Better Buildings Residential Network Peer Exchange Call Series: Coordinating with Corporate and Institutional Affiliates

Call Slides and Discussion Summary

February 12, 2015
Agenda

- Call Logistics and Introductions
- Opening Poll
- Residential Network and Peer Exchange Call Overview
- Featured Speakers
  - Anne Marie Hertl, Western Michigan Environmental Action Council (WMEAC)
  - Keith Canfield, Home Energy Affordability Loan (HEAL)
- Discussion
  - What opportunities have you found to market energy efficiency upgrades through affiliate partners?
  - What are the advantages of working with “trusted intermediaries” to reach new energy efficiency customers?
  - What challenges have you encountered in working with intermediaries to encourage energy efficiency upgrades? Are there disadvantages to this approach?
  - Other questions/issues related to the topic?
- Closing Poll
Introductions

- Center for Sustainable Energy
- City and County of Denver, Colorado
- Clean Energy Works Oregon
- County of Santa Clara, California
- Energy Efficiency Specialists, LLC
- Greater Cincinnati Energy Alliance
- green | spaces
- Clinton Foundation Home Energy Affordability Loan Program
- Nexus Energy Center
- Western Michigan Environmental Action Council
- NeighborWorks of Western Vermont
What is your familiarity with working with corporate and institutional affiliate programs?

- New to learning about working with corporate and institutional affiliate programs – 71%
- Somewhat familiar with working with corporate and institutional affiliate programs – 29%
- Very familiar with working with corporate and institutional affiliate programs – 0%
- Other (please explain) – 0%
Better Buildings Residential Network

- **Better Buildings Residential Network**: Connects energy efficiency programs and partners to share best practices to increase the number of American homes that are energy efficient.
  - **Membership**: Open to organizations committed to accelerating the pace of existing residential upgrades. Commit to providing DOE with annual number of residential upgrades, and information about benefits associated with them.
  - **Benefits**:
    - Peer Exchange Calls
    - Tools, templates, & resources
    - Newsletter updates on trends
    - Recognition: Media, materials
    - Optional benchmarking
    - Residential Solution Center

For more information & to join, email bbresidentialnetwork@ee.doe.gov.

- **Better Buildings Residential Network Group on Home Energy Pros**
  
  Join to access:
  - Peer exchange call summaries and calendar
  - Discussion threads with energy efficiency programs and partners
  - Resources and documents for energy efficiency programs and partners

http://homeenergypros.lbl.gov/group/better-buildings-residential-network
Peer Exchange Call Series

- Calls are held the 2nd and 4th Thursday of every month at 12:30 and 3:00 ET
- Calls cover a range of topics, including financing & revenue, data & evaluation, business partners, multifamily housing, and marketing & outreach for all stages of program development and implementation
- Upcoming calls:
  - February 26, 12:30 ET: Voluntary Initiative on Incentives: Toolkit Training Webinar
  - February 26, 3:00 ET: Normalizing Weather Data to Calculate Energy Savings
  - March 12, 12:30 ET: Single Family Residential Better Buildings Challenge Webinar
  - March 12, 3:00 ET: Using Mobile Applications to Generate Customer Demand
- Send call topic ideas to peerexchange@rossstrategic.com.
How do you eat an elephant? One bite at a time. A slight shift in perspective goes a long way.

Understanding how EE can solve a financial, public relation, or customer service problem for the utility is the right place to start.
Residential Program Solution Center

Web portal of residential EE upgrade program resources, & lessons learned to plan better, avoid reinventing the wheel.

- BB Neighborhood Program, Home Performance with ENERGY STAR Sponsors+
- Provides:
  - Step-by-step guidance
  - Examples
  - Tools
  - Templates
  - Lessons learned
  - Best practices
  - Tips
- Continually add content to support residential EE upgrade programs—member ideas wanted!

https://bbnp.pnnl.gov/
Program Experience: Western Michigan Environmental Action Council
Who is WMEAC?

**F O U N D E D I N  1 9 6 8**

**E N V I R O N M E N T A L  5 0 1 C 3  
 O R G A N I Z A T I O N**

**F O C U S  A R E A S:**
**B U I L D I N G  
 S U S T A I N A B L E  
 C O M M U N I T I E S**

**P R O T E C T I N G  W A T E R  
 R E S O U R C E S**
GRAND VALLEY STATE UNIVERSITY AND BETTER BUILDINGS FOR MICHIGAN
Why organizations?

Organizations are a unique type of social network in that they are trusted by employees in a way that other affiliations are not.
ELEMENTS OF SUCCESS

TRUST

COMMUNICATION

COST EFFECTIVE

INTERNAL CHAMPIONS

INCENTIVES
HELPING GVSU FACULTY & STAFF PLUG INTO SAVINGS

"The contractor checked for safety and found two problems that needed to be fixed right away—I’m really glad we did it."

Dr. Wendy Wenner
Dean for the College of Interdisciplinary Studies

To learn more about Wendy’s BetterBuildings for Michigan experience visit her profile at http://www.bbmgr.org/gvsu/profiles

WARME R HOMES LOWER UTILITY BILLS!

HELPING GVSU FACULTY & STAFF PLUG INTO SAVINGS

"This program is yet another sign of GVSU’s ongoing commitment to sustainability. Moreover, there is real financial value here, for everyone in our community, not just those living in Grand Rapids."

Tom Haas
GVSU President

To learn more about Tom’s BetterBuildings for Michigan experience visit his profile at http://www.bbmgr.org/gvsu/profiles

WARME R HOMES LOWER UTILITY BILLS!

HELPING GVSU FACULTY & STAFF PLUG INTO SAVINGS

"The financial incentives allowed us to make improvements now that were otherwise four to five years down the line. I recommend the home assessment without hesitation."

Justin Pettibone
Professor of Liberal Studies

To learn more about Justin’s BetterBuildings for Michigan experience visit his profile at http://www.bbmgr.org/gvsu/profiles

WARME R HOMES LOWER UTILITY BILLS!

HELPING GVSU FACULTY & STAFF PLUG INTO SAVINGS

"Before the audit we thought we had to replace all our windows—not so. The audit saved us thousands of dollars!"

Olwen Urquhart
GVSU TRAT Project Manager
Michael Scantelbury, Ph.D.
Associate Professor

To learn more about Olwen’s and Michael’s BetterBuildings for Michigan experience visit their profile at http://www.bbmgr.org/gvsu/profiles

WARME R HOMES LOWER UTILITY BILLS!
<table>
<thead>
<tr>
<th>Uptake Summary</th>
<th>Inside City Boundary</th>
<th>Outside City Boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of eligible homes</td>
<td>596</td>
<td>2379</td>
</tr>
<tr>
<td>2. Number of base packages</td>
<td>45</td>
<td>93</td>
</tr>
<tr>
<td>3. Number of additional measures or upgrades (includes LIEEF)</td>
<td>63</td>
<td>22</td>
</tr>
<tr>
<td>4. Number of CAA referrals</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total number of homes served (2+3+4 above)</td>
<td>108</td>
<td>115</td>
</tr>
<tr>
<td>Percentage of target population who participated (Total homes served/eligible homes)</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>Conversion rate from Base Package to Upgrade (includes LIEEF) ((3+4)/total homes served)</td>
<td>58%</td>
<td>19%</td>
</tr>
<tr>
<td>Description</td>
<td>Value</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td># of instant rebate incentives for additional measures</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td># of MI Saves loans</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td># of interest rate buy-downs for MI Saves loans</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Total value of loans</td>
<td>$348,504.00</td>
<td></td>
</tr>
<tr>
<td>Total homeowner investment</td>
<td>$414,723.00</td>
<td></td>
</tr>
<tr>
<td>Total sum of project costs</td>
<td>$534,424.00</td>
<td></td>
</tr>
<tr>
<td>Interest rate options</td>
<td>7% 0% N/A</td>
<td></td>
</tr>
<tr>
<td>Number of loans</td>
<td>- 38 -</td>
<td></td>
</tr>
<tr>
<td>Average loan amount</td>
<td>$9,171.16 -</td>
<td></td>
</tr>
<tr>
<td>Contractor Name</td>
<td>Upsell % (includes LIEEF jobs):</td>
<td>Avg upsell job $</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Contractor A</td>
<td>45%</td>
<td>$ 9,811.05</td>
</tr>
<tr>
<td>Contractor B</td>
<td>71%</td>
<td>$ 8,211.73</td>
</tr>
<tr>
<td>Total</td>
<td>59%</td>
<td>$ 8,718.18</td>
</tr>
</tbody>
</table>
CHAMPIONS ARE GREAT, BUT INCENTIVES ARE BETTER
NON-STARTERS

Does the organization have the ability and interest to invest in incentives?

Can you utilize any easy, free communication channels to promote to employees through the employer?

Do you have an internal champion?

Do you have quality assurance checks on the contractors?
“Energy Efficiency is the cheapest, cleanest, most quickly deployed source of energy”
Partnering with Grand Valley State University (GVSU) resulted in an inexpensive and successful outreach campaign, with a high (59%) audit-to-retrofit conversion rate.

Reasons for Success:
- GVSU already emphasized sustainability.
- University employees were well educated and well paid.
- The University’s pre-established communication channels (email, intranet, common spaces, mail cubbies) allowed for a high infiltration rate.
- Employees received rich project incentives, zero-interest loans, and paid time while receiving their audit.
- WMEAC identified and worked with energy “champions” in each department and level to build trust and promote word-of-mouth.

WMEAC did not experience similar success with other partners, with the primary reasons being lower employee income and lack of rich financial incentives. Affiliates need to make an investment to support communication and, if possible, offer incentives.
Example Strategies: Home Energy Affordability Loan (HEAL)
CCI HEAL
home energy affordability loan

AN EMPLOYER SPONSORED ENERGY BENEFIT PROGRAM
by

CLINTON FOUNDATION

Clinton Climate Initiative
“The idea behind HEAL is to make workplace retrofits the norm and to create both the demand and the financing for employee residential upgrades.”

President Bill Clinton, *Back to Work*, 2011
Heal Model Design

Home Energy Affordability Loan Model

RESULTS: Reduced greenhouse gas emissions

Graphic Courtesy of WECC
Write Your Ending First

Determine upfront what it will take to convince the next round of stakeholders

Four Key Considerations

1. Who Needs to Be Convinced and Who Do They Respect?
2. What Data Do You Need, How, Where Do You Get It?
3. When to Retell Your Story to Connect Delivered Value?
4. Use Earned Media Sparingly- Don’t be a PR Junkie
I. Find Out Who Needs To Be Convinced

How does the organization make decisions?

Sometimes info may need to come from outside the organization
II. Use Specific Stories

Hierarchy:
From Organization
Within Community
Similar Situation

Find peers for each constituency that can speak for you
III. Then Retell the Story with Specific Results

“Why don’t they do it themselves?”

1. Lack of Time
2. Lack of ROI Knowledge
3. Access to Capital
4. Lack of Awareness
5. Availability of Services
Disposable income

Participants:

Equivalent to the after-tax impact of a...

Cost of providing...

Benefit to local economy

Average project ROI for pilot participants

$8.7 million

22%

HEAL Savings vs. Investments

HEAL Retrofit

11%

30 Yr Bond Yield

4%

Money Market Fund

1%

Healthy Homes Potential of XXX Rollout

Homes having an occupant with a respiratory issue

24%

Homes reporting one or more health-impacting concerns

60%

47% Indoor air quality concern

34% Moisture, mold, mildew issues

Based on pilot participation, HEAL could impact...

743 XXX households with at least one respiratory-challenged occupant

446 estimated households with an occupant that suffers from asthma

Potential asthma triggers include...

Mold/moisture: 154

IAQ: 211

Combustion gases: 335

Estimated XXX homes of asthma sufferer(s) with these environmental triggers
IV. Plan to use **Targeted** Earned Media

Don’t confuse eyeballs with influence- uniqueness has a shelf life
The workplace is a great place to promote energy efficiency:

- The captive audience allows for inexpensive marketing and easy engagement. For example, HEAL held several 30-45 minute brown bags.
- Home upgrades can help improve employee home health and decrease sick days, particularly for employees with asthmatic children. For example, HEAL asked employees if they have someone at home with asthma. They then were able to tell other employees that a certain number of their coworkers could be suffering from asthma triggers and that upgrades could pose a health benefit.
- Home energy efficiency can decrease employee utility costs, helping to stretch their paycheck.
Consider engaging a company through a pilot program first, but determine upfront what it will take to convince the next round of stakeholders.

- Pilot programs not only allow for a small-scale test run, but also provide an avenue to develop case studies from within the company to help attract future customers.
- Identify key decision makers early in the process; it may be necessary to interview company vendors to do so.
- Determine the data needed for future investment. Companies’ interests will differ, but most will wish to see a return on investment metric.

Develop and maintain trust with both the employee and employer.

- For the employee, emphasize that the program will not share home and energy usage information with their employer.
- For the employer, conduct quality assurance inspections on 100% of homes, and uphold strict contractor disbarment rules.
Discussion Questions

- What opportunities have you found to market energy efficiency upgrades through affiliate partners?
- What are the advantages of working with “trusted intermediaries” to reach new energy efficiency customers?
- What challenges have you encountered in working with intermediaries to encourage energy efficiency upgrades? Are there disadvantages to this approach?
- Other questions/issues related to the topic?
Tips for a Successful Affiliate Partnership

- Choose the right corporate or institutional partner:
  - The most successful affiliations were with health care and higher education companies of 500 or more, and companies with well-paid employees.
  - Companies need to invest in the program. Example investments include communication support, program credibility, staff time for program coordination, and financial incentives (accessible loans, comp time for audit, etc.). For example, all HEAL programs allow employees to repay loans via direct payroll deductions.

- Leverage the word-of-mouth marketing:
  - Identify Energy “Champions” at all levels and departments, showcase them on marketing materials, and use their experiences to build a case for program continuation.
  - Ensure a robust quality assurance program. Word of mouth spreads especially quickly in the corporate environment, so programs need to uphold high standards for their contractors’ quality of work.
After today’s call, will you:

- Tell a colleague or partner something you learned – **100%**
- Try an idea or approach discussed on this call in your work – **0%**
- Evaluate potential changes to your interactions with affiliates – **0%**
- Other (please explain)? – **0%**
Thank you!

Please send any follow-up questions or future call topic ideas to:
peerexchange@rossstrategic.com