Low Income Engagement: Beyond Efficiency

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Increasing strains on low income energy efficiency

- Low customer reach
- Increasing need for relief
- Decreasing budgets

More important than ever to **maximize** the impact of dollars spent
We analyzed data from the 500K+ low income customers we reach today and external sources

What we found:

1. Low income households are not uniform
   On every dimension – home ownership, home type, language, age – diversity is great

2. Low income does not imply low usage
   In some geographies, low income households actually use more energy than general population

3. Low income populations can engage at impactful levels
   Once aware of available resources, low income populations exhibit high savings and participation rates

4. Low income programs can be cost-effective
   Auto-enroll and some traditional low income energy efficiency programs can be cost-effective
Low income households are diverse
Low income housing characteristics vary greatly between utilities and regions.

Percent of population living in single-family homes

*Difference between low income and non-low income*

Percent of population that owns their home

*Difference between low income and non-low income*
Low income households can have higher or lower energy consumption

Energy consumed
Percent difference of energy consumed by low-income and non-low income

-50% -40% -30% -20% -10% 0% 10% 20% 30%

California IOU 1  California IOU 2  Midwest IOU 1  Midwest IOU 2  Southwest IOU  Mid-Atlantic IOU  Northeast IOU
There are potential physical and behavioral drivers to high consumption

OPOWER Research of Low Income Consumers

- Have adopted fewer measures to reduce energy
  - 50% more likely to have window A/C
  - 25% more likely to have space heaters
  - 50% less likely to have low-flow showerhead
  - Less likely to have CFL bulbs

Differences in housing stock

Level of comfort required by elderly population
Auto-enroll programs create deeper reach into the population

Reach of various traditional low income programs
Median number of participants

Source: DSM Market Intelligence
Once engaged, low income households save and participate at high rates

Cumulative savings (kWh/household)*

» Low income customers delivered almost identical savings across 5 Opower programs
» They were equally likely to consume more, less, and the same as non-low-income customers

Percent of households taking Efficiency Actions

» Of customers that received home energy reports, a higher rate of low income households participated in each type of efficiency action than non-low-income (Navigant 2012)
It’s possible for successful low income programs to be cost-effective

37%

Among ACEEE’s “exemplary” low income energy efficiency programs, 37% are cost-effective with a TRC > 1.0

54%

An analysis of low income programs filed by 86 utilities showed that 54% of those that filed a cost-benefit test are cost-effective

Opower’s auto enroll programs have also been deployed cost-effectively to low-income populations throughout the country
Takeaways

Because every dollar counts, must maximize the impact of low income programs

Equitable programs required for far reaching relief

Need targeted experiences that engage low income populations

When low income customers save, everyone wins
Utility benefits of Opower low income program

- Reduce bad debt, arrearages, and administrative costs
- Improved customer satisfaction
- Increased positive PR
- Reach every low income household
Thank you!

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