



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Wendi Schultz-Kerns, Cash Accounting Supervisor
Mark Freeman, Energy Management & Customer Services Manager
DATE: February 12, 2013
SUBJECT: EWEB Customer Care Plus program effectiveness analysis

Issue

In 2012, The Board requested staff to continue a series of work relating to our Customer & Community Care Programs. This included an evaluation to determine the effectiveness of the EWEB Customer Care Plus (ECCP) year-long education program.

This memo is to provide the Board with final results of the ECCP analysis as summarized in the discussion section below, and in the attached comprehensive five-year Outcomes Summary. This data analysis was compiled over the course of 2012 by our administrative partners at The Lane County Human Service Division (HSD).

Background

Leading up to this evaluation staff engaged community partners to help EWEB determine the effectiveness of our programs, including EWEB's current funding allocation between direct assistance and education needs in our community. Furthermore, this work led to staff's completion of economic trigger evaluations and subsequent budget recommendations to the Board for funding EWEB's Customer Care Programs in 2012 and 2013.

To highlight some key points from our previous focus groups, community leaders recommended that EWEB maintain funding allocations between education and direct assistance at the current 50/50 split (approximate), as well as retain the bill assistance cap at \$200, given the economic condition at this time. Also, due to financial constraints within EWEB, staff made recommendations to sunset Community Care Program funding, and the Board approved base Customer Care Program funding of \$1.7 million for the 2013 calendar year budget. This budget includes funding for both ECC (bill credit assistance) & ECCP educational programs.

The ECCP program has evolved since inception in 2005 as we've adapted our program delivery to meet the changing needs of the community. Consistent with past Board actions, EWEB management maintains flexibility within EWEB programs to address shifting community needs. For example, as a recommendation of the community focus groups, EWEB staff and our HSD partners developed and implemented two new educational activities this past year; 1) an on-line EWEB incentive activity, and 2) an energy education workshop incentive; both of which grant customers a \$25 bill credit after completion. Staff also worked with our partner agencies to schedule two up-river pilot intake dates for our McKenzie river customers who have limited public transportation to our Springfield intake agency. This action stemmed from customer feedback during an upriver Board meeting. Both upriver pilot intake sessions

were successful; as evident from the positive feedback we received from EWEB customers who took advantage of this new opportunity.

Discussion

Since 2005, EWEB and HSD have partnered to provide ECCP for EWEB's limited-income customers. ECCP has two goals: (1) to reduce the number of credit actions (i.e. final notices, missed payments, etc.) and (2) to reduce the energy use of participating households. Approximately 1,000 EWEB customers enroll in ECCP each year.

Program Description

All of the ECCP participants are low-income. About half of the participants enroll because they've heard about ECCP and want to earn payment credits on their EWEB bill. The other half enroll because EWEB has recently placed a deposit on their account due to poor payment practices and they are seeking deposit relief from the Deposit Guarantor program. The Deposit Guarantor program will forgive half of the deposit if a customer pays one-half of the deposit and enrolls in ECCP.

ECCP is an interactive education program and participation is driven by participants, so some participants are more active than others. Participants earn bill credits on their EWEB account by completing various activities called incentive activities. Examples of incentive activities include:

Kit Installation – Participants receive a kit of energy saving devices (thermometers, aerators, switch plate sealers, etc.) during the ECCP enrollment appointment. Following the appointment, they can earn a \$25 incentive credit on their EWEB account by recording details about the installation and use of each the kit item.

Lifeline Budget Education – Participants can earn a \$100 credit on their EWEB account by attending four two-hour budget education classes taught by Neighborhood Economic Development Corporation (NEDCO).

ECCP program enrollment lasts for one year and participants can earn up to \$350 in incentive payments during that time.

Program Evaluation

EWEB and HSD measure the impact of ECCP on participants' payment behavior and energy usage. We collect one year of "pre" data from the 12 months before the participant enrolls in ECCP, and two years of "post" data (1-12 and 13-24 months) after they complete ECCP. This allows us to do a before and after comparison to see if there is an improvement in the participants' credit behavior and energy usage after participation and if that improvement persists. Because we collect two years of "post" participation data, and the participation period is a full year, we have to wait a full three calendar years after enrollment before collecting and analyzing the "pre" and "post" data. Thus, the analysis on the 2009 enrollees couldn't be undertaken until January of 2012.

Credit Action analysis

We count the number of missed payments, final notices, door hangers and disconnections for non-payment before and after participation. The disconnections for non-payment are infrequent, both before and after participation, but they are costly to the customer and to EWEB and thus are included in the analysis.

Energy Usage analysis

We also compare energy usage before and after ECCP participation. We do this by counting and comparing the total number of kilowatt hours (kWhs) used by participants before and after participation. These data are adjusted for heating degree days so temperature fluctuations from one winter to another don't skew the results. Some winters are colder than others, which can mask or exaggerate the impacts of the program. We use the National Oceanic and Atmospheric Administration (NOAA) web-site to determine and adjust the heating degree days for each day included in the analysis. The data measured and compared in the analysis are for the 6-month period of Oct – March only.

Analysis Results (attached Outcomes Summary):

Changes in the Number of Credit Actions

Table 1 indicates ECCP participants had significantly fewer missed payments, final notices and door hangers in both the 1- 12 months and the 13 – 24 months after completing the program. These three credit actions are the most common credit actions for ECCP participants, typically numbering in the hundreds or thousands in a given year.

We also count the number of disconnections for non-payment experienced by ECCP participants. This analysis shows an increase in the incidence of disconnections for non-payment following program participation. It should be noted that this increase involves a small number of disconnections, averaging 43 in a given year. This suggests a small number of customers have increasing difficulty with bill payment after participation.

Changes in Energy Consumption

Table 2 indicates that for the 1-12 month and the 13–24 month periods after participation, participants had significant and persistent reductions in energy usage.

TBL Assessment

Not Applicable

Recommendation

Staff recommends continued Board support for our ECCP education programs. As a result of our Community focus groups, staff will continue to engage industry leaders and we will remain flexible to adjust program efficiencies as needed to meet changing community needs.

Requested Board Action

This memo is informational and no formal Board action is requested at this time.

EWEB Customer Care Plus (ECCP) Outcomes Summary 2005-2009

Summary: The data in this document cover the five year period 2005 - 2009. These data show that, overall, the impact of the ECCP program has been positive. After participating in the ECCP program, participants reduced their energy usage and had fewer of the most frequently-occurring credit actions (missed payments, door hangers, and final notices). The one negative result was that participants had an increase in disconnections. It should be noted that disconnections occur with far less frequency than other credit actions. Overall results were more positive in 2005, 2006, and 2008 than in 2007 and 2009

Table 1: Changes in Credit Actions

Year of Participation	Post Participation Period	Number of Participants	Missed Payment	Final Notice	Door Hanger	Disconnect
2005 Participants	1-12 months post	N = 777	-33% Pre N=225 Post N=157	-16% Pre N=2107 Post N=1727	-8% Pre N=1083 Post N=946	11% Pre N=19 Post N = 21
2005 Participants	13-24 months post	N = 777	-48% Pre N=225 Post N=116	-27% Pre N=2107 Post N=1543	-19% Pre N=1083 Post N=878	63% Pre N=19 Post N=31
2006 Participants	1-12 months post	N = 565	-27% Pre N=194 Post N=141	-10% Pre N=1698 Post N=1524	-8% Pre N=1004 Post N=927	-26% Pre N=35 Post N=26
2006 Participants	13-24 months post	N = 565	-54% Pre N=194 Post N=90	-15% Pre N=1698 Post N=1448	-19% Pre N=1004 Post N=810	6% Pre N=35 Post N=37
2007 Participants	1-12 months post	N = 371	-18% Pre N=79 Post N=65	8% Pre N=878 Post N=946	4% Pre N=566 Post N=491	69% Pre N=16 Post N=27
2007 Participants	13-24 months post	N = 371	-38% Pre N=79 Post N=49	-3% Pre N=878 Post N=856	-16% Pre N=566 Post N=477	19% Pre N=16 Post N=19
2008 Participants	1-12 months post	N = 618	-20% Pre N=84 Post N=68	-10% Pre N=1363 Post N=1183	-20% Pre N=783 Post N=615	-26% Pre N=19 Post N=14
2008 Participants	13-24 months post	N = 618	-25% Pre N=84 Post N=63	-21% Pre N=1363 Post N=1076	-30% Pre N=783 Post N=547	47% Pre N=19 Post N=28
2009 Participants	1-12 months post	N = 405	-22% Pre N=41 Post N=32	12% Pre N=695 Post N=780	-6% Pre N=418 Post N=394	0% Pre N=12 Post N=12
2009 Participants	13-24 months post	N = 405	-61% Pre N=41 Post N=16	6% Pre N=695 Post N=736	-15% Pre N=418 Post N=354	0% Pre N=12 Post N=12

Green indicates better results after ECCP participation.
Yellow indicates worse results after ECCP participation.
White indicates no change

Table 1 illustrates the percent change in the number of the most frequently occurring credit actions incurred by ECCP participants for 1-12 months after participation and 13 – 24 months after participation compared to the 12 month period before participation in ECCP.

Table 1 shows a pattern of consistent and significant reductions in the frequency of final notices, missed payments, and door hangers after ECCP participation. These credit actions typically number collectively in the hundreds for ECCP participants in any given year.

Disconnections for non-payments are also counted. There are few occurrences of this credit action. However, for those few customers who experienced disconnections for non-payment, there was a net increase in disconnections after participation in ECCP in six out of ten post-participation years.

Analysis of the data in terms of households shows that the program is most effective with households with a history of frequent credit actions. For disconnections, the “number of households” results show the same patterns as the “changes in credit actions” results.

**Table 2: Pre – Post Energy Consumption*
Based on months of Oct – March**

Year of Participation	Post Participation Period	Change in Energy Usage
2005 Participants	1-12 months post	-8%
2005 Participants	13-24 months post	-8%
2006 Participants	1-12 months post	-1%
2006 Participants	13-24 months post	-9%
2007 Participants	1-12 months post	-8%
2007 Participants	13-24 months post	-3%
2008 Participants	1-12 months post	-8%
2008 Participants	13-24 months post	-4%
2009 Participants	1-12 months post	-1%
2009 Participants	13-24 months post	-5%

*Adjusted for heating degree days

The data in Table 3 show a consistent pattern of significant reduction in energy use for CY 2005, 2006, 2007, and 2008 program participants. Reduction in energy use for 2009 participants the first year after participation was negligible (less than 1%). Analysis of second year of data for 2006 participants suggests that program benefits endure into the second year after program participation.