

Growing Revenue Through Value-Added Services

Customer Interest and Utility Platforms

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E Source

2018 E Source Summit for the Tennessee Valley

We'll answer four questions

Which products and services are residential customers interested in?

Which products and services are business customers interested in?





How are utilities marketing new offerings to customers?

What do smart home opportunities look like?

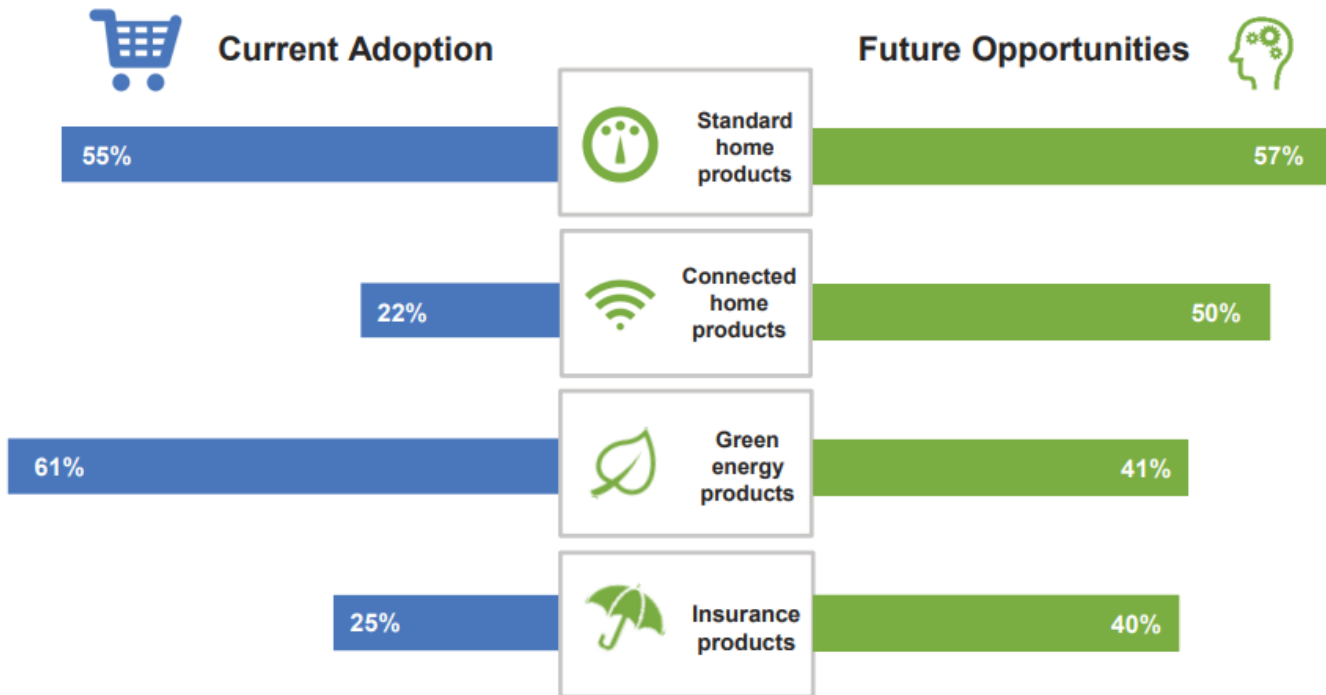
A group of diverse people are gathered around a large table in a modern office setting, engaged in a meeting. Some are looking at laptops, while others are looking towards the center of the table. The background shows a brick wall and large windows. The entire image is overlaid with a semi-transparent blue filter.

Residential customer interest in products and services

2017 survey: which products and services?

 Standard home products	 Connected home products	 Green energy products	 Insurance products
<ul style="list-style-type: none">▶ Backup generators▶ Heating or air-conditioning systems▶ Home weatherization services (such as insulation and window caulking)▶ Major home appliance repair or maintenance▶ Outdoor lighting installation and repair	<ul style="list-style-type: none">▶ Home battery storage systems for backup power▶ Home energy management (HEM) systems▶ Rooftop solar panels▶ Home or community electric vehicle (EV) charging stations	<ul style="list-style-type: none">▶ Carbon offsets▶ Energy-efficient products (such as LEDs and low-flow showerheads)▶ Locally sourced green energy	<ul style="list-style-type: none">▶ Major home appliance insurance▶ Surge-protection insurance▶ Wiring-protection insurance

Where are the opportunities?



Base: All respondents (n = 1,026). **Question S6_1:** How familiar are you with each of the following energy-related products and services? **Base:** Those who are somewhat/very familiar with standard home products (n = 965), connected home products (n = 855), green energy products (n = 958), and insurance products (n = 737). **S6_2:** Which stage in the purchase process are you for each of the following energy-related products and services?

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HEM systems






PREFERRED PROVIDER

1. Utility (35%)
2. Major hardware retailer (25%)

PREFERRED PAYMENT METHOD

1. Initial, full purchase (39%)
2. Ongoing, monthly payment (23%)
3. Rent or lease (23%)

Potential adopters

-  Male
-  Under 45 years of age
-  Have conducted a home energy audit
-  Have worked with a trade ally
-  Have an online account

Other products and services in order of most purchased

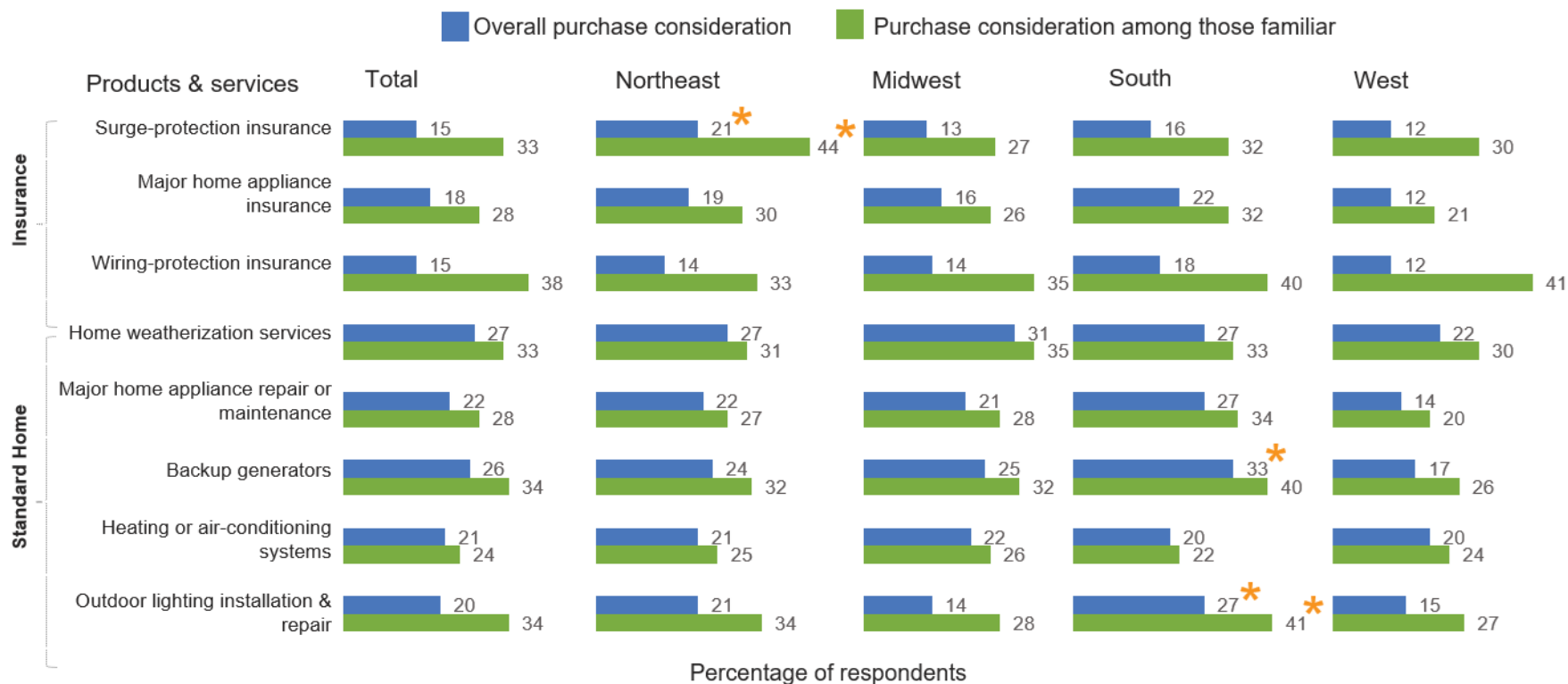
- Energy-efficient products
- Heating or air-conditioning systems
- Home weatherization services
- Backup generators

Market HEM systems to residential customers who meet these criteria or have purchased these other products or services

Considering purchasing
24%

Base: All respondents (n = 1,026). **Question S6_2:** Which stage in the purchase process are you for each of the following energy-related products and services? **Base:** Those who are somewhat/very familiar with HEM systems (n = 652). **S6_4:** Regardless of your current situation, please select up to three preferred providers for each of the energy-related products and services below. **Base:** Those considering HEM systems (n = 244). **S5_1:** What is your gender? **S5_2:** What is your age range? **S2_4:** Do you have an online account with your utility? **S3_3:** Did you conduct a home energy audit? **S7_1:** Have you ever worked with an authorized utility contractor to purchase, install, or service any household equipment or appliance? **S6_2:** Which stage in the purchase process are you for each of the following energy-related products and services? **S6_3:** What would be your preferred method of payment for each of the energy-related products and services you are considering purchasing for your home?

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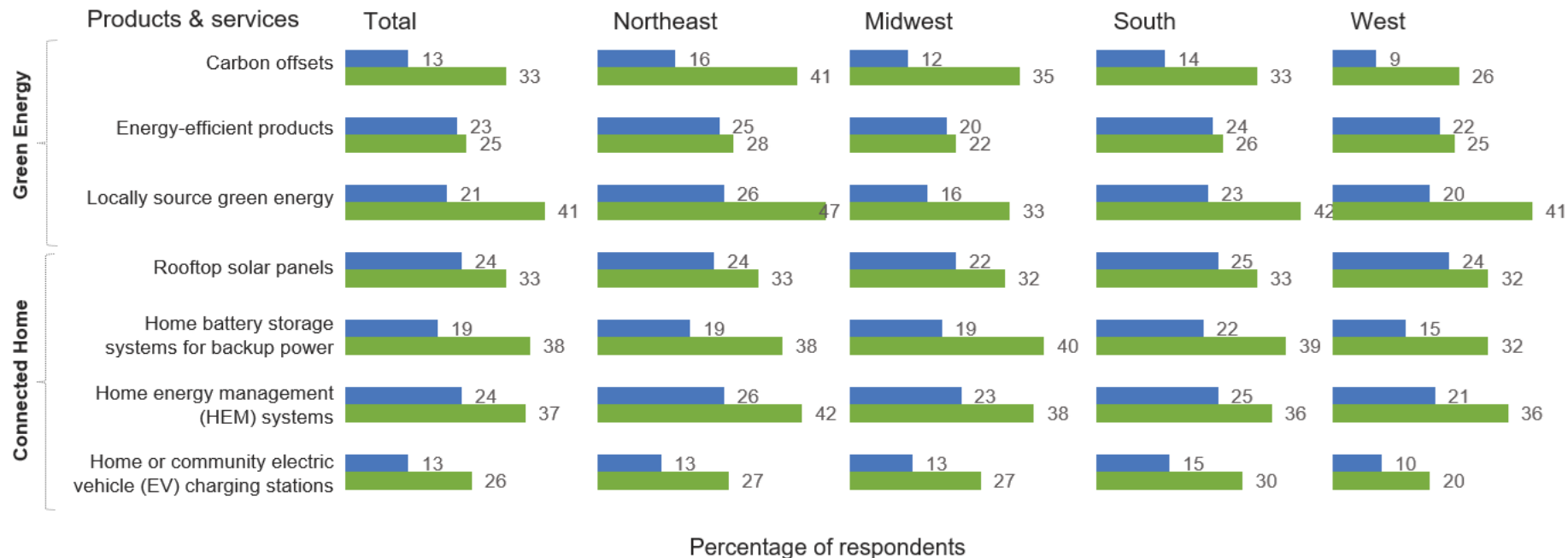


Base: All respondents (n = 1,026), Northeast (n = 189), Midwest (n = 229), South (n = 363), West (n = 245). **Question S6_1:** How familiar are you with each of the following energy-related products and service? **Base:** Those who are somewhat/very familiar with products **S6_2:** Which stage in the purchase process are you for each of the following energy-related products and services?

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* Significant at the 95% confidence level

Overall purchase consideration Purchase consideration among those familiar



Base: All respondents (n = 1,026), Northeast (n = 189), Midwest (n = 229), South (n = 363), West (n = 245). **Questions S6_1:** How familiar are you with each of the following energy-related products and service? **Base:** Those who are somewhat/very familiar with products **S6_2:** Which stage in the purchase process are you for each of the following energy-related products and services?

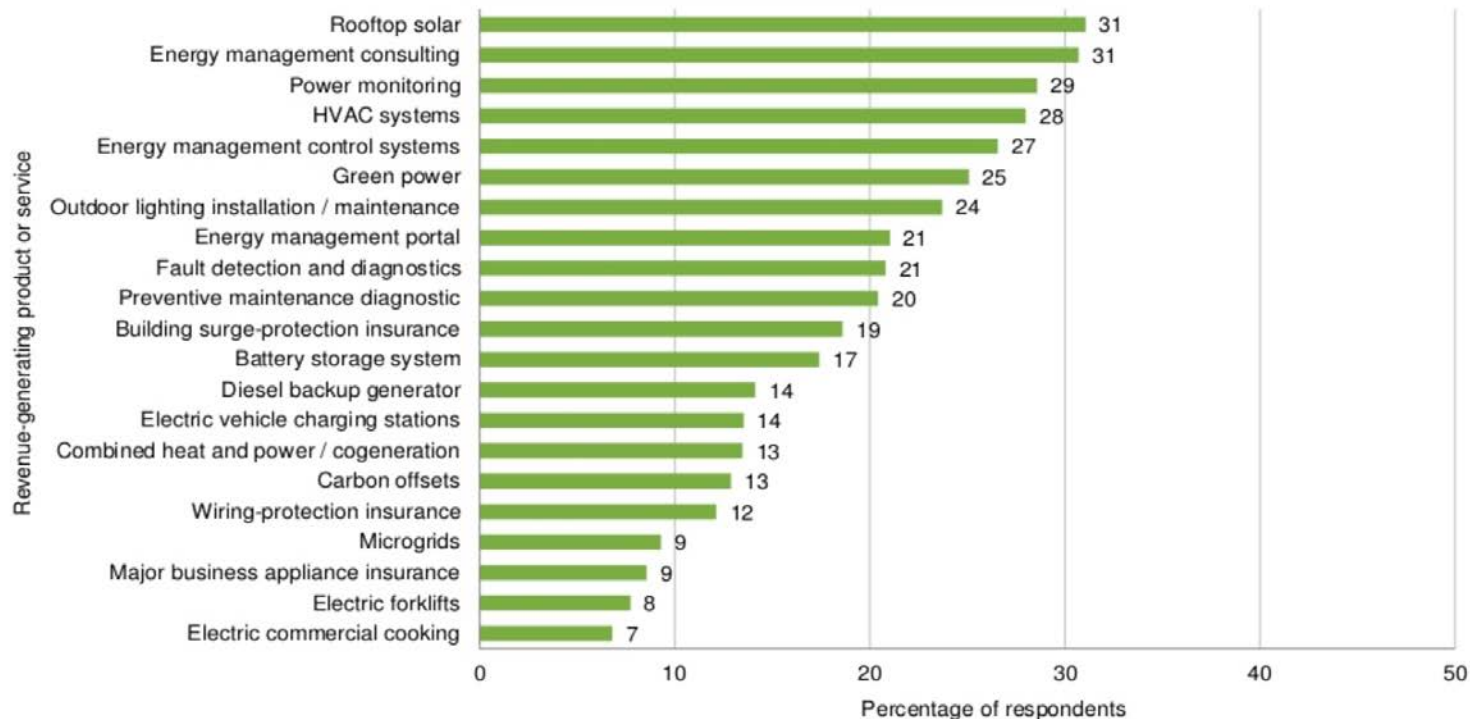
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* Significant at the 95% confidence level

A group of business professionals are gathered in a modern meeting room with large windows. They are smiling and engaged in a discussion, with some looking at each other and others looking towards the camera. The room has a brick wall and a large window in the background.

Business customer interest in products and services

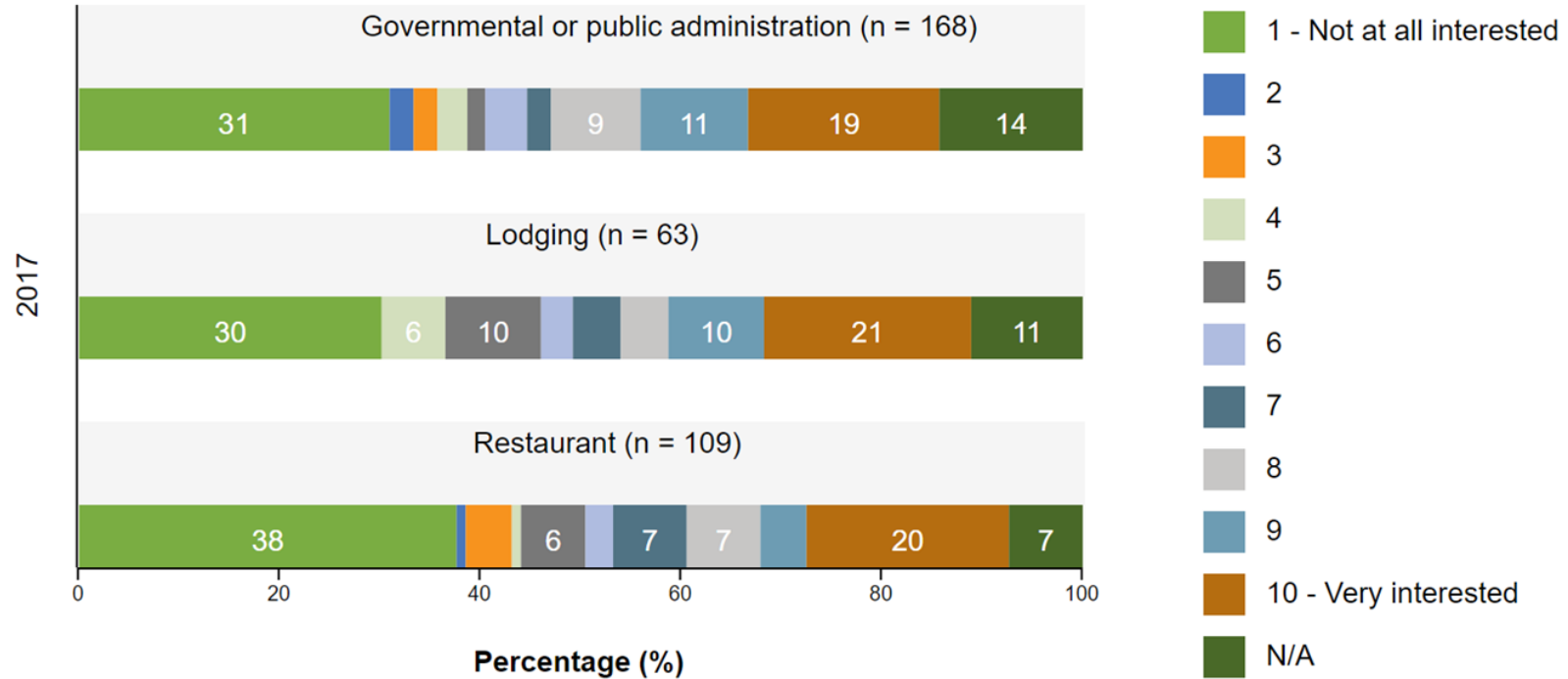
Interest in purchasing or participating in utility-provided products or services



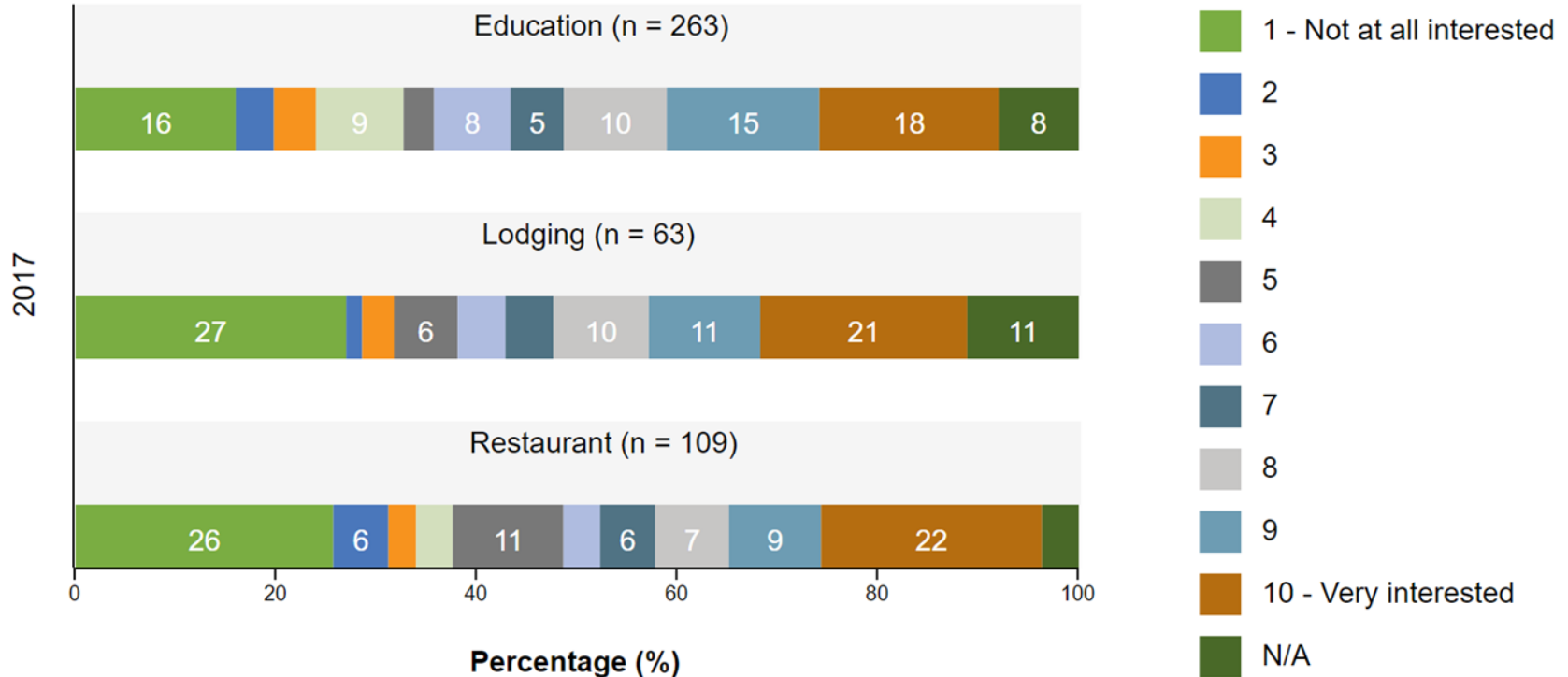
Base: Small and midsize business customers included in the 2017 benchmark who answered this question (n varies from 1,486 to 1,645). **Question S6_1_Int:** Please tell us how interested your business is in purchasing or participating in each of the following utility-provided products or services.

© E Source (Small and Midsize Business Gap and Priority Benchmark 2017)

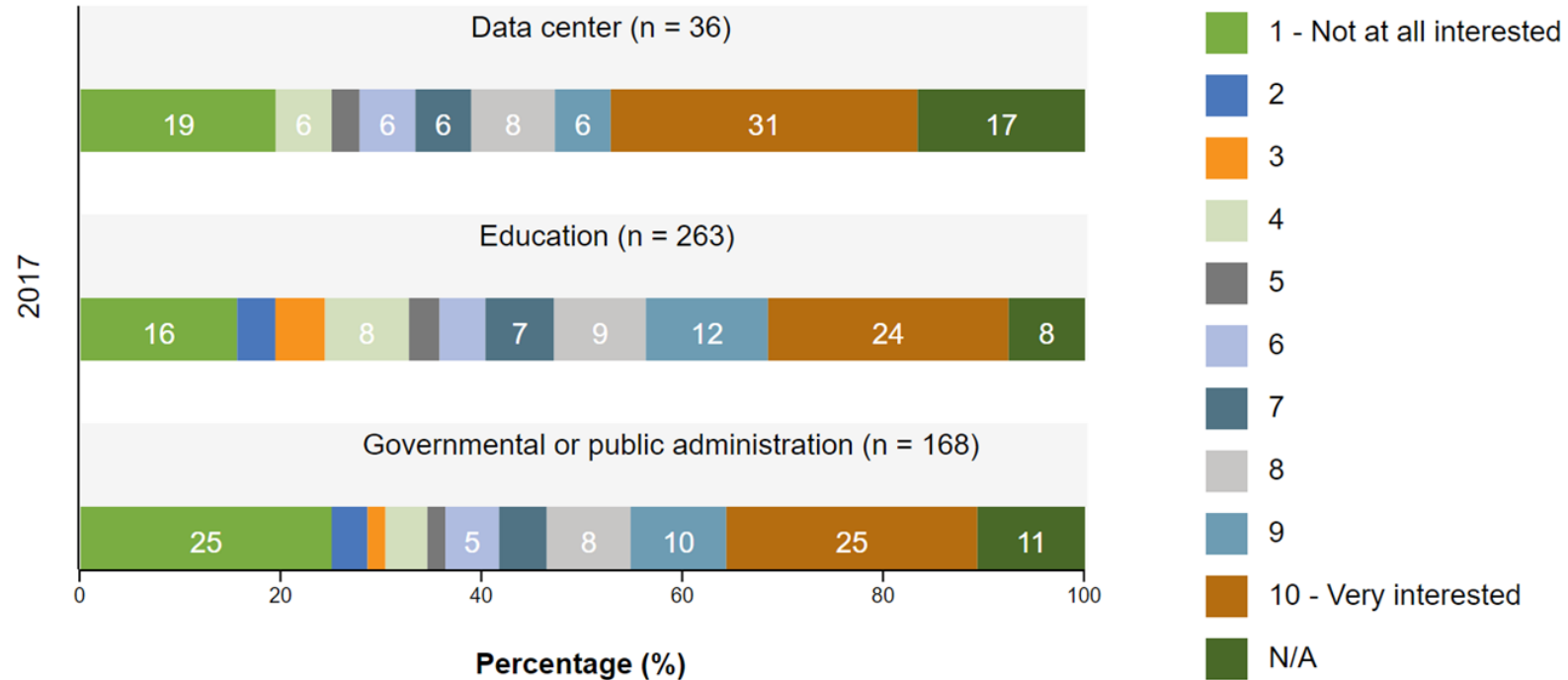
Interest in rooftop solar



Interest in energy management consulting

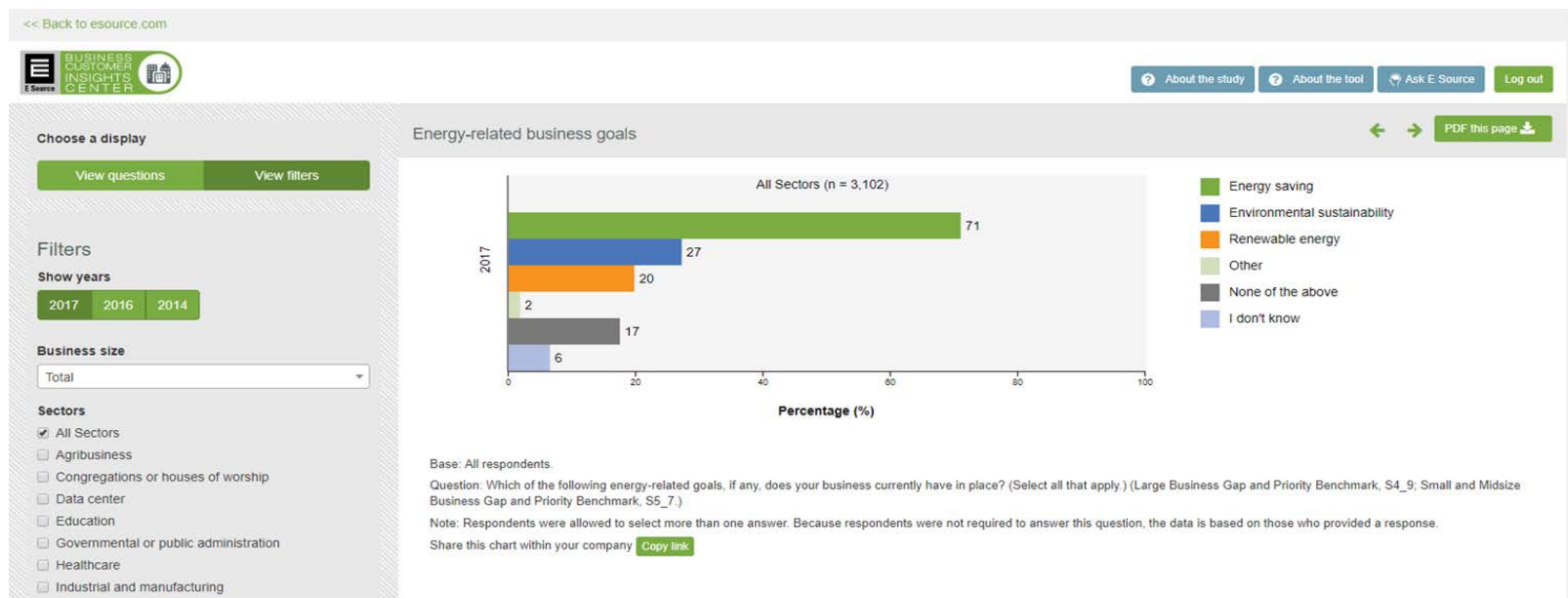


Interest in power monitoring



E Source Business Customer Insights Center

Growing database of business customer survey data—filter by size, sector, year



A group of people are gathered around a large conference table in a modern office setting. Some are standing and talking, while others are seated. The scene is overlaid with a semi-transparent blue filter. The text 'How utilities are marketing new offerings' is centered in a white box.

How utilities are marketing new offerings



Smart Thermostats

Connected Home

Lighting

Water Saving

Outdoor Living

Advanced Power Strips

Portable Power

Rebated Products

Buyer's Guides



Help **bring energy efficiency** to those who need it most

nest 
Power Project

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FEATURED PRODUCTS



Smart Thermostats

Connected Home

Lighting

Water Saving

Outdoor Living

Advanced Power Strips

Portable Power

Rebated Products

Buyer's Guides



Help bring energy
efficiency to those
who need it most

nest 
Power
Project

Learn how

FEATURED PRODUCTS



GOOGLE HOME
\$129



WINK HUB 2
\$99



AUGUST CONNECT
\$79



NEST CAM IQ
\$299 - \$498



WEMO® MINI SMART PLUG
\$29



LUTRON CASETA WIRELESS SMART
LIGHTING DIMMER SWITCH AND REMOTE
KIT
\$59

Source: SMUD

PORTABLE POWER

Sort By:

Featured ▼



GOAL ZERO NOMAD 7 PLUS SOLAR PANEL

\$99



GOAL ZERO FLIP 10 RECHARGER

\$24



GOAL ZERO VENTURE 30 RECHARGER

\$99



Source: SMUD



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mysmud Take advantage of #BlackFriday savings on Nest smart home products today at SMUD Energy Store! SMUDEnergyStore.com #SMUD #mysmud




14 likes

NOVEMBER 24, 2017




Source: SMUD, Instagram

The new hot spot in town.



The best energy products are now just a click away.

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The newest hot spot in town.



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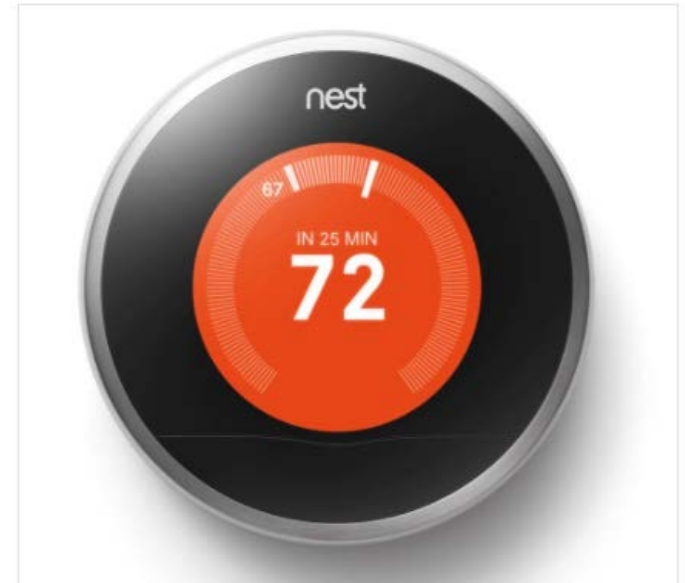
Shop now




SMUD

February 26 · 🌐

Did you know you can control your Nest thermostat with #Alexa? Check out this article from ZDNet about integrating the two devices and learn how to get a Nest with an instant \$75 rebate at smudenergystore.com.
<http://www.zdnet.com/.../using-the-nest-e-with-alexa-a-cool-.../>
 #smarththermostats #energyefficiency



Sources: SMUD



SMUD

November 1, 2017 · 🌐

Angela's learning thermostat conveniently programs itself to adapt to her family's busy life. Find out how you can get a \$75 instant rebate on the Nest and other smart thermostats at [SMUDEnergyStore.com](https://www.smuenergy.com).



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Source: SMUD, Facebook



Source: SMUD, Youtube



Smart home opportunities

E Source Residential Utility Customer Survey

We surveyed 1,029 residential utility customers in the US and Canada on a number of topics, including:

- Smart homes
 - General thoughts and preferences
 - Device-specific feedback
- Lighting
- Home battery storage



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Customers see value in smart homes

People agree that smart homes:

- Increase efficiency
- Provide convenience
- Add security
- Save money
- Increase comfort



High level of familiarity with a variety of smart devices

Utility data can provide value

Customers would value getting notifications when they're close to exceeding their average monthly consumption.



Some of the most valued attributes of the smart home include:

- Being alerted to malfunctioning devices
- Setting up devices to automatically save energy
- Monitoring energy use

Opportunities for utilities

More than 20% of customers would prefer to buy a smart home system from their energy utility.

Utilities can help with some of the major barriers:

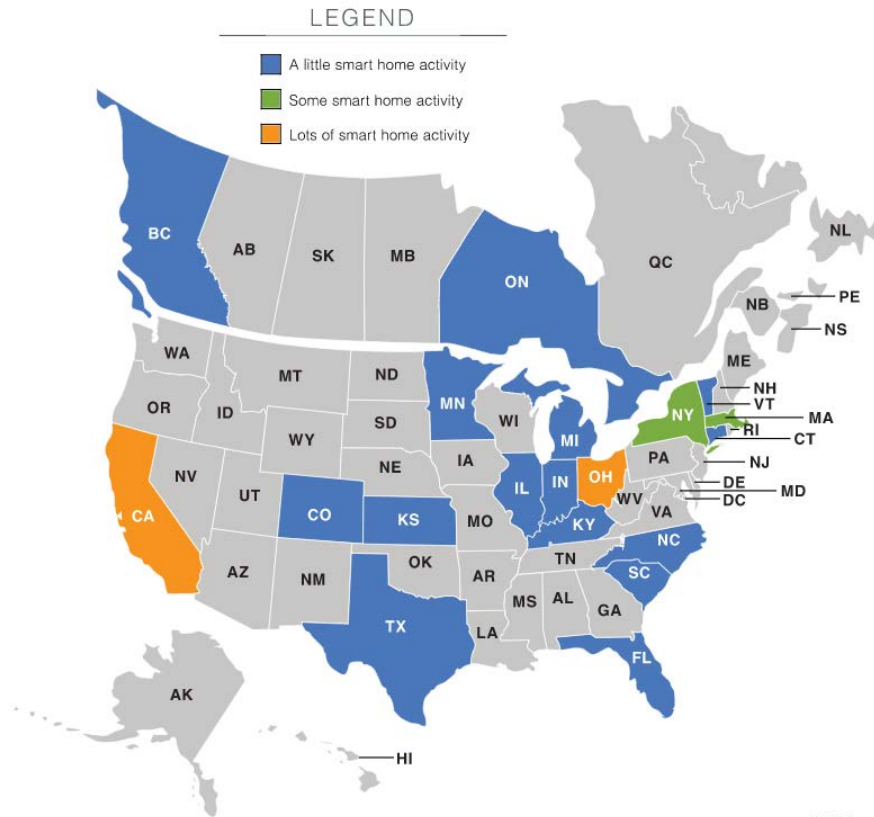
- Expense
- Lack of knowledge



Utilities are becoming more engaged with smart homes


More than 20 utilities have already created offerings:

- Efficiency
- Load management
- Marketing
- Customer education
- Revenue generation




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The smart home can open up new business models



FirstEnergy Home Products and Services

- Connected Home Plan
- Plumbing Repair Plan
- Electric Vehicle Charger Lease



ACT NOW!

**MORE COMFORT.
More control**

RIGHT FROM YOUR SMARTPHONE

Connected Home Plan

Today's smart thermostat technology gives you total control over your home's heating and cooling system – anytime, from anywhere – using your smartphone. Not only do smart thermostats make your life easier, they also result in greater energy efficiency and enhance the comfort of your home. And with our Connected Home Plan, turning your home into a smart home is now more affordable than ever – with more information than ever.

Enroll now in our Connected Home Plan and get the comfort and convenience you need from a smart thermostat. Plus, our unique energy efficiency diagnostic reports – using FirstEnergy's HVAC Monitoring Service – provide the data and tools you need to save energy and improve the performance of your systems.

Only \$14.99 A Month:

Enroll Now

Or call 1-866-747-7893

Comfort, control and peace of mind with:

- A state-of-the-art ecobee thermostat that can save 23% your energy costs.*
- A low monthly amount conveniently added to your electric bill – just \$14.99 a month.
- Professional installation at no additional cost – we take care of it all.
- FirstEnergy's HVAC Monitoring Service provides custom monthly reports and alerts via text or email that notify you of potential performance issues with your heating and cooling system – allowing you to fix issues to improve energy efficiency and avoid serious breakdowns.

Water Heater Lease

TEMPASSURED

Worry-Free Water Heater Lease



Does your water heater leave you with a cold shower? Do you dream of a reliable water heater but simply can't find a way to fit it into your budget? With UI's TempAssured Worry-Free Water Heater Lease, that dream can become a reality.

Many people turn to leasing because of the reduced maintenance cost, convenience and worry-free service. It's easier than ever to save energy, go green and enjoy the peace of mind that comes with a brand new water heater – with 24/7/365 service at no additional cost!

UI Water Heaters:

- ▶ Are designed to work with UI's time-of-use rate so they operate at night when electricity rates are lower. Extra-thick insulation helps keep the water hot all day.
- ▶ Are built to last 2 to 3 times longer than retail models.
- ▶ Provide all the hot water you'll need for bathing, dishwashing and laundry.
- ▶ Are professionally installed by a member of our service team who will also dispose of your old water heater.
- ▶ Come with emergency service and repairs.
- ▶ Just call UI and we'll be there — even if it's the middle of the night or the middle of a long holiday weekend.
- ▶ Include **FREE** lifetime maintenance. Service calls are free of charge.

Source: FirstEnergy

Source: United Illuminating

Want more?

Check out our
Smart Home Resource Center!





Q&A and discussion