

# Predictable Billing Plan Pilot

Overview and Approach





# Outline

- Why the need for this offering?
- Concept of Pilot
- Is it something customers want?
- Detailed Overview

# Why is this offering needed?



## A Customer Problem Currently Exists

Customers feel anxious and are unable to manage their household budget due to fluctuating utility bills.

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## A Premium Flat Bill Offering Won't Help

Flat bill offerings historically include a fee to participate and put the risk of over-consuming on customers without the option of a rebate. Impacts to consumption without technology are currently unknown.

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## New Technology is Available to Help

Mimicking what Verizon does for their "unlimited plans," we have the technology to optimize usage to ensure consumption is reduced and correlated to peak times while keeping the customer comfortable.

# Concept: A Customer-centric Flat Bill Offering

- Customer receives a flat monthly bill for a 12-month period
- No reconciliation or true-up during that period
- Electricity use is optimized through a smart thermostat to off-set any variances in the flat monthly amount
- After 12 months, the customer receives a bill credit if their usage was lower than the total paid amount

What do we want to learn from this pilot?	
Learnings Objectives	Measurements
Can we effectively manage energy usage of participants to prevent increased energy consumption?	Customer consumption compared to what they would have used without optimization
How will participating customers react to daily optimizations?	Bill amounts and opt-outs per customer
Will customers see this plan as a better option compared with our Budget Billing Plan?	CXI score compared to Budget Billing Plan

# 2020 Customer Panel Feedback:

Latest Results from the pilot:  
234 enrollments

**36%** said fluctuations in their energy bills make it difficult to manage their budget → Of those, **72%** would be interested in Predictable Billing

For those that don't struggle with fluctuating bills, **45%** showed interest



Top reasons for interest: ways to save money, new options/new technology, easier to budget

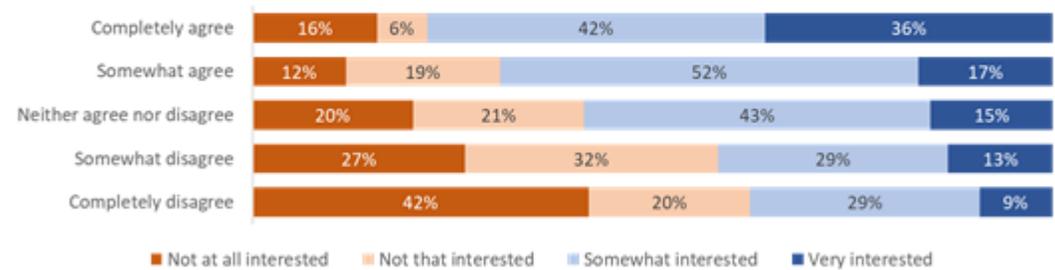
Top reasons for disinterest: fear of losing control, no issues with paying bills, and preference to knowing/paying for exact monthly usage

# 2020 Customer Panel Correlations

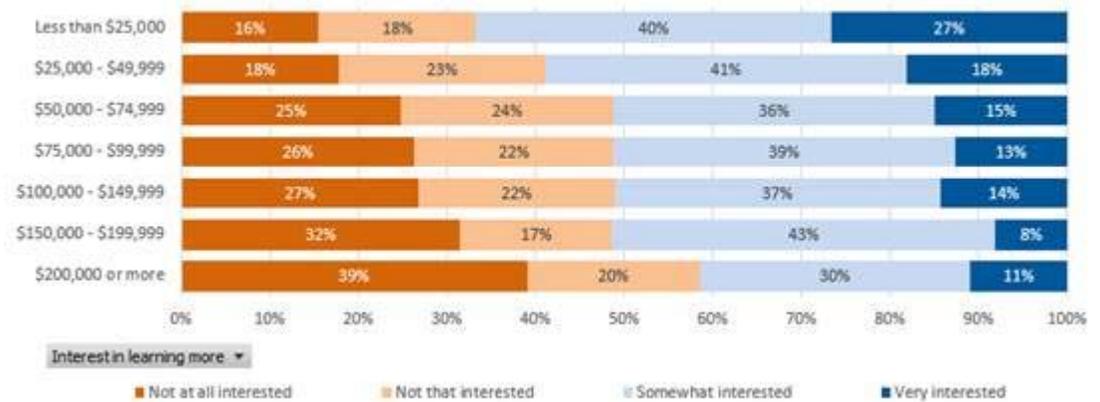
Customers who are concerned with fluctuations in their bill is correlated with interest in Predictable Billing. ▶

Interest in learning more about the Predictable Billing solution is correlated with income. ▶

Agreement/Disagree that "Fluctuations in the amount due each month makes it difficult to manage my budget"



Interest in Predictable Billing by Income



# Detailed Pilot Overview

<b>Need</b>	<ul style="list-style-type: none"><li>▪ Provides premium-free predictable bills for customers who have concerns with fluctuating electricity bills (solves a problem) or who want the convenience of a flat monthly bill (adds value).</li></ul>
<b>Goals</b>	<ul style="list-style-type: none"><li>▪ Customer consumption compared to what they would have used without optimization</li><li>▪ Bill amounts and opt-outs per customer</li><li>▪ CXI score compared to Budget Billing Plan</li></ul>
<b>Design &amp; Evaluation</b>	<ul style="list-style-type: none"><li>▪ If the pilot meets the following criteria, it will be scaled to test demand response impacts, customer interest and archetypes, and marketing strategy in order to develop a statistically significant pilot that can be proposed as a full-scale program in an upcoming electric rate case.<ul style="list-style-type: none"><li>❑ Pilot provides grid benefits in the form of energy waste reduction savings</li><li>❑ Pilot ensures customers' bills remain flat as predicted (no variance)</li><li>❑ Pilot ensures customers have an enjoyable experience during the optimization periods</li></ul></li></ul>
<b>Costs</b>	<ul style="list-style-type: none"><li>▪ ~\$400,000 (start-up and annual costs)</li></ul>
<b>Timeline</b>	<ul style="list-style-type: none"><li>▪ March 2021: Pre-launch for employee beta testers, customer recruitment begins (customer go-live)</li><li>▪ May – October: Optimization period</li><li>▪ November: Pilot scaling review gate</li><li>▪ Q2 2022: Pilot concludes or is scaled</li></ul>
<b>Stakeholder Engagement</b>	<ul style="list-style-type: none"><li>▪ Pilot is part of EWR Portfolio and follows EWR Pilot Standards (EWR Collaboration)</li><li>▪ 2/3: MPSC Staff Update</li><li>▪ 4/20: EWR Collaborative Update</li></ul>
<b>Public Benefits</b>	<ul style="list-style-type: none"><li>▪ Reduces customer anxiety and customer support defects</li><li>▪ Provides grid benefits in the form of energy waste reduction savings</li></ul>