As many utilities consider making significant grid investments while striving to maintain or improve key business account relationships, it’s critical for them to understand customers’ future reliability requirements and interest in on-site reliability technologies such as battery storage and microgrids.

This E Source market research study provides utilities with critical, timely data and insights on large and midsize business customers’ future reliability requirements and interest in on-site reliability investments. Specifically, the study explored customers’ current perceptions of outage levels and the associated costs to their businesses; desires for enhanced utility outage communications; and interest in and willingness to pay for increased reliability and resiliency. We also examined the drivers of on-site reliability and resiliency investments as well as the barriers.

Access Study Results

If you’re a subscriber, this link will take you to the study deliverables: Reliability, Resiliency, Storage, and Microgrids 2015: The Business Customer’s Perspective. If you’re not currently a subscriber, you may contact us for information on membership to pertinent E Source services.
Results Highlights

When it comes to reliability, segmentation and customer-level data are everything. Our research revealed that although a majority of businesses can easily tolerate most shorter-duration outages, a large subset incurs substantial costs and hardships under a variety of outage scenarios. The ability to track these specific segments—and the individual accounts they comprise—can provide great insights and opportunities for utilities.

Utilities are good at reliability, but bad at communication. Almost all of the decision-makers we spoke to and surveyed praised utilities for successfully providing continuous power, recognizing that weather was the key driver for most outages. However, they grumbled that they’re usually “in the dark” about the cause of outages, the projected duration, and even whether the utility knows the power is out.

Battery storage may be the real deal. A relatively small percentage of customers plan on installing a battery storage system in the next two years. However, almost half anticipate installing a system within five years. Although outage reliability benefits are an important factor in investment decisions, other

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benefits—such as the ability to reduce demand charges or shift usage, and the option to pair storage with on-site generation—were also important factors for some customer segments.

![Pie chart showing when customers plan to install their next/first battery system](image)

- **In the next 2 years**: 30%
- **In the next 5 years**: 25%
- **In the next 10 years**: 15%
- **Unlikely to invest in next 10 years**: 30%

Few are aware of microgrids, but most are interested. It’s clear that most customers don’t fully understand the implications of being part of a microgrid. However, once a microgrid was explained, many stated that they’d find value in the ability to operate autonomously from the grid, have greater control over their utility bills, and manage their carbon footprint. Somewhat surprisingly, respondents in the Midwest US showed the highest amount of interest, with about 40 percent rating their interest at 9 or higher (on a 10-point scale). Fewer than 20 percent in the Western US expressed similar levels of interest.

**Methodology and Topics**

The study consisted of qualitative in-depth interviews and a quantitative online survey of 805 US and Canadian business energy decision-makers. The published results reports provide high-level strategic findings and detailed data for several key commercial, industrial, and manufacturing customer segments:

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- Grocery/Food
- Healthcare/Hospitals
- Retail
- Offices
- Batch Manufacturing
- Continuous Process Manufacturing
- Education/Government
- Financial Services/Digital Economy

The survey investigated:

- The level of outages reported by business customers and the costs they associate with different outage durations
- The percentage of their load customers consider to be critical, how much of that critical load is covered by backup generation today, and how they anticipate this changing in the future
- How they perceive local reliability events versus widespread extended outages
- Whether customers are satisfied with utility outage communications and which channels they prefer
- Customers’ perceived benefits of and barriers to on-site reliability and resiliency investments
- Customers’ knowledge of and interest in reliability- and resiliency-related technology options such as battery storage and microgrids, including preferred providers
- Their willingness to pay for improved reliability and resiliency, including how much they’re willing to pay and whether that willingness varies by technology type

What’s Included?

You get:

- Reports highlighting the key strategic findings and customer segment-level nuances from both the qualitative in-depth interviews and quantitative online survey
- Appendices with detailed interview summaries and data for each question asked in the quantitative survey

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