

Texas iChoosr Group Switching Programs – Q&A

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1. About iChoosr, LLC

What is iChoosr?

- iChoosr was formed in 2008 with the underlying idea that in the near future, the focus of providing power and the way in which is provided will increasingly shift from the provider, to the consumer, who expresses their intention to purchase the product.
- Many cities look for ways to improve their residents' quality of life, and by taking this idea, iChoosr has developed an approach where a municipality lends its name to a specific group switching program.
- iChoosr has always taken the existing relationship and confidence between a city/town and its residents as a starting point.
- iChoosr has its head office in Amsterdam (The Netherlands) with satellite offices in Antwerp (Belgium), London (England), and Houston (Texas). from these offices, iChoosr currently organizes group switching programs in those countries.

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What has iChoosr accomplished so far?

- iChoosr currently works with 200 small and large municipalities in The Netherlands, Belgium, Great Britain and Texas.
- Since 2008, iChoosr has organized 450 group switching programs, resulting in more than 1.2 million Belgian, Dutch, British and Texan households switching to better energy contracts.
- Participating households have saved an average of \$260 per year on their energy bills.

iChoosr and Texas

- Through extensive market research, iChoosr has identified great similarities between the Texas energy market and those in Europe. Specifically:
 - Many people are not aware that they are paying too much for their electricity.
 - People do not shop for better energy rates due to the complexity of the energy market.
- iChoosr has found a way to educate consumers and help them get access to better energy rates.
- iChoosr spent 2016 preparing to enter the Texas energy market. During 2016, we
 1. established relationships with Texas electricity providers;
 2. met the regulatory requirements of the Public Utility Commission (PUCT aggregator registration #80419); and
 3. ensured that our business model and working practices met the existing PUCT regulations for the retail electricity market in Texas.
 4. iChoosr has organized a pilot with the City of Fate (Rockwall County) in the Spring of 2017.

FATE POWER SWITCH – first program of its kind in Texas (Currently starting 3rd campaign)



- The program was promoted by the City of Fate (executed by iChoosr) through sending out utility bills inserts (see below) and a mailer to the 3,500 households in Fate.
- 513 households registered for the “Fate Power Switch” which means that 1 in 6 households participated in the program.
- Auction winner was electric provider Discount Power from Houston.
- 175 households switched to the winning rate, which means that 1 in 3 of registered households decided to take up the offer.
- The average household in the group will save \$336 a year in comparison with similar plans in the market.
- Which means that these Fate families will save approx. \$55,000 on their electric bills and this money that will stay in the local community.



CAN YOU GET A BETTER POWER DEAL?

JOIN THE FATE POWER SWITCH TODAY!

- ✓ By joining forces we are able to get a fair & competitive rate.
- ✓ Registering is free and only takes 5 minutes.
- ✓ Grab a current power bill and we'll do the math.
- ✓ No access to Internet? Ask a relative, neighbor or friend to help out.

Register on the Fate website: www.cityoffate.com/fatepowerswitch

WACO POWER SWITCH (Currently starting it's 2nd campaign)

- 1,816 households registered for the “Waco Power Switch”.
- Auction winner was electric provider Champion Energy from Houston.
- 325 households switched to the winning rate, which means that 1 in 3 of registered households decided to take up the offer.
- The average household in the group will save \$368 a year in comparison with similar plans in the market.
- Which means that these Waco families will save approx. \$119,600 on their electric bills and this money that will stay in the local community.



The screenshot shows the front page of the Waco Tribune-Herald website. At the top, there's a weather widget showing 73° Overcast and a search bar. Below the masthead, there are navigation links for NEWS, OPINION, OBITUARIES, SPORTS, ENTERTAINMENT, PHOTOS, and VIDEO, along with a 'BUY & SELL' button. A sports banner for 'The Basketball Capital of Texas WEEKEND' is featured. The main article headline reads 'Waco Power Switch to save participants average of \$368 annually' by Mike Copeland, dated Oct 19, 2017. The article text states that Houston-based Champion Energy Services submitted the winning bid to provide electric service to households participating in the Waco Power Switch program sponsored by Prosper Waco to reduce energy costs. It also mentions that a total of 924 households in Greater Waco have signed up to take part in the effort, and each will save an average of \$368 annually on their electric bills. A sidebar on the right contains a social media share button and an advertisement for Adobe Creative Cloud with the text 'What's next for business. Now. New apps and services in Creative Cloud for teams. Plans start at US\$29.99/mo. Join now >'.



The graphic features a glowing yellow lightbulb in the foreground against a dark blue background with several unlit lightbulbs hanging in the background. On the left, the text reads: 'WACO POWER SWITCH Looking for a fair and competitive electric rate? Join the Waco Power Switch by September 27, 2017 [more info >](#)'.

References

iChoosr can put interested municipalities in touch with city officials who have worked with the iChoosr group switch program. For more information, contact us at 512.687.3439 or daniel@ichoosr.com

2. Home Electricity and Texas Consumers

Why would cities and towns organize group switches for their residents?

- High electricity costs place a burden on household budgets.
- Deregulation has given consumers a choice, but many customers are not aware of their options or do not change providers due to the complexity of the Texas market.
- Consumers need help making sense of the Texas market from a trusted source.

Can people save money on their electricity bills?

- Many people do not shop regularly and pay a higher rate for their electricity than they should.
- The average Texas household spends \$1,600 per year on electricity.
- By switching to a better rate, households can drop their rate, on average, to less than \$1,300 per year.

What issues do customers face when shopping for better electricity rates?

- Texas pricing structures can be overly complex.
 - a. Usage based penalties and usage based multiple tiered rates can be confusing.
 - b. Customers need a spreadsheet to track their monthly usage and rates.
- Power companies use confusing names to describe their rates and fees, making it hard to compare one provider with another.
- Online comparison tables are complex and use differing metrics, making it hard to compare one company's rates with another.
- Some power companies charge steep early termination fees.

How does iChoosr address these problems?

- iChoosr organizes reverse auctions among electricity providers, which gives customers access to competitive rates.
- iChoosr only allows easy to understand rate structures - no complex usage -based price tiers, no usage penalties, and no usage rewards.
- iChoosr will explain consumer options and price structures in easy to understand language.
- Customers will enjoy a preferred status with the electricity provider.
- iChoosr will quickly resolve customer issues and complaints with the winning electricity provider.
- iChoosr vets its providers during the selection process.
- People do not know who to trust, therefore the City's endorsement gives people the confidence to switch.

What is the benefit to participating cities?

- iChoosr provides a positive service that saves customers real money - money that stays in the local economy.
- iChoosr guides residents through the process to ensure a smooth switch.
- iChoosr shares a portion of the commission fee with participating cities.

What kind of rates do you offer to residents who participate?

- Many energy consumers view energy rate structures as complex and difficult to understand. We provide complete transparency with Cheap and Fair energy rates for residents.
- Participating energy providers are only allowed to bid with 12-month fixed contracts that have an easy to understand rate structure (no usage based penalties and multi-tiered rate allowed in auction).

Will there be an electricity contract between iChoosr and participating residents?

No. iChoosr does not take ownership of the electricity load. We act as an intermediate aggregator between customers and the winning electricity provider.

Once residents have registered to participate in the program, will they have to make the switch to a new provider?

No. Participation in the program is free, and the winning offer comes without an obligation to switch.

Will participating customers receive support throughout the program and beyond?

- Yes. The program website will have clear information on how to contact iChoosr. Our customer service staff will be available by e-mail, chat, and phone to help resolve problems and answer questions from interested customers.
- Once participants have switched to the winning electricity provider, they can still contact customer service if they have questions or issues that need to be resolved.

3. The Role of the City

What is the role of the city?

- The City and iChoosr jointly promote the program.
- iChoosr does the rest: customer service, provider management, auction, platform & project management.

Who manages the program?

- An experienced iChoosr project team will execute, maintain and manage the program.
- iChoosr project management includes improving and maintaining the IT platform, organizing customer care, supporting the city's communication and plan to educate its residents, soliciting electricity providers, conducting the reverse auctions, and managing the winning electricity provider.

How does iChoosr benefit financially from the program?

- iChoosr does not charge participating cities for its services, and residents can use the service for free.
- iChoosr gets paid a commission from the winning electricity provider for every household that switches.
- iChoosr shares a portion of this commission fee with the city. The income from the program can be used by the city for various purposes including communication and education plans for subsequent group switch programs and support for municipal initiatives aimed at promoting energy efficient products or measures.
- iChoosr uses the remaining commission fees for taking care of project management (coordination among the city, the winning provider, and participating households), maintaining and enhancing the IT switching program, providing customer service, soliciting electricity providers to participate in subsequent auctions, conducting auctions, and managing conversion to new energy suppliers.

Does iChoosr have a standard agreement that it uses with participating cities?

Based on our experience working with 200 towns and cities in several countries, and with the help of a Texas-based attorney with experience working in the Texas local government structure, iChoosr has drawn up an agreement to work with participating municipalities.

Will iChoosr be able to respond to statutory procurement procedures if required?

- iChoosr has experience working with procurement methods with towns and cities in Europe.
- If a statutory procurement procedure is required in Texas, we have access to an experienced Texas-based legal counsel to help us.

What is the cost to participating cities?

- We do not charge cities for our services.
- iChoosr shares a portion of the commissions it earns from winning electricity providers with participating cities.
- The out-of-pocket cost for the city is in the communication budget. The cost for communication can be partially recouped from the fee share. iChoosr will assist cities with their communication plans.

What are estimates staffing requirements for the city?

- Preparation approx. 4 weeks: once approved by the Council the project manager will talk to:
 - iChoosr (checking webpages and emails);
 - the City's comms team (for setting up the promo campaign);
 - affiliates/home owners associations to get their support to promote the Program
 - the front-line desk people at City Hall (provide them with an instruction and a FAQ list supplied by us if people would call City Hall during the program, see more information below).
- Registration & Promo campaign 4-6 weeks: to execute the campaign plan and monitor reporting supplied by us and keep the program top of mind with stakeholders.
- Decision period 3 weeks: to monitor reporting supplied by us and keep the program top of mind with stakeholders.

How can cities promote the program in a cost efficient way?

- Through our experience in working with local governments, iChoosr has many examples of how towns and cities can promote the group switch programs.
- Towns and cities can often promote the program through existing channels.
- iChoosr provides participating cities with templates for e-mails, letters, and websites branded with the city's logo.
- iChoosr can help create an inexpensive but effective campaign to inform residents about the program.

What are examples of cost effective ways for cities to promote the program?

- Sending a letter to residents on the city's official letterhead
- Including a leaflet in monthly utility bills
- Sending e-mails to residents with a reminder of the registration deadline
- Setting up information booths at local events
- Sending press releases to local press and media sources
- Holding a press conference to announce the mayor's registration as a participant in the program

- Partnering with city affiliates, community groups, and home owner associations to promote the program

Will city staff be overwhelmed by calls from interested residents?

- No. The program website will include specific instructions on how residents can contact iChoosr for more information (phone, email, chat).
- iChoosr customer support will resolve problems or take questions from residents who are interested in the program through e-mail, chat, or phone calls. Calls will be handled by a Texas-based Customer Service Team.
- iChoosr will provide instructions to city switchboard staff on how to handle requests from interested residents. The information will include the number of the iChoosr help desk line, the e-mail address for customer support and a short list with the most frequently asked questions.
- Escalation route: if consumers call the city with complaints, iChoosr will handle the complaint and inform the city of how the issue is resolved and when.

What are the stages of the project plan?

- In basic terms, the city promotes the project, and iChoosr organizes the program.
- The group switching cycle is divided into five phases. A program takes approximately two months in total.
- An experienced iChoosr project team will execute the program and take care of the project management, which includes coordinating with the city, the winning electricity provider, and participating residents; providing IT customer care; creating communication and education plans; conducting the auction; and managing the winning energy provider.
- The workload for the city is limited and will primarily occur in the first and second phases. The activities include preparing for and executing the promotional campaign.

1. Preparation

2. Registration

3. Auction

4. Fulfillment

5. After Care

Step 1: Preparation

- iChoosr will supply sample e-mails and letters, campaign branding examples, and informational text for the city's website.
- The city will prepare a communication plan (letters and e-mails); provide images (logo of City); and create a page on the city's website with a link to the iChoosr registration page (iChoosr will provide text).

Step 2: Registration (4 weeks)

- iChoosr will create registration webpages and accompanying e-mails, reporting tools, and customer service programs.
- iChoosr will recruit electricity providers to participate in the auctions.
- The city will execute a communication plan consisting of letters, e-mails, and flyers.

Step 3: Reverse Auction (1 day)

- iChoosr will conduct the reverse auction, organize the winning provider meeting, prepare customer care briefing and presentation, prepare customer acceptance agreement, and prepare winning rate and provider briefing for the city.
- The city will circulate the winning rate and provider briefing to relevant people within city government.

Step 4: Fulfillment (3 weeks)

- iChoosr will send out a personalized offer to potential customers, organize a reminder campaign, handle customer inquiries, and expand the reporting tool.
- iChoosr will reduce the effort required from the city.

Step 5: After Care

- iChoosr will formulate and send out a customer satisfaction survey, analyze the results, and draw up a report.
- iChoosr will reduce the effort required from the city.

What will happen the year after?

- iChoosr will organize multiple programs a year, and the city can choose how often they want to participate.
- The following year we will organize a program on the same dates, making sure that people can switch again if their contract expires.

How does iChoosr mitigate risk associated with these programs?

- Customers are worried about running into unexpected costs. Therefore, iChoosr will inform customers in a transparent and easy to understand way whenever information is unclear. The program offers customers to lock-in on a 12 months fixed rate plan. This way they pay the same rate for electricity for the duration of the plan and this protects them from price spikes.
- Another risk for the program is that customers have a bad customer experience due to something going wrong with their switch to the new provider. iChoosr's main focus will be to ensure that customers have an excellent customer experience when enrolling into the program and when they decide to switch to a new provider. The iChoosr 'Provider Agreement' demands that providers have a robust enrollment process in place. iChoosr also agrees with the winning provider how both sides will deal with customer queries and agrees on a robust route for escalating any problem cases.

- Registrants can reach iChoosr by phone and email. Queries and complaints are categorized and forwarded to 1st, 2nd and 3rd line agents in our helpdesk. When a query or complaint is escalated to the 3rd line, which is the assistant project lead, then this query is dealt with in the project team or is taken up with the provider directly.
- iChoosr's service and IT platform are specifically designed for group switching programs and the company has organized over 450 successful large scale group switching programs since 2008. Over 4 million consumers participated, and over 1.2 million consumers accepted their offer for an energy contract through iChoosr in four different countries.
- iChoosr typically get high ratings for customer satisfaction in their customer surveys.

4. What does the website look like?

- The program's webpage will be accessible from the city's website.
- iChoosr will track the number of residents who register for the program.
- All the pages and emails will show the city's logo.
- The website is also accessible from mobile phone and tablets.

