Smart Energy and Lower-Income Consumers: No One Left Behind
Supporting Low-Income Consumers in Uncertain Times

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COVID-19 has had a negative financial impact on a majority of U.S. households, with 57% reporting a loss of income.

Q: Is your household income being negatively impacted by the Coronavirus (COVID-19) pandemic?

All Respondents
n=33,695 all survey waves

Source: TransUnion Financial Hardship survey
Those indicating they will not be able to pay their Utility bills are more likely to have lost their job

How is your current household income being impacted by Coronavirus (COVID-19)?

Total U.S.:
- My work hours have been reduced: 49%
- I've lost my job: 14%
- I own a small business and had to close and/or orders have dried up: 23%
- My partner has lost his/her job and/or has reduced work hours: 25%

Those indicating they will not be able to pay their Utility bills are more likely to have lost their job.

Source: TransUnion Financial Hardship survey
The percent of consumers that have received payment accommodations differs by type of bill

*For which products or bills have you enrolled in a financial accommodation?*

Wave 13 (Sept 30, 2020)

<table>
<thead>
<tr>
<th>Financial Product</th>
<th>% of Households with a Given Product</th>
<th>% of Households with a Given Product that Have Received a Financial Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student loan</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>Personal loan</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Auto loan</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Credit card</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Internet</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Mobile/Cell</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>
When accommodations end, consumers prefer a plan that allows for payment of current bill and gradual repayment of the deferred amount.

**What is your repayment preference when the financial accommodation period ends? (Select one)**

**Wave 13 (Sept 30, 2020)**

- Create a repayment plan so I can catch up gradually while I pay my regular monthly payments: 36%
- Extend the accommodation for another few months: 28%
- Pay off all postponed payments with a lump sum: 22%
- Work with the lender to extend the length of the loan: 6%
- Work with the lender to modify the interest rate: 3%
- I don’t know what I’m supposed to do: 3%
- Work with the lender to pay a lump sum at the end of the loan: 1%
TU has developed new data solutions that can be used to segment and support customers who are in distress

**Data Solution**

- **CreditVision® Acute Relief Attributes:** 88 data elements that identify consumers affected by natural disaster or are in deferment, forbearance, or on payment holiday
- **CreditVision Acute Relief Score:** Quantify new customer risk based on recent and trended usage and payment algorithms
- **CreditVision Account Management Score:** Likelihood of an account (of any type) rolling to 90+ DPD within 3 months
- **Short Term Lending Account Management Triggers:** Activity in TransUnion’s Alternative Credit Database

**How can it be used?**

- Identify your customers who are in financial distress with other financial obligations to determine successful treatment strategies
- Reduce risk before/at account origination, to increase confidence during these unprecedented times
- Understand consumers’ likelihood of delinquency within a shorter time period after account origination
- Monitor your customers’ activity, so that you can focus efforts on accounts that need immediate support, and mitigate losses
Questions?

Feel free to email:
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Energy Usage
Covid-19 Pandemic Moratorium

Prepay Users are More Aware and Engaged
Understanding the Problem

- 800K new jobless claims in September
- 3.5M borrowers are on CARES Act mortgage forbearance which is set to expire in October
- 40M Americans are currently at risk of eviction
- 41% of Americans have reported mental or behavioral health conditions due to COVID crisis
- The average delinquent utility balance is $400
- 26% of Americans experienced food insecurity at some point this year
- 43% of Americans are inadequately insured
Understanding the Problem

As balances go up...

The chance of collecting in full goes down.

The trend of high balances is unlikely to change, even with partial lift of moratorium.
Enable Customer Journey and support Program Adoption (eBilling, Payment and Collections)

Enable Targeted, Consistent, Personalized Customer Experience

Develop and Operationalize Customer Segmentation

New Strategic Initiatives Planning and Execution (C&I lighting, EV, Transformation)

Customer Acquisition & Churn reduction

Personalized, Targeted Communication and Outreach

Program Adoption (eBilling, Payment and Collections)

The Backbone of Customer Intelligence

Customer Management and support
Achieving Data Maturity

Identify struggling customers and find the right solutions to meet their unique needs

- **Identify** your data resources
- **Clean** your data to check for quality issues
- **Enrich** your data with external sources for a complete view of your customers
- **Analyze** your data to surface behavior patterns and other insights
- **Operationalize** your insights, act on them, and derive results
- **Adapt** as you continue to collect more data and results
Objective-Driven Segmentation

BROAD

- Broad Customer Segments and Communication

ENERGY AGNOSTIC

ENERGY SAVVY

ENERGY DEPENDENT

ENERGY CONSCIOUS

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Objective-Driven **Segmentation**

BROAD

- Paperless Billing
- **SAVE THE TREES**

SPECIFIC

- SAVE THE LATE FEES
Objective-Driven **Segmentation**

- **BROAD**
  - Churn Reduction for Paperless
- **SPECIFIC**
  - Recently Disengaged
  - Convenience Fee
  - Prefers Paper
Customer Intelligence

**Just Needs a Nudge**
- Propensity Score: 87%
- Avg Income: $60K
- Average Age: 42
- Channel Pref: Email
- Own/Rent: Owner

**Newly Unemployed**
- Propensity Score: 53%
- Avg Income: $35K
- Average Age: 58
- Channel Pref: Mail
- Own/Rent: Owner

**Struggling Families**
- Propensity Score: 68%
- Avg Income: $40K
- Average Age: 39
- Channel Pref: Internet
- Own/Rent: Renter
Delinquent Residential Customers

Typically Good Payers

Habitually Payment Challenged

Previous Energy Assistance

CAP
- Persona: High Propensity
- Persona: Medium Propensity
- Persona: Mid-to-Low Propensity

Grants
- Persona: High Propensity
- Persona: Medium Propensity
- Persona: Mid-to-Low Propensity

Payment Arrangements

New to Energy Assistance

CAP
- Persona: High Propensity
- Persona: Medium Propensity
-Persona: Mid-to-Low Propensity

Grants
- Persona: High Propensity
- Persona: Medium Propensity
- Persona: Mid-to-Low Propensity

Payment Arrangements
- Persona: High Propensity
- Persona: Medium Propensity
- Persona: Mid-to-Low Propensity
Start deriving results within 8-12 weeks of engagement

Other High-Profile Initiatives

- Implement Customer Segmentation & Enable Customer Journey
- Customer Experience Enablement
- EV Strategy and Fleet Electrification

650% increase in customer email engagement

17% increase in full payments to delinquent accounts during shutoff moratoriums

56% newly identified commercial customers for acquisition in competitive markets

20% sign-up rate from low-income program campaigns

$MM saved by enrolling more customers in paperless billing and other programs

33% newly identified residential customers for acquisition in competitive markets
Tips for Keeping Balances Manageable

Tip #1
Not everyone who needs help will ask for it

Tip #2
“Good payers” are highly likely to engage and work with you

Tip #3
Personalize content wherever you can

Tip #4
Look outside of billing & collections for some quick wins

Tip #5
There is no better time than now

Learn more at www.blastpoint.co
SECC 2020

Multifamily Income Qualified Programs

October 22, 2020
About Austin Energy

Public Power
• 2nd largest municipally owned utility in Texas
• Reports to the City Manager, who executes the policy and direction of the City Council
• 1700+ Employees
• $1.45 billion in revenue (2019)
• 496k customers

Compact, Dense System
• 437 square miles of service area covering City of Austin and beyond

Vertically-Integrated
• Vertically-integrated in a deregulated, wholesale, energy only market
• 2019 AE System Peak Load 2810 MW (summer), 2380 MW (winter)
MF Programs

Two Programs

Program Pillars
Market what they want
Bundle what they need
Focus on the intent
Market what they want

Smart Thermostats

Granite countertops of Energy Efficiency – Contractor

Complete the loop by educating the customer and property
This ensures tenants have a good experience
Provides the property with knowledge to self serve issues
Bundle what they need

Lead with Dessert
- Thermostats
- Advanced Power Supplies (Pilot)
- HVAC Tune-Up

Eat Your Vegetables
- Insulation
- Solar Screens
- Plenum Remediation (Duct Seal)
- Lighting
Focus on the intent

• Focus on reducing Energy Burden
• Intentional about Equity
• Build it and they will come
  • Wi-Fi/Others
  • Behavioral
• Austin Energy goal alignment
  • kW vs kWh
• Remember the intent...The customer
  • Leave the unit better than we found it
  • Other Non-Energy Benefits
Manuel “Manny” Garza, PE

Thank You!