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CLEAResult Report Outlines Path for Utilities to Increase Customer Satisfaction and Shareholder Value with Lower Spending

Industry report highlights larger role of performance incentives' for 21st century utilities

AUSTIN, Texas (January 10, 2016) – CLEAResult, a leader in designing and implementing technology-enabled energy efficiency programs for utilities, today released an industry report titled "Lower Spending, Higher Returns: Aligning Performance Incentives to Accelerate a 21st Century Utility Model," outlining how utilities can leverage performance incentives to increase customer satisfaction, lower system cost, and accelerate the shift to clean energy, all while building the value of their companies. The report is co-authored by Peter Kind, a long-time investment banker focused on the utilities sector. Kind's previous reports include "Disruptive Challenges" for the Edison Electric Institute and "Pathway to a 21st Century Utility" for Ceres.

"This report expands upon the message that our electric utility industry model requires reform to *re-align* the interests of industry stakeholders—customers, public policy and utilities—to address changing industry dynamics," said Kind. "Lower Spending, Higher Returns' outlines the role of performance incentives to align stakeholder interests and accelerate customer value add. Investors are and should be focused on the level of earned returns, not the absolute level of earnings. With the right regulatory construct, utilities may spend less—lowering customer costs—and earn improved returns on invested capital. Thus, all stakeholders benefit."

"CLEAResult believes strongly in the potential of performance incentives to better align the financial interests of utilities with the desires of engaged customers," said the paper's co-author Doug Lewin, vice president of regulatory affairs and market development at CLEAResult. "This report shows that, together, we can leverage performance incentives and performance based regulations to help more customers be energy efficient and deploy distributed energy resources, including smart thermostats, solar power, energy storage and electric vehicles. With the right regulatory construct, consumers, utilities and policymakers all achieve their goals."

In recent years there has been a shift in priority among utilities to put a laser focus on increasing customer satisfaction and empowering customers to use less energy. But to do that usually leads to an erosion of revenue and ability to earn returns on capital investment. CLEAResult's report highlights the importance of properly aligned, structured and meaningfully-sized performance incentives that provide transparency, timeliness and alignment with the goals being sought by customers, utilities and policy makers.

"Lower Spending, Higher Returns: Aligning Performance Incentives to Accelerate a 21st Century Utility Model" report is available for [download on the CLEAResult website](#).

About CLEAResult

CLEAResult is the largest provider of energy efficiency programs and services in North America. Through proven strategies tailored to clients' unique needs and market dynamics, the combined strength of experienced energy experts and technology-enabled service offerings help CLEAResult change the way people use energy for hundreds

of utility and business partners. Founded in 2003, CLEAResult is headquartered in Austin, Texas, and has close to 3,000 employees in more than 70 cities across the U.S. and Canada. CLEAResult is a portfolio company of General Atlantic, a leading global growth equity firm. For more information, visit clearesult.com.

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