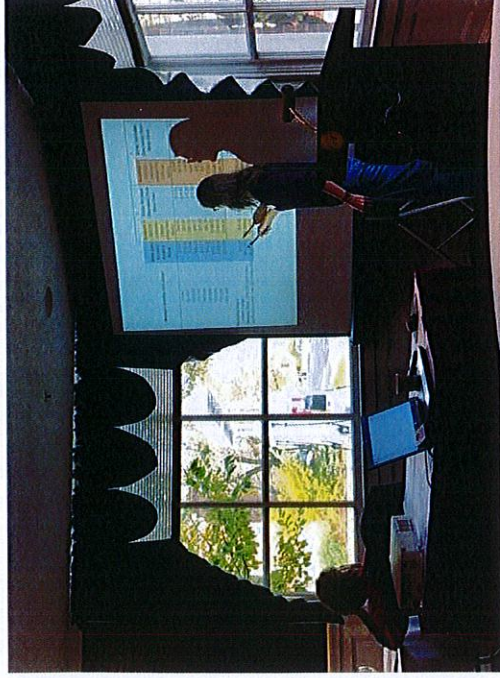


WEC Focus Group/ Listening Session Rate Design

Susan Randall
VTPivateye, LLC

11/29/17



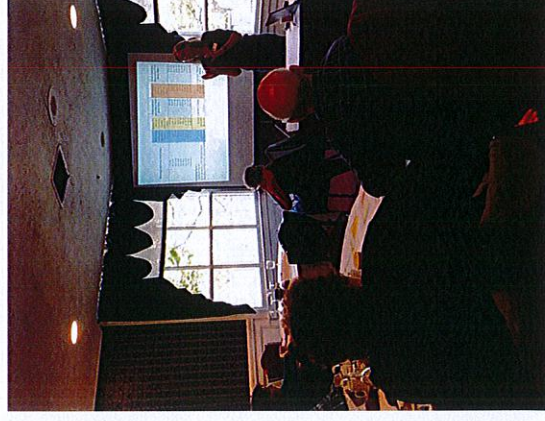
Recruitment Goal

- ▶ Our goal was to get a representative sample to match the membership, of 50 WEC members based on:
 - ▶ Usage profile
 - ▶ High Use > 700 kwh/month
 - ▶ Med High Use 500-700 kwh/month
 - ▶ Med Low Use 300-500 kwh/month
 - ▶ Low Use < 300 kWh/month
 - ▶ County
 - ▶ Income



Recruitment

- ▶ Over 620 calls were made to WEC members throughout September - October 2017
- ▶ Members were asked to attend rate design focus group on Saturday, 11/4/17, from 8:30am - 12:30pm
- ▶ Members were offered
 - ▶ Free Breakfast
 - ▶ Free Lunch
 - ▶ \$50 incentive
 - ▶ Chance to weigh in on WEC rate design



Recruitment

- ▶ 26 of the 620 people called confirmed they would attend focus group
 - ▶ Many more were interested but were unable/unwilling to travel and/or give up a Saturday
- ▶ 19 WEC members actually showed up
- ▶ Of the 7 no shows, 4 were from Caledonia county
 - ▶ Storm outage may have had effect on attendance



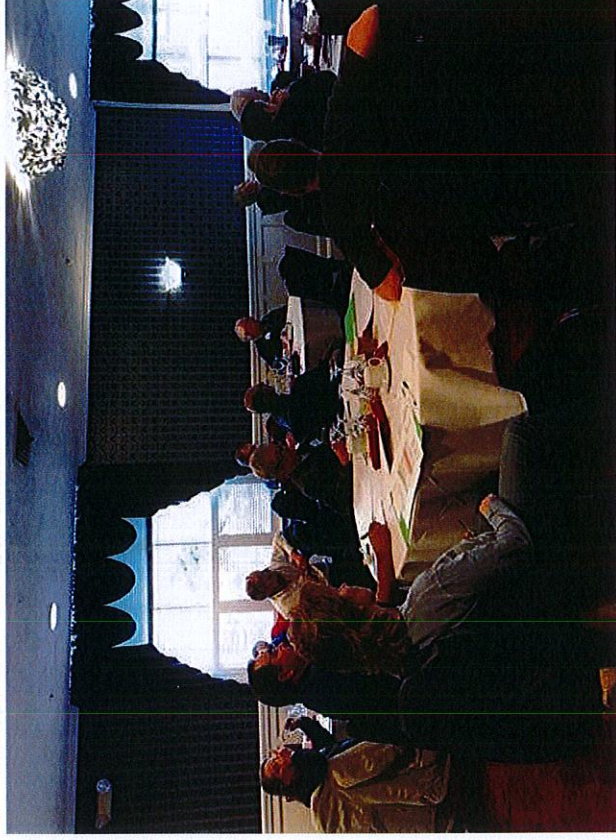
Recruitment

- ▶ Breakdown of participants by electric use
 - ▶ 7 high users
 - ▶ 3 medium high users
 - ▶ 2 medium low users
 - ▶ 7 low users



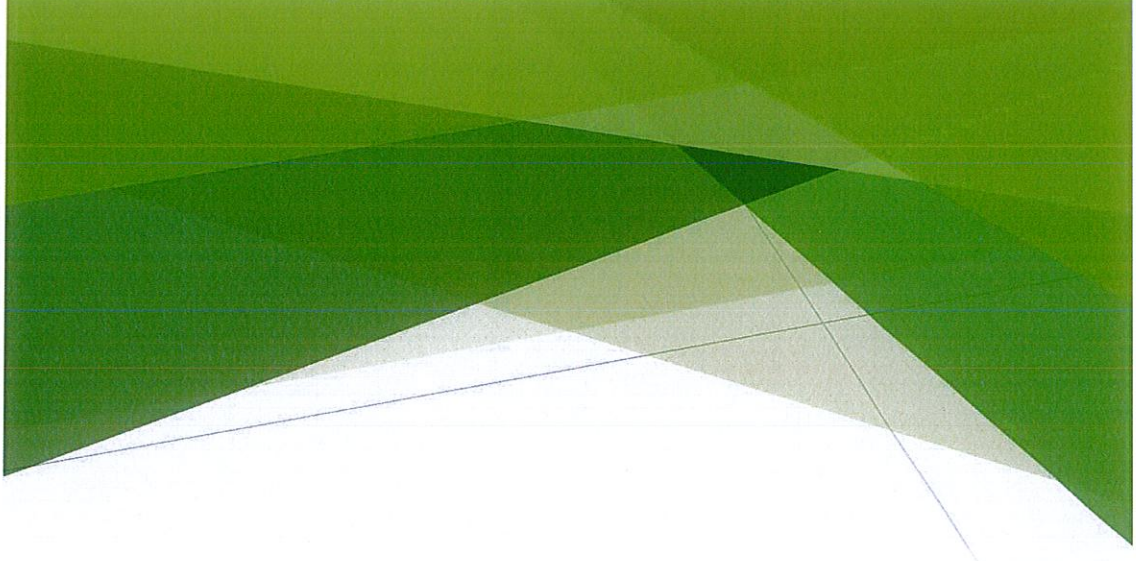
Recruitment

- ▶ Breakdown of participants by county
 - ▶ 7 Washington County
 - ▶ 10 Orange County
 - ▶ 2 Caledonia County.



Focus Group Process

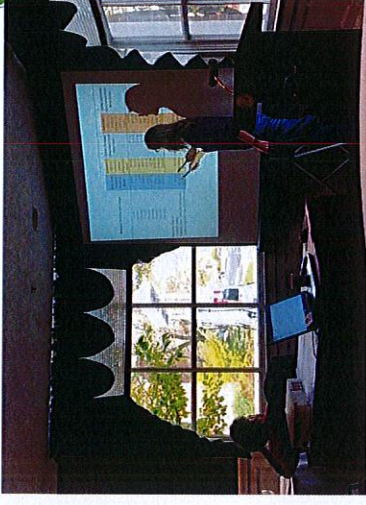
- ▶ Saturday November 4, 2017, Capital Plaza Hotel, Montpelier, VT
 - ▶ 8:30 am arrival
 - ▶ Members received packet upon arrival with the following:
 - ▶ Agenda
 - ▶ Welcome letter
 - ▶ Copy of recent WEC electric bill
 - ▶ Average monthly energy use
 - ▶ Projection of 3 Rate Designs onto average monthly usage
 - ▶ Half hour coffee and mingle

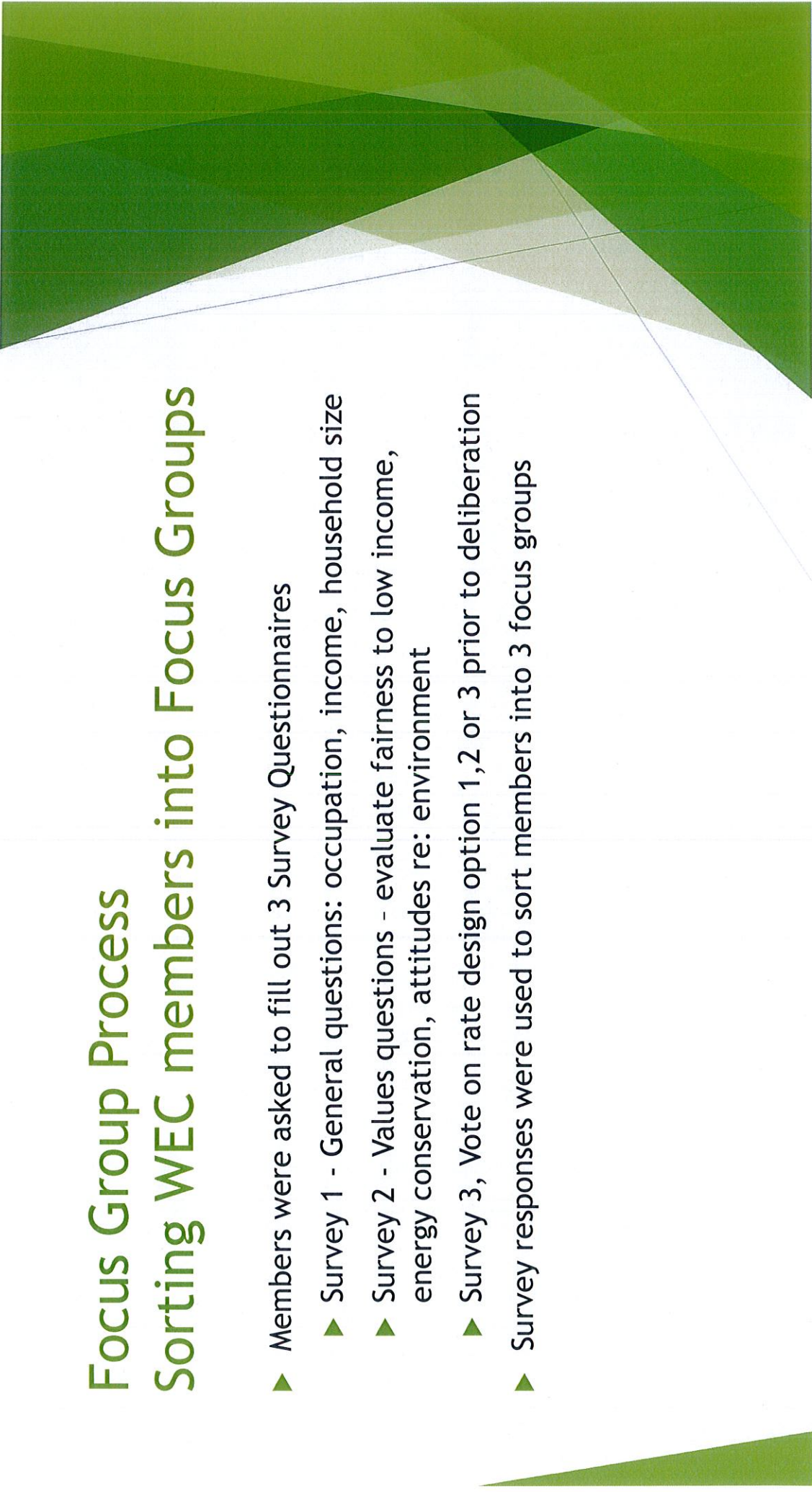


Focus Group Process

Framing the Discussion

- ▶ Opening Remarks by Patty Richards (~ 1 hour)
- ▶ Patty explained reasons for discussion of new possible rate design
- ▶ Detailed three options
 - ▶ Option 1, Status Quo, \$12.97 monthly charge, 200 kWh @ \$0.10373/kWh, then \$0.23160/kWh
 - ▶ Option 2, \$25 monthly charge, \$0.16140/kWh
 - ▶ Option 3, \$25 monthly charge, 100 kWh @ \$0.09961/kWh, then \$0.17511/kWh
- ▶ Question & Answer period followed





Focus Group Process

Sorting WEC members into Focus Groups

- ▶ Members were asked to fill out 3 Survey Questionnaires
 - ▶ Survey 1 - General questions: occupation, income, household size
 - ▶ Survey 2 - Values questions - evaluate fairness to low income, energy conservation, attitudes re: environment
 - ▶ Survey 3, Vote on rate design option 1,2 or 3 prior to deliberation
- ▶ Survey responses were used to sort members into 3 focus groups

Focus Group Process

Sorting WEC members into Focus Groups

- ▶ Other sorting factors include:
 - ▶ Personality
 - ▶ Usage
 - ▶ County
 - ▶ Survey responses
 - ▶ Income
- ▶ Goal was to create three balanced groups who would each engage in meaningful discussion, with participation by all group members.
- ▶ Optimum balance reflects WEC member demographics and distribution



Focus Group Process The Groups

Group One		Group Two		Group Three	
County	Usage	County	Usage	County	Usage
Wash	Low	Wash	Low N	Wash	Low N
Wash	Low	Wash	Low	Orange	Low
Orange	Med High	Orange	Med High	Caledonia	Med High
Wash	Low	Wash	Med Low	Orange	Med Low
Orange	High	Orange	High	Caledonia	High
Orange	High	Orange	High	Orange	High
Orange	High				

Focus Group Process

Moderators

- ▶ We chose a moderator for each focus group
- ▶ Moderators were WEC members from the pool of participants
- ▶ Moderator selection criteria:
 - ▶ We watched the group during the Q & A following Patty's opening remarks, and observed members during the coffee mingle for:
 - ▶ Listening Skills
 - ▶ Ability to understand multiple points of view
 - ▶ Affable, good-natured personality, good rapport with others
 - ▶ Leadership skills, grounded, responsive, respectful

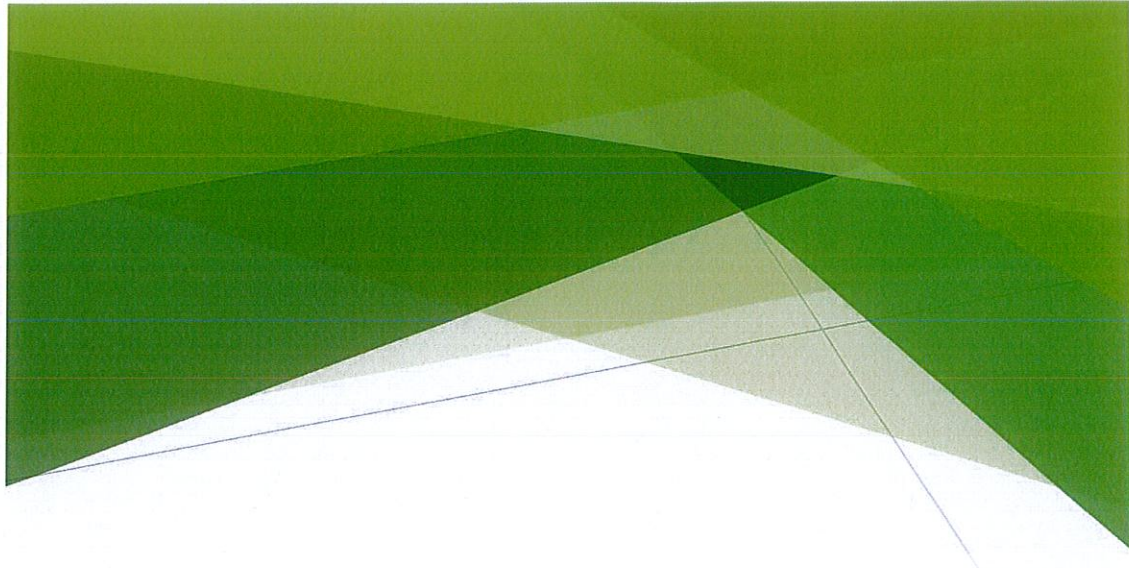
Focus Group Process Moderators

- ▶ Moderators were given a brief training prior to focus group discussion sessions
 - ▶ Background on focus groups, what, why and how
 - ▶ Asked to guide group using printout of focus group questions
 - ▶ Told to get group consensus on one of the rate options
 - ▶ Moderator to present back to large group afterwards
 - ▶ Asked to lead fair and equitable discussion



Focus Group

- ▶ Three focus groups convened in separate rooms
- ▶ Discussions were filmed and viewed on remote monitor
- ▶ Groups were given one hour to reach consensus
- ▶ Discussions were led by moderators
 - ▶ Moderators were given a list of questions to guide discussion
 - ▶ Opening Questions (designed to get people talking)
 - ▶ Introduction Questions (designed to get people thinking about rate design)
 - ▶ Transitional Questions (designed to move discussion, connection to electricity)
 - ▶ Key Questions (Drove the study)
 - ▶ Ending Questions (Brought closure, elicited reflection)

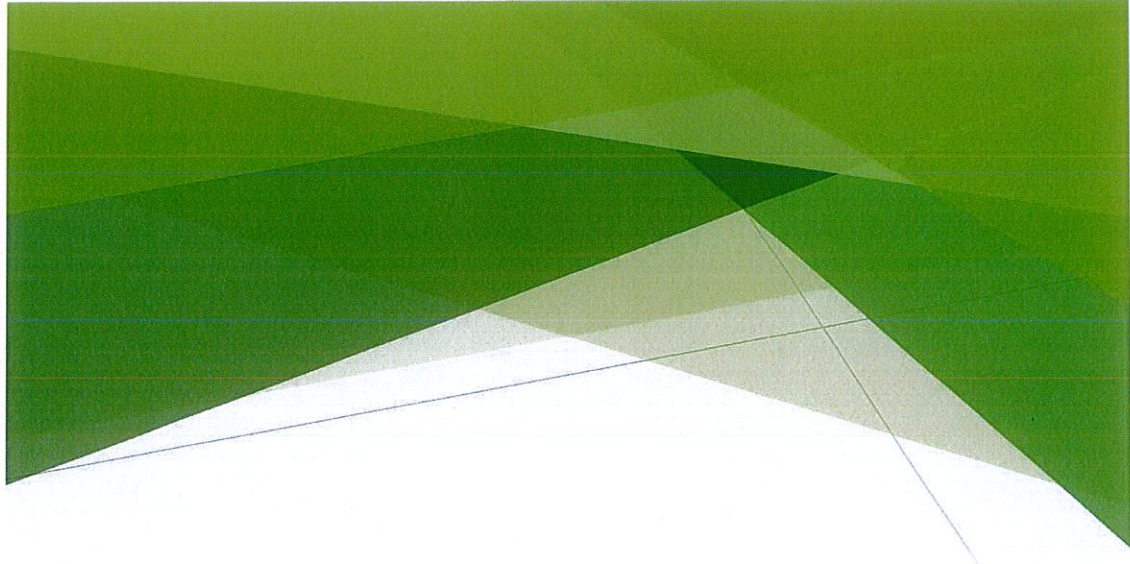


Focus Group Results

- ▶ GROUP 1
 - ▶ Agreed that rate structure #3 best served all WEC members
 - ▶ Less Extreme
 - ▶ Help stabilize rates by increasing base charge
 - ▶ Uncertainty
 - ▶ Not sure how increasing base charge help stabilize rates, trusting Patty on this
 - ▶ Insights
 - ▶ For Low Users wanted to keep 200 kWh discounted rate to promote reward low users and promote efficiency
 - ▶ Would like to see WEC provide incentives to landlords to increase efficiency of rental housing, feel landlords have no incentives to upgrade units, which means lower income members are being burdened with higher electricity costs

Focus Group Results

- ▶ GROUP 2
 - ▶ Could not reach consensus, “hung jury”
 - ▶ Three for Option 1, status Quo
 - ▶ Three for Option 3
 - ▶ Struggled with:
 - ▶ Effects of Net Metering on rate structure
 - ▶ Fairness to Low Income members
 - ▶ Efficiency, climate change
 - ▶ Effects of heat pumps and electric vehicles
 - ▶ Would like to see increase to fixed cost \$16 - \$30, not sure what's right
 - ▶ Would like to keep reduced rate for first 200 kWh
 - ▶ Other rate approach Flat Fee \$30
 - ▶ Balance of individual and community interest



Focus Group Results

- ▶ GROUP 3
 - ▶ Did not reach consensus
 - ▶ 4 of 6 voted for Option 1, Status Quo
 - ▶ Felt none of the options would fix long term issues (did not state which issues)
 - ▶ Conflicted recommendation for fuel switching to electric in light of long standing push for conservation (stuck on this issue)
 - ▶ Struggled with the impact of regulatory issues
 - ▶ Did not understand effect of option 2 and 3 on Low Users and High Users
 - ▶ Wanted to recommend 4th option, not sure what that should be
 - ▶ Support WEC Board making decision

Focus Group Results

- ▶ All groups valued conservation/efficiency and wanted to keep some element of a low block at reduced rate
- ▶ All groups valued being WEC members and being part of rate design process
- ▶ All groups valued fairness to all WEC members
- ▶ Options 1 and 3 were most popular:
- ▶ OPTION 1, Status Quo, \$12.97 monthly charge, 200 kWh @ \$0.10373/kWh, then \$0.23160/kWh
- ▶ OPTION 3, \$25 monthly charge, 100 kWh @ \$0.09961/kWh, then \$0.17511/kWh, but raise it to 200kWh
- ▶ No one voted for Option 2 - everyone wanted to keep the two-tiered system

THANK YOU FOR TRUSTING OUR TEAM!

