



Writing Sample #2

*Blog post about the way utilities can set themselves apart using the various digital networks including like social media and their own metering networks. **That's what the client helps utilities do.***

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What do Facebook or Twitter matter to utilities? According to some industry executives, social media is a critical foundation to the evolved business model. In the traditional model, everything once revolved around selling and delivering gas, water, or electricity through a network of lines (as summarized by a recent IDC Energy Insights white paper¹ discussed more below). Now almost every aspect of this is changing and people are as important as the infrastructure itself.

Changed circumstances require a new vision, and utility executives look beyond supply and sales volume and re-envision utilities as digital choreographers of information.

If anything it is even more vital for utilities to evolve than it is for other industries because the traditional utility business model is beset by more change-demanding circumstances. As a recent article in Intelligent Utility says, “It’s become clear over the past decade that no business model is immune from change, but the business models of the utilities industry — thought to be staid and conservative — are subject to even more upheaval than others.”²

Some of the changed circumstances utilities face include:

- Low levels of customer engagement [linked to a previous post in original]
- “Competition for customer and employee mindshare,”¹
- “Changing consumer and labor forces,”²
- Competition from, “non-utility players with new business models,”¹
- “Rising costs,”²
- “Fuel from emerging economies,”¹
- Changing regulations,^{1, 2}
- Shifting demand,¹
- “Need for investment in infrastructure,”²
- Changing, “consumer expectations,”²
- “New energy technologies,”² and
- “New computer technologies.”²

Executives envision a social, information-driven future

Executives are preparing to exploit new technologies as their companies evolve to meet new challenges. Utility management knows that new problems require them to, “rapidly move beyond supply-related



offerings.”³ as a European utility executive recently told IDC. Matthew Ketschke, VP of distributed resource integration at Con Edison described the change this way in an interview last month, “It’s about bringing the opportunity that our new energy future provides to the doorsteps of all our customers.”⁴

Choreographing the best power experience

In a recent interview with Utility Analytics, Anne Pramaggiore, president and CEO of ComEd in Chicago, said that they have a team charged with envisioning the, “utility of the future.” This vision involves using new technology to, “*give the customer the best power experience.*” Part of this, “utility of the future,” vision requires them to coordinate for customers all the information that a utility can access.

The, “new energy future,” at Con Edison also involves coordinating the flow of power and information. Ketschke said, “data promises... [to provide] technical benefits for us, and useful information and savings opportunities for customers.”

Although there is a lot of work to be done, ComEd sees itself choreographing three networks. ComEd is, “in a position, as a utility, to provide substantial benefits to customers in the future.” This requires them to “choreograph” three grids, “the **physical grid** that we all know and love, the **digital network** that we run AMI meters on, and also the **social network**...” Utilities have, “unparalleled access to consumers,” and can, “access them through multiple channels.” Pramaggiore said.⁵

Digital is the opportunity

ComEd is not the only entity to see the value of a strategy that provides more interaction with, and information to, customers. The IDC white paper recommended integrating a, “digital transformation,” pointing out that, “Some utilities are developing a digital strategy in parallel with an IT agenda....” Going forward, “*Digital is the business.*”¹

This is an amazing opportunity. Pramaggiore described the future of the utility business this way: “We’ve got challenges, and we don’t take them lightly,” she added. “But this is a tremendous opportunity. The value that we can unlock is amazing. Network economies and network value is where we’re going to find the future.”



Footnotes

1. Roberta Bigliani, et al., October 2015, “Designing the New Utility Business Models,” IDC Energy Insights. Page 1.
2. Jill Feblowitz, Jan 6, 2016, “Utilities’ business models: staid no more,” Intelligent Utility.
3. Roberta Bigliani, et al. at page 15.
4. Kathleen Wolf Davis, December 24, 2015, “Con Edison talks death, data and disruptions,” Intelligent Utility.
5. Kathleen Wolf Davis, January 6, 2016, “Talking with ComEd’s prez on derbys, details and the death spiral,” Utility Analytics.

