Better Buildings Residential Network
Peer Exchange Call Series: *Do You Hear Me Now? Communicating the Value of Non-Energy Benefits (101)*
November 10, 2016
*Call Slides and Discussion Summary*
Agenda

- Agenda Review and Ground Rules
- Opening Polls
- Brief Residential Network Overview
- Featured Speakers
  - **Anne McKibbin**, Director of Policy, Elevate Energy *(Network Member)*
  - **Brendan Brown**, Senior Associate for Research, Policy and Environmental Health Science, Green & Healthy Homes Initiative
- Discussion
  - In your experience, which benefits are homeowners and building owners most interested in?
  - Are there ways of communicating these benefits that are more or less effective than others?
  - What challenges have you encountered in marketing non-energy benefits?
  - Please share any success stories in communicating about non-energy benefits with homeowners.
  - Other questions/topics related to communicating non-energy benefits?
- Closing Poll and Upcoming Call Schedule
Better Buildings Residential Network: Connects energy efficiency programs and partners to share best practices and learn from one another to increase the number of homes that are energy efficient.

Membership: Open to organizations committed to accelerating the pace of home energy upgrades.

Benefits:
- Peer Exchange Calls 4x/month
- Tools, templates, & resources
- Recognition in media, materials
- Speaking opportunities
- Updates on latest trends
- Voluntary member initiatives
- Residential Program Solution Center guided tours

Commitment: Provide DOE with annual number of residential upgrades, and information about associated benefits.

For more information or to join, email bbresidentialnetwork@ee.doe.gov, or go to energy.gov/eere/bbrn and click Join.
Best Practices: Elevate Energy
Communicating Non-energy Benefits of Energy Efficiency in Multifamily Affordable Housing
Our Mission

We promote smarter energy use for all.

- We give people the resources they need to make informed energy choices.
- We design and implement efficiency programs that lower costs, and protect the environment.
- We ensure the benefits of energy efficiency reach those who need them most.
Elevate Makes Energy Efficiency Easy

Outreach → Assessment → Guidance → Construction → Inspection → Follow-Up

Elevate Energy is the building owner’s advocate, start to finish.
NEBs Research Findings

Owner Financial Benefits
- Increase in rental income
- Reduction in maintenance costs (real and perceived)
- Reduction in utility costs
- Net operating income increase
- Facilitates capital improvements

Tenant Benefits
- Tenants were more comfortable
- 89% of tenants would ask about EE if they moved
- Felt more confident and less stress paying rent and utility bills
Building Owner Priorities

Turnover costs
- Influenced heavily by tenant comfort

Need to make capital repairs and improvements
- Savings created cash flow and space in budget

Ongoing energy and water costs
- Frees up cash for other purposes
Put in concrete terms that appeal to owner priorities

- “Two of the buildings that needed new parkways where I have parking, I ripped out all the concrete and put new parking pads. They’re parking for 5 cars, so it’s a big area that I had to do – around $10,000 at each building. Which let me have the money to do that, just with the increased savings.”
Communicating Value of NEBs to Owners

Best to hear it directly from another owner

Energy Efficiency Success Story
5649 S. Indiana Ave., Chicago, IL

Savings
- 35% annual savings on natural gas
- $3,960 annual natural gas savings

Building Overview
- Building owner: Jeff Cunningham
- Building type: six-unit, three-story brick walk-up
- Year of construction: 1916
- Heating system: central steam boiler
- Heating fuel: natural gas

Upgrades Completed
- Steam boiler replacement
- Boiler controls
- Steam pipe insulation
- Roof cavity air sealing and insulation

Financing
- CIC Energy Saver loan amount: $6,276
- Elevate Energy grant funds: $6,000
- Total cost of energy efficiency upgrades: $21,176

Project Summary
Landlord Jeff Cunningham owns several properties, and he worked with Elevate Energy to upgrade five of them, including his building at 5649 S. Indiana Ave. in Chicago. Cunningham was already working with a boiler contractor on this building, when the contractor recommended he reach out to Elevate Energy. In addition to the boiler replacement, he installed new boiler controls, added pipe insulation, and completed roof cavity air sealing and insulation. These improvements were often the top three most cost-effective recommendations the Elevate Energy team makes for a typical older, Chicago six-flat such as this one.

Cunningham received a low-interest Energy Saver Loan from Community Investment Corporation (CIC) to cover the two insulation measures, as well as financing from CIC for acquisition and additional rehab of the property, and a grant from Elevate Energy for part of the boiler replacement. Cunningham is seeing 35 percent savings on his natural gas bill.

From the Owner
"The Elevate Energy team members were very professional and easy to work with... it was stress free. The comfort level is a lot better on lower floors now. Normally colder rooms are feeling warmer and staying warmer longer. The tenants brought this up to me without me mentioning the energy work." — Jeff Cunningham, building owner

Apply Today
(855) 572-8377
builder@ElevateEnergy.org
ElevateEnergy.org/buildings

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Questions? -- Stay in Touch

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Policy Director
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Facebook/ElevateEnergy
LinkedIn

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Presentation Highlight: Elevate Energy

- Building owners rate **non-energy benefits as crucial in their decision making process**:
  - **Higher retention rates**: Tenant turnover and recruitment can cost a lot. Upgrades lead to comfortable tenants, and comfortable tenants tend to stay longer.
  - **Healthier tenants**: Anecdotal evidence and research show a link between improved health and efficiency upgrades.
- **Building owners trust the testimonies of other owners**. Invite owners of upgraded buildings to speak at their owner association, or create case study pamphlets to distribute.
- Communicate the benefits of upgrades that tap into the specific concerns of your community.
  - For example, in Chicago, water prices are rising, and Elevate Energy emphasizes the impact of upgrades on water savings to potential program participants.
Best Practices: Green & Healthy Homes Initiative
Intersection of Health & Energy:

Engaging with Healthcare Partners

Presenters: Brendan Brown | Green & Healthy Homes Initiative

November 10, 2016
### Policy Goals

<table>
<thead>
<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>CMS and other health payers covering evidenced-based healthy homes services</td>
</tr>
<tr>
<td>2</td>
<td>Physicians commonly writing prescriptions for healthy homes services</td>
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<tr>
<td>3</td>
<td>Housing professionals being utilized as a new front line for healthcare</td>
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<tr>
<td>4</td>
<td>Hospitals utilizing community benefits to keep people healthier, rather than paying for undercompensated care</td>
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<tr>
<td>5</td>
<td>Increased use of data around the broad impact of healthy homes</td>
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</table>
Healthcare Financing for Healthy Homes

**FIGURE 1: U.S. Healthcare Delivery System Evolution: Health Delivery System Transformation Critical Path**

**Acute Care System 1.0**
- Episodic healthcare
- Lack of integrated care networks
- Lack of quality & cost performance transparency
- Poorly coordinated chronic care management

**Coordinated Seamless Healthcare System 2.0**
- Patient/person centered
- Transparent cost and quality performance
- Accountable provider networks designed around the patient
- Shared financial risk
- Health information technology-integrated
- Focus on care management and preventive care

**Community Integrated Healthcare System 3.0**
- Healthy population-centered, population health-focused strategies
- Integrated networks linked to community resources capable of addressing psycho-social/economic needs
- Population-based reimbursement
- Learning organization: capable of rapid deployment of best practices
- Community health integrated
- E-health and telehealth capable
Social Determinants of Health

Five Key Factors Underlying SDOH:

1. Economic Stability
   • Poverty
   • Employment
   • Food Security
   • Housing Stability

2. Education
   • High School Graduation
   • Enrollment in Higher Education
   • Language and Literacy
   • Early Childhood Education/Development

3. Neighborhood and Built Environment
   • Access to Healthy Foods
   • Quality of Housing
   • Crime and Violence
   • Environmental Conditions

4. Health and Health Care
   • Access to Health Care
   • Access to Primary Care
   • Health Literacy

5. Social and Community Context
   • Social Cohesion
   • Civic Participation
   • Discrimination
   • Incarceration
Non-Energy Pathway linking Non-Energy Benefits (NEB) to Social Determinants of Health (SDOH)

**Investments in Energy Efficiency & Weatherization Interventions**

**Direct Energy:**
- Change in kWh supplied
- Change in kWh consumed

**Energy Outcomes:**
- Reduce Energy Demand
- Demonstrate Leadership
- National Energy Security

**Non Energy Outputs:**
- Air Quality
- Health
- Economic

**Non-Energy Outcomes:**
- Environmental
- Occupant Health
- Macroeconomic
- Direct Economic
  - Individual
  - Community

**Social Determinants of Health**
1. Economic Stability
2. Neighborhood & Built Environment
3. Health & Health Care
4. Education
5. Social & Community Context
Non-Energy Outputs to Outcomes: Occupant Health Outcomes and Impacts on SDOH

<table>
<thead>
<tr>
<th>Health Outputs</th>
<th>Health Outcomes</th>
<th>Impact on SDOH</th>
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<tbody>
<tr>
<td>• Fire Safety</td>
<td>• Mortality</td>
<td>• Quality of Housing</td>
</tr>
<tr>
<td>• Thermal Comfort</td>
<td>• Thermal Stress</td>
<td>• Environmental Conditions</td>
</tr>
<tr>
<td>• Indoor Air Quality</td>
<td>• Hospital Admissions</td>
<td>• Health Literacy</td>
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<tr>
<td>• Reduce Indoor</td>
<td>• Respiratory Illness</td>
<td>• Perceptions of Discrimination/Equity</td>
</tr>
<tr>
<td>Environmental Toxins</td>
<td>• Asthma</td>
<td>• Early Childhood Education &amp; Development</td>
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<tr>
<td></td>
<td>• Lead (Pb) Poisoning</td>
<td>• School Attendance</td>
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<td></td>
<td>• Household Injury</td>
<td></td>
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<td></td>
<td>• Cancer</td>
<td></td>
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<tr>
<td></td>
<td>• Skin &amp; Eye Irritation</td>
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<tr>
<td></td>
<td>• Cardio-vascular disease</td>
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<tr>
<td></td>
<td>• Depression/Anxiety</td>
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### Preparing for Engagement with Health Sector

<table>
<thead>
<tr>
<th>Documenting services (narrative, flow, case studies)</th>
<th>Defining the population served</th>
</tr>
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<tbody>
<tr>
<td>Evidence base</td>
<td>Cost effectiveness / Business Case / ROI</td>
</tr>
<tr>
<td>Health/ Energy Outputs, Outcomes and Metrics</td>
<td>Capacity / Scaling considerations</td>
</tr>
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Intersection of Health & Energy

Funding Strategies
GHHI Integrated Model – Energy and Health

- Single Intake System
- Comprehensive Assessment
- Coordinated Services
- Integrated Interventions
- Cross-Trained Workers
- Shared Data

- Lead Hazard Reduction
- Asthma Trigger Control
- Fall/Injury Prevention
- Energy Efficiency
- Weatherization
- Rehabilitation
Integrated Funding for Home Interventions

Traditional Federal Sources

- HUD Lead Grant
- HUD CDBG
- HUD Healthy Homes Supplement
- DOE WAP
- HHS CSGB
- HHS LIHEAP

Notable Alternate Funding Sources

- State Lead Grants (e.g., MI, MD)
- Local and National Foundations
- Attorneys General Settlements
- Resiliency Grants
- Utility Mergers
- Healthcare

Case Study: GHHI Buffalo, NY

- Partnerships with Erie County, PUSH, NYSERDA, Attorney General, CFGB, & 50 partners
- Integrated funding for weatherization and home health and safety interventions
- Workforce development provides green jobs training and job placement services
Avenues to Healthcare Funding

Hospital Community Benefits

Medicaid Rule Change

Waivers

2016 Managed Care Regulations

Social Impact Bonds / Pay for Success

Readmission Reduction Program
Hospital Community Benefit Investments under ACA

• ACA revised requirements to assure that hospitals’ community benefit investments are transparent, concrete, measurable, and responsive to community needs

• A Community Health Needs Assessment (CHNA) is conducted every 3 years by the hospital, which then adopts an implementation plan

• Community benefit investments can encompass “physical improvements and housing” and “environmental improvements.”
  • May include energy efficiency and weatherization work

St. Joseph’s Health System invested in construction of affordable housing
  • 81-unit development for very limited-income seniors
  • 23-unit development for homeless people with HIV/AIDS
Asthma Outcomes from Integrated Energy, Healthy and Housing Interventions

**GHHI Baltimore: Improving Health, Economic and Social Outcomes**

- 66% reduction in asthma-related client hospitalizations
- 28% reduction in asthma-related client ED visits
- 62% increase in asthma-related perfect school attendance
- 88% increase in participants reporting never having to miss a day of work due to their child’s asthma episodes

**GHHI Philadelphia’s asthma impact:**

- 70% fewer asthma-related client hospitalizations
- 76% fewer asthma-related client ED visits
- 62% fewer asthma-related client doctor’s office visits

**GHHI Cleveland’s asthma impact:**

- 58% reduction in asthma-related client hospitalizations
- 63% reduction in asthma-related client ED visits
Reimbursement Opportunities

Super-utilizers

5% of patients = More than 50% of healthcare costs
What is Pay For Success and how does it work?

Steps

1. Investors provide upfront capital for service delivery
2. Service Provider implements intervention for target population
3. Intervention results in a benefit to the Payer, usually cost savings
4. Payer repays Investors if and only if outcomes are verified, often by independent Evaluator
5. An intermediary may provide project and financial management services
PFS is a win-win-win for all partners.

**Beneficiaries**
- Improved outcomes at greater scale
- Progress toward systemic change

**Payer**
- Realize cost savings
- No financial risk - only pay for what works
- Learn what programs are effective
- Bridge timing gap between services and cost savings

**Service Providers**
- Obtain new flexible funding
- Build program capacity
- Scale services
- Grow evidence base
- Strengthen partnerships

**Investors**
- Catalyze and expand social impact
- Receive return on investment
Current Pay For Success Projects

- **Housing-Related Projects**
  - Through the FAST Act, HUD is authorized to participate in PFS demonstrations to improve energy efficiency of government-supported apartments
  - HUD awarded $1.3 million to Rhode Island to fight homelessness

- **Other PFS Projects**
  - There are 11 active PFS transactions across a range of issues with dozens more in development

  - **CT**: substance abuse & family stability
  - **SC**: prenatal care
  - **Denver, CO**: homelessness
  - **Santa Clara Co., CA**: homelessness
  - **Cuyahoga Co., OH**: homelessness, child welfare
  - **MA**: homelessness
  - **Chicago, IL**: early childhood education
  - **MA**: criminal justice, employment
  - **NY**: criminal justice, employment
  - **UT**: early childhood education
  - **New York City, NY**: criminal justice
Brendan Wade Brown
Senior Research Associate

www.ghhi.org
Non-energy benefits, such as air quality, have important health impacts and can decrease healthcare expenses.

There is a need for healthcare provider education.

How to work with the healthcare system:

- **Demonstrate savings**: Develop robust data around high visibility items (like hospitalizations) using health surveys, case studies, and observational trials.

- **Integrate interventions**: Health needs assessments usually have implementation goals. Work with hospital systems to deliver both health and weatherization upgrades.

- In a pay-for-success model, the healthcare savings directly pay for the upgrades. A government agency or private institution repays investors with a return on their investment if agreed-upon outcomes are validated by an independent evaluator.
MARKETING ENERGY EFFICIENCY, OR

Why NEBs Matter, and What I Learned from Betty White

DOE Better Buildings Residential Network Peer Exchange Webinar
November 10, 2016

Lisa A. Skumatz, Ph.D.

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WHAT MATTERS IN MARKETING ENERGY EFFICIENCY PROGRAMS?

- What matters, depends on values – and particularly those of your target audience
- Efficiency & savings are not all that matter... Non-Energy Benefits matter
  - Program & measure value beyond energy savings
- Let’s talk about NEBs and effective marketing & outreach
OVERVIEW OF MARKETING EE

- For behaviors and “widgets”...
  - Making outreach more effective & cost-effective
  - Get noticed
  - Motivate, don’t just inform
  - “Connect” and use trusted messenger for behavior change and retention
  - Sell what buyers value (not what you want to sell!)

- ... NEBs
1) GET NOTICED IN THE MARKETPLACE
BUY ME? GET NOTICED IN THE MARKETPLACE

Crowded marketplace – seconds to capture
Not compelling, visual
Not visual, catchy
Mis-marketed now

HunterDouglas VS.

EE Just Got Gorgeous

Which do you notice in the marketplace?
AND SELL WHERE THEY'LL FIND IT

Web, social media, apps
Independence
Utility link
2) WHAT MESSAGE?
SELL WHAT POTENTIAL CUSTOMERS VALUE & BELIEVE
EFFICIENCY MARKETED ON EFFICIENCY & $...
FATAL FLAWS OF THIS MESSAGING...  
EE & savings

- To buy this message requires:
  - Willingness / ability to pay more up front
  - Trust that savings will really occur* (& baseline)
  - Value future (possible) savings enough to motivate

- BUT – You probably can’t promise savings (that they will see)...

- Steer clear of savings – stress control, independence, “attractive” features, ... Be Truthful / Don’t mislead.

- Weather changes
- Utility Rate Increases
- Takeback / rebound
- More plug-ins
- Occupant fluctuations
Non-Energy Benefits are the bundle of effects received from energy efficiency equipment or programs other than efficiency and accompanying savings.

- Customers consider a “Bundle of Services” they trade off in purchase
- Many of these NEBs are more appealing than energy savings.
- Many types, many applications... We are talking about only one of 3 types of NEBs (participant)
20+ YEARS OF NEBS PROGRESS...

But there still isn’t agreement on name! - NEB, OPI, NNEB, MB, co-benefits…

Source: SERA, all rights reserved
NEBs MEASUREMENT - 4 MAIN MEASUREMENT APPROACHES

Methods discussion / Tradeoffs
- Multiple methods / triangulation
- Surveys most appropriate for some
- Balancing precision, practical – avoid bias / stats / large “N”
- Multiple survey approaches – story of a ferry
- Accuracy level needed... false comparisons...

Source: Skumatz / SERA research
### NEB PERSPECTIVES, CATEGORIES, BEST PRACTICES

<table>
<thead>
<tr>
<th>Utility</th>
<th>Society</th>
<th>Participant (Res&amp;ICI)</th>
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<tbody>
<tr>
<td>• Carrying cost on arrearages</td>
<td>• Economic development benefits – direct and indirect multipliers</td>
<td>• Water / wastewater bill savings</td>
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<tr>
<td>• Bad debt written off</td>
<td>• Tax effects</td>
<td>• Operating costs (non-energy)</td>
</tr>
<tr>
<td>• Shutoffs / Reconnects</td>
<td>• Emissions / environmental (trading values and/or health / hazard benefits)</td>
<td>• Equipment maintenance</td>
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<tr>
<td>• Notices; calls, collection costs</td>
<td>• Health and safety equipment</td>
<td>• Equipment performance (push air better, etc.)</td>
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<tr>
<td>• Emergency gas service calls (for gas flex connector and other programs)</td>
<td>• Water and waste water treatment or supply plants</td>
<td>• Equipment lifetime</td>
</tr>
<tr>
<td>• Transmission and distribution savings (usually distribution)</td>
<td>• Fish / wildlife mitigation</td>
<td>• Shutoffs / Reconnects</td>
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<tr>
<td>• Fewer substations, etc.</td>
<td>• National security</td>
<td>• Property value benefits / selling</td>
</tr>
<tr>
<td>• Power quality / reliability</td>
<td>• Health care</td>
<td>• (Bill-related) calls to utility</td>
</tr>
<tr>
<td>• Reduced subsidy payments (low income)</td>
<td>• Other</td>
<td>• Comfort</td>
</tr>
<tr>
<td>• Other</td>
<td></td>
<td>• Aesthetics / appearance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Fires / insurance damage (gas)</td>
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<tr>
<td></td>
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<td>• Lighting / quality of light</td>
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<td>• Noise</td>
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<td><strong>Net Three:</strong></td>
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<td><strong>Non-Overlapping Consistent Units</strong></td>
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<tr>
<td><strong>Net Positive &amp; negative</strong></td>
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<tr>
<td><strong>Net beyond standard efficiency</strong></td>
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<tr>
<td><strong>Net to gross</strong></td>
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Source: (Skumatz/SERA, 1996 on)
KEY APPLICATIONS OF NEBS

MARKETING –
Sell what’s valuable to customers; link to peers

B/C TESTS –
Refined C/E for program & portfolio; reduce bias in investment

PROGRAM REFINEMENT –
Positive & Negative NEBs for measures, barriers, incentives, and targeting

POLICY / GOALS –
Quantifies Non-energy goals (e.g. Low income, jobs, etc).

TRAIN THE CHAIN –
Align / Educate Actors on NEB priorities

Source: SERA, all rights reserved
MARKETING AND NEBS: NEBS MEASUREMENT & EXAMPLES FROM 20 YEARS
HOW TIDE **DOESN'T** SELL

**BUY TIDE BECAUSE IT HELPS US MAKE LOTS AND LOTS OF MONEY!**

**BUY TIDE BECAUSE IT HAS ONE OF OUR LARGEST PROFIT MARGINS**

*Procter & Gamble’s amazing new TIDE gives you a real MIRACLE WASH!*

No soap—no other “suds”—no other washing product known—will get your family wash as CLEAN as Tide!

**TIDE**

GETS CLOTHES CLEANER THAN ANY OTHER WASHING PRODUCT YOU CAN BUY

**Tide**

GETS CLOTHES CLEANER THAN ANY OTHER WASHING PRODUCT YOU CAN BUY

*Procter & Gamble GUARANTEES EVERY PACKAGE OF TIDE!*

It does sell miracles
TIDE™ SELLS WHAT CUSTOMERS THINK THEY WANT TO BUY

Learning from that...
P&G USES MARKET RESEARCH... we use NEBs

- Sell what people value / want to buy...
- NOT what YOU WANT TO SELL!

- NEBs represent customer’s valued features... Market research
  - Those who care about EE are already with you...

Source: SERA, all rights reserved
ARE NEBS HIGH VALUE?

- Energy savings are less than ¼ of benefits from low income weatherization programs – less than 1/10 for some programs

Source: (Skumatz/SERA 2010 & others)
WHICH PARTICIPANT NEBS ARE HIGH VALUE?

Example Participant NEBs breakdown

- Share of NEBs
  - Comfort & svcs: 29%
  - Home & value: 29%
  - Health-related: 18%
  - Educ/bills/other: 24%

Top NEBs similar
Across many programs
(some variation in #s)
New Zealand programs showed “environmental” among most important also.

Source: (Skumatz/SERA)
ACEEE1997 & others

Persistence issues…
ENERGY MARKET RESEARCH ➔
NON-ENERGY BENEFITS (NEBs)...

- Comfort: 18%
- Control: 16%
- Ability to Pay: 14%
- Safety: 12%
- Lighting: 10%
- Maintenance: 8%
- Noise/inside: 6%
- Appearance: 4%
- Noise/outside: 4%
- Performance: 2%
- Bill payment notices: 2%
- Water bills: 2%
- Illness: 2%
INSULATION RESULTS (DUNEDIN & ENERGY SMART)

5% increments to 50%

Source: SERA research
PERCENT OF TOTAL NET NEB VALUES BY NEB CATEGORY: ZALEH/NZ

Total NEB multiplier: 3
RESULTS FOR ENERGY STAR® APPLIANCES
RESULTS FOR ENERGY STAR® APPLIANCES
ENERGY STAR HOMES & HP PROGRAMS - RESIDENTS

Energy savings multiplier = 1
JOBS ... (SOCIETAL NEBS)

- Economics, Emissions, Hardship

(Source: Skumatz /SERA ECEEE 2007, ACEEE 2006)
EMISSIONS (SOCIETAL NEBS)

- Simple to complex models (slippery slope)
- Baseload vs. peak
- Some elements well / already accepted
- Incorporation as adder
## NEGATIVE NEBS VALUE / PERCEIVED COST OF BARRIERS

<table>
<thead>
<tr>
<th>Negative NEB values / cost of barrier</th>
<th>Solar Water Heat NZ$ / Euros</th>
<th>Solar Design NZ$ / Euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appearance (NZ$ / Euros)</td>
<td>-14 / -7</td>
<td>-3 / -2</td>
</tr>
<tr>
<td>Maintenance (NZ$ / Euros)</td>
<td>-9 / -5</td>
<td>-5 / -3</td>
</tr>
<tr>
<td>Other (NZ$ / Euros)</td>
<td>-</td>
<td>-3 / -2</td>
</tr>
<tr>
<td>Total value of Negative NEBs for Measure (and share of energy savings)</td>
<td>-23 / -12 (0.79)</td>
<td>-11 / -6 (.06)</td>
</tr>
</tbody>
</table>

Implications: **Negatives / barriers**
Can be very real & important.
Can address with redesign, or, presumably, rebates. Perhaps warranties…

Source: Skumatz Economic Research Associates research
ENERGY STAR HOMES & HP PROGRAMS - RESIDENTS AND CONTRACTORS/BUILDERS

![Bar chart showing energy savings multiplier=1]

Energy savings multiplier=1
“SELLABLE” FEATURES OF EFFICIENCY - HOUSEHOLDS
“SELLABLE” FEATURES OF EFFICIENCY - BUSINESSES
“SELLABLE” FEATURES OF EFFICIENCY - SCHOOLS

![A+ grade](image1)

![Bar chart](chart1)
“SELLABLE” TO SEGMENTS

- Hygiene Fresh Technology
- Uses steam
- Steam
- Steam
- Lightwave Technology

LG’s range of healthy home appliances
“SELLABLE” TO SEGMENTS

Some washers clean more than just clothes.

Energy Star labeled clothes washers use about 50 percent less water and energy than conventional washers. And less energy means burning less fossil fuels that contribute to smog, acid rain, and global climate change. Finally there’s a washer that does more than clean clothes — it helps protect the environment. Look for the Energy Star label.
“SELLABLE” FEATURES

DUCTLESS HEATING AND COOLING SYSTEMS are the ideal solution for your electrically heated home, especially if you use baseboard, wall, or forced-air furnace heating. When you have a ductless system's efficient, quiet and even air distribution, you have:

- TOTAL COMFORT no matter the weather, no matter the season
- 25-50% SAVINGS on electric heating costs
- SUPER-EFFICIENT TECHNOLOGY to cut energy waste

MAKE YOUR GOOD HOME GREAT WITH DUCTLESS TECHNOLOGY. Visit goingductless.com to find an installer like me and learn more.

01 The OUTDOOR UNIT sits outside of your home at ground level.
02 The INDOOR UNIT is connected to the outdoor unit by a few small cables, including a refrigerant line.
03 A handy REMOTE CONTROL gives you constant temperature control.

LIVE THE DUCTLESS LIFE

COMFORT
USE MARKET RESEARCH (NEBS) TO SELL WHAT PEOPLE WANT TO BUY

☐ Focus Group
☐ NEB Research
  ■ Positives (appealing)
  ■ Negatives (barriers)

What does this group want / respond to?

What appeals to the next group...?

What is stopping the next group...?
SELL WHAT PEOPLE WANT

- To reach the next group
- To cut through the media clutter
- To move the needle forward

... it’s not selling OUT...

Honey, I really want to buy it...!
Jeff Gordon endorses it!
AND IF THEY WANT TO BUY FOR THE “WRONG” REASON, SO WHAT!?

☐ They don’t have to value what you value! ... We just want them to buy it!
TAKEAWAYS

☐ EE not the best or only message

☐ NEBs are:
  ■ Well researched
  ■ Valuable - and more valuable to customers than EE
  ■ Easier to sell than EE
  ■ Market research
  ■ Practical, Useful, and SPECIFIC

☐ Sell what people want to buy (what they value) NOT what you want to sell!
  ■ Use the NEBs (aka market research to segments)

☐ ...And that is only one use of NEBs...
THANKS

Just Do It

Lisa A. Skumatz, Ph.D.
Skumatz Economic Research Associates
www.serainc.com; www.nonenergybenefits.com
Energy and Financial savings are not all that matters to the customer. **We have to market what people want to buy, rather than what we want to sell!**

- Non-energy benefits are ranked as three times more important than energy savings for individuals.
- Non-energy benefits are valuable to the community, easier to sell, and have been extensively researched in market studies.

**Important non-energy benefits depend on the population:** Understand the demographics in your community to create relevant marketing strategies.

- For low-income populations, the benefits of comfort, decreased maintenance, and *ability to control bills can be strong enough motivators to participate in weatherization programs.*
Explore resources related to communicating the value of non-energy benefits:

- Consider strategies to communicate benefits to your target audiences in the Program Design & Customer Experience – Communicate Impacts handbook.
- Read about home upgrade benefits beyond energy savings, including improvements to comfort, health, and safety, in this ACEEE report.
- Review the benefits of energy efficiency for low income households in this NRDC fact sheet.
- View this Synapse Energy Economics presentation on driving efficiency with non-energy benefits.

- While you’re there, see the latest Proven Practices post on Incentivizing Home Upgrade Actions.
- The Solution Center is continually updated to support residential energy efficiency programs—member ideas are wanted!
Peer Exchange Call Series

*We hold one Peer Exchange call the first four Thursdays of each month from 1:00-2:30 pm 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:**

- November 17: Diversifying Funding Sources and Building New Revenue Streams (201)
- November 24: No Call – Thanksgiving
- December 1: America’s Next Top Energy Model: Tools and Best Practices (101)
- December 8: Oh, the Weather Outside is Frightful: Weatherizing Manufactured Homes (301)

Send call topic ideas to peerexchange@rossstrategic.com

See the Better Buildings Residential Network Program website to register
Addenda: Attendee Information and Poll Results
Call Attendee Locations
Call Attendees: Network Members (1 of 2)

- Alaska Housing Finance Corporation
- AppleBlossom Energy Inc.
- BlueGreen Alliance Foundation
- City of Fort Collins (Colorado)
- City of Somerville (Massachusetts)
- CLEAResult
- Cleveland Public Power
- Connecticut Green Bank
- Davis Energy Group
- District of Columbia Sustainable Energy Utility
- Efficiency Maine
- Elevate Energy
- Energy Efficiency Specialists
- Greater Cincinnati Energy Alliance
- Institute for Market Transformation (IMT)
- International Center for Appropriate and Sustainable Technology (ICAST)
- LEDVANCE
Call Attendees: Network Members (2 of 2)

- Milepost Consulting, Inc.
- NeighborWorks of Western Vermont
- New York City Energy Efficiency Corporation (NYCEEC)
- New York State Energy Research and Development Authority (NYSERDA)
- Optimal Energy, Inc.
- Richmond Region Energy Alliance
- Southeast Energy Efficiency Alliance (SEEA)
- The Oberlin Project
- TRC Energy Services
- Vermont Energy Investment Corporation (VEIC)
- Wisconsin Energy Conservation Corporation (WECC)
Call Attendees: Non-Members (1 of 2)

- Air Conditioning Contractors of America (ACCA)
- Architectural Nexus
- BA Consult
- Bay City Electric Light and Power
- Brooks Kushman
- BSPT
- California Public Utilities Commission (CPUC)
- California State Civil Service Commission (CEC)
- Carolina Smart Homes
- City of Atlanta (Georgia)
- CivicSpark

- Clean Air Partnership
- County of San Diego
- County of Santa Barbara
- ebm-papst Inc.
- Enbridge Gas Distribution Inc.
- Environmental Design / Build
- Frabble Stops
- Franklin Energy
- Green & Healthy Homes Initiative
- Greenergy Chicago, Inc.
- Groundswell
- ILLUME Advising LLC.
- Leidos - Antarctic Support Contract (ASC)
Call Attendees: Non-Members (2 of 2)

- LINC Housing Corporation
- MKThink
- MPower Oregon
- National Grid plc
- New Jersey Natural Gas
- Retrofit Baltimore
- San Francisco Department of the Environment (SF Environment)
- San Joaquin Valley Clean Energy Organization (SJVCEO)
- Snohomish County
- Southern Energy Management
- State of Delaware
- The Cadmus Group, Inc.
- The Clark Group LLC
- The Commonwealth of Massachusetts
- The Energy Network
- The European Climate Foundation
- USDA Rural Development
- Utah Governor's Office of Energy Development
- V3 Power
Opening Poll #1

- Which of the following best describes your organization’s experience with non-energy benefits?
  - Some experience/familiarity – 40%
  - Limited experience/familiarity – 25%
  - Very experienced/familiar – 22%
  - No experience/familiarity – 10%
  - Not applicable – 3%
Closing Poll

- After today's call, what will you do?
  - Seek out additional information on one or more of the ideas – 54%
  - Consider implementing one or more of the ideas discussed – 42%
  - Make no changes to your current approach – 4%
  - Other (please explain)