

It is something we all rely on but take for granted. Until service is disrupted. Then, energy becomes a big deal irrespective of its sources, the technologies involved, or the policies that attempt to govern and regulate its use. Often overlooked is that utilities are businesses with all that entails. Massive sums go into the generation, distribution, storage of oil, gas, renewables, and nuclear power, and each one lives within a broader ecosystem.

That reality surfaces when geopolitical conflicts break out, natural disasters occur, or regulatory policies impact the value chain. Right now, the industry is transitioning, weighing the trade-offs of renewables vs. fossil fuels and how one decision raises new questions. There are questions about sustainability, environmental impact, the effect on living standards, the state of the grid, and more to be faced. The industry faces disruption and transformation; meaningful change typically involves at least some discomfort.



- The industry employs more than 65 billion people worldwide
- More than 70% of increased demand will come from China, India, and Southeast Asia
- Despite attempts to "green" energy, coal demand is at an all-time high

In the US, the largest gas and electric utilities are ready to spend nearly \$170 billion to enhance reliability, protect the distribution system, and incorporate renewables. On the other side, meanwhile, are consumers who will ultimately bear those costs plus any other expenses that negatively impact energy prices.

Trends to watch

The industry is at a peculiar crossroads: the push for renewables is happening as multiple states find themselves at increased risk of blackouts, and the need to modernize infrastructure is happening amid an aging workforce. With this backdrop, here are things to look for:

- **Decentralized distribution and the rise of microgrids:** this includes and impacts both residential and industrial electricity customers. There is the possibility of greater independence for end users and, perhaps, lower costs. It opens the door to consumers becoming producers, i.e., large businesses or individuals selling back excess capacity.
- **Decarbonization:** this is primarily about reducing emissions, a goal that runs headlong into the reality that traditional sources remain more reliable and energy dense than their would-be replacements. On a macro scale, one development that bears watching is hydrogen, which holds promise as a fuel. At the micro level, more individuals are investing in solar panels and electric cars, which ties into the next trend.
- Electrification: Home developers are increasingly building all-electric homes, and questions about doing away with natural gas appliances are no longer conspiracy talk. Multiple states have implemented rules dictating the use of electric vehicles by specific dates in the future, and nations from Europe to Asia are mandating ambitious emissions standards. This trend or goal also has an accompanying challenge the production of sufficient numbers of both vehicles and batteries, plus convincing motorists to give up what, for many, has long been a way of life.
- The rise of analytics: data is the coin of the modern realm, and the power and utilities industry has no shortage of information to analyze. Turning that data into a mechanism for driving is part of the broader question of modernization eliminating silos and implementing a uniform system of analysis to generate insights about customer usage patterns, internal performance, and other issues. Cloud computing is crucial, providing agility, scale, and enhanced security.

The industry is also impacted by external trends – the growing utility of automation and AI, the ability to remotely monitor systems and adjust them as needed, and the spread of the Internet of Things that adds new elements to those already plugged in.

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Challenges to navigate

These come at different levels, from national issues to individual concerns to business questions that power and utility companies must address. The latter is evident in the contradiction that often exists between ESG directives and fiscal performance. Are these companies providing tangible goods, or are they agents of social change, and what happens when lofty emissions targets and workplace diversity goals collide with shareholder expectations? Beyond those questions, there are others to be addressed:

- Affordability: energy prices have risen globally and the increase creates a cascade of spin-off effects, such as the impact on future economic growth. Add to that increased demand, unsteady supply, and the need to replace aging infrastructure, and the problem is compounded. This point has sparked discussion about budgetary priorities and necessarily including the consumer in the equation.
- The reality of consumption: developing economies need energy to further their progress, and the most dense and affordable sources are the ones that governments and regulators like the least. The use of renewables may be growing, but those sources are nowhere near the level where they could replace traditional means of power, and poorer countries are far less interested in abating climate issues than the wealthier nations are.
- The other side of electrification: the push to get more EVs on the road requires a sufficient number of charging stations to support them, along with factoring in how that will impact the grid's overall performance. When generation and distribution struggle to keep up during high heat or cold winter periods, the additional strain imposed on the system by motorists is a problem.

The balance between environmental and fiscal responsibility is a tightrope of sorts, reinforcing an earlier point about trade-offs. For instance, the use of electric cars carries questions about handling peak periods, not to mention less-talked-about questions such as the disposal of spent batteries and the industrial-scale mining needed for their construction. Likewise, de-emphasizing traditional fuel sources brings another set of knock-off effects that touch on everything from convenience to price to reliability.

Earlier, this document touched on the role of the consumer and the need for service providers to see customers as something more meaningful. While CX has become embedded in the strategy governing virtually every other industry, the people who rely on and use power and utilities are frequently treated as afterthoughts.

This is where we come into play as the conduit between client brands and the people who use them. Some energy aggregators are looking at ways of involving individuals, creating means through which they can participate and even be paid for their effort. It's a way of turning customers into partners with a vested interest in the well-being of entire service markets.

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When more people use things more often, there is a parallel increase in the demand for customer care. As technology becomes more complex, so do the issues that consumers encounter. As with every other industry, this one incorporates various technology tools from the cloud to apps, and we have more than decades of experience in issue resolution and general customer care.

We have lived the digital transformation, adapting our systems and methodologies as innovation dictates while also guiding clients through the maze of disruptive forces that have realigned much of the consumer marketplace. We are also very familiar with data and the keys it holds to better understanding your customers, their sentiments and preferences, and what they expect. As a bonus, we also have a seasoned pool of IT professionals, from designers and developers to engineers to network operations specialists who know how to connect the dots among disparate systems.

GlowTouch is privately held and is certified as an NMSDC Minority Business Enterprise (MBE) and a WBENC Women's Business Enterprise (WBE). Founded in 2002, we provide personalized, omnichannel contact center, business processing, and technology outsourcing solutions to clients worldwide. Our thousands of employees deliver operational excellence every day with high-touch engagement. Their work has earned recognition from independent bodies such as the Everest Group, International Association of Outsourcing Professionals, and the Stevie Awards. GlowTouch is headquartered in Louisville, KY, with a global footprint that includes onshore contact centers in Louisville, Miami, and San Antonio. There is also a nearshore presence in Santo Domingo, Dominican Republic; offshore locations in Mangalore, Bangalore, and Mysore, India; and Manila, Philippines. To learn more about GlowTouch, visit www.GlowTouch.com, or email Tammy Weinstein at Tammy.Weinstein@GlowTouch.com.

