



EPIC

ENERGY PLATFORM FOR INFORMATION & COMMUNICATION



- **24 Year's in business**
- **SaaS provider focused on major utility initiatives**

Customer
Engagement



Customer
Satisfaction



Program
Participation



- **600+ utilities**
- **95% client retention rate**





Our Presenter

Jim Malcom, Chief Financial Officer and EVP of APOGEE Interactive, Inc., brings more than 25 years in corporate finance and accounting to Apogee, which began with the firms KPMG and Ernst & Young in Atlanta. He has held senior posts as chief financial officer, corporate controller, vice president and treasurer for such area companies as Heidelberg USA, LecStar Telecom and Powertel.

Jim 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.

Serving the Hard to Serve Series

Last time I spoke about this topic,

- Struggling with program participation
- Managing customer delinquency and bad debt
- Summary: we have created a program name EPIC to help utilities engage with this target market



Customer Communication, Low Income, and Bad Debt Feedback

Challenges we hear from your customers and energy professionals like you:

“Connecting and building relationships with market segment”

“Customer satisfaction and engagement, our low income customers don’t like us”

“Our customers are not aware of our programs or programs in their communities that can help”

“I don’t know what I can do without money to invest. I feel powerless and lack of control.”

“Bad debt reduction and helping customers stay out of cycle.

Too many of our customers fall back into bad debt”

“Our income qualified grant programs require ongoing education and we need a more effective way to educate participating customers during and after they’ve received their benefit.

The same can be said for past participating customers of our EE programs”

“We don’t have a low income program but need something in place”

Customer Communication, Low Income, and Bad Debt Feedback

Challenges we hear from your customers and energy professionals like us

“We need a simple way to communicate and engage our hard to reach customers.”

“Customer

“Our customer

“I don’t know

“Our income qu

way to educate partici

The same can be said for past participating customers of our EE programs”

“We don’t have a low income program but need something in place”

like us”

that can help”

of control.”


more effective

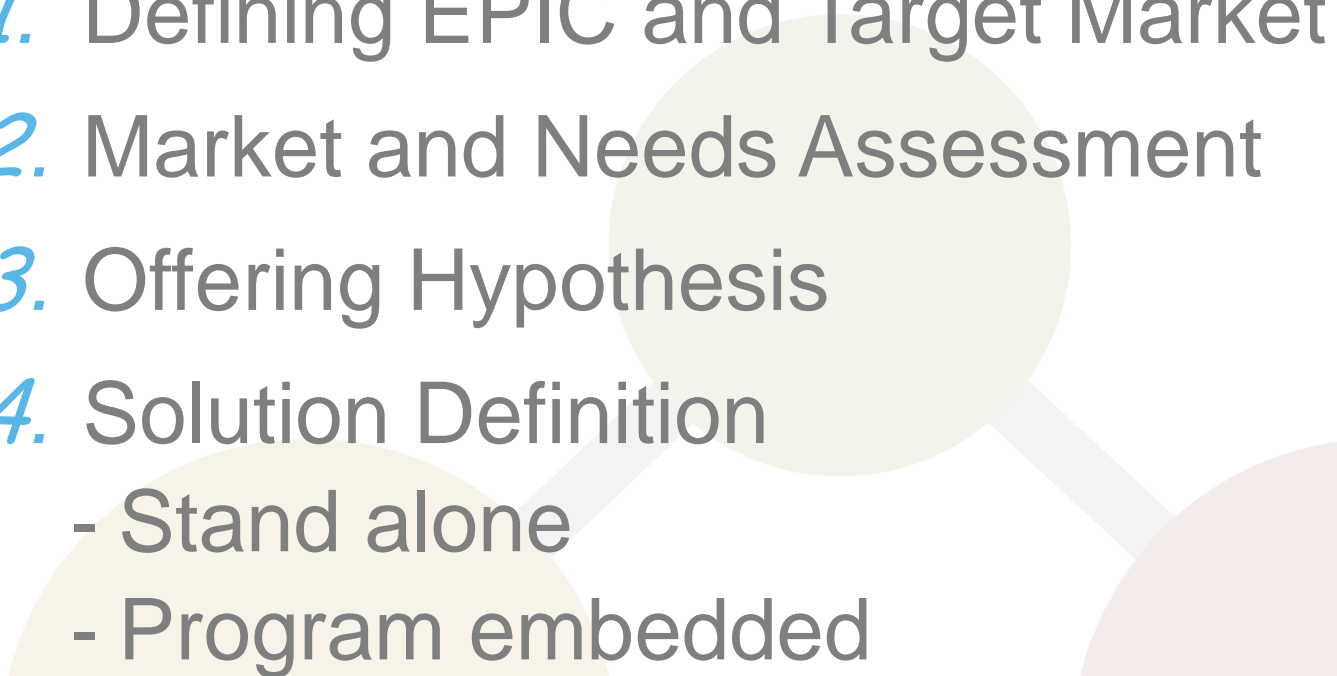
customers during and after they’ve received their benefit.

How is EPIC Different?

- ✓ Timely and actionable information
- ✓ Simple implementation-
NO IT INVOLVEMENT
REQUIRED
- ✓ Targets hard to reach customers
- ✓ Lower program costs
- ✓ Promotes other programs
- ✓ Opt-in
- ✓ Break delinquency cycle

AGENDA



1. Defining EPIC and Target Market
 2. Market and Needs Assessment
 3. Offering Hypothesis
 4. Solution Definition
 - Stand alone
 - Program embedded
- 

Defining EPIC

● ● ● Energy

● ● ● Platform for

● ● ● Information and

● ● ● Communication



Communication and Information that is:

- Timely
- Relevant
- Actionable

Target Customers

- Low Income
- Renters
- Multi-family
- New homeowners/
relocated/launched



Benefits & Objectives

→ Consumer

- Transparency to energy costs and usage
- Energy education
- Improve comfort
- Potentially save money

→ Utility

- Improved customer satisfaction
- Increased program participation
- Lower operating costs
 - Reduced call volume
 - Improve cash-flow
 - Reduce bad debt and collection activities

Market and Needs Assessment

Hidden Rules Among Classes - Driving Forces

Low Income	Middle Class	Wealthy
Survival	Work	Financial
Relationships	Achievement	Political
Entertainment		Social Connections

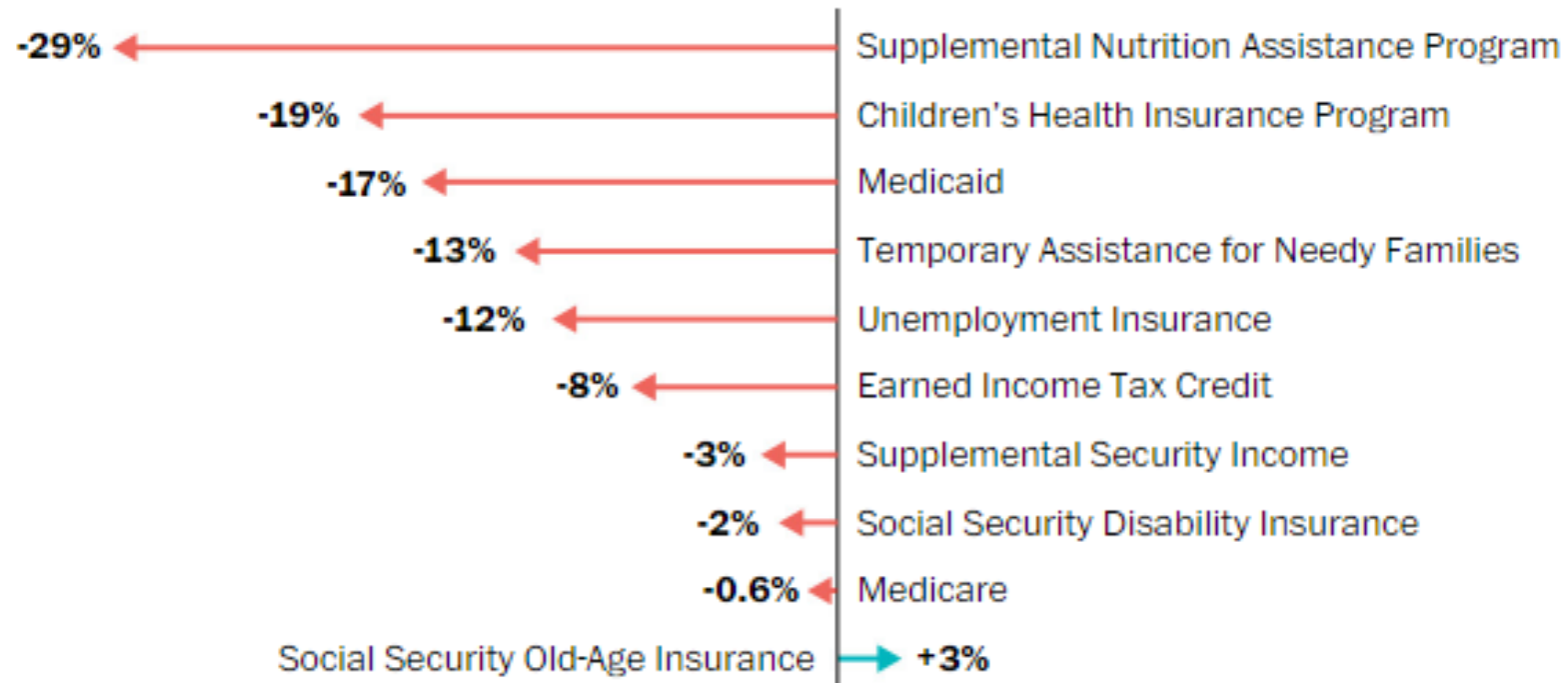
On the Move

- **Renters continued to move at high rates:** 24.5 percent of all people living in renter-occupied housing units lived elsewhere one-year prior. The mover rate of all people living in owner-occupied housing units was 5.0 percent.
- **Low income residents** are 10% more likely to move than the general population.

Source: U.S. Census, 2014



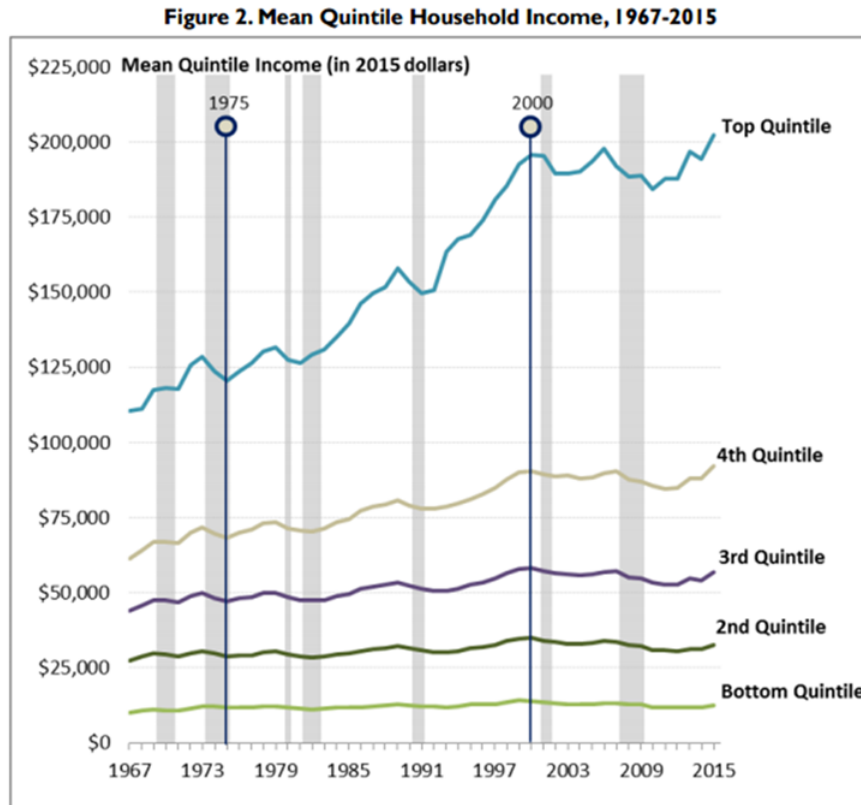
2018 Proposed Federal Cuts



Source: Washington Post, May 23, 2017

Income Distribution

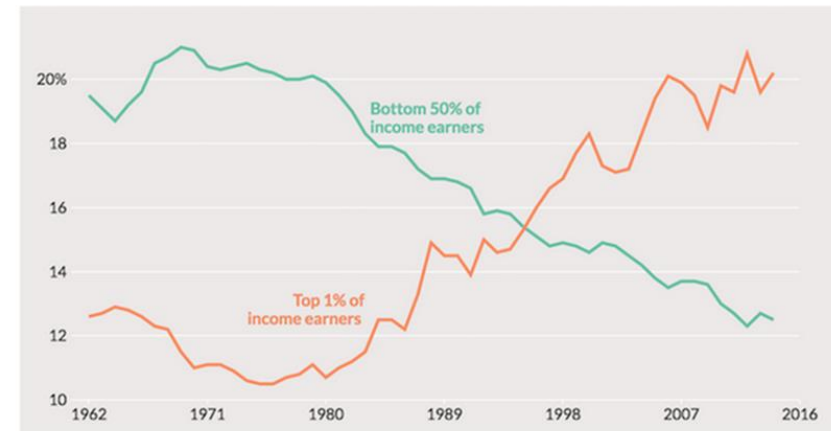
- Low income household spends 3x as % of income on energy
- The Low Income Home Energy Assistance Program or [LIHEAP](#) is targeted for future elimination



Source: Figure created by the Congressional Research Service (CRS) based on data from U.S. Census Bureau.

A tale of two countries

The share of U.S. pre-tax income accruing to the bottom 50 percent and top one percent of income earners, 1962-2014



Source: Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, "Distributional National Accounts: Methods and Estimates for the United States," 2016, Cambridge, MA: National Bureau of Economic Research

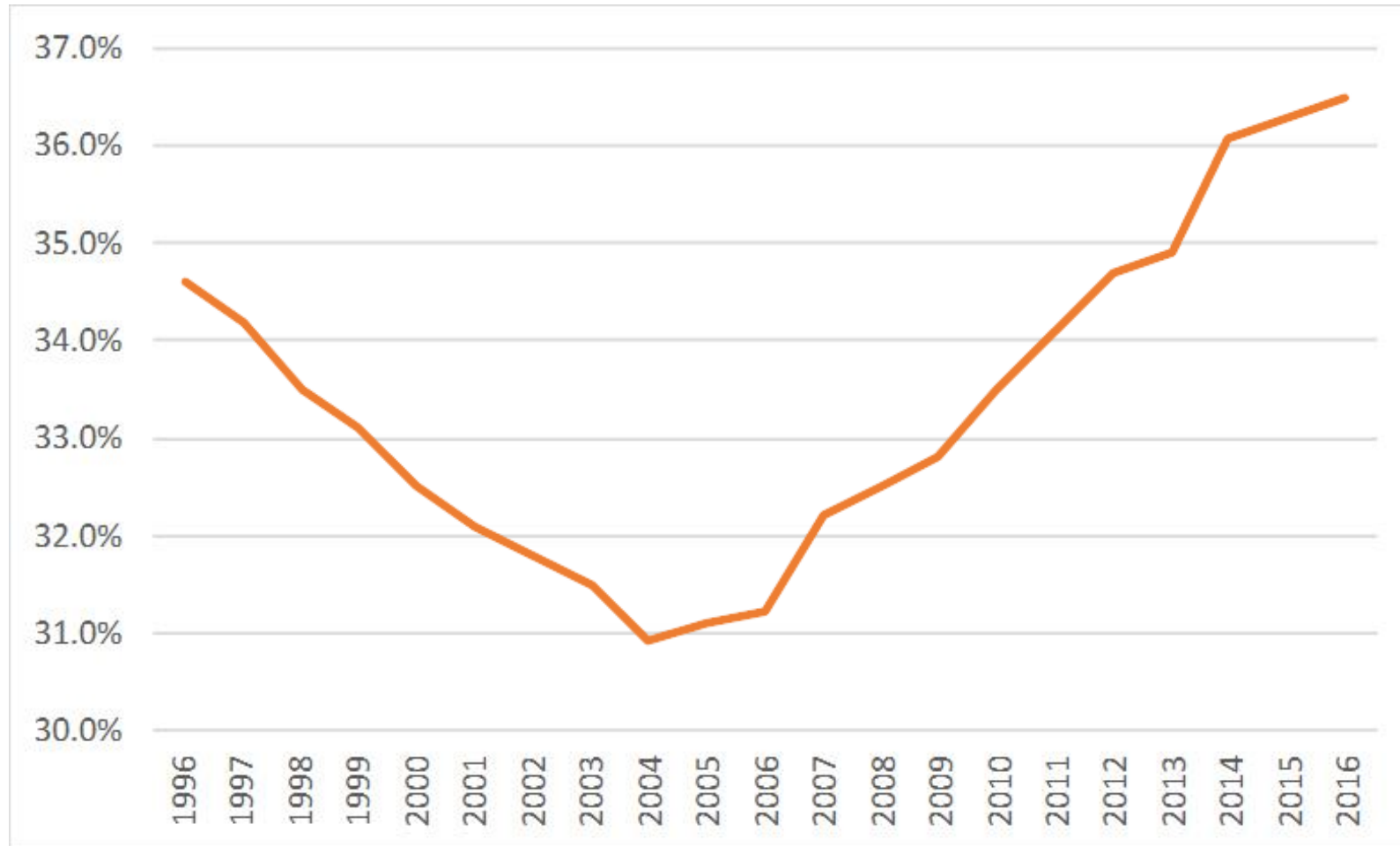
Note: The unit is the individual adult and incomes within married couples are split equally.



"It's a tale of two countries," the authors wrote. "For the 117 million U.S. adults in the bottom half of the income distribution, growth has been nonexistent for a generation, while at the top of the ladder it has been extraordinarily strong."

And it's not due to the aging population. Rather, income has actually dropped for the working class. In fact, none of the growth from 1980 to 2014 went to the bottom 50%, the study pointed out. Only 32% went to the middle class, while the top 10% reaped 68% of the growth. A full 36% went to the 1% alone. Troubling?

20 Year Trend in U.S. Renters



Source: U.S. Census Bureau

Mobile is the Way to Go

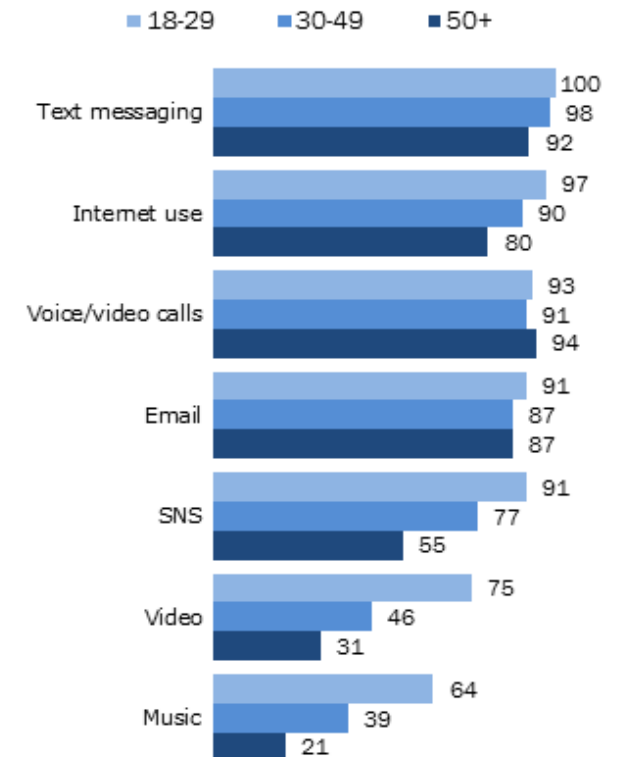
Smartphone communication and digital engagement in this market segment is more popular than ever

- “10% of Americans own a smartphone but do not have broadband at home”
- “15% own a smartphone and have a limited number of online options other than phone.”
- “Lower income and educational attainment levels, younger adults, and non-whites are especially likely to be “smartphone-dependent.”
- “Some 13% of Americans with an annual household income less than \$30,000 per year are smartphone-dependent.”
- “Just 1% of Americans from households earning \$75,000+ /year rely on smartphones to a similar degree for online access.”

Source: Pew Research Center, U.S. Smartphone Use in 2015”

Some Features are Popular With a Broad Spectrum of Smartphone Owners; Social Networking, Watching Video, and Music/Podcasts are Especially Popular Among Young Users

% of smartphone owners in each age group who used the following features on their phone at least once over the course of 14 surveys spanning a one-week period





Polling Question

How do you communicate with your low income customers?

Offering Hypothesis

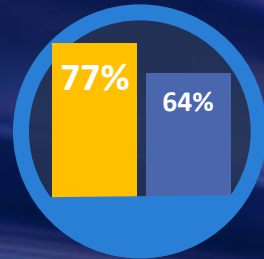




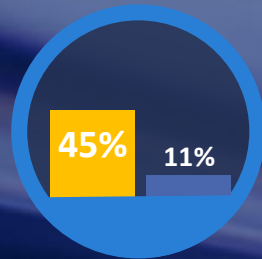
Customer Services Themes

- Choice, Control and Caring
- Empower customer to take control of energy dollars
- Simple and user friendly
- Mobile/SMS
- Push content/outbound
- Inexpensive/behavioral/actionable recommendation
- Energy content and education

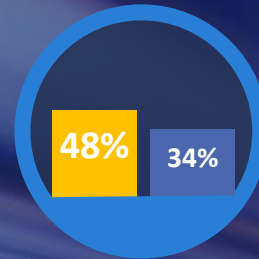
The digital energy consumer continues to enable more business value for energy providers



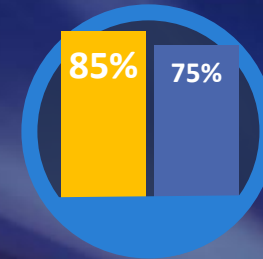
More **satisfied** with their energy provider



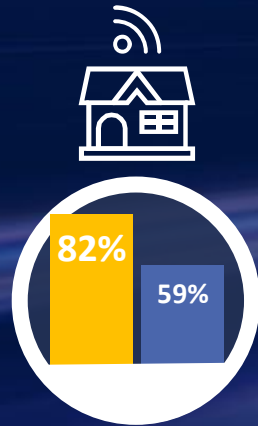
Recommended or promoted their current energy provider in the past 12 months



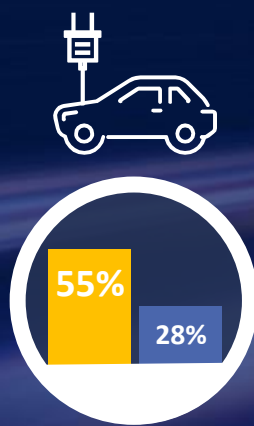
More **trust** in their energy provider



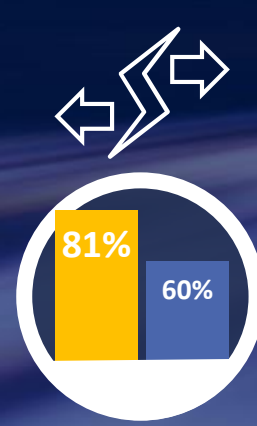
More **trust** in their energy provider to protect their data



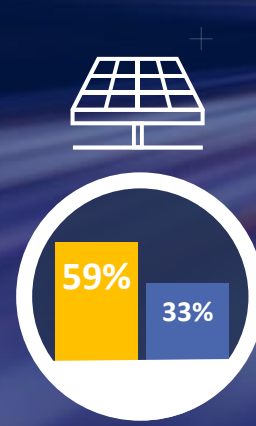
More interest in **connected home service**



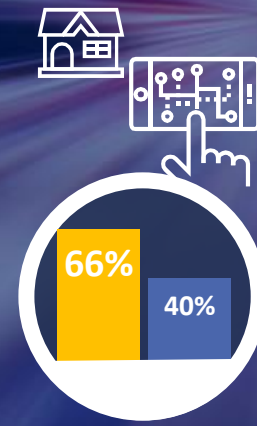
More likely to purchase an **electric vehicle or PHEV** in 5 years



More interest in **energy trading marketplace**



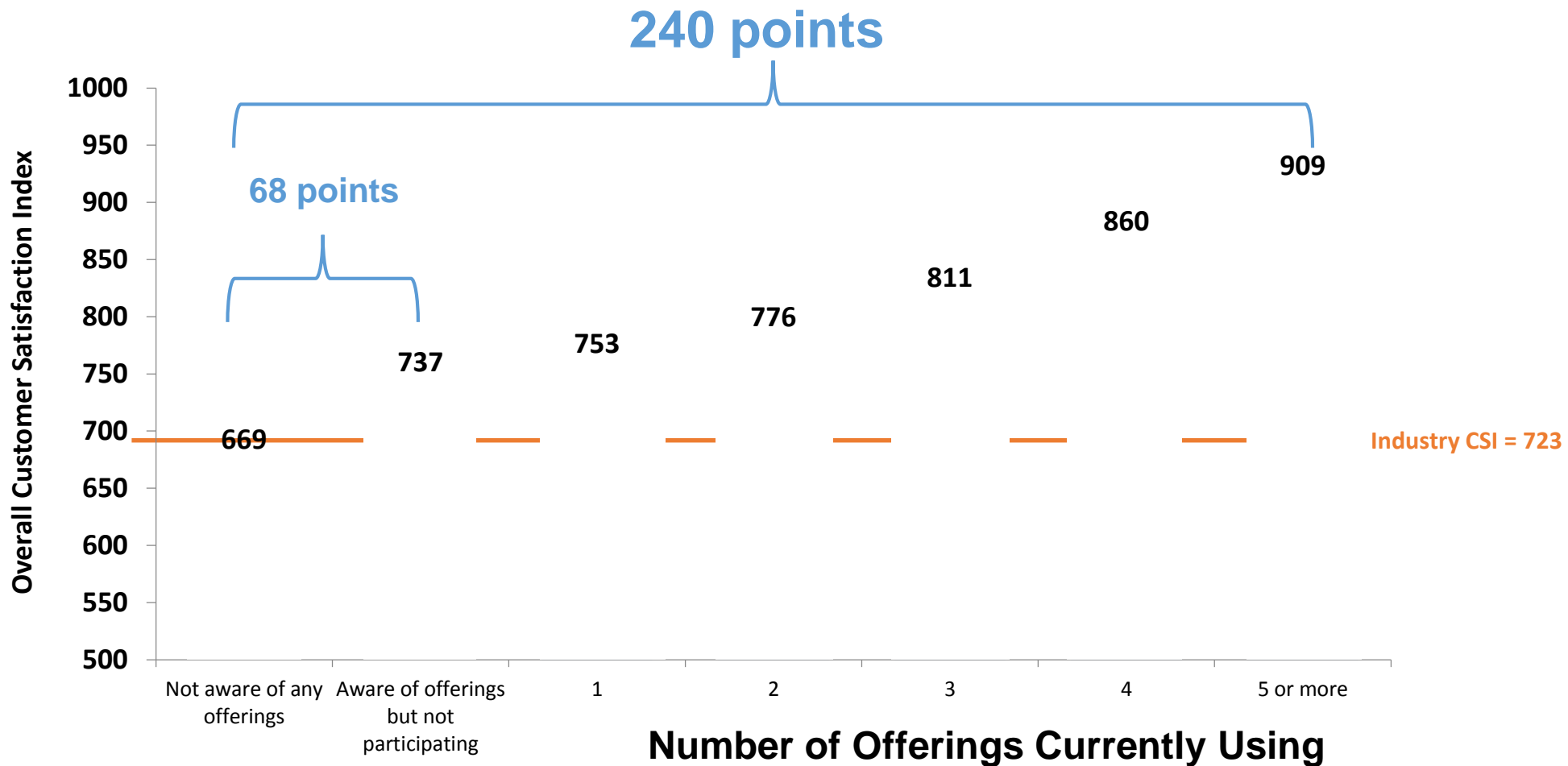
More likely to sign up for **solar panels** in 5 years



More likely to sign up for an application to **remotely monitor and control** home elements

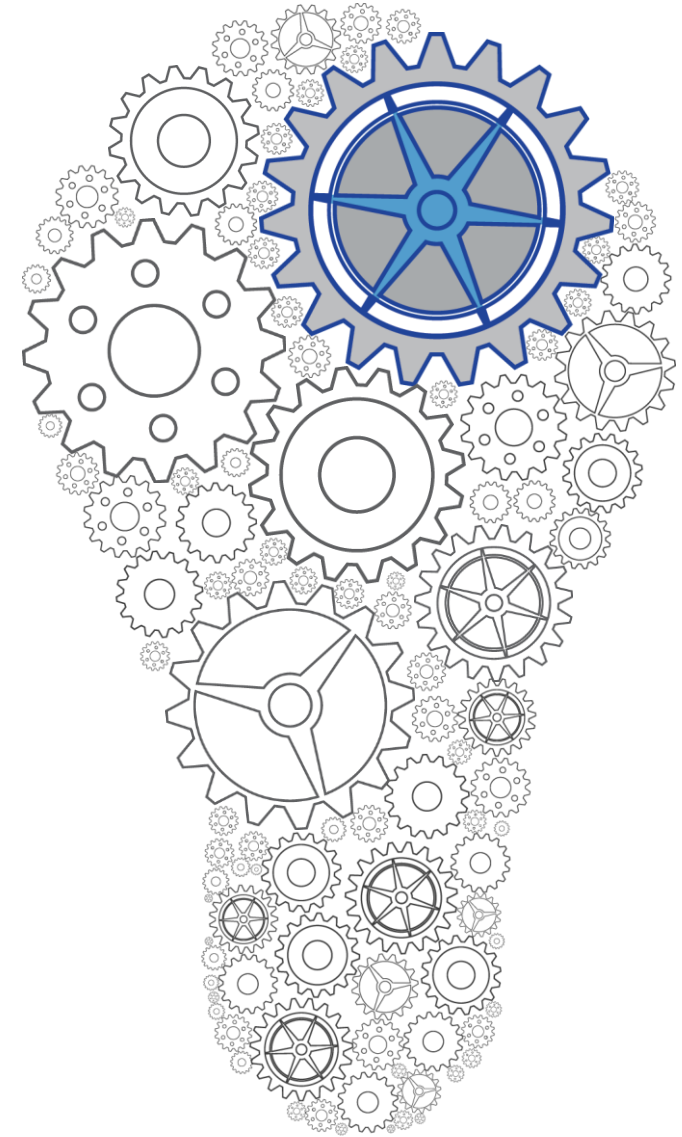
Digital users (44% of all respondents)
 Non-digital users

Satisfaction Index by Program Offerings



Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction StudySM – Midpoint results

APOGEE Solution





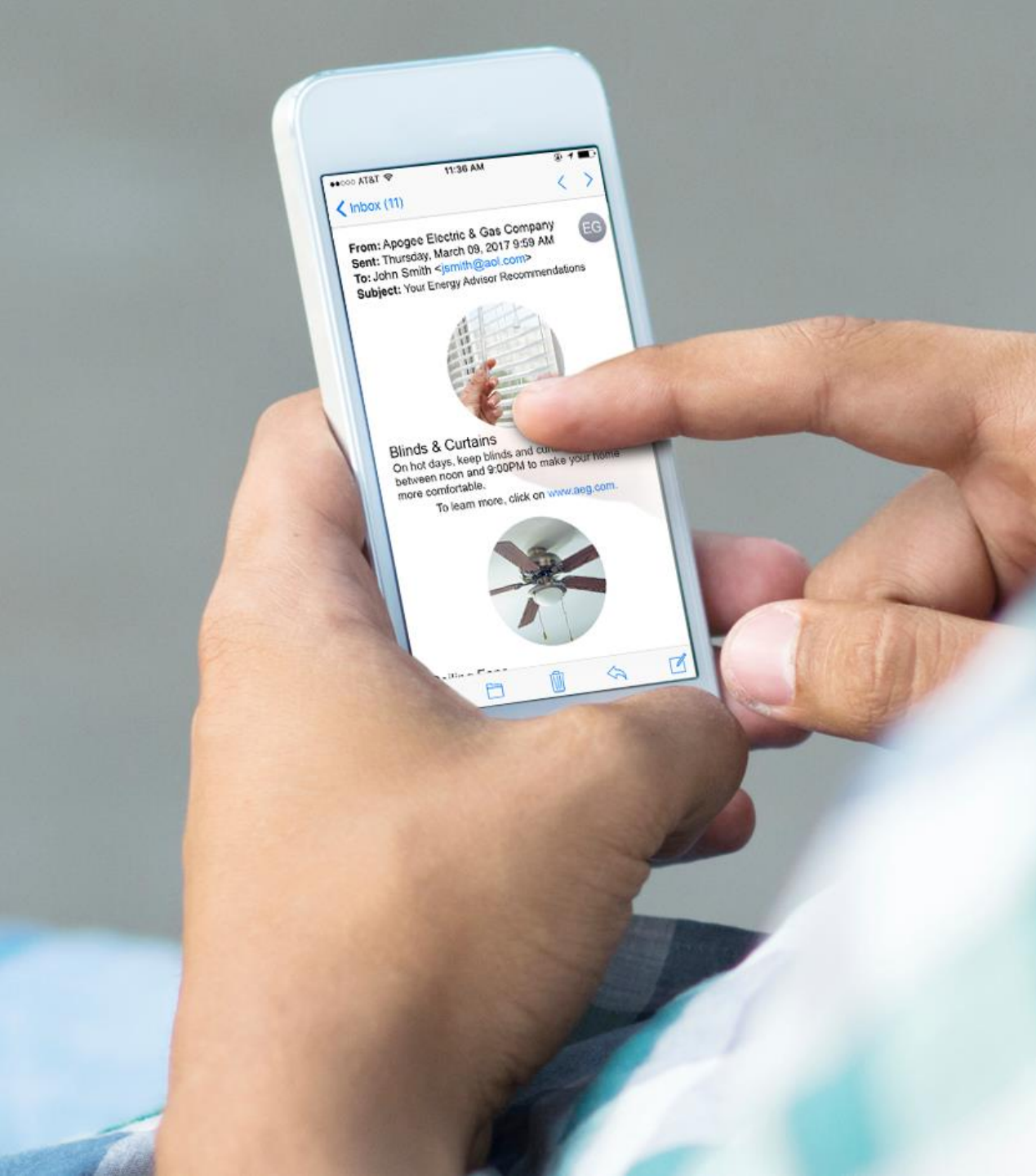
EPIC is...

- Simple to implement turnkey solution.
- Stand alone offering or can be embedded in existing utility program.
- Easy to associate with community programs.
- Meaningful to either renters who do not have money for energy projects/fixed income.
- Mobile phone focused.

Theme: Control

- Control of **Communication**
- Control of **Usage**
- Control of **Payments**



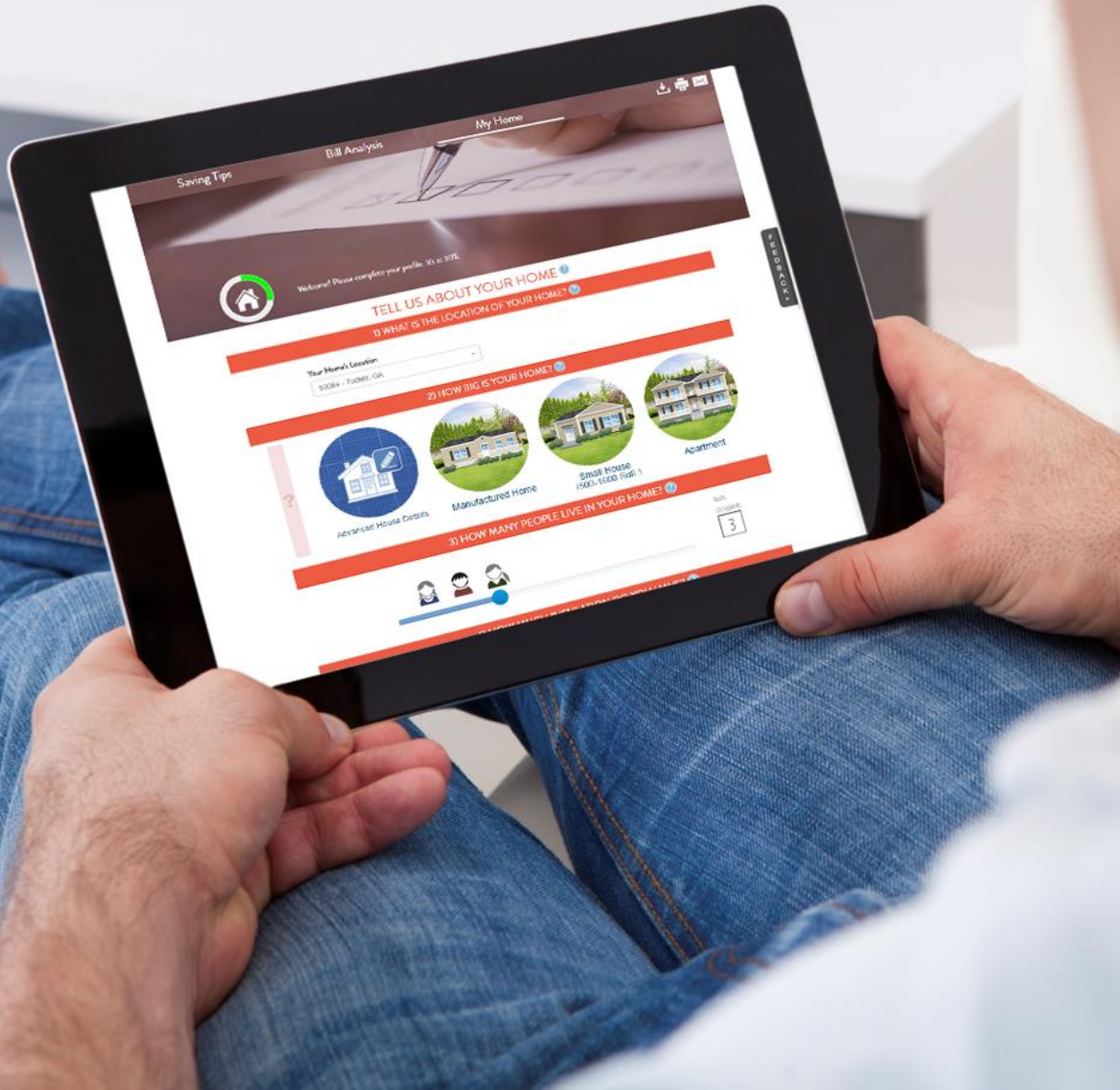


Control of Communication

- Preference Management System
- SMS/Text
- Email

Control of Usage

- **Energy Advisor**
 - Housing stock to reflect appropriate dwellings
 - Specific recommendation
 - Links to Utility programs
- **Special Purpose Calculators (SPC)**
- **Proactive Content Push**
 - Close your blinds
 - Put a towel under a drafty door
 - Cover windows with plastic





Control of Payments

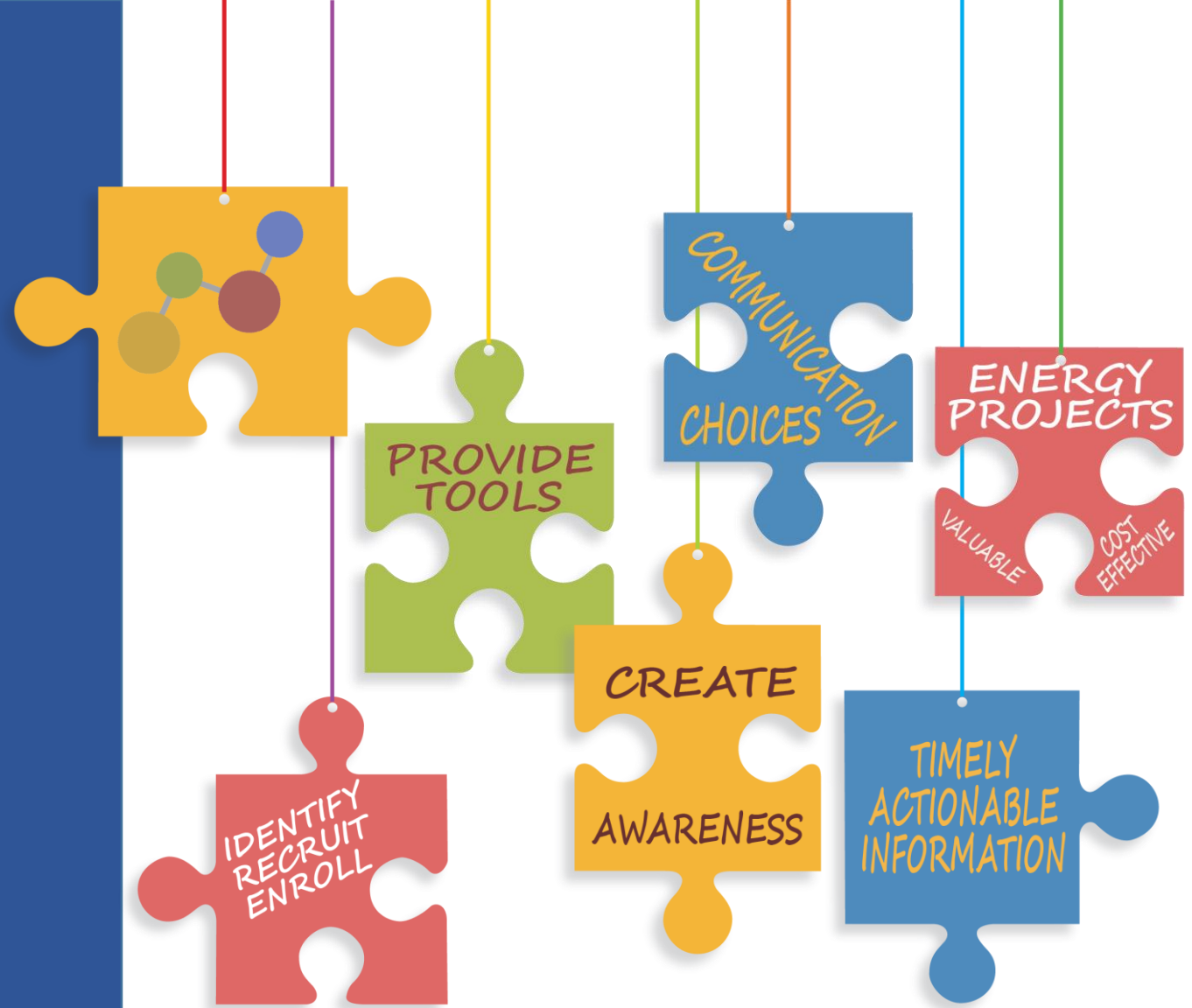
- **Utility Payment Options**
 - Prepaid
 - Budget billing
- **Programs**
 - Utility
 - Community
- **Authorized Payment Centers**



EPIC

Program Activities

- Identify, recruit, and enroll customers
- Provide specific tools for EPIC customers
- Provide choices for communication method
- Identify valuable and cost effective energy projects
- Create awareness of utility, state, and community programs
- Provide timely and actionable information



Recruitment Flyer, Bill Insert & Sign Up Page

- Give to religious, community, and social services.
- Send in mail with monthly utility bill.

Are You EPIC? ●●●●

We provide simple, useful and timely energy information so that you can be more comfortable and possibly save money.

This program is called **EPIC: Engagement Platform for Information and Communication.**

To learn more about *becoming EPIC*, visit www.aeg.com/EPICSU.



You are becoming EPIC!

EPIC stands for Engagement Platform for Information and Communication. EPIC provides simple, useful and timely communication and a suite of tools. Why not get started!...

I want to receive EPIC through either email or text to your mobile phone:

Email: _____

Confirm Email: _____

Text (phone number): _____

Confirm phone number: _____



provided by  **APOGEE**
Electric & Gas Co.

USER AGREEMENT: By selecting agree, you consent to receive messages through the method you selected. These messages contain information concerning your energy use, status of your energy account, methods for making payments, participating in utility programs, and other information. You can unsubscribe at any time by logging into your account and changing your preferences. Visit our website at www.apoeg.com/EPICSU for more information.

Communications

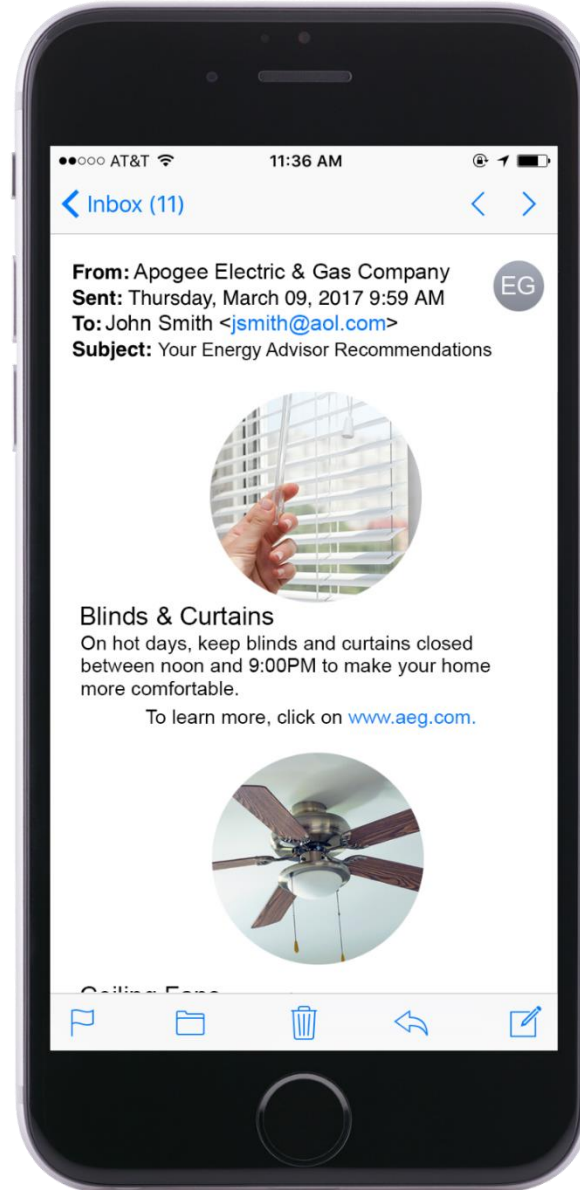
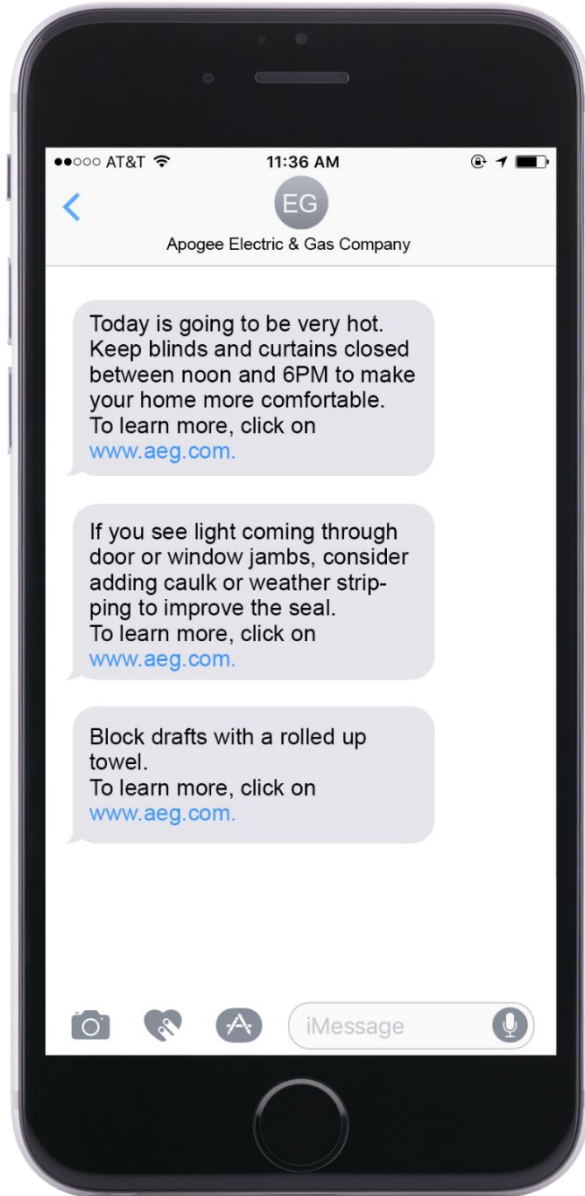


Messaging Schedule

- 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

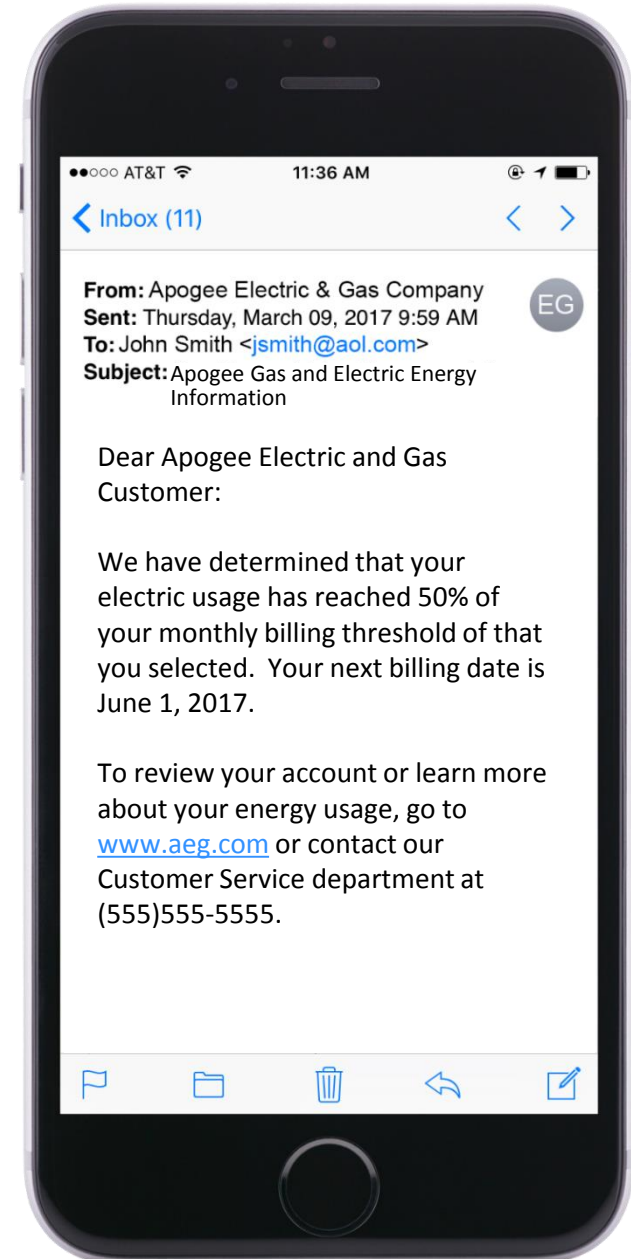


Sample Messages



Usage Alerts- Optional

- Usage threshold alerts
- Payment alerts
- Require AMI



On-line Tools





ENERGY PLATFORM FOR INFORMATION & COMMUNICATION



**ENERGY
ADVISOR**



Reducing Phantom Loads

See how many of your energy dollars are being wasted by appliances in your home that are plugged in but not in use.



Appliance Calculator

How much does it really cost to use the appliances in your home? Here's a quick way to get a feel for what your home's appliances cost to operate.



Television Calculator




Compares the energy use and cost of LCD, DLP, Plasma, and traditional tube televisions.


[Sign up for Energy Tips](#)

[Payment Assistance](#)

[Weatherization Program](#)

Standard Energy Advisor

Saving Tips | Bill Analysis | **My Home** |   

 Congratulations! Your profile is complete.





TELL US ABOUT YOUR HOME ?

1) WHAT IS THE LOCATION OF YOUR HOME? ?

Your Home's Location


30084 - Tucker, GA

2) HOW BIG IS YOUR HOME? ?


   

Advanced House Details | Small House (500-1600 Sqft.) | Medium House (1600-3500 Sqft.) | Large House (3500-8000 Sqft.)

3) HOW MANY PEOPLE LIVE IN YOUR HOME? ?

 Num. Occupants: 3




4) HOW MUCH INSULATION DO YOU HAVE? ?




RESET PROFILE | SHOW ANALYSIS

FEEDBACK

EPIC Energy Advisor

Saving Tips | Bill Analysis | **My Home** |   

 Congratulations! Your profile is complete.





TELL US ABOUT YOUR HOME ?

1) WHAT IS THE LOCATION OF YOUR HOME? ?

Your Home's Location


30084 - Tucker, GA

2) HOW BIG IS YOUR HOME? ?


   

Advanced Home Details | Manufactured Home | Small House (500-1600 Sqft.) | Apartment

3) HOW MANY PEOPLE LIVE IN YOUR HOME? ?

 Num. Occupants: 3

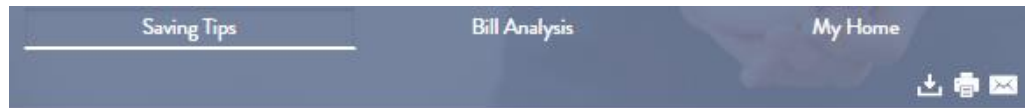
4) HOW MUCH INSULATION DO YOU HAVE? ?



RESET PROFILE | SHOW ANALYSIS

FEEDBACK

Energy Advisor- Recommendations



WAYS TO SAVE

Filter



Insulation Upgrade:

Installing ceiling and floor insulation can save you up to \$423 a year.



Home Energy Improvement Program

Get up to \$2,575 dollars in rebates and up to 30% energy savings with Home Energy Improvement Program.



Programmable Thermostats:

Your best money saving tip is using a programmable thermostat. It can save you as much as \$369 a year by holding 68°F for heating and 78°F for cooling when you are home and automatically setting to 55°F for heating and 85°F for cooling when you are away. Caution: Older heat pumps should only be adjusted by 2°F for heating to avoid trigger the emergency heat mode.



Cooling Setting:

If you raise your cooling setting from 74°F to 78°F, you could save as much as \$238 per year.



Water Heater Upgrade:

If your water heater is aging, consider replacing it with a more efficient model. If your current water heater is fueled with gas or propane, a tankless gas or propane water heater may be your best long run option.



EnergyWise Heat Pump Water Heater Program

Get up to \$500 in rebates with this EnergyWise rebate program.



Cooling System Upgrade:



Cooling Setting:

If you raise your cooling setting from 75°F to 78°F, you could save as much as \$182 per year.



Weatherize Your Home:

If you caulk around your windows and doors, make certain the weatherstripping on your doors and windows is tight, weatherstrip your attic door, and take other actions to seal your house further, you could save up to \$12 per year.



LED Bulbs:

If you replace the remainder of the incandescent light bulbs you use most often with LED bulbs, you could save up to \$105 a year.



Heating Setting:

If you lower your heating setting from 72°F to 68°F, you could save as much as \$117 per year.

Special Purpose Calculators



TOTAL

Total Annual kWh:
952

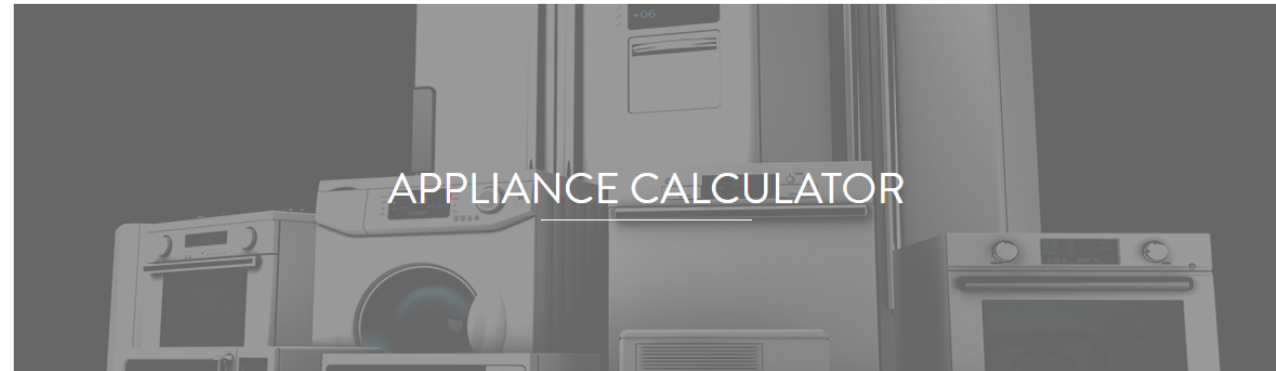
Total Annual Cost:
\$75

COMPONENTS

Television		<i>Annual kWh: 497</i>		<i>Annual Cost: \$40</i>		>
Kitchen		<i>Annual kWh: 79</i>		<i>Annual Cost: \$7</i>		>
Refrigerator		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>
Utility Room		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>
Living Room		<i>Annual kWh: 376</i>		<i>Annual Cost: \$28</i>		∨
Number	Select Components	Hrs/Day Weekdays	Hrs/Day Weekends	Annual kWh	Annual Cost	
- 1 +	Stereo	- 4 +	- 0 +	157	\$12	
- 2 +	VCR/DVD	- 2 +	- 2 +	219	\$16	
Bathroom		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>
Bedroom		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>
Medical Equipment		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>
Office		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>
Heating / Cooling		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>
Garage		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>
Outdoors		<i>Annual kWh: 0</i>		<i>Annual Cost: \$0</i>		>

This application uses your local weather and energy rates. This is only an estimate of your actual energy use.
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Special Purpose Calculators



TOTAL

Total Annual kWh:
952

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COMPONENTS

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Special Purpose



Cost when used Cost when just plugged in

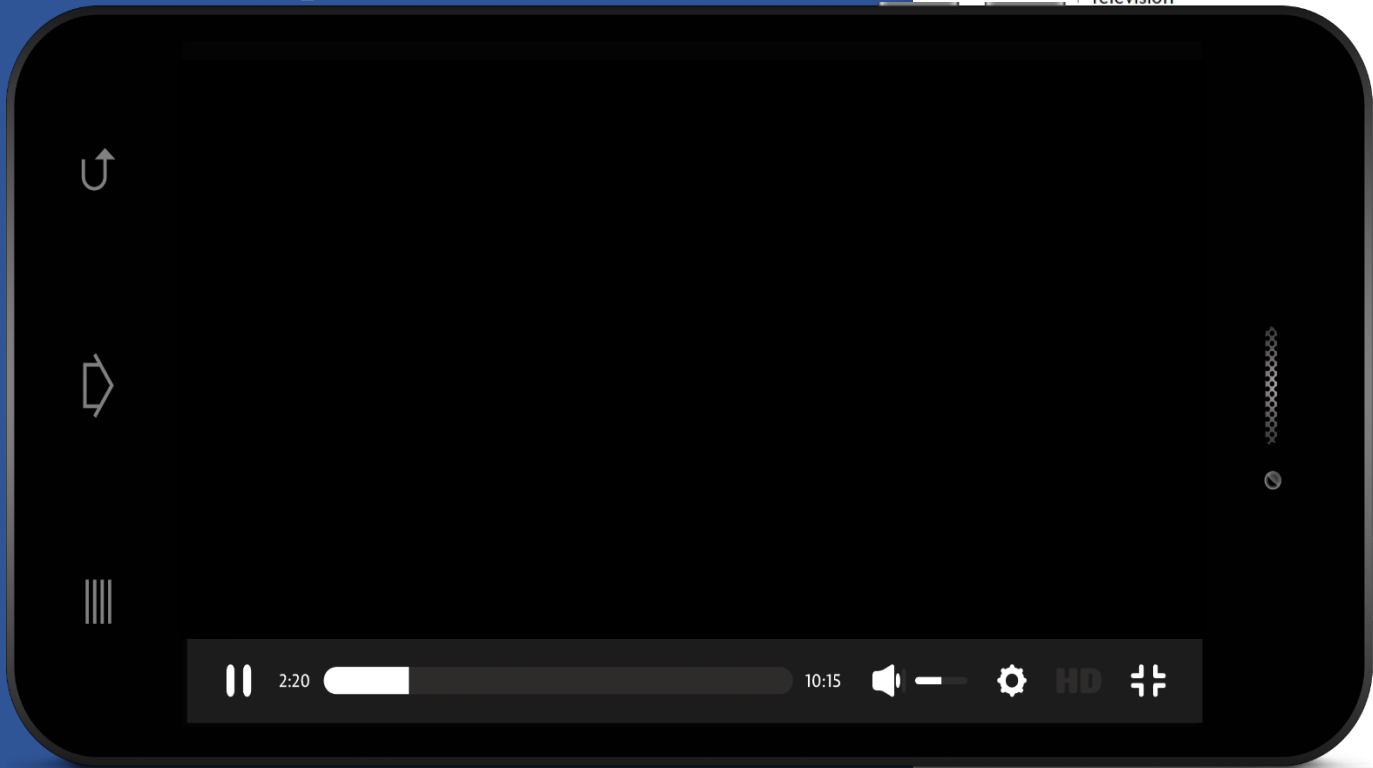
Total Annual kWh:
1674

Total Annual Cost:
\$132

Hrs/Day Weekdays	Hrs/Day Weekends	Annual kWh	Annual Cost
<input type="text" value="3"/>	<input type="text" value="5"/>	0	\$0
<input type="text" value="8"/>	<input type="text" value="12"/>	882	\$70
<input type="text" value="3"/>	<input type="text" value="5"/>	0	\$0
<input type="text" value="3"/>	<input type="text" value="5"/>	0	\$0
<input type="text" value="3"/>	<input type="text" value="5"/>	0	\$0
<input type="text" value="3"/>	<input type="text" value="9"/>	386	\$31
<input type="text" value="3"/>	<input type="text" value="5"/>	0	\$0
<input type="text" value="0"/>	<input type="text" value="8"/>	406	\$31
<input type="text" value="3"/>	<input type="text" value="5"/>	0	\$0
<input type="text" value="3"/>	<input type="text" value="5"/>	0	\$0
<input type="text" value="3"/>	<input type="text" value="5"/>	0	\$0

Did you know you are wasting money and energy?

Special Purpose



REDUCING PHANTOM LOADS

TOTAL

Total Annual kWh:

1066

Total Annual Cost:

\$85

COMPONENTS

Television

Annual kWh: 646

Annual Cost: \$52

Select Components	Annual kWh	Annual Cost
>50" LED	9	\$1
40"-49" LED	17	\$1
30"-30" LED	0	\$0
>50" Plasma	0	\$0
40"-49" Plasma	0	\$0
>50" LCD	0	\$0
40"-49" LCD	0	\$0
Cable/Sat. Box	87	\$7
DVR/DVD Player	507	\$41
Game Console	26	\$2

Annual kWh: 420

Annual Cost: \$33

Select Components	Annual kWh	Annual Cost
CRT PC Monitor	0	\$0
LCD PC Monitor	31	\$3
Desktop PC	52	\$4
Laptop	0	\$0

- 2 +

- 0 +

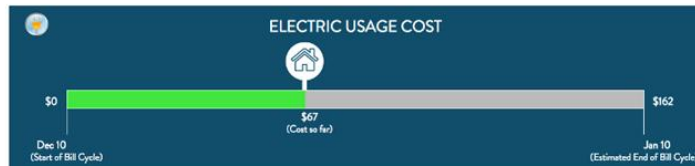


Your Mid-Month Energy Use Report is ready...



Hi Jim,

During this time of year, many customers appreciate an update on their upcoming energy bills. You have used about \$67 worth of electricity in this billing cycle, and your estimated bill for the month is \$162.



	Energy Use Most of the energy used in your home this month: 31% for heating		Weather This month's weather was: 15° cooler than last month with an average temperature of 28 degrees.
--	--	--	--

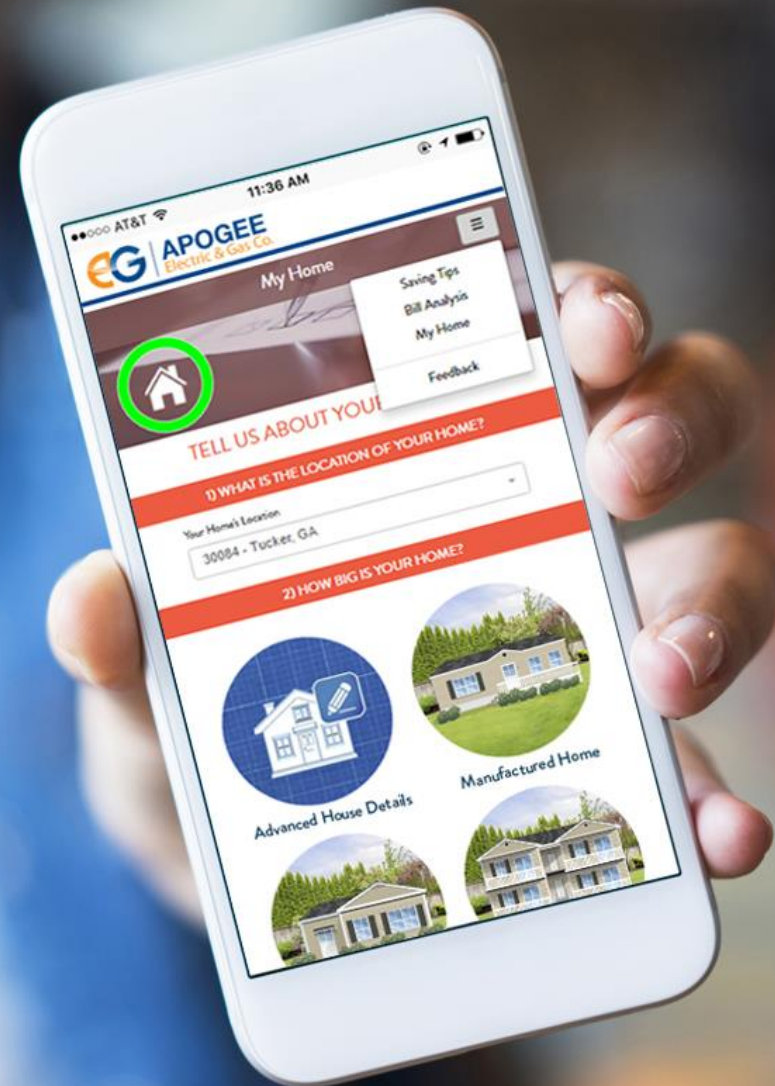
Heating Days Your neighborhood had 18 heating days	
--	--

Advanced Optional Services

- Monthly bill explanation
- Quarterly/Annual Energy Summary Reports
- Extensive energy video libraries information
- Customer marketing and program participation services

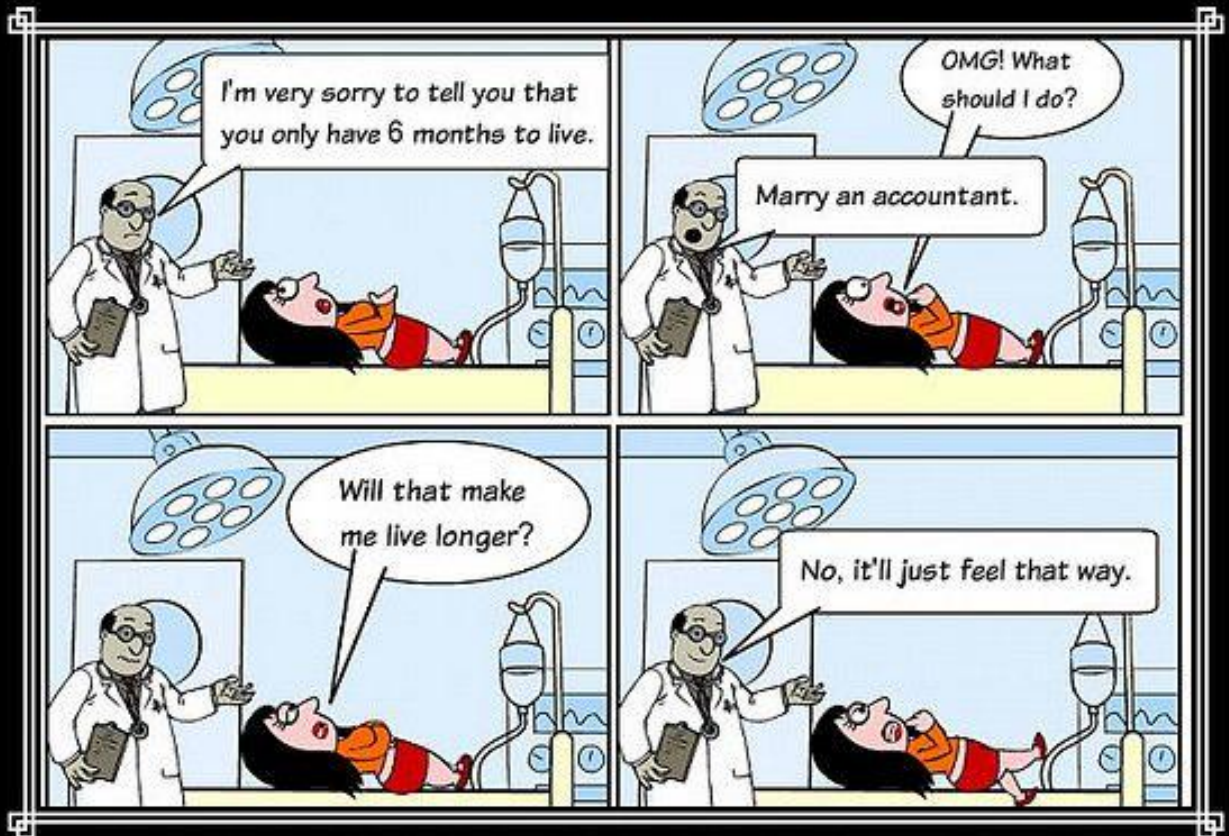
Summary

- ✓ Simple and low cost solution
- ✓ Designed to serve the hard to serve
- ✓ Customer is in control
- ✓ Lower cost per customer
- ✓ Support other programs



Looking for a
few good
utilities





ACCOUNTANT HUMOR

Accounting jokes - an oxymoron?

Contact Information

Jim Malcom

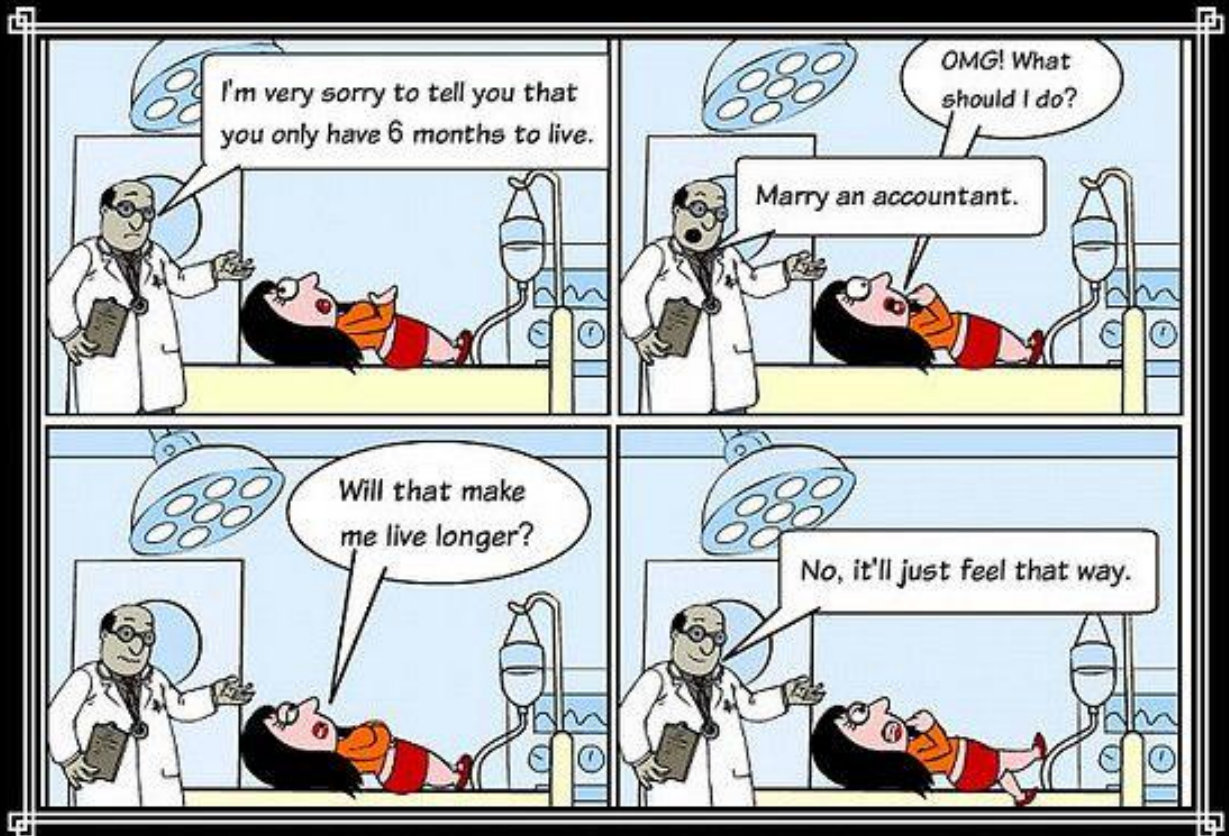
jmalcom@apogee.net

678.684.6800



Any questions?





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Jim Malcom

jmalcom@apogee.net

678.684.6800





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Thank You!

