

Company makes power bills more understandable, suggests how to save energy

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It's often said that knowledge is power. Knowledge about power is what drives Opower, a 5-year-old online customer engagement platform.

The company's Home Energy Reports personalize [utility bills](#) and provide energy-efficiency tips for about 13 million U.S. [households](#), all customers of 70 utility companies throughout the country, including eight of the 10 largest. The utility companies include Opower's individualized household reports in monthly bills, telling customers how much electricity they have used that month and that year, how they compare to their neighbors and what they can do to reduce energy consumption in the coming month.

"The basic idea was to change the way utilities communicate with customers," said Alex Laskey, president and co-founder of Opower.

"We take the utility bill, which is fairly opaque, impossible to understand and not terribly helpful, and give (customers) a better idea of their energy consumption, and help them with [saving energy](#)."

Laskey, who previously ran [political campaigns](#) and specialized in health-care and environmental policy, and co-founder Daniel Yates, friends from their days at Harvard University, started Opower in San Francisco in January 2007. The impetus was Yates' life-changing nine-month trip from Alaska to Patagonia the previous year. "He came back and was so devastated by the [environmental degradation](#) he saw and was committed to doing something about the environment," Laskey said of his partner, who was unavailable to comment for this story. "He came to me and

said, 'Let's do something together.'

Laskey had become disillusioned with politics, which he had entered "to change the world," he said wryly. He and Yates, who has a software background, determined that the physical world needed changing. One way to help was by reducing energy consumption, one customer at a time. "The attitudes on climate change were politicized, but the idea of saving and not wasting energy, people were in universal agreement that that was a good idea," Laskey said.

And save they have. In the next couple of weeks, Laskey said, Opower will have helped people collectively save 1 terawatt hour. In the next year, they will save another terawatt, he said, and the company continues to expand its customer base.

Why do utility companies sign on with Opower? Being governmentally regulated monopolies, utilities in many states have financial incentives to achieve energy efficiency. Opower, through its customer empowerment model, helps reduce [energy consumption](#), earning a utility more profit, Laskey said. Utility companies also recognize the importance of customer service, he said. "Forward-looking utilities executives believe customers have the right to know this information and understand how they can save."

Opower has opened an office in London and partnered with Honeywell to create a Wi-Fi-enabled thermostat that can be controlled by a smartphone or a laptop.

"Our company is not going to be a silver bullet solution for [climate change](#). This is the biggest problem facing mankind," he said. "The first step in getting people to save energy is making them engaged and informed. The second is providing them the tools to do so."

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