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For Immediate Release

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The Perfect Match between Millennials and Prepay Energy

DEFG's EcoPinion Consumer Survey Points to Millennials Having Two Times More Interest in Prepay Energy than General Population

Washington, DC ... DEFG, a management consulting firm specializing in consumers and consumer-facing offerings in the utility sector (<http://defgllc.com/>), released today EcoPinion No. 33, "The Perfect Match between Millennials and Prepay Energy." DEFG worked with the members of the Prepay Energy Working Group to conduct the survey in May 2018.

There is an assumption by some advocates in the utility sector that prepay energy is a second-class service that targets low-income Americans. This survey was intended to gauge the interest and preferences of younger Americans (18-34 years old) in a voluntary prepay energy option offered by their local utility.

The top line findings are that Millennial Americans love prepay in all forms and they are two times more likely than the general population to try prepay energy. These younger respondents pointed to the convenience and ease of use of prepay energy. If the connection were made between prepay and saving energy, and thus saving the environment, younger Americans would love prepay energy even more.

"The top line findings are not really a surprise," stated Jamie Wimberly, the CEO of DEFG LLC. "Prepay energy fits into an evolving mode of transactional preferences adopted by young people: incremental payments, quick and easy, mobile, and pay-as-you-go to stay out of debt."

Other primary findings from the consumer survey are:

- While 63 percent of Americans reported having used some sort of prepayment, 70 percent of Millennials have used some form of prepayment. Customer satisfaction with a prepay option remains high with all customers: either highly satisfied (35 percent) or somewhat satisfied (37 percent). But satisfaction with a prepay option is especially high with Millennials: 39 percent are highly satisfied and another 45 percent are somewhat satisfied. Millennials' satisfaction with prepay is 12 percent higher than the general population.
- When asked about their interest in a voluntary prepay energy option offered by their local utility, 36 percent of Millennials are either extremely interested (15 percent) or very interested (21 percent). This compares to the 17 percent of the general population of Americans who are either extremely interested (7 percent) or very interested (10 percent).
- The top reasons given by Millennials for using a prepay energy option are: "You want increased control over energy costs and budget" (43 percent of Millennial respondents), "You prefer to pay

for energy as you use it to eliminate surprises” (34 percent), and “You want more convenient payment options from the utility” (34 percent). When comparing responses from the general population, Millennials had a slight preference over control and convenience vs. cost cutting.

- Millennials are *much more likely* (54 percent more likely) to use prepay energy if they knew by doing so would result in a positive environmental impact.

“Millennials already use prepay in all its forms and therefore have a significantly higher level of interest in a prepay energy offering,” continued Wimberly. “Combined with our other research, we have clearly established segments of consumers who feel strongly about being served differently and with new options beyond the traditional service model. Prepay goes well beyond simply being a low-income customer option. Utilities and regulators need to allow more voluntary options in order to keep up with important trends like prepay energy.”

For a free copy of the report, go to: <http://defgllc.com/>.

DEFG is a management consulting firm specializing in consumers and consumer-facing offerings in the utility sector. We believe that customers are the future of energy. Since 2003, we have helped clients create value in a commodity marketplace. In our rapidly changing marketplace, customer engagement is key to success, and our clients learn to better engage with residential and commercial customers. These customers provide unique resources, reduce risks and increase revenue potential.