

# Low Income Engagement: Beyond Efficiency

**Ricky Gratz, Manager, Market Development  
& Regulatory Affairs – East**

Prepared for NEUAC 2014

# 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*

①

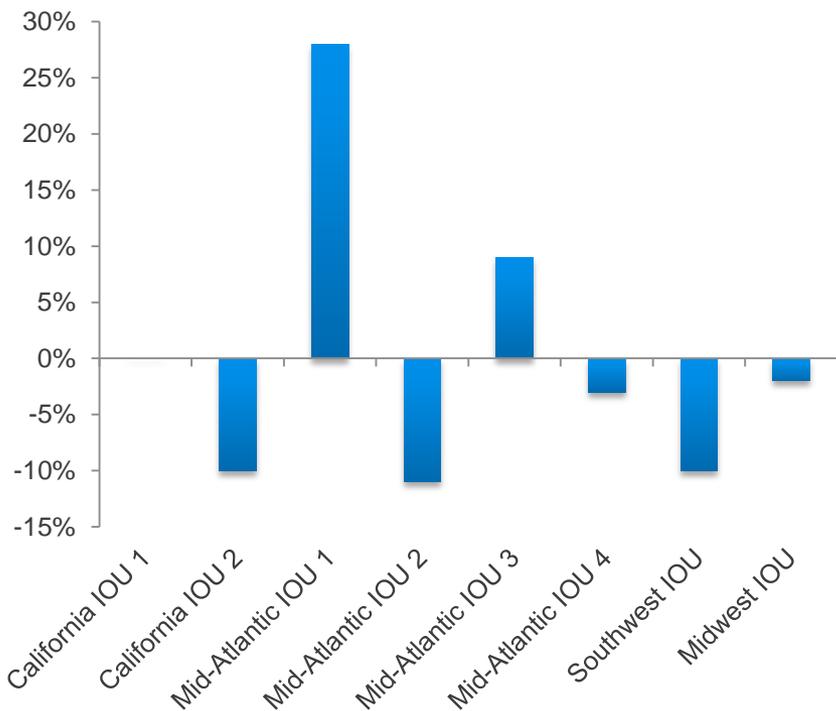
# Low income households are diverse



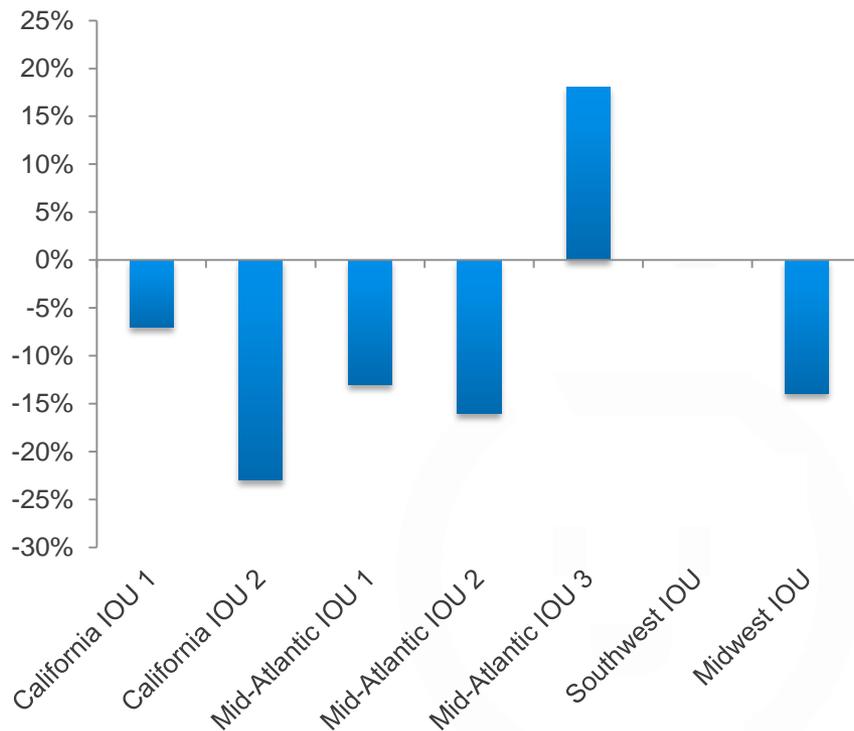
1

# 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*

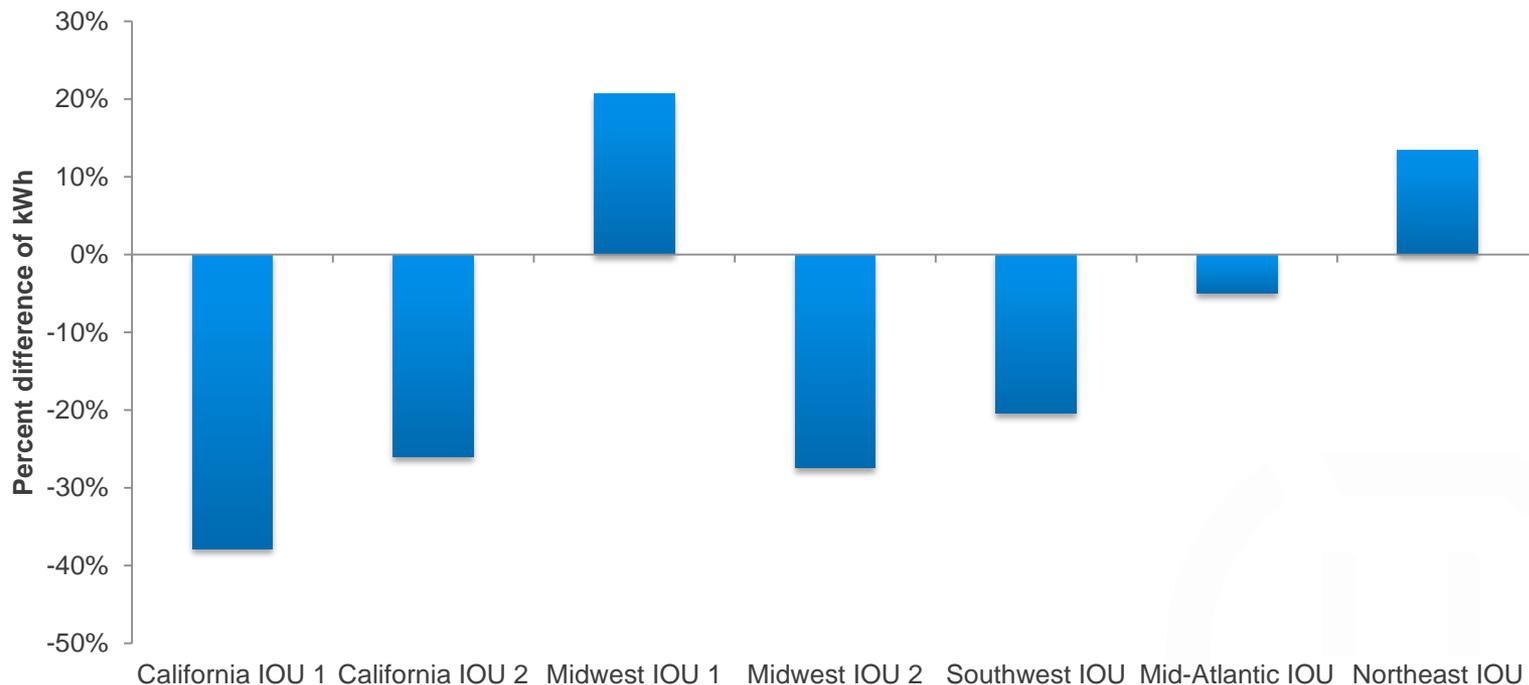


2

# Low income households can have higher or lower energy consumption

## Energy consumed

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



2

# 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



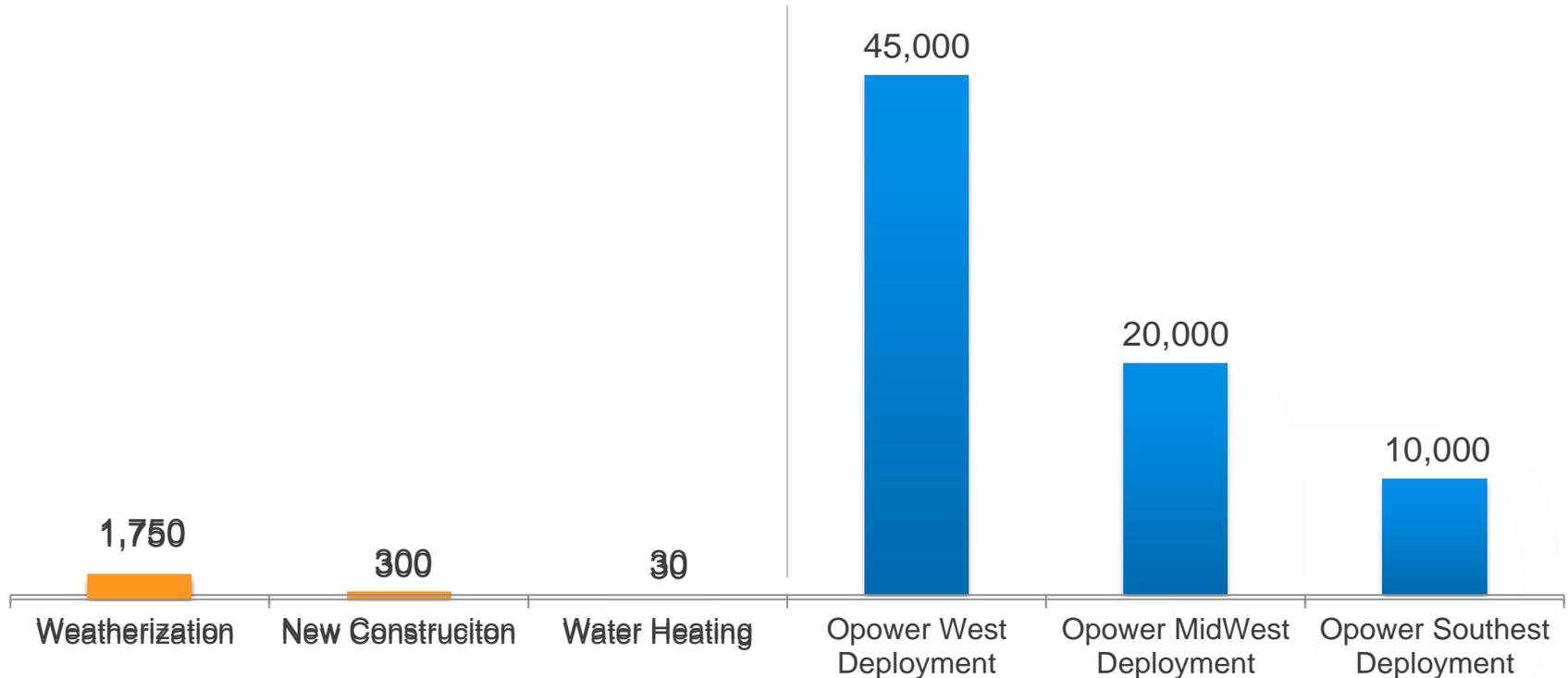
Differences in housing stock



Level of comfort required by elderly population

# ③ Auto-enroll programs create deeper reach into the population

Reach of various traditional low income programs  
*Median number of participants*



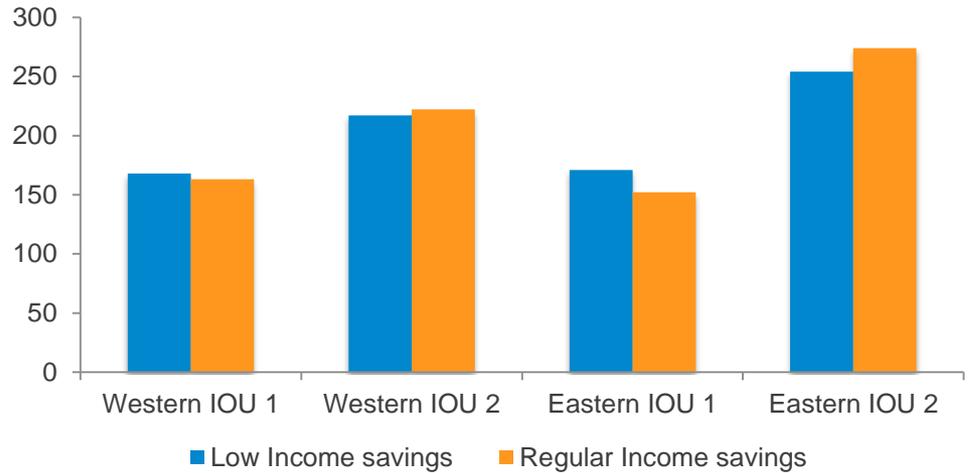
Source: DSM Market Intelligence

3

# Once engaged, low income households save and participate at high rates

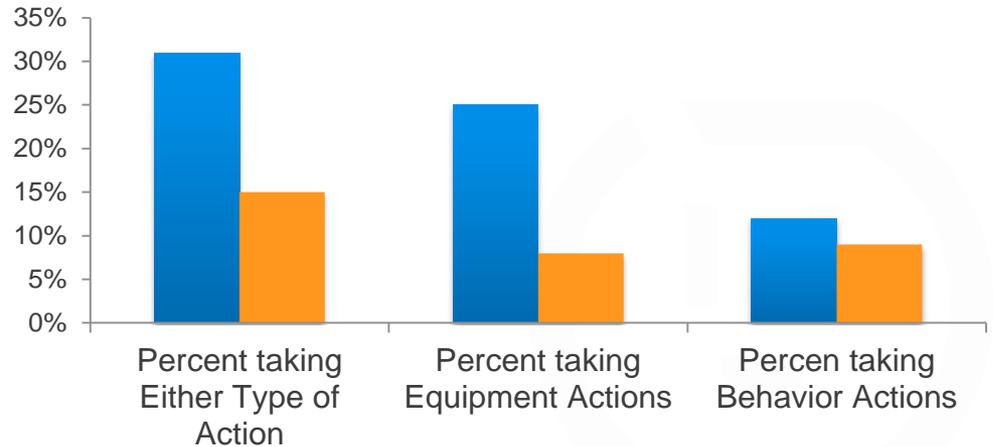
## Cumulative savings (kWh/household)

- » 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)



4

# 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

Increased positive PR

Improved customer  
satisfaction

Reach every low income  
household

**Thank you!**

**Ricky Gratz**

**Manager**

**Market Development & Regulatory Affairs - East**

**O +1 571.483.3023**

**C +1 410.718.8173**

**[ricky.gratz@opower.com](mailto:ricky.gratz@opower.com)**

