• 24 Year’s in business
• SaaS provider focused on major utility initiatives

• 600+ utilities
• 95% client retention rate
Our Presenter

Jim Malcom, Chief Financial Officer and EVP of APOGEE Interactive, Inc., brings more than 25 years in corporate finance and accounting to Apogee, which began with the firms KPMG and Ernst & Young in Atlanta. He has held senior posts as chief financial officer, corporate controller, vice president and treasurer for such area companies as Heidelberg USA, LecStar Telecom and Powertel.

Jim is a graduate of the University of Georgia with a bachelor's and master's degree in business administration, a certified public accountant, and a chartered global management accountant.
Serving the Hard to Serve Series

Last time I spoke about this topic,

• Struggling with program participation
• Managing customer delinquency and bad debt
• Summary: we have created a program name EPIC to help utilities engage with this target market
Customer Communication, Low Income, and Bad Debt Feedback

Challenges we hear from your customers and energy professionals like you:

“Connecting and building relationships with market segment”

“Customer satisfaction and engagement, our low income customers don’t like us”

“Our customers are not aware of our programs or programs in their communities that can help”

“I don’t know what I can do without money to invest. I feel powerless and lack of control.”

“Bad debt reduction and helping customers stay out of cycle. Too many of our customers fall back into bad debt”

“Our income qualified grant programs require ongoing education and we need a more effective way to educate participating customers during and after they’ve received their benefit. The same can be said for past participating customers of our EE programs”

“We don’t have a low income program but need something in place”
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“We need a simple way to communicate and engage our hard to reach customers.”
How is EPIC Different?

- Timely and actionable information
- Simple implementation - NO IT INVOLVEMENT REQUIRED
- Targets hard to reach customers
- Lower program costs
- Promotes other programs
- Opt-in
- Break delinquency cycle
1. Defining EPIC and Target Market
2. Market and Needs Assessment
3. Offering Hypothesis
4. Solution Definition
   - Stand alone
   - Program embedded
Defining EPIC

Energy Platform for Information and Communication
Communication and Information that is:

- Timely
- Relevant
- Actionable
Target Customers

→ Low Income
→ Renters
→ Multi-family
→ New homeowners/relocated/launched
Benefits & Objectives

→ **Consumer**
  - Transparency to energy costs and usage
  - Energy education
  - Improve comfort
  - Potentially save money

→ **Utility**
  - Improved customer satisfaction
  - Increased program participation
  - Lower operating costs
    - Reduced call volume
    - Improve cash-flow
    - Reduce bad debt and collection activities
# Hidden Rules Among Classes - Driving Forces

<table>
<thead>
<tr>
<th>Low Income</th>
<th>Middle Class</th>
<th>Wealthy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survival</td>
<td>Work</td>
<td>Financial</td>
</tr>
<tr>
<td>Relationships</td>
<td>Achievement</td>
<td>Political</td>
</tr>
<tr>
<td>Entertainment</td>
<td></td>
<td>Social Connections</td>
</tr>
</tbody>
</table>

Source: A Framework for Understanding Poverty
On the Move

- **Renters continued to move at high rates:** 24.5 percent of all people living in renter-occupied housing units lived elsewhere one-year prior. The mover rate of all people living in owner-occupied housing units was 5.0 percent.

- **Low income residents** are 10% more likely to move than the general population.

Source: U.S. Census, 2014
2018 Proposed Federal Cuts

Income Distribution

- Low income household spends 3x as % of income on energy
- The Low Income Home Energy Assistance Program or LIHEAP is targeted for future elimination
20 Year Trend in U.S. Renters

Source: U.S. Census Bureau
Mobile is the Way to Go

Smartphone communication and digital engagement in this market segment is more popular than ever

- “10% of Americans own a smartphone but do not have broadband at home”
- “45% own a smartphone and have a limited number of online options other than phone.”
- “Lower income and educational attainment levels, younger adults, and non-whites are especially likely to be “smartphone-dependent.”
- “Some 13% of Americans with an annual household income less than $30,000 per year are smartphone-dependent.”
- “Just 1% of Americans from households earning $75,000+/year rely on smartphones to a similar degree for online access.”

Source: Pew Research Center, U.S. Smartphone Use in 2015
Polling Question

How do you communicate with your low income customers?
Offering Hypothesis
Customer Services Themes

• Choice, Control and Caring
• Empower customer to take control of energy dollars
• Simple and user friendly
• Mobile/SMS
• Push content/outbound
• Inexpensive/behavioral/actionable recommendation
• Energy content and education
The digital energy consumer continues to enable more business value for energy providers

- 77% of digital users were more satisfied with their energy provider compared to 64% of non-digital users.

- 45% of digital users recommended or promoted their current energy provider in the past 12 months compared to 11% of non-digital users.

- 48% of digital users have more trust in their energy provider compared to 34% of non-digital users.

- 85% of digital users trust their energy provider to protect their data compared to 75% of non-digital users.

- 82% of digital users are more interested in connected home service compared to 59% of non-digital users.

- 55% of digital users are more likely to purchase an electric vehicle or EV/PHV in 5 years compared to 28% of non-digital users.

- 81% of digital users are more interested in energy trading marketplace compared to 60% of non-digital users.

- 59% of digital users are more likely to sign up for solar panels in 5 years compared to 33% of non-digital users.

- 66% of digital users are more likely to sign up for an application to remotely monitor and control home elements compared to 40% of non-digital users.

Digital users (44% of all respondents)
Non-digital users

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Overall Customer Satisfaction Index by Program Offerings

Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction Study℠ – Midpoint results
APOGEE Solution
EPIC is...

- Simple to implement turnkey solution.
- Stand alone offering or can be embedded in existing utility program.
- Easy to associate with community programs.
- Meaningful to either renters who do not have money for energy projects/fixed income.
- Mobile phone focused.
Theme: Control

- Control of Communication
- Control of Usage
- Control of Payments
Control of Communication

- Preference Management System
- SMS/Text
- Email
Control of Usage

- **Energy Advisor**
  - Housing stock to reflect appropriate dwellings
  - Specific recommendation
  - Links to Utility programs

- **Special Purpose Calculators (SPC)**

- **Proactive Content Push**
  - Close your blinds
  - Put a towel under a drafty door
  - Cover windows with plastic
Control of Payments

• Utility Payment Options
  - Prepaid
  - Budget billing

• Programs
  - Utility
  - Community

• Authorized Payment Centers
EPIC Program Activities

• Identify, recruit, and enroll customers
• Provide specific tools for EPIC customers
• Provide choices for communication method
• Identify valuable and cost effective energy projects
• Create awareness of utility, state, and community programs
• Provide timely and actionable information
You are becoming EPIC!

EPIC stands for Engagement Platform for Information and Communication. EPIC provides simple, useful and timely communication and a suite of tools. Why not get started!

I want to receive EPIC through either email or text to your mobile phone:

Email: __________________________________________
Confirm Email: ______________________________________
Text (phone number): ________________________________
Confirm phone number: ______________________________

USER AGREEMENT: By selecting agree, you consent to receive messages through the method you selected. These messages contain information concerning your energy use, status of your energy account, methods for making payments, participating in utility programs, and other information. You can unsubscribe at any time by logging into your account and changing your preferences. Visit our website at www.apogee.com/EPICSU for more information.
Communications
Messaging Schedule

• Every message has a call to action and pertinent utility link

• **Peak Months**
  - Monthly bill explanation
  - Simple ways to save

• **Pre-season Cooling & Heating**
  - Payment assistance
  - Check the filters

• **Budget Billing**

• Other
Sample Messages

Apogee Electric & Gas Company

Today is going to be very hot. Keep blinds and curtains closed between noon and 6PM to make your home more comfortable. To learn more, click on www.aeg.com.

If you see light coming through door or window jambs, consider adding caulk or weather stripping to improve the seal. To learn more, click on www.aeg.com.

Block drafts with a rolled up towel. To learn more, click on www.aeg.com.

From: Apogee Electric & Gas Company
Sent: Thursday, March 09, 2017 9:59 AM
To: John Smith<jsmith@aol.com>
Subject: Your Energy Advisor Recommendations

Blinds & Curtains
On hot days, keep blinds and curtains closed between noon and 9:00PM to make your home more comfortable. To learn more, click on www.aeg.com.
Usage Alerts - Optional

- Usage threshold alerts
- Payment alerts
- Require AMI

Dear Apogee Electric and Gas Customer:

We have determined that your electric usage has reached 50% of your monthly billing threshold of that you selected. Your next billing date is June 1, 2017.

To review your account or learn more about your energy usage, go to www.aeg.com or contact our Customer Service department at (555)555-5555.
On-line Tools
Reducing Phantom Loads
See how many of your energy dollars are being wasted by appliances in your home that are plugged in but not in use.

Appliance Calculator
How much does it really cost to use the appliances in your home? Here’s a quick way to get a feel for what your home’s appliances cost to operate.

Television Calculator
Compares the energy use and cost of LCD, DLP, Plasma, and traditional tube televisions.

Sign up for Energy Tips
Payment Assistance
Weatherization Program
Energy Advisor
Recommendations

WAYS TO SAVE

Insulation Upgrade:
Installing ceiling and floor insulation can save you up to $423 per year.

Programmable Thermostats:
Your best money saving tip is using a programmable thermostat. It can save you as much as $319 per year by setting 68°F for heating and 78°F for cooling when you are not home and automatically setting 60°F for heating and 80°F for cooling when you are away. Central air/heat pumps should only be adjusted by 7°F for heating to avoid short-cycling the emergency back heat.

Cooling Setting:
If you raise your cooling setting from 75°F to 81°F, you could save as much as $182 per year.

Weatherize Your Home:
If you caulk around your windows and doors, make certain the weatherstripping on your doors and windows is tight, weatherstrip your attic door, and take other actions to seal your house further, you could save up to $12 per year.

LED Bulbs:
If you replace the remainder of the incandescent light bulbs you use most often with LED bulbs, you could save up to $105 a year.

Water Heater Upgrade:
If your water heater is aging, consider replacing it with a more efficient model. If your current water heater is 10 years or older, it could be time to replace it.

Heating Setting:
If you lower your heating setting from 72°F to 68°F, you could save as much as $117 per year.
## Special Purpose Calculators

### Appliance Calculator

<table>
<thead>
<tr>
<th>Component</th>
<th>Annual kWh</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>497</td>
<td>$40</td>
</tr>
<tr>
<td>Kitchen</td>
<td>79</td>
<td>$7</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Utility Room</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Living Room</td>
<td>376</td>
<td>$26</td>
</tr>
<tr>
<td>Bathroom</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Bedroom</td>
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<td>$0</td>
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<tr>
<td>Medical Equipment</td>
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<td>$0</td>
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<tr>
<td>Office</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Heating / Cooling</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Garage</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Outdoors</td>
<td>0</td>
<td>$0</td>
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**Total**: Annual kWh: 952  
**Total Annual Cost**: $75

This application uses your local weather and energy rates. It is only an estimate of your actual energy use.
Special Purpose Calculators

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Total: 952 kWh, $75

*This application uses your local weather and energy data. This is only an estimate of your actual energy use.*
Did you know you are wasting money and energy?
## REDUCING PHANTOM LOADS

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<td>1066</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>&gt;50” LED</td>
<td>9</td>
<td>$1</td>
</tr>
<tr>
<td>40”-49” LED</td>
<td>17</td>
<td>$1</td>
</tr>
<tr>
<td>30”-39” LED</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>&gt;50” Plasma</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>60”-69” Plasma</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>40”-49” LCD</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
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<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>40”-49” LCD</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Cable/Sat. Box</td>
<td>87</td>
<td>$7</td>
</tr>
<tr>
<td>DVR/DVD Player</td>
<td>507</td>
<td>$41</td>
</tr>
<tr>
<td>Game Console</td>
<td>26</td>
<td>$2</td>
</tr>
<tr>
<td>CRT PC Monitor</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>LCD PC Monitor</td>
<td>31</td>
<td>$3</td>
</tr>
<tr>
<td>Desktop PC</td>
<td>52</td>
<td>$4</td>
</tr>
<tr>
<td>Laptop</td>
<td>0</td>
<td>$0</td>
</tr>
</tbody>
</table>
Advanced Optional Services

• Monthly bill explanation
• Quarterly/Annual Energy Summary Reports
• Extensive energy video libraries information
• Customer marketing and program participation services
Summary

✓ Simple and low cost solution
✓ Designed to serve the hard to serve
✓ Customer is in control
✓ Lower cost per customer
✓ Support other programs
Looking for a few good utilities
Contact Information

Jim Malcom
jmalcom@apogee.net
678.684.6800

ACCOUNTANT HUMOR

Accounting jokes - an oxymoron?
Any questions?
ACCOUNTANT HUMOR
Accounting jokes - an oxymoron?

Contact Information
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Your Trusted Partner in Customer Engagement
COMING SOON!
Summer Sessions: Mastering Customer Engagement
June – August, 2017