



Gift-of-energy programs can help utilities spread the love on Valentine's Day

By Lisa Schulte

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Does your utility offer a gift-of-energy program? Allowing your customers to pay some or all of a friend's or family member's energy bill might be the best way to say happy Valentine's Day (or happy birthday or merry Christmas, for that matter). Many of your customers are still feeling financial pain from 2020—why not make it easy for their loved ones to lend a hand?



Need help with your low-income programs?

COVID-19 has shifted our definition of low income, and more customers may soon find themselves in this demographic. Read our report [How are utilities scaling their low-income programs?](#) to learn how to design smart low- and moderate-income programs.

Our [data science offerings](#) can help you save money and improve customer satisfaction by segmenting and targeting customers who are most likely to struggle with bill payment. We can help you find these customers and set up thoughtful solutions.

[Talk to a data scientist](#)

Gift-of-energy programs aren't common—we found the option at less than two dozen US utilities. And the utilities that do sponsor this type of offering generally don't make participation easy. Usually, the utility requires the payer to mail a check or money order and a printed form to the utility. The programs rarely feature prominently on utility websites, though many have a dedicated web page with program details. And the utilities do limited marketing for these offerings (keep reading for examples of how some are promoting their programs via social media).

So how can you ensure the success of your gift-of-energy program? Offer the option to participate via phone or online, and partner with churches, charities, and community organizations to promote the program. Follow ComEd's lead. Through the utility's [Helping Others](#) page, people can buy gift certificates online with a credit or debit card or by calling ComEd. The utility also offers bulk orders, often with reduced processing fees, that can be distributed without a named recipient. This aspect appeals to nonprofit organizations. Bonus: The gift certificates never expire.

Designing a gift-of-energy program

Here are some common features of gift-of-energy programs:

- Most require the giver to provide the recipient's name and address. Some also ask for the recipient's utility account number, but they don't require this information to participate.
- Utilities typically apply the gift directly to the bill as a credit, without requiring the recipient to take additional action.
- Most utilities process the payments directly, though some use a third party. For its [gift certificate program](#), Alliant Energy requires the payer to make the gift through Alliant Credit Union, which isn't owned or operated by the utility or any of its subsidiaries. ComEd uses a third-party vendor to process payments for its online gift options. Using the mail or a third party could be a way to achieve Payment Card Industry (PCI) compliance with limited effort.
- Gift-givers can choose whether the utility mails the gift certificate directly to the recipient or to the giver.
- Most programs allow anonymous gifts, but some, like Xcel Energy's [gift certificate program](#), allow the giver to include a personalized message with the mailed certificate.
- Unless a third party is involved, gift-of-energy programs generally don't charge a processing fee.

Learning from We Energies' Gift of Energy program

We spoke with Tim Craft, services manager for customer programs at We Energies, about the [Gift of Energy](#) program he runs for We Energies and WPS. In a typical year, the utility processes 20 to 30 gift certificates each month with a nearly sevenfold spike during November and December. Participation grew in 2020, presumably because of the COVID-19 pandemic. The utility's [COVID-19 updates and resources](#) page includes a link to the Gift of Energy program page under the heading "Supporting our community and each other."

At the end of 2020, We Energies discontinued its online gift card program, but both utilities continue to offer

the option to purchase gift certificates through the mail. The gift certificates appeal to adults with elderly parents and parents with college students, as well as to charities, hospitals, and landlords who can purchase certificates in bulk.

According to Craft, the gift certificate model worked better for We Energies than the gift card model because the certificate program is fully administered in-house. The gift card program relied on a third-party vendor, which required more back-office work for utility staff and resulted in a lack of visibility into gift purchases. We Energies only learned about a gift when the recipient attempted to redeem it. With the gift certificates, We Energies applies the credit immediately, requiring no additional effort from recipients.

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Administering the program in-house also simplifies issue-handling. For example, if someone attempts to purchase the gift of energy for a person who isn't a We Energies customer, it's easier to return the check than to seek a refund from the vendor. We Energies also experienced an increase in admin time when customers lost their gift cards, tried to redeem them more than once, or applied the gift to the wrong account.

Even with little marketing—We Energies promotes the program on its website carousel in the winter—the gift certificate program was more popular than the gift card program. According to Craft, customers purchased two to three times more gift certificates than gift cards. When We Energies introduced the gift card program in 2014, it did some billboard and radio marketing, but found that customers still gravitated toward gift certificates.

Craft admitted that the gift certificate program could probably use some customer experience improvements but said the return on investment doesn't bear out. According to Craft, gift cards are better suited to businesses with cash registers and credit card readers than to utilities.

What else can you do to ensure your program's success? Craft recommends assigning one person to address program questions and, if you're offering a bulk option, to work directly with businesses and nonprofits. He also recommends training a go-to person in billing and credit and collections to handle any financial issues.

Marketing your gift-of-energy program

To boost participation in your gift-of-energy program:

- Make it personal—highlight the opportunity to help a neighbor, friend, or family member
- Address the increased level of need due to the COVID-19 pandemic and ask customers to help if they're able

- Create a monetary or “number of gifts made” goal and communicate progress toward it

Social media is a favorite channel for spreading the word about gift-of-energy programs. Here are some examples from 2020 to inspire your own campaigns (**figure 1**).

Figure 1: Delmarva Power, Hawaiian Electric Co., and Pepco promote their gift-of-energy programs via Twitter and Instagram

In the midst of the pandemic, utilities used their social media accounts to share information about financial assistance programs.

Delmarva Power

The Gift of Energy may be just what a friend, family member, or neighbor needs right now. Participate in our Gift of Energy program and make a payment to a person’s energy bill of your choice. <https://t.co/7cQjutVEXM> (for MD customers) <https://t.co/liH7OfXj5f> (for DE customers) <pic.twitter.com/P4vx807YS5>

— Delmarva Power (@DelmarvaConnect) [April 15, 2020](#)

Hawaiian Electric

View this post on Instagram

[A post shared by Hawaiian Electric \(@hawaiianelectric\)](#)

Pepco

With the Gift of Energy, anyone can make a payment toward a friend or family member’s energy bill. If you’re able to help in these challenging times, visit <https://t.co/rcVPljXLPP>. <pic.twitter.com/sw8TcmxtSt>

— Pepco (@PepcoConnect) [May 1, 2020](#)

Getting help with your gift-of-energy program

Need more advice about launching a gift-of-energy program? Or maybe you have a program that isn't living up to its potential. [Contact us!](#) From program design and implementation to customer experience and marketing, we can help. And leave a comment if you have a gift-of-energy program you want to brag about. We're all ears.