

Power 1 Energy

on the Future of
Deregulated
Energy

Conversation with Power 1 Energy's
Ed Jenks, Katie Widmar, Patrick Farah, Fred Bonewell,
Robert Siegler, Richard Thum



Power 1 Energy Company is embracing the power of deregulation to save customers money. It goes by P1EC and everything it does is good news for the retail customer.

The company is the seller and supplier of energy in the deregulated energy industry. Its mission is to provide consumers with the energy supply plan that best meets customers' budgets and needs.

To find out more about the company's expertise at negotiating with competing energy suppliers to secure the lowest possible price, PUF talked with P1EC's leaders. Listen and learn.

PUF's Steve Mitnick: What's distinctive about P1EC's approach to retail energy?

Ed Jenks, CEO: The rainmaker model for retail energy that our team has built wakes you up at two o'clock in the morning. You ask yourself; did I see this right? You look at the model again, for efficiently attracting and serving the needs of retail energy customers. Which is what I did back in 2016 when I first saw this concept. And it captures you!

I've worked in recurring revenue models. That's been my business history for thirty years. I understand recurring revenue. This was beyond anything you could conceptualize until you put it on paper and started to run some numbers against it.

What hits the sweet spot is this is a business you can extend a high level of ethical conduct around. You're helping real people by saving real money on their energy bills.

At the same time, there's enough money in this model to support well-paying jobs and good people. You run across these opportunities once in a lifetime if ever.

PUF: But retail energy customer acquisition has proven time and time again to be difficult and expensive.

Fred Bonewell, COO: We have retail energy sales of nearly two billion kilowatt-hours over the last few years. And a hundred eighty-two thousand residential accounts.

We don't own poles and lines or transformers or electric generation plants. But we are patient with customers and help them with bill management.

Our retail energy customers are typically working with a utility that has fixed rates. We're able to shop their usage around for their benefit.

We often work with an aggregate customer who might manage up to a thousand individual customer meters in one location. That makes good sense; we don't have the team to be managing a thousand separate customers all the time.

Typically, we work within PJM. It has free open access on both sides of the meter.

But if you look at the December 2022 data, the average kilowatt-hour cost across the entire United States is sixteen and a half cents per kilowatt-hour. Inside PJM, that average right now is nineteen cents.

We do want to move into other networks. Boston right now is over thirty cents per kilowatt-hour. California is over twenty cents in all its areas.

When I saw this opportunity and the team that was involved, I saw the potential and what they had to offer that was going to be a win-win for the retail energy customer and the company.

— Richard Thum

For a retail energy customer who's on the financial edge with a local utility with relatively high fixed rates, which the customer is not able to afford, we can come in under that. So, that customer may be able to avoid having their power turned off.

Ed Jenks: We tell people clearly and openly upfront what the cost for their energy is going to be. We walk away from deals that do not have the ability to easily demonstrate a win-win outcome.

If we can't save someone money, and there's no reason for someone to go through the trauma of change, we'll walk away. And in the future, we believe we can demonstrate what a win-win looks like which can overcome even the cost objection.

PUF: How is the P1EC retail energy customer mix evolving?

Ed Jenks: Our team has a goal to lower the average age and start connecting with people who are first-time homeowners and renting apartments. They are people interested in the green transformation, conservation, and want knowledge and information that helps them feel more in control of their energy costs.

That's now our target market. Even our hiring profiles require new employees to bring specific skills to the table that support this strategy.

Katie Widmar, CAO: We see ourselves as educators at the right time and right place. Why is an electric bill so hard to read? How can we help people save money by controlling their energy usage?

What do energy customers worry about? We like to say we don't have to lose a customer through either side of our business if we take the time to see the world from their perspective.

A big hurdle is how retail energy marketing has traditionally been done. A lot of it has been door-to-door and telemarketing.

That's not something that resonates with the generation we are trying to bring in. We want to bring in a younger age cohort.



I don't get a monthly electric bill. I instead get a simple message saying, thank you for your payment. This is an invitation to deepen a relationship that is underutilized.

– Robert Siegler



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– Fred Bonewell



We're here to be their energy people, to help understand bills, and see what's available in the marketplace to help them save money. Our team is always talking about how we can better serve our customers; it's a mantra for us.

– Patrick Farah



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— Ed Jenks

My generation wants to make their own decisions. And feel that if they have knowledge, they can do just that.

Sharing information to make fully informed decisions is important to my generation. We want to know that we can do our part to create a healthy environment, as well as doing that with an ethically centric organization that promotes transparency.

We also want to see companies with a social consciousness. With the local utility, everyone is used to paying bills. Customers rarely look at it closely. It's on autopay, and you don't know what's on it. We want to bring in the energy customers who want to be a partner with us.

PUF: Where is P1EC expanding into now?

Patrick Farah: Retail energy is a relatively new industry. I've been in it about fifteen years. Since literally the beginning.

We're bringing in different suppliers with P1EC as the rain-maker aggregating retail energy customers. A lot of love goes out to the suppliers we've worked with over the last fifteen years, such as GE, AEP, Genie, and Constellation.

At P1EC we focus more on a direct touch. That doesn't work with mail. I still get pieces of mail. It's so behind the times. I can't believe they're still spending money this way.

We try to get info to the customer in a way they can understand. This electric bill is this magical thing you get, and most people just pay it. They have no idea what it says.

We're trying to have them more engaged. Not in an annoying way. But we use the word "try" to gamify it with some reward system, a points system, something that rewards you for paying your bill on time.

We add little tasks that'll be fun. We try to simplify it for them. We try to have a direct touch with our consumers, whether it's residential or commercial.

We're here to be their energy people, to help understand bills, and see what's available in the marketplace to help them save money. Our team is always talking about how we can better serve our customers; it's a mantra for us.

PUF: Talk about those electric generation suppliers and the utilities you work with.

Patrick Farah: I'll thank the utility guys when I drive by or if I'm stopped at a light. Because they're the unsung heroes. People just expect electricity to be there. If they didn't do their part, we'd have nothing to get through their lives.

We have respect and love for the utilities. It's amazing how people take it for granted. Our energy suppliers are not one thing to us. They are everything.

PUF: Fred, you've been a leader at utilities for a long time.

Fred Bonewell: I have. And we want to partner with utilities. We'll help enable them to get to a better place in their business model.

PUF: Robert, talk about your background and what your role is in this organization.

Robert Siegler: I came to P1EC through a unique channel. I had been a large investor in one of the participating companies that was at the point of creation.

We're now scalable vertically and horizontally. We also can be scalable in building the relationship with the underlying customer population.

I don't get a monthly electric bill. I instead get a simple message saying, thank you for your payment. This is an invitation to deepen a relationship that is underutilized.

PUF: Richard, you're a board member. Why have you taken your time to be involved with this company?

Richard Thum: I'm an entrepreneur, and I invest in different companies. When I saw this opportunity and the team that was involved, I saw the potential and what they had to offer that was going to be a win-win for the retail energy customer and the company.

PUF: What are your 2023 goals?

Ed Jenks: We've got a fast race car. Few know it thus far. But we've "taken it out on a quiet track" and when we did, it opened eyes. The first time we did this, we put on eighteen hundred retail energy accounts in six weeks. That's how fast we were able to accelerate. If you do the math and project that out thirty-six months, you can see where the company is going. What we need now in 2023 is more fuel to put in the race car. **PUF**