

Finding the best customers to deliver program performance

Case study



Key highlights

Using E Source OneInform, our client:

- Redesigned its peak-time rebate (PTR) program to focus on the best customers—two cohorts, representing 14% of customers and about 60% of the program market potential
- Reduced customer acquisition costs with a 4x improvement in personalized customer engagement over using predefined, static segments
- Increased program performance by 51%

Solution

To acquire customers, the utility was applying its customer personas and propensity models to static, predefined segments. While the effort delivered names, it didn't deliver results. Customers enrolled, but they didn't show up when the utility needed them to curtail energy use. Not only did program results suffer, but the utility also wasted marketing dollars on under- and nonperforming customers.

The utility needed to identify the ideal customers for the program—those with the most load to shed who would respond when called upon. Enter OneInform. It fuses

Outcomes

OneInform's two best customer cohorts represented 14% of the utility's customers and about 60% of the PTR load-reduction potential, a 4x improvement in just a year of learning over the static, predefined segments originally used. Once OneInform identified the best cohorts, it used the profiles to create micropersonas of the customers, which the utility used to personalize its messaging and reduce acquisition costs. By recruiting the best customers

Challenges

As part of its clean energy plan, a utility in the Pacific Northwest added a PTR program to its demand-response portfolio. But getting reliable participation in the program proved to be challenging.

E Source data—650 attributes on every household—with utility customer and smart meter data to create a rich, artificial intelligence (AI)-ready dataset. The platform applies AI models to develop detailed weather-normalized load baselines for each customer and trains machine-learning algorithms to model the best customers for the PTR program. The models then evaluated all 1 million of the utility's customers and dynamically separated them into cohorts with common characteristics. Two of the cohorts represented the best customers for the PTR program.

for the program, the amount of load shifting improved by 51%, with a reliability factor of $\pm 10\%$, making it a reliable resource for managing load. The combination of reduced acquisition costs and dramatic improvements in performance and reliability meant optimal cost-effectiveness for the program.