

Energy Consumerization – Back to the Future

By Sudhakar Kesavan



“To engage successfully with customers, utilities must take the complexities out of the decisions related to energy use and efficiency.”

Sudhakar Kesavan serves as chairman and CEO of ICF International, a global management, technology, and policy consulting firm headquartered in Fairfax, Virginia. The firm has more than 70 offices worldwide and more than 5,000 employees serving clients in government; companies in the energy, health, technology, financial services, aviation and retail industries; foundations; and nonprofit organizations. The firm is traded on the NASDAQ public market (ticker symbol: ICFI). Kesavan was named a “Tech Titan” and an “industry leader” by Washingtonian Magazine in 2013. In 2014, he was honored in the Washington Business Hall of Fame for a lifetime of business success. He currently serves as chair of NVTc.

Information and constant demands for decisions inundate us — from news on the radio, to business needs in our inbox, to traffic alerts on our mobile, to real-time data from our health-monitoring wearable. Some choices are simple... like whether to pay a bill online or by mail. But many energy-related decisions are complex and may involve a big expense. For example, homeowners may struggle to decide when to replace a central air conditioning unit. They may wonder whether buying solar panels is better. Or, they may ponder if a whole-house retrofit will improve the efficiency of their home.

Add to this complicated landscape the contractors that pitch their goods and services from a single perspective. They do not consider the whole home, what the homeowner has done before, or the intricacies of “time of use” electricity rate structures that influence the financial equation.

Without clear and easy-to-understand guidance, customers can become overwhelmed and end up not acting. But the complexity of these choices is a key opportunity for technology solutions. And utilities have approaches they can build on.

I participated in the early days of ENERGY STAR®, helping to promote energy-efficient lighting and appliances. This long-standing, successful program follows a simple premise: make it easy for customers to choose a product based on how energy efficient it is — without having to understand the complexities behind that choice. Whether a customer is buying a computer, a refrigerator, or even a new home, the ENERGY STAR logo and rating provide enough information for the decision.

With advances in digital energy-metering technology, plus the latest analytics and communications, utilities are in an

excellent position to adopt the essence of the ENERGY STAR approach. They can make it easy for customers to navigate complex energy decisions. Many utilities have started down this path. They are taking advantage of technology to help customers understand how energy is used in their homes. Some utilities go further, leveraging data and models to craft personalized plans for customers. They communicate recommendations and simple actions that give customers control over usage and energy-related decisions... without having to understand the complexities.

To support this simplified effective customer touchpoint, utilities are analyzing data, modeling outcomes, and using omni-channel communications. Data analysis includes using smart-meter data to disaggregate energy usage remotely. Utilities can identify the types of energy-efficient products and services a home might benefit from — without setting foot inside the home. In modeling outcomes, utilities use available customer data (both public and purchased) to identify customers who would likely participate in energy-efficiency programs. They apply segmentation to identify messages that would likely resonate with these customers. Omni-channel messaging uses all modes of communications (e.g., online, mobile, text and print) to provide a seamless, comprehensive and frictionless consumer experience.

As I watch how the utility sector is evolving today, one point is clear: to engage successfully with customers, utilities must take the complexities out of the decisions related to energy use and efficiency. I remember the early days of ENERGY STAR. Now, instead of a branded label, we’re using data and technology to take us back to the future! **nvtc**