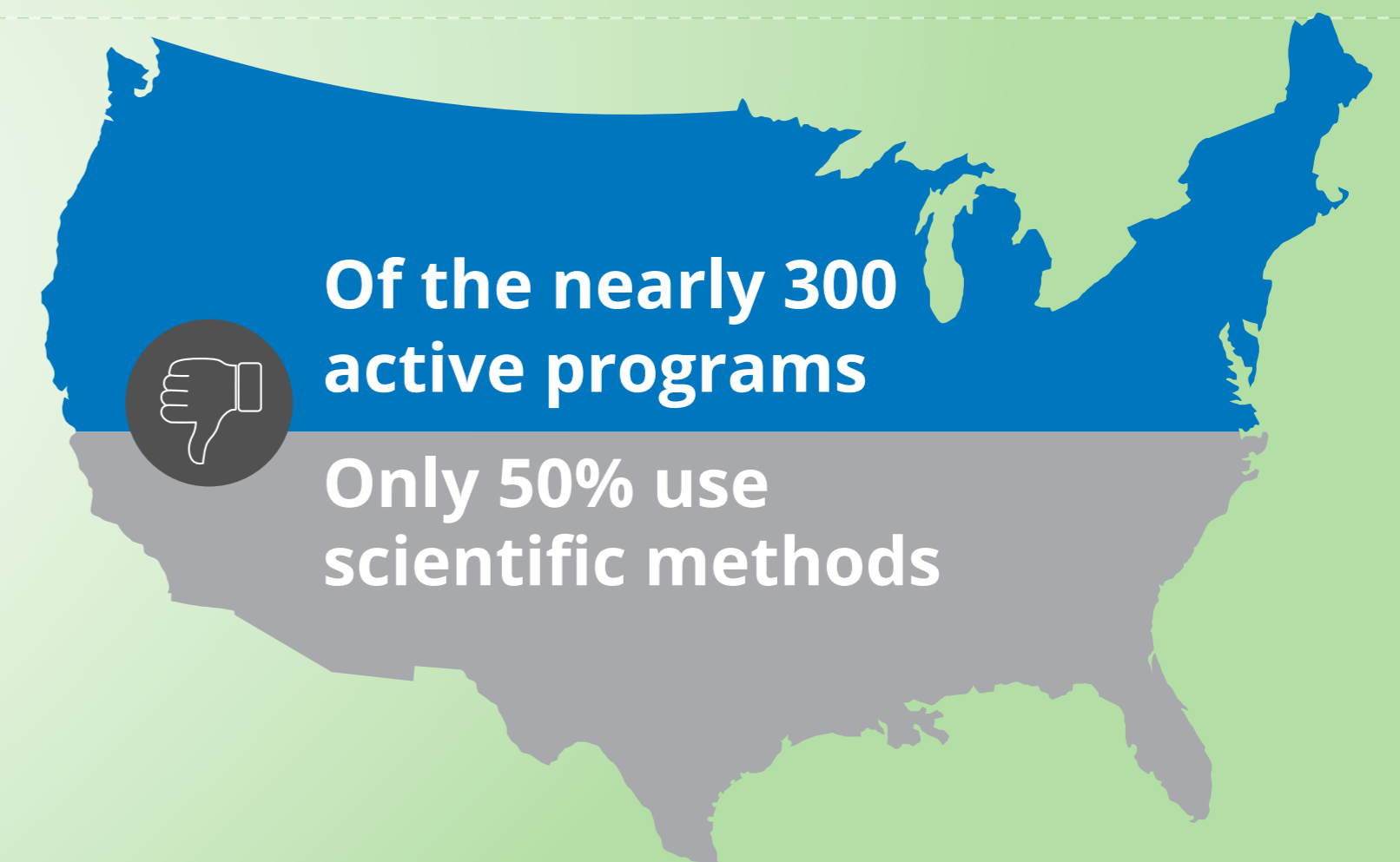
or
3.4 Coal-Fired Power Plants in One Year***

1.6% of USA Residential Use—Enough to Take Arkansas Off the Grid

*Source: Forster, H., Wallace, P., and Dahlberg, N. "State of the Efficiency Program Industry: Budgets, Expenditures, and Impacts 2011." Consortium for Energy Efficiency, March 28, 2013.
**Source: Heck, S. and Humayun T. "Sizing the potential of behavioral energy efficiency initiatives in the US residential market." McKinsey & Company, November 2013.
***Source: EIA-861 Survey for 2012 puts Arkansas residential sales at 17,959 GWh. EPA estimates 4.8 metric tons of CO2E / vehicle / year. Source: <http://www.epa.gov/cleanenergy/energy-resources/refs.html>. This analysis was pulled from: 2014 ACEEE Summer Study on Energy Efficiency in Buildings. (<http://aceee.org/conferences/2014/ssb>)

Evaluations of behavioral programs are not as comprehensive or rigorous as **regulators** would like.

As of 2016, behavioral programs have been recognized in **31 states** as approved energy savings.



The Digitally Engaged Customer Offers More Value for Energy Providers



Source: Accenture, New Energy Consumer research program, 2015 consumer survey.

It's Time for Utilities to Step Up Their Game

Consumer-facing industries know the importance of learning and understanding what their customers want and respond to. It's time utilities applied that same type of behavioral science to engage customers and exceed their expectations.



RETAIL



FINANCIAL SERVICES



AIRLINE



HEALTHCARE



INSURANCE



Utilities Only Collect a **Fraction of Available Insight** About Their Success or Failures with Customers

- ⊖ Time with energy advisors
- ⊖ Time spent on call center issue resolution
- ⊖ Mobile engagement with energy bill

Limited Customer Engagement



Energy Usage



Program Sign-ups

- ⊖ Comparing responses to message campaigns
- ⊖ Frequency of outreach

The majority of utility executives believe increased interaction with customers is essential around:

- Billing and customer support
- Community education and outreach
- Conservation tips, energy usage analysis
- New service offerings
- Demand response
- Green pricing programs

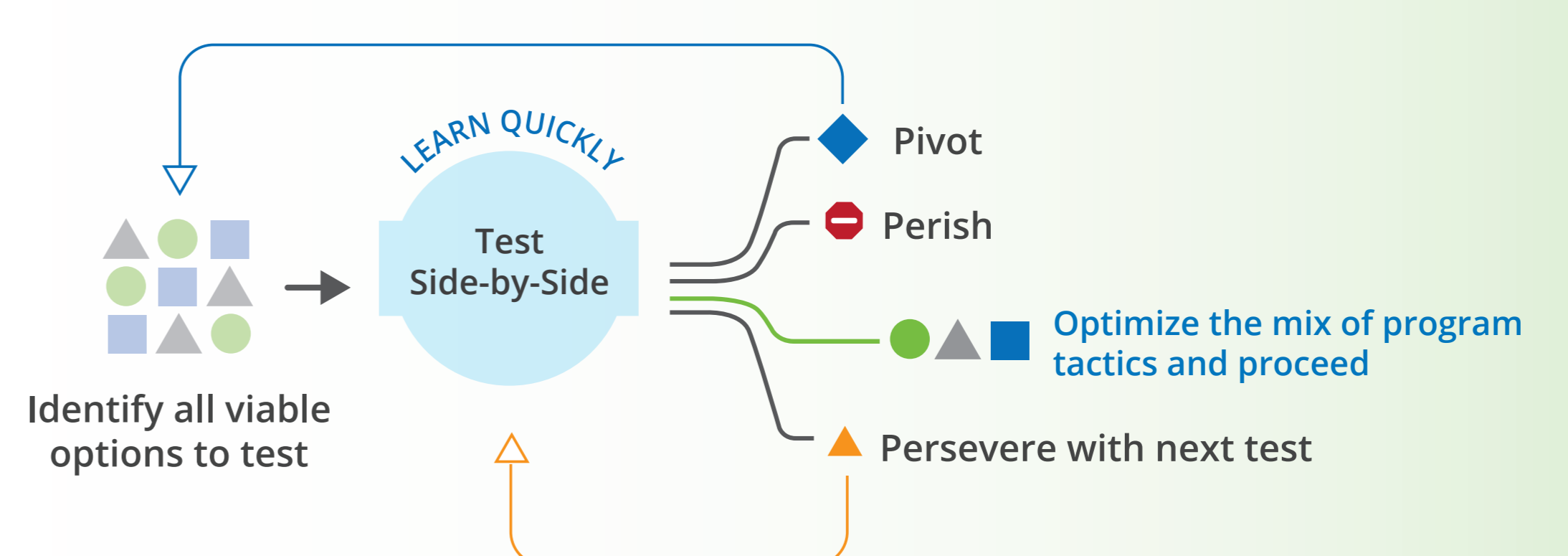
Meet More Than Just Energy Goals—Meet Your Customer

Use test-and-learn methods in utility programs to learn more about your customers

The typical program cycle aims to incrementally improve programs

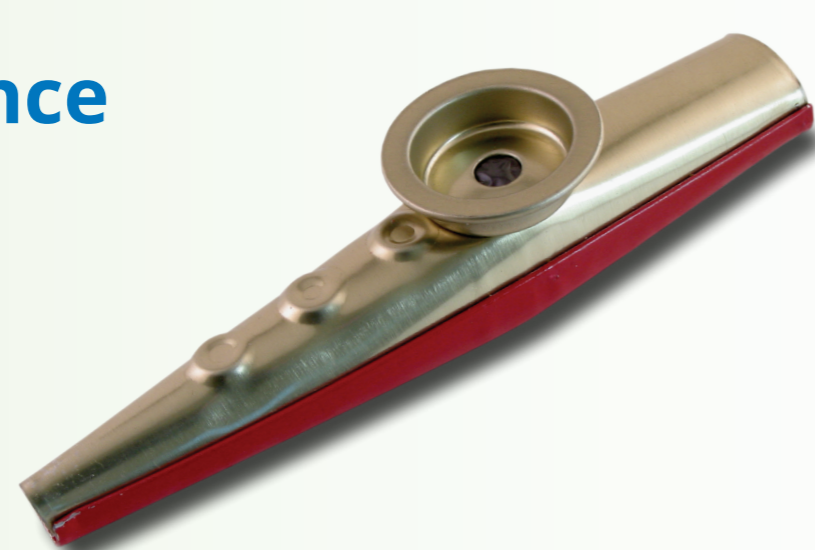


The adaptive design process aims to rapidly optimize programs



Traditional utility customer experience

Siloed program designs produce one-note customer experiences



Behavioral Design Produces Better Insight



Richer utility customer experience

Integrated, highly calibrated experiences use multiple dials to fine-tune many outcomes