Engaging Low Income Customers in Times of Crisis

July 23, 2020

Presented by
Bob Evely- Wells Fargo
Britton Gabel- OPPD
Jim Malcom- Apogee Interactive
Our Agenda

Presenters bios  Macro economic trends  Utility programs and initiatives  Targeted customer engagement strategies  Q&A
Software as a Service (SaaS) provider focused on three major utility initiatives:

- Best in class Data Analytics
- Providing Consistency, Building Customer Trust

Who We Are
Leading the market in customer engagement

In our 27th year

Serving HUNDREDS of utilities, reaching MILLIONS of customers
**Jim Malcom**, Apogee Interactive, Inc.

Jim provides oversight business and financial operations of the company. His senior management experience in the telecommunications and management consulting industries is providing strategic direction for Apogee’s continued growth and success. He 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.

**Britton Gabel**, Omaha Public Power District

Britton manages the Income Qualified and Customer Advocacy Products and Services. He graduated from the University of Nebraska-Lincoln with a Bachelors of Science in Criminal Justice and Sociology. Prior to joining OPPD, Britton managed the Low Income Home Energy Assistance Program (LIHEAP) and Community Services Block Grant (CSBG) Program for the State of Nebraska. Britton has 13 years of diverse professional experience in administrating State and Federal Programs that benefited individuals and families in need of assistance across the State. Britton’s past positions at the State of Nebraska include IT Business Systems Analyst Supervisor, Social Services Supervisor, Child Care Development Fund Program Specialist, Resource Development Worker, and Children and Family Service Specialist.

**Bob Evely**, Wells Fargo

Bob Evely is a licensed principal and securities representative. He has a Masters Degree with an emphasis upon statistics and has graduated from the College of Financial Planning.

Bob works across our country helping clients manage their 401k plans more effectively and provide personal financial planning to their employees.
When you entrust your Plan to an advisor of Wells Fargo, you gain three keystone advantages:

- **Knowledge.** Our 50,000 advisors represent in 40 states are dedicated to serving over 25,000 retirement plans with strategic, expertly crafted consulting services.

- **Expertise.** Earned through skillful and steadfast management of more than $98 billion in collective retirement assets under advisement.

- **Ingenuity.** Driven by highly evolved technology, systems and services to enhance plan performance, and ultimately, participant outcomes.
The map above shows places the CDC says are more vulnerable to "stresses on human health" because of a combination of factors — including poverty, education levels, housing quality and other issues like lack of access to transportation.
Losing Employment Income Matters More for Lower Income and Younger Households
(In percent)

- Income less than $25,000
- Income $100,000 or more
- Household respondent age 25 to 39
- Household respondent aged 65 and over

- Slight or no confidence in ability to pay next month's rent or mortgage on time:
  - 50.0% (Income less than $25,000)
  - 33.7% (Income $100,000 or more)
  - 12.2% (Household respondent age 25 to 39)
  - 8.4% (Household respondent aged 65 and over)

- Unable to stop worrying more than half of the days or nearly every day:
  - 41.8% (Income less than $25,000)
  - 23.8% (Income $100,000 or more)
  - 39.9% (Household respondent age 25 to 39)
  - 21.0% (Household respondent aged 65 and over)

- Feeling down, depressed or hopeless more than half of the days or nearly every day:
  - 36.6% (Income less than $25,000)
  - 19.5% (Income $100,000 or more)
  - 32.2% (Household respondent age 25 to 39)
  - 18.0% (Household respondent aged 65 and over)

- Sometimes or often not having enough food to eat:
  - 36.0% (Income less than $25,000)
  - 20.5% (Income $100,000 or more)
  - 2.1% (Household respondent age 25 to 39)
  - 5.8% (Household respondent aged 65 and over)

Source: U.S. Census Bureau, Household Pulse Survey, Round 6, June 4 to June 9.
The leisure and hospitality industry, which pays the lowest average hourly wage compared with other industries, has experienced the most layoffs compared with other sectors of the economy, according to Bureau of Labor Statistics data.
Figure 2. Difficulty Paying Bills, by Income Level

Overall: 28%

- $125,000 or higher: 11%
- $25,000 to $124,999: 27%
- Less than $25,000: 52%

Percentage of respondents who reported difficulty paying bills

SOURCE: Authors' calculations based on 2,046 responses from the ALP survey conducted May 1–6, 2020.

NOTE: The exact wording of the question was "In the past month, how difficult has it been for you to cover your expenses and pay all your bills?" Respondents who selected "very difficult" or "somewhat difficult" are included in this figure. Household income is based on information from ALP's household information survey fielded in February 2020.
<table>
<thead>
<tr>
<th>Methods of Paying Bills</th>
<th>Less Than $25,000</th>
<th>$25,000 to $124,999</th>
<th>$125,000 or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>By putting it on my credit card and paying it off in full at the next statement</td>
<td>19%</td>
<td>17%</td>
<td>34%</td>
</tr>
<tr>
<td>By putting it on my credit card and paying it off over time</td>
<td>30%</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>With the money currently in my checking/savings account or with cash*</td>
<td>61%</td>
<td>84%</td>
<td>94%</td>
</tr>
<tr>
<td>Using a bank loan or line of credit</td>
<td>6%</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>By borrowing from a friend or family member*</td>
<td>42%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Using a payday loan, deposit advance, or overdraft</td>
<td>6%</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>By selling something*</td>
<td>48%</td>
<td>39%</td>
<td>7%</td>
</tr>
<tr>
<td>By using my stimulus payment</td>
<td>76%</td>
<td>87%</td>
<td>73%</td>
</tr>
<tr>
<td>By asking my landlord or mortgage provider for an extension</td>
<td>20%</td>
<td>24%</td>
<td>10%</td>
</tr>
<tr>
<td>I wouldn't be able to pay for the expense right now*</td>
<td>46%</td>
<td>33%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>

SOURCE: Authors' calculations based on the ALP survey conducted May 1–6, 2020.

NOTE: The exact wording of the question was "What methods are you using or do you plan to use to cover your expenses?" Respondents were instructed to select all that applied. Household income is based on information from ALP’s household information survey fielded in February 2020. Only respondents who indicated that they found it "very difficult" or "somewhat difficult" to pay their bills were asked this question. Sample size ranges from 475 to 492 because of some nonresponse for individual methods. * indicates that the response was statistically different across income groups at the 5-percent level of significance.
Income Qualified Programs

Presented by: Britton Gabel, Sr. Product Specialist
Agenda

1. Program Overview
2. Program Focus
3. Energy Assistance Program
4. Income Qualified Energy Efficiency Pilot
5. Future
Program Overview

• OPPD programs to assist customers experiencing financial challenges.
  – Energy Assistance Program (EAP)
  – Low Income Home Energy Assistance Program (LIHEAP)
  – Income Qualified Energy Efficiency Pilot Program
  – Low Use, Low Income Credit (LULI)
  – EAP Safe Neighbor

• Additional services to assist customers with budgeting utility expenses.
  – Level Payment Plan
  – Payment Plan Arrangements
Program Focus

• Focus of current programs to find efficiencies, expand relationships and growth
  – Launched Income Qualified Energy Efficiency Pilot Program (September 2019)
    • OPPD awarded $50,000 APPA Deed Grant
    • Completed program administration request for proposal (RFP) which included expanded coverage ensuring customer access across the entire service territory
  – Energy Assistance Program Administrative Agency Change
    • Determined the most effective administration model for OPPD’s EAP funds
    • Completed a full program evaluation and program administration RFP
  – Low Income Home Energy Assistance Program (LIHEAP)
    • Improved processes and collaboration between utilities (M.U.D.) and the State of Nebraska
Energy Assistance Program (EAP)

• Mission: Provide a program which is accessible, responsive, and impactful to the lives of vulnerable customers.

• Program Opportunities & Enhancements:
  – Access to assistance through the most efficient model
    • Leveraged community social service agencies to improve customer experience
    • Increased customer access to OPPD EAP Funds
    • Streamlined referral and application process
  – Established consistent eligibility requirements
  – Improved oversight and quality control of donor dollars
  – Improved reporting and performance metrics
  – Reduced overall program costs through lower administration fees
  – Updated EAP Website and Marketing Materials
  – Developed collaborative relationship between other utility partners
Energy Assistance Program (EAP)

• Program Overview:
  – Funds are distributed by a network of Community Based Organizations (CBO) managed by Dollar Energy Fund
    • Focus on keeping services and customer relationships local
  – Current number of CBO’s: 28 (increased from 9 and still growing)
  – Program Criteria
    • $500 maximum benefit per household
    • Household’s gross income must be at or below 200% of the Federal Poverty Level Guidelines*
    • Eligible customers are those who are experiencing an acute financial crisis due to a verifiable emergency (illness, death, lay-off, loss of income, etc.)

* Income criteria waived for households impacted by COVID-19
EAP Access Locations

Current State 5/1/2020
33

Prior State as of 4/30/2020
9

211 Covers the entire services area with phone applications for Dollar Energy Fund
The Future with EAP

- Continued Community Based Organization Recruitment
- Donation Strategy Enhancements
- Electronic Application
- Program Dashboard
- Marketing Campaigns
- Process Improvement
Income Qualified Energy Efficiency Pilot

• Program designed to help customers improve the energy efficiency (EE) of their homes leading to reduced energy consumption and lower utility bills
  – ELIGIBILITY REQUIREMENTS
    • Household income less than 200% of the Federal Poverty Level
    • Customer must own their home and be an OPPD customer
  – PROGRAM DETAILS
    • In-home energy assessment is conducted to identify opportunities for EE upgrades
    • Customer receives a home EE kit which is installed during the assessment
    • Customer receives the completed home energy assessment report and including all recommended upgrades
    • Based upon the energy assessment findings, customer may receive up to $1,000 of EE home improvements performed by a program contractor
Income Qualified Energy Efficiency Pilot

• Program Contractors
  – Habitat for Humanity of Omaha
  – Southeast Nebraska Community Action Partnership (SENCA)
  – 100% of OPPD service territory coverage

• OPPD awarded a $50,000 APPA DEED Grant Update for 2020
  – Purpose of grant:
    • Increase energy efficiency measure investment to $2,000 per home
    • 50 homes will receive additional funding beginning in March 2020
    • OPPD will utilize data to determine if current program EE investment is adequate
Income Qualified Energy Efficiency Pilot

**AVG PROJECTED ENERGY SAVINGS**
62,613 kwh, annually

**PARTNER AGENCIES**
13

**NET PRESENT VALUE**
$140,087

**AVG PROJECTED UTILITY BILL SAVINGS**
$163 per home, yr. vs. $85 per home, yr. pre-pilot

**Comparative Participation Summary**
Pilot: September 2019 – March 2020

- Phase 1 - Energy Audits Completed (2018): 36
- Phase 2 - Energy Measures Installed (2018): 21
- Phase 1 - Energy Audits Completed (Pilot): 35
- Phase 2 - Energy Measures Installed (Pilot): 32
- Weatherization Work In Progress (Pilot): 10

**Geographic Reach**
76 Households Referred in Pilot

**Demographic Data**

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>60+ Years Old</td>
<td>42</td>
</tr>
<tr>
<td>Disabled</td>
<td>19</td>
</tr>
<tr>
<td>Children 5 Years or Younger</td>
<td>7</td>
</tr>
<tr>
<td>Non-White Household</td>
<td>29</td>
</tr>
<tr>
<td>Avg. Member per Household</td>
<td>2.00</td>
</tr>
</tbody>
</table>

**Investment Metrics**

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Actual</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings to Investment Ratio (SIR):</td>
<td>2.67</td>
<td>1</td>
</tr>
<tr>
<td>Return on Investment (ROI)</td>
<td>26.5%</td>
<td>5%</td>
</tr>
<tr>
<td>Household Investment</td>
<td>$61,847</td>
<td>$75,000</td>
</tr>
</tbody>
</table>
Empowering Utilities for the Future

APOGEE®
<table>
<thead>
<tr>
<th>Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment assistance programs</td>
<td>45.4%</td>
</tr>
<tr>
<td>Ways the utility is supporting individuals and communities during COVID-19</td>
<td>40.1%</td>
</tr>
<tr>
<td>Available financial resources provided by the utility</td>
<td>34.3%</td>
</tr>
<tr>
<td>Ways to conserve energy during this time</td>
<td>31.1%</td>
</tr>
<tr>
<td>Recommended ways to contact the utility regarding questions for quicker response times</td>
<td>22.4%</td>
</tr>
<tr>
<td>Policies / procedures / business continuity plan utility has developed during COVID-19</td>
<td>22.3%</td>
</tr>
<tr>
<td>Types of rate structures available and the benefits / advantages of each</td>
<td>20.0%</td>
</tr>
<tr>
<td>N/A do not want to receive information from my utility regarding COVID-19</td>
<td>10.1%</td>
</tr>
<tr>
<td>Don't know/unsure</td>
<td>6.8%</td>
</tr>
<tr>
<td>Other (please specify):</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Financial Impacts: Electric Bill Payment Troubles

What adjustments have you had to make in your electric bill payment?

- Paid electric / utility bills late: 56.2%
- Utilized a payment plan assistance program: 40.4%
- Contacted utility to reduce bill (i.e. remove optional programs or services for the foreseeable future to reduce monthly payment): 30.8%
- Don't know / unsure: 2.7%
- Other (please specify): 2.3%
Personalization

90% found personalization appealing

80% prefer businesses that used personalization

71% reported they were frustrated by an impersonal customer experience
Ways To Engage Consumers

- Personal & Relevant
- Video Based
- Mobile Phone Text/Short Message Service (SMS)
Engaging Low Income Customers

Proactive Outbound Video

PAYMENT ARRANGEMENTS  LEARN MORE
Sample Text Messages

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.
Alerts

- Mid-cycle
- Usage threshold
- Savings recommendations
- Payment reminders

Dear Apogee Electric & 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 Feb. 3, 2020.

To review your energy usage, go to www.aeg.com or contact our Customer Service department at 1-855-555-5555.
Calls to Action

- Payment options
  - Assistance
  - Authorized vs Unauthorized payment centers
- Programs
- Energy tools
- NPS and Voice of the Customer Surveys
Energy Tools

Energy Advisor

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

Special Purpose Calculators (SPC)

- Aimed at savings
- Simple to use
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
Messaging Results

- Net Promoter Score (NPS) 39 compared to industry average 15
- 98% user improved brand perception
- 96% reported favorable perceptions
- 97% bill explanation useful
- 90+% reported would not contact utility
Upcoming Webinars

August 27, 2020 – 2:00PM EST

What’s after Home Energy Reports?

Fall Topics:

Communicating Rate Options Effectively
Implementing Virtual Audits
Jim Malcom
jmalcom@apogee.net
678-684-6820

Britton Gabel
bигabel@opppd.com
531-226-3515

Bob Evely
revely@wfafinet.com
678-585-6513
Please complete our Survey
Any Questions?
Personalized Video Content

- 41% of marketers say video has helped reduce calls
- 94% say video has increased understanding of products and services
- 68% prefer to learn about products and services by watching a short video

*Source 2019 Wyzowl video survey*
<table>
<thead>
<tr>
<th>Methods of Paying Bills</th>
<th>Less Than $25,000</th>
<th>$25,000 to $124,999</th>
<th>$125,000 or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>By putting it on my credit card and paying it off in full at the next statement</td>
<td>19%</td>
<td>17%</td>
<td>34%</td>
</tr>
<tr>
<td>By putting it on my credit card and paying it off over time</td>
<td>30%</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>With the money currently in my checking/savings account or with cash*</td>
<td>61%</td>
<td>84%</td>
<td>94%</td>
</tr>
<tr>
<td>Using a bank loan or line of credit</td>
<td>6%</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>By borrowing from a friend or family member*</td>
<td>42%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Using a payday loan, deposit advance, or overdraft</td>
<td>6%</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>By selling something*</td>
<td>48%</td>
<td>39%</td>
<td>7%</td>
</tr>
<tr>
<td>By using my stimulus payment</td>
<td>76%</td>
<td>87%</td>
<td>73%</td>
</tr>
<tr>
<td>By asking my landlord or mortgage provider for an extension</td>
<td>20%</td>
<td>24%</td>
<td>10%</td>
</tr>
<tr>
<td>I wouldn't be able to pay for the expense right now*</td>
<td>46%</td>
<td>33%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>

SOURCE: Authors’ calculations based on the ALP survey conducted May 1–6, 2020.

NOTE: The exact wording of the question was “What methods are you using or do you plan to use to cover your expenses?” Respondents were instructed to select all that applied. Household income is based on information from ALP’s household information survey fielded in February 2020. Only respondents who indicated that they found it “very difficult” or “somewhat difficult” to pay their bills were asked this question. Sample size ranges from 475 to 492 because of some nonresponse for individual methods. * indicates that the response was statistically different across income groups at the 5-percent level of significance.