Transcript

For the exchange Findings from the E Source 2026 Q1 LMI Pulse Survey: The affordability crisis in the utility sector.

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Well, thank you again for everyone for joining. This is the E Source webinar where we will be walking through our recent low to moderate income or LMI customer pulse survey findings.

We've titled this webinar, the affordability crisis in the utility sector.

My name is Ben Nathan. I'm the director of affordability and equity at E Source. I'm going to be kicking things off today, But then to walk through our survey findings, we're going to hear from Jamie Wimberly, our Senior Vice President for Utility Customer Strategy here at E Source.

So just some background on our customer survey research.

E Source fields quarterly, as we call them pulse surveys of over five hundred low to moderate income customers nationwide on a variety of topics that are important to the utility industry and to you all as utilities and their partners.

We ask questions on energy burden and insecurity, on arrears and disconnection status, on utility assistance and demand side management programs for income qualified customers, on things like communication preferences, federal policies and developments, as well as interest in different utility offerings, including clean energy.

We are conducting these surveys four times a year throughout the year, every quarter.

And we feel that they give us and they give you all, as those who work with us, a really good pulse on the industry, and on what customers are feeling and thinking and going through.

I'll mention, we conduct these pulse surveys not only of low to moderate income customers, and I'll describe what that means momentarily. But of the broader customer base in general through some of our other products and services.

And I've listed some of the recent pulse surveys that we've conducted specifically of income qualified customers. So again, we've investigated things throughout last year and previous years that are important and relevant when we think about affordability and low to moderate income customer service.

If you're interested in learning more about these pulse surveys, or about services that issue the pulse surveys, which include the E Source low income energy issues form, please reach out to myself or Jamie. Our contact info will be provided on the last slide of this deck.

Before we get into it, I'll just remind you all, this webinar will be recorded. Slides will be published on our website. So we really encourage you to check it out afterwards. There's a lot of data in here, stuff that you might wanna dig into further. So we encourage you to check it out afterwards.

The link and recording will be sent out following this webinar.

So what was this particular recent pulse survey? We surveyed six sixty two adults eighteen years or older from households with incomes of less, of seventy five thousand dollars or less per year.

That is by some definitions, low to moderate income.

As you'll see throughout the deck, we do divide this population of folks that we surveyed into different income sub brackets or thresholds.

We invited participants by email and interviewed them online. This took place in February of twenty six. So this is pretty fresh survey data. Basia shown in the report are unweighted. We worked with a reputable survey administrator, Russell research to conduct this research and it was all carried out as always in compliance with relevant legal and ethical requirements.

We also encourage you to look for these boxes as we walk through the survey findings. A box around a particular number that you see on the screen indicates that this figure is significantly higher than the other or indicated subgroup. So the letters next to the boxes correspond to the letters at the bottom of the column.

These are statistically significant findings at a ninety five percent confidence level. So to put it in less technical terms, one could say that the statistical significant of a result tells us something about the degree to which the result is true. So those boxes tell a story, tell a story of significance between two different groups when we look at these survey findings. So look out for those boxes, and I will hand it over now to you, Jamie, to walk us through the survey findings.

Yeah, thanks, Ben.

Again, I want to recognize that you're spending valuable time with us, so I appreciate that. But this is really important stuff, and again, we don't say it lightly that there's an affordability crisis. What I mean by that is that there are a growing number of customers that are being challenged to stay current.

A number of customers, are getting into debt or have been in debt. And so really the crisis is around how do we keep customers current, and if they're in debt, how do we get them out of debt and keep them out of debt.

The other thing I'd like to say in terms of obviously affordability is being used all over the place. It's a politically hot topic.

Know, there are governor races that have been won or lost over this.

And so there's a broader envelope here, rather than just looking at the utility sector. And when we go through the findings, you're gonna see that when customers are struggling to pay their utility bills or in debt to the utility, oftentimes they are also struggling to pay other, service providers. Having said that, utilities obviously, are a major and essential service, and so again, you know, there's there's trade offs here, and those trade offs, again, are linked to a broader kind of macro picture. I think, again, there one of the things that we're gonna go through is there are different approaches or ways that we might, handle this, on a going forward basis, and not the least of which, our survey findings in this and other research, that we've done is

that awareness of utility programs, including assistance, is fairly low, and engagement is an area that we can work together to improve on.

Also, when we talk about affordability, we are not talking just about assistance. We're talking about all the whole fifteen to twenty different touch points that would be a part of an integrated affordability strategy, and that extends to payment options, arrears, income qualified DSM, and so on. And there as we'll see, I mean, I think, again, there's an opportunity to think more holistically here.

Unfortunately, you know, all of our projections and our mileage, is pointing to that this problem is gonna get worse. And the problem is not only, if with the utility rates going up, two to three times what the inflation rate is, largely due to increased demand in data centers and so on, but also that, there's just a number of macro indicators that were paid attention to as far as, you know, the subprime market in terms of credit, the number of people getting into debt in general.

I will one of the things I was listening to NPR yesterday and it was reminded again that with Medicare insurance, or affordable care health insurance premiums going up, a lot of people are making a lot of hard choices. And so I get I really wanna, as a preface, remind us that this isn't just a utility issue. This is this is a a societal issue that we need to grapple with.

So why don't we jump into the findings? The first one is basically and the question is thinking about your household finances. How would you describe your current financial situation compared to a year ago?

Remember, as Ben said, we did this in February. I would suspect, that if we did this today, these numbers would be even, you know, worse in terms of, you know, we have about thirty eight percent, of people reporting that they are in a worse situation, either a little worse or much worse.

I and again, I would expect if we did this survey today that those numbers would be larger.

As Ben said, here, what's interesting is to look at the story within the story, and you can see that while obviously there are folks that are in that lowest bracket of income that have always struggled and will continue to struggle to pay their bills, there's a growing number of customers that would be in, you know, that moderate income that also are beginning to have some serious issues about staying current.

If you can go to the next slide, please.

You know, one of the things I'd like to remind people, again, we oftentimes look at affordability and bill pay in general as a transactional type issue. And what I think is important to remember is that there is a lot of stress and anxiety, and so there's an emotional aspect to the affordability that that we need to keep in mind.

This question is how much financial stress, if any, does paying your utility bills such as electricity or gas cause you right now?

And you can see here, that there are a lot of folks, sixty percent, that said that it causes them some or a great amount of stress.

And the practical what happens and we know this because we do a lot of, focus groups and interviews with individual customers is, you know, if they are stressed out and if they think that their that bill is something that they cannot pay, oftentimes, they will put it on their kitchen counter and it will sit there unopened,

because they're scared to open it. So again, I think it's important when we talk about affordability, it's not just transactional, but also it is, an emotional and oftentimes anxious, kind of situation.

I saw a question here, and feel free to use the chat function too.

And the question, I just are there utilities having plans for moderate income customers? Yes.

There definitely are. And, again, increasingly, what we're finding is that, I'll just it's not exactly in here. We did some customer journey mapping, that included moderate, income customers. And the I can our finding there is that the higher the income that they have, even if they are in that low to moderate income bracket, the less likely they're going to be aware and think that they're eligible for assistance or other income qualified programs. So that that is an issue. But thank you for the question.

If we can go to the next here, I wanna show you, so when we do, these surveys, they're broken out in a lot of ways, and I'm not gonna go through, for each of these questions all the different ways that you can slice and dice this, but I think it's important, and I'm using this financial stress question as an example of it, to look at some of the other demographics that we're looking at. And one of the things, and this is true for all of our resource research, all of it, and that is that there's a growing generational divide. And you can see that in terms of even this question. So you basically, you have younger people and, you having fairly significant differences in terms of how they feel, and you could see that in terms of comparing that to age fifty five plus. We also look at urban, suburban, rural, and so there's some differences there.

We're actually seeing some significant, kind of challenges in in around rural customers, especially given the fact that some of the traditional kind of support, not the least of which is the US Postal Service, you know, they're being particularly hard hit.

And then again, when we see the headlines around what's going on with farmers and that kind of thing, that's going to have an impact on those rural customers and their stress level and their ability to pay their utility bills.

So I'm again, I'm just gonna I'm showing you this to say that, you know, we actually have a lot of data and findings here that I'm not gonna necessarily go over in this. But if you're interested in getting really into the weeds and having access to all that, just let us know, and we can get that to you.

This question is, how have your utility base bills changed over the past year, if at all?

And, you know, sixty two percent said they increased a lot and or increased a little. This is an interesting kind of question and an example of, you know, there's customer perceptions, and those perceptions could be based in actual factual reality or they could just be, again, a feeling. And again, when I look at this and realize that nationally speaking anyways, electricity bills have gone up five to eight percent nationally over the past year.

It's interesting to see how people think about that. Is that a big increase, a small increase, that kind of thing?

If we can go to the next one.

Oh, if we go back to this so, basically, if there's if they're noticing an increase or feeling that there is an increase, what this also tells me is that they're paying attention to this, and they're paying attention to their utility bills.

If you can go to the yeah.

One of the things that I'm very concerned about is, again, the trade offs that customers are making in these households.

And I think, you know, there's an assumption, a historical assumption that utility bills are not as prioritized as some other service providers.

And quite frankly, what we're finding in our own research is that's not quite true. It's usually in the top two to three that they're paying, as compared to other service providers.

But the pressures, on these household budgets, So you have rising utility bills. You have rising insurance premiums.

You have rising food costs. I mean, those are forcing some very hard decisions and quite frankly, decisions about what you are not going to pay for or be able to use. And as you can see here, in order to pay their utility bills, some households are reducing the amount of food that they're bringing home, or making decisions around, you know, what medicines that they were going to purchase and so on. So, again, putting it in in human terms, I mean, these households are being driven to make some very hard decisions about really what is con you know, between the essential kind of, services.

I I show you this box because there's a lot of, as Ben was pointing out, a lot of boxes, so stories within the story. And it kind of, again, reemphasizes my point that there are significant differences between, segments and then particularly around generation. So you can see here, for example, that younger people, are foregoing purchase around food that they normally would make, much high at a much higher rate than older customers.

And so, you know, these younger customers who are just usually starting off, you know, may have be having issues around finding a job, and so on are under an increasing amount of pressure, and they're making decisions based on that.

We can go to the next one, please.

Steve, go ahead. I see you have your hand raised.

You can come off mute.

Sorry, Derek. This is a webinar, so I don't think Oh, okay. Off mute. Yeah. It's Yeah.

Write your question in chat.

One of the things that we have found that is important to understand about affordability is that there are it's not following the necessarily the patterns, that you would you would historically kind of expect.

We've always known there's a great deal of seasonality to some of the affordability and that's why we have moratoriums in the winter or summer depending on that historical kind of weather pattern. What we're seeing though increasingly is because of climate change that there are significant weather impacts that are in turn triggering either spot moratoriums based on the weather and or there are some states that are moving to provide new fixed moratorium, and that is having an impact on affordability, meaning that customers may not pay all or may not pay at all during these weather events, these moratoriums and thus, are getting into, some issues, coming out of them. And so you can kind of, see, and this kind of follows what you'd expect in terms of a higher, impact around winter. But, you know, again, I would imagine that we're going to have impacts in winter and summer that's going to affect the affordability, and the moratorium policies around that.

If we can go to the next one, please.

So one of the things that we look at constantly is not only in terms of, you know, a point in time analysis, but we're looking ahead. And, again, what this, question is during high bill months, how likely is that you'll be able to keep up with your utility payments? And so what this is saying is that there is a high a growing, percentage of customers that are maybe they're current today, but they're concerned about, you know, what that future looks like. And again, given where we are in terms of, some of the economic in events in Iran and other things, I would imagine this concern level is gonna be going up.

And so this says basically that thirty five percent are extremely likely or very likely to have some issues in going forward over the next six months, around their, ability to pay, the utility.

As we said before, you can also see there's some pretty big differences in terms of income.

And, you know, for example, it's forty seven percent of the folks that were fifty thousand or up to seventy five thousand in household income are are saying that they're gonna have trouble. And part of that issue, think, is is because a lot of the income assistance, especially for the chronic poor, is covering some of that going forward. And so it's those folks that maybe have never gotten assistance or really don't know how to get assistance. They're very they're, growing concern.

So we got a question here. Let me, like, address that.

Any insights on whether the generational difference on foregoing food is driven by perceptions and the meaning of the term? Do senior seniors interpret that meat to mean going hungry while young people interpret it to mean cooking at home rather than eating restaurant?

That's an interesting question. It's very nuanced. I would I would just, we didn't obviously, test for this, but I would assume that it is, at a most basic level that they are not spending as much as they normally would on food.

Okay. Let's go keep on going here.

Just another little snapshot around the generational. So, you know, so this is how likely it is that you'll be able to keep up with your utility bills. And, again, big difference. Fifty percent, of older customers say that they're not gonna have a problem. A lot of those folks are probably, you know, getting that either are receiving or getting close to receiving, some kind of, fixed payment, whether it be a pension and or, Social Security.

And, you know, twenty nine percent, you know, said of younger folks said that they will be will be able to keep up. So that is, again, pretty big difference, when you look at it from a generational perspective. Also, you can see here there's a pretty big difference in terms of how people respond to this question and whether they own their home or they rent their home.

If you can go to the next one, please.

One of the things that we're looking at closely at, in fact, we have a working group within the Low Income Energy Forum, is around disconnects.

This is an area that, know, obviously there's a lot of advocates and regulators that are looking at, you know, who's getting disconnected, how many people are getting disconnected, you know, what the reasons for those disconnects are, the duration of those disconnects, frequency, and so on.

So we have a whole working group around that, and if you're interested in finding more out about specifically what we're doing around disconnect, you know, feel free to contact me or Ben. But the question here is over the next twelve months, how likely do you think it is your electric or gas service could be disconnected because of unpaid bills? And so fourteen percent said, extremely likely or very likely, and that goes up to, you know, over forty percent, that would say also somewhat likely, which is, again, troubling because they, you know, traditionally, you know, we've done the analysis and, you know, there's probably less there's definitely less than five percent usually on average in the industry of folks getting disconnected more than once and that probably goes up to another ten percent or so that get disconnected once a year.

And there's a variety of reasons why people are getting disconnected. You know, obviously, a major driver is is that they can't pay or they're, you know, challenged, around credit. Some people are disconnecting because they forget. Other people are disconnecting because they move and so on.

So, you know, I would expect and that we will see, connected to this affordability crisis, there's gonna be more disconnects. And so that is going to drive questions around consumer protections around and communications around those disconnects. It's also going to, have a lot of utilities kinda reevaluate their reconnect policies and so on. So this is an area that is definitely something to to watch. And as you can see here, as we've been talking about all along, it's gonna be very segmented too. So those disconnects are disproportionately gonna be coming from those people that have the lowest income. But I would imagine, that those numbers from your historical basis, are gonna tick up in terms of the moderate income as well.

So one of the things obviously in in in terms of disconnects is is all the consumer protections and communications around that. And so the question is in the past twelve months, how often have you received a notice about possible services connection because of unpaid bills from your utility?

And so, you know, a number of folks here, almost half said never.

And then, again, you know, that means there's half the people that at least responded thought that they or actually did get a disconnect notice, because of, you know, of outstanding debt.

So, again, there are many different components to disconnect, including this one, which is around communications, and people's awareness of that. So let's go to the next one.

One of the things that, you know, that we're concerned about that we watch very closely, in fact, we have partnered and supported NewACT for a long time, is around what's going on in regard to program cuts or even freezes.

So in the case of LIHEAP, even though the funding levels are roughly what they were and have been, but there is a real when you think about it in a real sense, meaning that, given inflation, and also the cost of electricity, which is again, you know, rising five to seven percent, The real level of assistance is declining actually fairly significantly, over the past few years, and we expect that is going to continue.

And that's in addition to the other support programs like SNAP, know, getting the subsidies around, the affordable care and so on.

And so, the question here is how likely are the cuts to federal assistance programs like Medicaid, SNAP, and health insurance subsidies to impact your ability to pay your utility bills, and people, you know, and this was in February, and so you had, almost half the respondents realizing that there's going to be an impact on their on their budget and their household and their ability to pay for other essential services like the utilities.

Unfortunately, I think that, again, this is going to get worse because quite frankly, it isn't really until now that we're starting to get the data in about those impacts around cutting SNAP and the Affordable Care Act premiums going up.

That's quite troubling in terms of people missing payments already in terms of their insurance and or going to food banks because of the SNAP dollars being cut. And so I think, again, when we look at affordability and the utilities, have to look at these other support programs. As you can see here, the customers are the respondents, you know, are definitely looking at, you know, a holistic picture in terms of their budgets.

I'll just add, you know, we asked this question and some other questions last summer when eligibility and application requirements were changing for other federal assistance programs based on the one big beautiful bill that was passed.

And we found kind of similar results in terms of impacts here, but we also found differing levels of awareness of these changes at the federal level amongst these survey populations. So when thinking about utility affordability in the broader context of affordability in general, it may increasingly behoove utilities as well as other service providers to communicate to customers that there may be other impacts on their abilities to afford all of their household necessities, including utility bills. So that more holistic consideration may be necessary as we're seeing these outside affordability stressors.

Well, right, Ben, and that's a good point because this extends directly into your partnerships with your community action partners.

I mean, they're on the front lines of all of this, and so they're going to be making decisions based off of very scarce resources available across the whole spectrum of things that they're trying to help their clients with. And so, again, when we go as utilities to the community action agency and are really are looking to improve those partnerships, we need to realize that the scope and the stresses that they're under given what I'm showing you today.

If we can go to the next one.

So this question is, if you face challenges paying for your all your essential needs, which of the following utility related situations do you expect your household might experience in the next year?

And so it's kind of all over the place here, and we gave them a number of different options.

You know, I think as an industry, we can and should do better around efficiently and more effectively, making people aware and enrolling people in the assistance that they're eligible, realizing that they're going to be instances where that that assistance runs out. So, again, communication, engagement is gonna be very important. I know many of you are working on that already.

Also, people are going to be start making decisions based off of what they can afford, including potentially, that have health impacts like, for example, the second, that they are, turning up or down their temperature, in order to essentially meet what they can pay rather than looking at it from a health perspective. So, again, I think there's clearly going to be some health impacts here, of what we're calling this affordability crisis. And as we've already talked about, I think there's going to be a lot of very hard decisions around the kitchen table about what they can pay and what they can't pay and how they're going to manage that for a variety of different service including utilities.

This gets right to that question around awareness. Which of the following best describes your awareness of programs, discounts, or assistance offered by your utility or local agency to help with utility bills.

You know, we got, you know, twenty percent that feel that they're pretty aware, of what's on offer and thirty six percent that know a little bit, but you have a pretty big, chunk there, you know, over, forty percent, that basically have no awareness, or really don't know the details. So again, I think that there is a need and an opportunity to really kind of up our game in terms of that front end of the discovery process, to work with our community action agencies to get in the communities, you know, working word-of-mouth and so on, to move the dial in terms of awareness.

As you can see here, there's also a lot of different boxes. One of the things that I find interesting as a side note is that when we look at race, and ethnicity, and this is a common finding, there is a lot more awareness and engagement within the black communities than some of the other, racial groups.

And again, this isn't just this this question. This is something that we find, fairly consistently in our research, and that can be leveraged.

So, again, going back to the customer experience and this question, if you needed to apply for a program that provides financial assistance with utility bills, how self conscious would you feel asking your utility for help?

And here, you know, we have well over a half the folks that, again, feel some level of self consciousness, meaning that they there's shame. I mean, there's feelings of shame, and that really impacts, their willingness to kinda get engaged. It also kind of shows an opportunity or and or need to provide other kind of channels, for example, self serve, in terms of, you know, providing documentation or self serve around applying for assistance, both in terms of a shame, but but also in in in reducing that that feeling of shame, meaning that they have to talk to somebody and explain their situation and and try to get some empathy from whoever that rep is. But also, you know, it does provide some opportunities to serve this community better.

I have a question here.

I wonder if the Hispanic community is staying home due to fear of ice or stigma and not seeking assistance from their caps. Absolutely.

Yes. We have we have we actually asked that question during our annual meeting, the low income energy issues forum, and that is absolutely a real thing.

And we're hearing it both anecdotally, and I would imagine that there's some somebody's starting to collect some statistics around that. But the Hispanic community has definitely been very careful, about what they're gonna expose themselves to because of some of the things going on with ICE.

So this is a question. One of the concerns and let me tell you why I asked this question first. My concern is that we can do a great job in terms of identifying and making aware and engaging and enrolling folks in assistance programs, but given, the real and projected, increases in rates, that that's not going to be enough and they're still going to be in trouble.

And so the question here is thinking about any assistance programs your electric or gas utility offers, you know, like bill payment assistance, payment arrangers, and so on.

You know, how helpful are these programs in managing your household energy costs?

So, you know, we have well over half, almost seventy percent. So, yeah, they're helpful. But my concern, again, like I said, is over time, as rates go up, you know, are they going to be helpful to the point that keeps them, you know, in current, and out of debt? And I have, some real concerns about that.

If we can go to the next slide, please.

This question is if you tried to access the assistance to help pay utility bills and how easy or difficult is the process. So as you can see here, it gets into customer journey. And one of the primary findings, both that we've done income, customer journey mapping for energy assistance. We just did a whole bunch, that concluded, earlier this year around income qualified DSM program is one of the things that the utilities definitely could do along with your partners is to make this easier. And, you know, as you can see here, you know, there are a significant number of customers, that essentially have found it to be somewhat challenging.

And, again, when you look at it, especially with the income qualified DSM, there is a lot of different steps in terms of, you know, not only engaging and enrolling them, but once that enrolled, I mean, there's scheduling, there's assessments, there's documentation required, there's eligibility requirements, and so on.

That's why as E Source and many of you are looking at or or have already applied it for things like categorical eligibility or self attestation. I mean, those are very important kind of things to look at in terms of just making this easier. I would add, again, if you haven't done so already, to really look at what you're offering in terms of self serve that would, you know, again, make it easier or more accessible to more customers to do, you know, meet some of these requirements or not have to take a trip downtown to, you know, as far as application or so on. So, I think self-service actually a big part of improving the customer experience that will lead to, you know, increases in the folks that are actually successfully enrolling this. There's also an issue around when customers are on assistance for them to be aware of and make it easy to recertify or reapply for that assistance.

We've noticed a significant drop off of customers oftentimes because they just weren't aware or confused about, the recertification process.

And I'll I'll add here, you know, the the evident differences in in between groups of respondents, customers making more money within this group, moderate income customers perhaps not used to navigating different kinds of assistance programs.

They're demonstrating more difficulty compared to lower earning customers in navigating this process. And as Jamie also pointed to earlier, to white customers, black customers, we've seen have greater awareness and a greater ease of navigating these systems. So some clear demographic indicators on this slide.

So Neil asks, are you aware of any movements toward auto enrolling and eligible customers and assistance? Yes, we are. So, I mean, you know, again, it's a fairly early days for this, but, yes, there are examples of that. And actually, Ben, that's a good idea to kind of I think we talked about that, but from, having some research, presented along those lines as part of the low income energy issues form.

Yep. Absolutely.

Okay. Let's continue here.

So one of the things that we found in our customer journey mapping, and the question is, if you are satisfied by your experience participating in utility assistance program or energy savings program and chose to refer family or friends, which incentive would you most prefer to receive in return? So one of the things that the utilities, in general, do not do actually have, a fairly poor job of is one and I'm gonna talk about particularly around, income qualified DSM is that we go through a whole process that lasts, you know, six months oftentimes, in terms of weatherization, and there's all these processes and interactions and scheduling and so on.

And at the end of the day, then, you know, once that contractor is done and they walk away and there isn't a lot being done by utilities to essentially leverage the goodwill and word-of-mouth to essentially spread the word that, you know, this is something that family and friends could be interested. And so the question why we're asking this, so again, if we put a referral in place and then instead of what that might look like, and as you can see here, you know, there are significant number of folks, that indicated that they would be open to, and incentivized to, spread the word.

And so again, I think this is showing that there's an opportunity that's being missed right now, on the back end, especially around weatherization and income qualified DSM, to leverage word-of-mouth much better, to up the awareness in enrollments, going forward. And so, again, this was a this question was coming out of and confirms what we suspected from our customer journey mapping work.

We can go to the next one.

This question is, which of the following best describes your current status regarding your utility bill? I mean, you know, one of the things that we're finding that's interesting is that, you know, obviously, there's a number of people that are current and will stay current.

But, you know, again, we're feeling we're seeing it's not a just a linear question. Do you pay your bill or do you not pay your bill? Oftentimes, there's gray area in between that they pay a partial amount of the thing or they get in a payment arrangement and they're trying to catch up and so on.

And this is kind of showing, that there's a range of different kind of scenarios, if you will, and it's not just are they paying or not paying. Oftentimes, there is some gradient in between.

So one of the questions that we're asking because again, in addition, kind of aligned to that affordability crisis and something that E Source is doing a ton of work on right now is arrears.

In fact, we just completed forty utilities provided information on their situation around arrearage. So we have a benchmark study, and so the industry as a whole is getting into more and more debt. And so the question here is if you were in debt to your utility from an individual customer perspective, how much money per month in addition to your regular utility bill could you afford to pay? And it kinda goes all over the place here and really depending on their income level.

But still, you know, is it reasonable if, let's say, we, you know, put together a payment arrangement in in in basically, it's two extremes. One, extreme is essentially just stretching it out into, you know, years potentially of pain like that ten dollars a month. And, again, is that effective, or is that going to be broken? And the second part of the extreme is that, you know, reasonable to say to somebody that owes five hundred dollars or something because they missed a couple bills to say, you know, you need to pay us, you know, couple hundred dollars to restart service, and then and then, you know, pay fifty dollars a month, you know, over the next six months.

So again, one of the things that this is pointing to is that I would argue that our the way we handle payment arrangements and our credit policies really need to be looked at because it needs to be aligned with the ability for people to actually pay and hopefully successfully complete these payment arrangements.

We can go to the next slide.

As I said before and as we've mentioned upfront, affordability oftentimes is looking at it from a transactional perspective. Can are they current? Are they debt? Are they having trouble? And we oftentimes look at it in a fairly siloed perspective from a utility with certain rates, discounted rates, or programs or payment arrangements and so on. And so again, this is essentially looking at from a more holistic perspective and that there's a lot of different touch points here and that's what we were testing And so again, what the question is, which of the following options would be most helpful for customers who are having difficulty paying their utility bills?

And as and the first answer, as I just said, is that we really need to look at the payment plans.

Many of you already are providing more flexibility in terms of due dates or grace periods.

There certainly is an appetite and an appreciation for looking at discounted rates and or I think there's going to be discussions in the industry about, you know, truly changing the tariff structure and actually having a low income tariff and so on. But again, I think our challenge and opportunity here is to think from a strategic perspective across the different portfolios, and that would include payment and service options and income qualified DSM programs and so on, financing, you know, in an integrated comprehensive way.

This question is which of the following payment options does your utility offer you?

And the reason why we're asking this is, again, you know, if I was the vice president or chief customer officer of a utility, and I was wondering, you know, not how not only how I could improve the customer experience for, this population, income qualified population, but in general. And, again, I'd be really looking at, different payment options and flexibility around those payment options. And so as you can see here, you know, there's a whole different types of things that are already being offered, including, as many of you know, I'm a big fan of prepay. And so, again, those kinda move from a monthly bill pay in your traditional sense to something something else and it could include a daily bill pay, like with prepay.

If your utility offered you the ability to split your utility bills into more frequent payments than monthly, which of these options would you prefer?

And this kind of, again, goes to what I I said before. I think, again, not only the utility space, but just in the thirty day billing cycle in general was always, more for administrative efficiency. So it's always from the service provider's perspective of how can we cost effectively and efficiently provide and put out that bill. But from a customer perspective, increasingly, especially if they're getting paid in cash on a weekly or biweekly basis. They're looking for different options in terms of aligning their budget and when they have income to spend on bills with that bill And as you can see here, there was over half, the respondents, basically were interested in or knew about, you know, a different option than a thirty day billing cycle.

I show again this generational thing. This is especially true for younger people. I mean, younger people, whether they're income qualified or not, are looking for more incremental payments. They're looking at staying out of debt, so pay as you go, and they're looking for mobile options. And again, that is significantly different than older customers.

And so you can see that here, and the question is if your utility offered you the ability to split your utility bill into more frequent payments than monthly, which of these options would you prefer? So again, you can see very, very clearly that younger people want different options than what the utility has historically provided, in terms of bill pay.

So, one of the things that we realize again as an industry over time, we've shut down a lot of the walk in centers. So, again, a lot of people are paying in cash, and they like to pay in cash, especially if they're, again, in this income qualified group.

So if you needed to pay your utility bill in person, which of the following locations would you most prefer to use? And as you could see, they like a staff location. So, again, that could be a walk in center, but it also could be, you know, you know, a partnership with one of your local, retail outlets. It could be around a community center. So fifty two percent said.

I think, again, from a convenience perspective, not an either or here. I think, again, a lot of utilities are have been exploring or implementing, a fairly robust network of kiosk in lieu of those walk in centers. And, again, there's some appetite for that too. Point being is that if people are trying to pay you, let's make it as easy and accessible as possible to to make that happen and this is this is part of that.

So in terms of takeaways, you know, again, let me go up from the top. I mean, we are in a crisis. That crisis is not just in the utility space. It is, you showing up, in a lot of macro indicators, but it is particularly prominent,

in the utility space because, again, the underlying, rates are going up significantly higher than inflation, and don't see that, changing for the foreseeable future.

And, you know, people so people are starting to report some real pain here, and that pain, oftentimes is going to be focused on utility bills, as a key stressor.

I think people are going to be paying way more attention to their utility bills in so far as that they are having trouble managing or paying those.

As a result, there are trade offs and again, for us to be effective to help mitigate against or manage this affordability crisis, we need to think more holistically about their realities and their budgets that are being stressed. So there are a lot of different needs there and unfortunately all those needs are under pressure and are significantly rising and not the least of which, again, when gas, the price of gasoline has gone up fifteen percent since we did this survey, I would imagine again that if we did the survey today, these these numbers would be higher.

I think, again, we need to realize that there are are external things like climate change that are affecting the affordability picture. And, again, certainly understand and would support when there are potentially unhealthy impacts because of weather, we need to protect our customers and our workers who are essentially being faced with those weather conditions, but at the same time, it's going to have impacts that we need to be mindful of in regard to people's ability to pay if they did not pay during those moratoriums or only paid part of it.

I think disconnects are gonna be a flash point. I mean, I think this is where, a lot of advocates and regulators are gonna kinda go and hopefully, again, there can be a good fact based kind of discussion around what disconnects are and in in terms of both in terms of, consumer protections and how disconnects are handled, but also the reconnect policies.

Unfortunately, think there's going to be a knee jerk reaction of like, some legislatures and or regulators are just going to say point blank you can't disconnect for some period of time, Or you can't disconnect this group or that group. I think again, you know, there's some troubling trends in terms of broader support programs, for income qualified programs and people.

And I don't think we fully have seen all the impacts, yet in terms of, what's going on with health care and SNAP, and so for those two programs in particular.

I think as I said before, there's a real opportunity and challenge around awareness in the customer journey and and essentially getting people aware. We found in the customer journey mapping, that, you know, if I could point to one thing, is is essentially to really kind of communicate around eligibility and not only around the documentation requirements, but also that people are eligible. There's a lot of moderate income folks that don't believe that they're eligible for assistance with and or weatherization programs, and that's just not the case.

I think part of the a big part of, you know, what these research findings are and I've talked about is is not only flexibility, but essentially broader range of options, not the least of which are payment options or in or payment arrangements, and those need to be aligned with people's actual ability to, successfully pay and and stay current.

And then, you know, the last point again, along those lines, I think, you know, again, there's an opportunity not only for this group, but to kinda rethink our payment options and our payment strategy around a more, incremental, mobile, faster kind of way of payment paying paying in real time.

And there's many folks in the income qualified space. I would appreciate that.

So I know we're at the our the top of the hour. I wanna again thank you all for joining us. You'll get the stack. You'll get a link to the recording.

Feel free to reach out to Ben or me. If there's anything I said that, you'd like some more information or you just wanna have a conversation about it, we'd be glad to do that. But, you know, thank you all. I appreciate your time this afternoon.