



Customer Engagement in a Changing Environment

UT Energy Week – February 8, 2017

Debbie Kimberly, VP Customer Energy Solutions, Austin Energy

SAFELY DELIVER CLEAN, AFFORDABLE, RELIABLE ENERGY & EXCELLENT CUSTOMER SERVICE



Austin Energy At-A-Glance

- Serving Austin Since 1895
- 8th largest publicly owned electric utility in US
 - 455,000 customers, serve >1 million residents in Greater Austin
 - Peak Demand: 2,800 MW
 - Own & operate 11,429 miles of distribution grid
- 31% renewable power supply (FY16)
- Ambitious solar and energy efficiency goals





Clean Energy Goals in Generation Plan



55%



900
MW



950
MW



200
MW



0
CO₂

Offset 55% of customer load with renewable resources by 2025.

900 MW of savings from energy efficiency and demand response by 2025.

750 MW utility-scale solar + 200 MW local solar by 2025, including 100 MW customer-sited PV.

10 MW storage and 20 MW thermal energy storage by 2025.

Net zero community-wide GHG emissions by 2050.

*All subject to meeting **Affordability Goals**:
<2% rate increase per year; AE rates in lower half of Texas utilities.



What do Today's Customers Want?

^ Really



- Comfort
- **Price** Choices
- Lifestyle options
- Convenience
 - Self or
 - Human interaction or
 - Both
- Low **Bills**
- Value – products, services, relationships
- **Know my needs**

... anticipate my future needs!



JD Power: Keys to Residential Customer Experience

PQR*

Strive for “Perfect Power”
Outage Information
Pro-Active Outage
Communication

Price

Provide Options to
Customers
High Energy
Efficiency
Awareness

Billing & Payment

Multiple Payment
Options
Modern Bill
Reduce % of Mail
Payments

Corp. Citizenship

‘Toot your Horn’
Work to Boost the
Local Economy
Active in the
Community

Communications

Tell Your Story
Pro-Active and High
Frequency
Electronic Channels

Customer Service

Consistent
Experience
Mobile and Web
Empowered Agents

Top Performers excel at the basics and strive to *continuously* improve

* PQR: Power Quality & Reliability





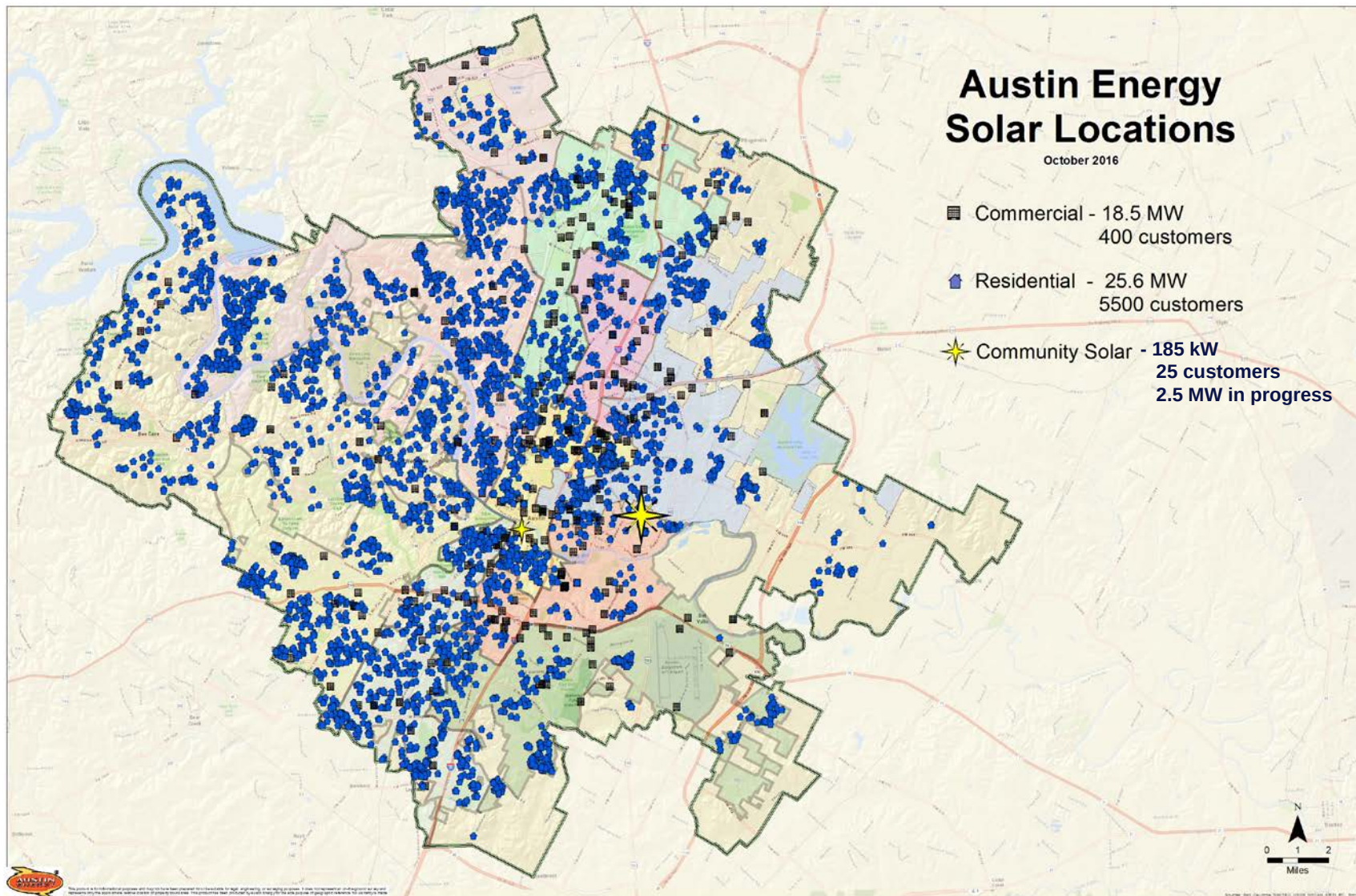
Different Customers, Different Priorities

Austin Energy Large Commercial Customers

	Importance
Provides reliable energy	9.7
Is trustworthy	9.4
Effectively communicates during outages	9.2
Works to keep energy prices down	9.2
Provides useful information	8.7
Provides resources that help me manage my organization's energy costs	8.2
Variety of rate options	7.9
Is an environmental steward	7.9
Variety of programs and services	7.4
Is active in the community	7.1



Customer-Sited & Community Solar



Net Energy Metering (NEM)

- Typical Net-Metering programs provide renewable energy producers with full retail value for their production.



- Utility Under-Recovery
 - Many utilities rely primarily on volumetric charges to recover fixed costs, as fixed charges have disproportionate impacts on low-income customers
 - Net Energy metering policies allow customers to offset volumetric charges at full retail value (with a one for one exchange)
 - As a variable generation resource, distributed solar typically does not completely offset fixed costs



Challenges of Net Metering

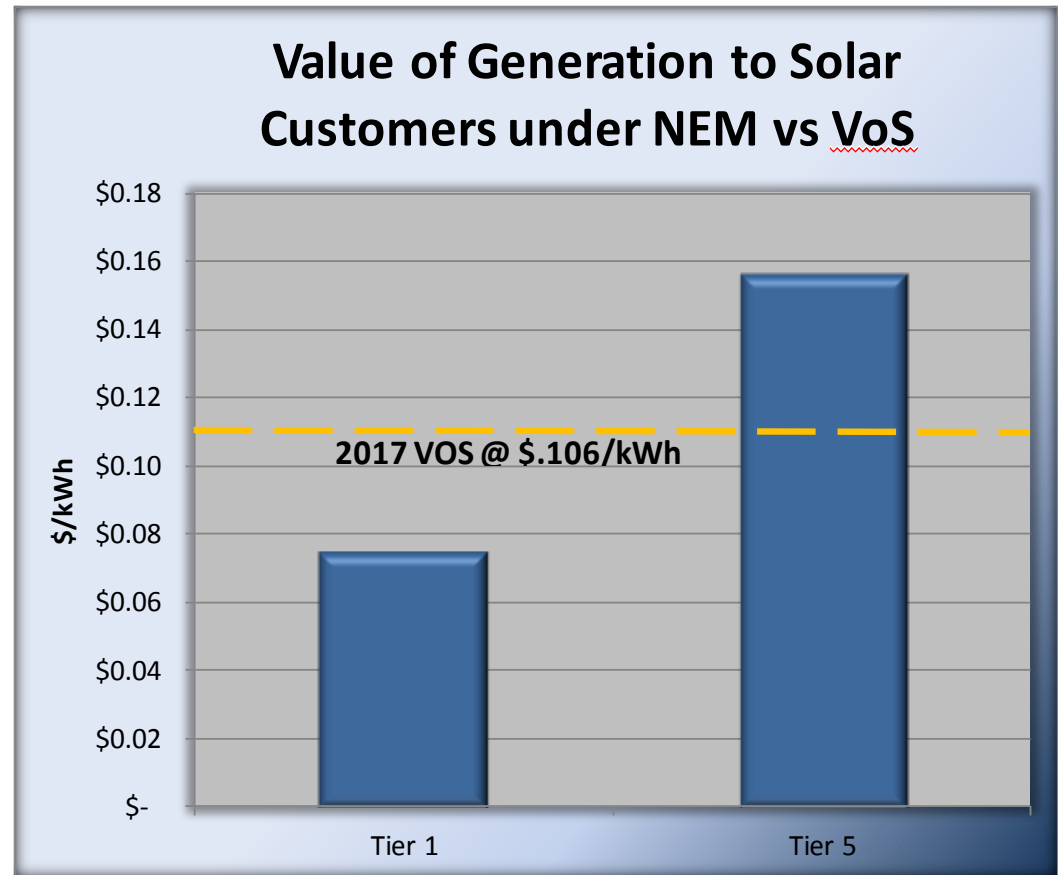
Under net metering in an “inclining block rate” structure:

- Customers with higher consumption are compensated at a higher value per kWh than customers in lower tiers
 - Equity issue
 - Regressive
 - Doesn’t encourage energy efficiency
- Customers with lower levels of consumption are compensated at a level below the value of the energy to the system
 - Disincentive for small or energy efficient homes to go solar
- Customers with higher levels of consumption are compensated at a level above the value of the energy to the system
 - Signal sent to customers is that production offsetting higher tiers of consumption is more valuable to the utility
 - The utility under-recovers the cost of service, having to spread that cost across all customers



Value of Solar Addresses Some NEM Challenges

- Recovers fixed costs
- Improves equity
 - Between solar customers
 - Between solar and non-solar customers
- Better reflects value of local generation
- Promotes efficiency & conservation



Understanding Customer Value Propositions & Tradeoffs: Key to Mutually Beneficial Customer Engagement



Control



Customer Effort

Incentive

**Information
Shared**





**City of Austin - Austin Energy
Customer Energy Solutions**

Debbie Kimberly

VP Customer Energy Solutions

p. 512.322.6327

e. debbie.kimberly@austinenenergy.com



Questions?

