

REDDING ELECTRIC UTILITY

Delivers on Its Mission by Helping Those in Need

By Dan Beans



Redding Electric Utility Director Dan Beans answering questions from his employees at an all-employee breakfast in July.

When I tell people I was raised in a California home in the 1980s that didn't have electricity or running water, they think I'm joking. I'm not. I grew up on an 80-acre tree farm in Weaverville, a mountain community about 300 miles north of San Francisco and about 40 miles west of Redding. In the 1980s, I did my high school homework with the aid of a kerosene lantern. For entertainment, when I wasn't outdoors causing trouble, I brought a car battery into my room and connected it to my radio with alligator clips so I could listen to Casey Kasem's "American Top 40" radio program.

My hometown was, and is, a wonderful place to live. Though it lacks many of the modern amenities of San Francisco, Los Angeles, or San Diego, for some people, that's a big bonus.

Living on my father's tree farm taught me some important life lessons:

hard work, persistence, integrity, and compassion. I put those lessons to work for the community immediately after becoming director of Redding Electric Utility in the summer of 2017.

A municipal utility, REU serves about 90,000 residents through 45,000 customer accounts. Redding is located at the far-northern edge of the Central Valley, halfway between Sacramento and the Oregon border. When I was in high school, the area's biggest employers were logging companies and lumber mills, but most of them were closed two decades ago by environmental regulations; the community continues to struggle to move beyond its logging origins. Redding does function as a service and shopping center for several neighboring rural counties, but our community simply has not advanced economically as far and as fast as San Francisco, Los Angeles, or San Diego.

Today, REU serves a customer base that is mostly residential. On any given month, about 25 percent of our customers have trouble paying their bills. I assume that many have had to make heart-breaking choices between paying for food, rent, medicine, and other necessities.

As director of REU, I wanted to put my position, my upbringing, and my faith to work helping our neediest customers. Since locally owned utilities exist to improve the quality of life for their customer-owners, there didn't seem to be any higher priority than making electricity more affordable for those in financial need.

The utility has offered income-qualified electricity discounts for at least 20 years, but there always seemed to be unused assistance funds left over at the end of each year. This was not because there was no need in the community;

rather, what we heard from customers who decided not to enroll in those programs was that the benefits were too small to make a difference.

To fully understand the low use of budgeted funds for income-qualified customers, our staff spent significant time researching best practices in the municipal electric utility industry, as well as engaging with low-income advocacy groups. This research and outreach led us to redesign our programs to increase the benefit and to improve the process of determining eligibility and enrolling.

In late 2017 we discontinued transfer and reconnection fees for all customers. Earlier this year, using funds we are required to collect for public benefits in California, we received city council approval to simplify our income-qualified discount programs. We created the Residential Energy Discount Program, with the goal of doubling the annual funding (currently \$1 million) made available to program participants. We gave the program a new name to remove the stigma associated with “low-income” customers.

This discount program enrolls customers whose family income is less than 60 percent of the median income for Shasta County. It offers a \$10 reduction on the monthly network access charge and a 35-percent discount on the first 450 kilowatt-hours of electricity used. In total, the program offers income-qualified customers savings of up to \$420 per year.

These program updates represent an evolutionary process, not a revolutionary one. The changes come from REU’s willingness to recognize and engage with its income-qualified customers.

Through the discount program and other income-qualified programs, REU is working harder to meet customers where they are. We see our income-qualified programs as a substantial improvement over our previous offerings. Simply put, REU’s leadership team enacted these new programs to better reflect what we as an organization believe and what we’re consciously evolving toward.

We’re currently working with a variety of partners—most notably the Redding Housing Agency—to enroll income-qualified customers in the

discount program. In the first six months of 2018, we added about 600 new customers, bringing the total number of participants to 4,500.

We have room for more enrollees. We estimate that we could add another 1,000 or so customers to these programs and still remain within our funding parameters. To drive broader enrollment, we are considering the use of pop-up kiosks in select neighborhoods.

Introducing the Residential Energy Discount Program is one of several tangible ways REU is living its mission—to benefit the Redding community. The specific ways that REU delivers on that mission will likely change over time, but our commitment to our community will not. **NWPPA**

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