Strategic perspectives on managing the affordability challenge

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Strategic perspectives on managing the affordability challenge

More than 60% of low- and moderate-income (LMI) households in the US face a high energy burden, with some paying more than 20% of their income on their utility bills. Many LMI customers report trouble paying their bills or forgoing other household needs to pay their bills, with almost a third experiencing disconnections or accumulating debt to their utility providers.

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Despite the severity of this crisis, utility affordability solutions need to catch up to the challenge. Millions of qualified households don't receive assistance. And participation rates in utility affordability programs, including bill payment assistance and energy efficiency programs are low—most states have less than 20% participation.

At the recent E Source Low Income Energy Issues Forum Annual Meeting, utility leaders came together to share how they've been addressing these issues strategically and operationally, discussing opportunities they've found to improve customer engagement, increase program participation, and enhance customer satisfaction.

Together, we can alleviate the burden of energy costs on LMI households. Here are some of the things we learned from JEA, SMUD, and Puget Sound Energy (PSE).

We can do better than light bulbs

When JEA realized that the homes of its LMI customers were old and in disrepair, it knew it had to get creative with its energy efficiency offerings to make a difference. The utility's historical practice of

providing LED lighting wasn't going to cut it for these customers. A leader from JEA shared, "We've been in this community and others for a number of years, but the help that we've provided is light bulbs. Do light bulbs *help*? No."

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JEA continued to share how it was motivated to secure extra funding from partners to better support its customers in meaningful ways, like improving air quality. "Forget about energy efficiency measures, we need to offer more to help make the home more livable," the leader proclaimed. They shared how JEA began to update windows and doors in owner-occupied homes and add insulation as necessary—measures that could significantly improve quality of life.

As JEA's leader spoke, their message was clear: get creative. It's time to think outside of the box, break the routines and habits we're stuck to historically, and find new ways to help LMI communities.

Leave no customer behind

We also heard from a director from SMUD, who shared how the utility has made it its mission to connect with customers and remove barriers between the utility and its customers. SMUD achieves this by getting more involved in the community and meeting customers where they are.

Arrears among SMUD customers shot up drastically in 2020 during the height of the COVID-19 pandemic and SMUD realized it had to do more to help customers. The SMUD director said, "A lot of utilities have discount programs, but that's kind of a band-aid."

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To have long-term influence, SMUD decided to find out exactly what would be best for its customers by hearing it directly from them. SMUD kicked off its community impact plan, meeting with community members to learn about their challenges and what kind of support they're looking for. By doing this, SMUD noticed three themes:

- *Flexible bill options.* Not surprisingly, the community members needed support with utility bills and expected SMUD to have options to ease some of the pain.
- *Equitable access to programs.* LMI customers may be struggling with their bills, but it doesn't mean they aren't interested in learning about programs of all kinds, including sustainability efforts.
- *Community engagement.* Customers wanted to see SMUD's presence more in the community, feel seen and heard, and see people they can relate to in the community.

What this led to is far more engagement with and support for SMUD's LMI customers. By understanding who its customers are and what they need, SMUD can better provide and be there for them.

Speaking their language

The presentations from both SMUD and PSE explained how each utility has been considering language. To better meet customers where they are, SMUD recognized that Sacramento is known to be one of the

most racially and culturally diverse cities. Sometimes, because of this, language barriers created a disconnect between the utility and its customers.

SMUD customers can now view materials (and soon, its website) in 14 different languages, helping to break down those barriers. SMUD's leader also mentioned how the utility aims to keep a diverse team out in the field so customers can speak in the language they're most comfortable using.

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SMUD saw the opportunity to take this one step further at events and other community activities. To break down the language barrier even further, SMUD makes sure multilingual staff are present at events and meetings, allowing customers to hear about rates and other offerings in a familiar language. By doing this, SMUD has connected with community members more effectively.

PSE echoed SMUD's mission, highlighting that its website can be viewed in the customers' language of choice. A director at PSE noted how having information available in different languages helps more customers learn about some of the programs available to them through PSE, helping with engagement and enrollment numbers.

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