

# Reaching Residential, Low-income Customers

by Penni McLean-Conner, NSTAR

**More customers than** ever struggle to make ends meet. Utilities across the country see the results through higher arrears and bad-debt write-offs.

Chartwell notes write-offs have increased 71 percent from 2006 to 2008. Dennis Smith, vice president of research and information delivery, wrote in "Industry Update: Current economy has changed the way many utilities operate."

Comprehensive programs for qualified low-income customers are a winning solution for customers and utilities because they reduce customers' monthly bills and lessen arrears and write-offs for utilities.

The Massachusetts residential low-income program, Energy Bucks, is a model for a comprehensive approach to address low-income energy needs, yielding a positive result for customers.

The program delivers energy-efficient products and services directly to eligible low-income homes to help those customers lower their energy bills.

Energy Bucks represents an alliance among local community action programs, state agencies, electric and gas utilities and energy efficiency organizations.

Data shows that of the more than 800,000 customers eligible for Energy Bucks, fewer than 30 percent have participated.

That's how Massachusetts and other states know to use multiple media to reach low-income customers about their programs that offer comprehensive solutions.

## Energy Bucks

The Massachusetts Energy Bucks program was launched in 2003.

A collaboration of investor-owned utilities, low-income advocates and energy efficiency experts designed the far-reaching program to combine fuel assistance, energy efficiency and discount

rates to aggressively address barriers faced by low-income customers with respect to their energy needs.

The Energy Bucks program is free to participants.

Qualified customers must apply, confirm eligibility and open their homes for an audit and weatherization services.

"Energy Bucks is an integrated program that combines grassroots outreach, community-based activities, Web and advertising to encourage qualified households," said Ashley McCown, president of Solomon McCown & Co.

The program helps those households better understand and apply for existing programs that can help them manage their energy costs, she said.

Success with Energy Bucks has been impressive. Participants save up to 30 percent on energy bills by participating in the combination of fuel assistance, discount rates and EE programs.

Combining outreach to health centers, YMCAs, councils on aging, events with elected officials and community action programs has helped the low-income community overcome obstacles that historically prevented them from seeking assistance, she said.

Energy Bucks has contributed to an increase in new applications for fuel assistance and weatherization services. It is another way Massachusetts utilities have demonstrated their commitment to meeting low-income communities' needs.

## The Key to Success

Collaboration and a passion for continual improvement have been the hallmark of Energy Bucks, making it one of the premier energy programs targeting low-income customers.

The continual improvement is directed by the Best Practices Working Group, a Massachusetts statewide group that involves all of the energy efficiency program administrators, low-income weatherization and fuel assistance program network agencies, the state department of energy resources and many other stakeholders.

This construct has provided the opportunity for all stakeholders to critically review the successes and failures of the program and make rapid adjustments in delivery.

Success with Energy Bucks has been impressive. Participants save up to 30 percent on energy bills by participating in the combination of fuel assistance, discount rates and energy efficiency programs. Savings far exceed the cost of offering the program.

Total benefits associated with low-income energy efficiency programs is more than double the costs associated with administering the program.

Designing and providing programs to help customers most challenged by high energy costs is a winning solution. Customers achieve more managed energy bills.

Utilities benefit from reduced arrears and write-offs.

The economy benefits with improved standards of living along with the support of local jobs required to design and deliver these programs.

In this economy, utilities should consider partnering with low-income advocates, state and federal agencies and energy efficiency stakeholders to offer comprehensive programs to customers. **EEP**

**Author**  
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