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CUSTOMER AFFORDABILITY IN ACTION

Learn **how utilities can improve customer affordability** through immediate actions while building the foundation for long-term transformation.

SHORT-TERM QUICK WINS

CHALLENGE	SOLUTION
Eligible customers can't benefit from programs they never join. Many utilities offer robust low-income programs, yet enrollment remains well below eligible populations due to awareness gaps and enrollment barriers.	**Increase participation, not just program availability.** Use customer data and proactive outreach to identify eligible households, simplify enrollment, and connect customers with assistance before affordability challenges escalate.
Lengthy income verification delays critical assistance. Manual qualification processes create unnecessary friction, slow enrollment, and increase abandonment when customers need it most.	**Prequalify first, verify second.** Use utility and third-party data to identify likely eligible households, enable provisional enrollment, and validate eligibility within a defined timeframe.
Reactive notifications don't improve affordability. Customers need timely guidance before high bills become payment challenges or contribute to growing liabilities.	**Turn every high bill into an opportunity to act.** Provide proactive alerts with personalized next best actions, including payment assistance, rate optimization, energy-saving recommendations, and affordability program enrollment.
Broad program targeting limits affordability impact. Traditional DSM approaches often overlook customers facing the greatest affordability pressures, reducing both customer and system value.	**Target DSM where affordability risk is highest.** Combine usage, payment history, demographics, and housing characteristics to prioritize investments that maximize customer and system benefits.
Late stakeholder engagement slows affordability initiatives. Waiting to align with regulators and community partners can delay approvals, reduce trust, and limit program adoption.	**Engage stakeholders from the start.** Work with regulators, policymakers, and community organizations early to co-design programs, build consensus, and accelerate implementation.

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LONG TERM TRANSFORMATIONS

CHALLENGE	SOLUTION
Affordability requires an enterprise-wide strategy. Many utilities manage affordability through disconnected initiatives rather than as a shared business objective across the organization.	**Build an enterprise affordability framework.** Align guiding principles, measurable metrics, governance, and a roadmap that embeds affordability into planning, operations, and investment decisions.
No single initiative will solve affordability. Focusing on one program or rate design limits long-term impact and leaves opportunities to improve customer outcomes unrealized.	**Manage affordability as a portfolio.** Balance assistance programs, DSM, rate design, operational efficiency, digital capabilities, and capital investments as a coordinated portfolio that delivers measurable customer and enterprise outcomes.
Capital investments can unintentionally increase customer bills. Projects that improve reliability or support growth may also create unintended affordability challenges if bill impacts are not considered.	**Embed affordability into capital planning.** Evaluate major investments for long-term bill impacts, pace investments appropriately, and prioritize alternatives that balance reliability and affordability.
Outdated rate design can increase affordability risk. Static rate structures may shift costs unevenly, weaken price signals, and limit the value of electrification, DSM, and load flexibility.	**Design rates around affordability and system value.** Use customer segmentation and bill-impact modeling to create rates that protect vulnerable customers, encourage beneficial load behavior, and recover costs equitably.
Traditional metrics don't measure customer affordability. Operational KPIs alone don't capture the customer experience or the financial burden of energy costs.	**Measure what customers experience.** Establish enterprise affordability metrics (including energy burden, bill growth, arrearages, enrollment, and cost-to-serve) to guide decisions across the organization.

Download the complete Affordability Guide for Utilities.

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