

# Technical Assistance to State and Local Governments

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# TA for Recovery Act Grantees

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ARRA funds were distributed primarily as formula grants to over 2,000 states, counties, cities and tribes

- \$3.1 billion for DOE's existing State Energy Program
- \$3.2 billion for the new Energy Efficiency and Conservation Block Grants (EECBG) program
  - \$2.73 billion for formula grants to states, counties, cities and tribes
  - \$486 million for competitive grants, also known as the BetterBuildings program
- \$300 million for the new State Energy Efficient Appliance Rebate Program (SEEARP)

# Opportunity to shape these “experiments”



- Many local govt. grantees had little EE program experience
- Lots of support needed, especially for more creative programs
- Different “rules” than ratepayer-funded programs - what can we learn?



# Areas of Technical Assistance



1. Innovations in EE Financing
2. Driving Demand for Building EE Upgrades
3. Post-ARRA Sustainability for EE Programs (*new*)

## TA includes:

- Hands-on support for cities & states
- Facilitating peer-to-peer exchange
- Webinars
- Creating tools & resources
- Highlighting innovation
- Analysis of lessons learned



LBNL staff member Mark Zimring discussing EE financing programs at the Jan 2011 NACO meeting

# Getting to SCALE



- DOE leadership is focused on getting to SCALE – and yet ARRA funding is just enough to **startup** most programs
- What will happen post-ARRA?
  - Study on ARRA/ratepayer program interactions
  - SEE Action Residential Retrofit Working Group
  - Direct TA and additional research on post-ARRA sustainability



# Driving Demand

for Home Energy Improvements:

Motivating residential customers to invest in comprehensive upgrades that eliminate energy waste, avoid high bills, and spur the economy



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Lawrence Berkeley National Laboratory



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**Question:** How can millions of Americans be persuaded to divert valued time and resources into upgrading their homes?

## What We Did:

- ✓ Case studies of 14 residential energy efficiency programs
- ✓ Review of relevant marketing and behavioral research reports and presentations
- ✓ Interviews with 30 home performance contractors
- ✓ Interviews with key experts

Report, listserves, upcoming & past webinars, and other resources:

<http://drivingdemand.lbl.gov/>

# Charting New Territory

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Limited success to date motivating large numbers of Americans to invest in ***comprehensive*** home energy improvements, especially if they are being asked to pay for a majority of the improvement costs.

But we can learn from past programs...

# Engage Trusted Messengers



- **Start with local opinion leaders.** Involving local opinion leaders to promote a program takes advantage of existing social relationships and networks.
- **Model success.** The stories – told both in person and through marketing media – of early adopters/opinion leaders who have successfully gone through the program can attract others.
- **Encouraging personal contact with peers.** Person-to-person communication with peers can be one of the more effective ways to motivate action, especially if the “messenger” is someone the potential participant already knows and trusts.
- **Local control.** Allow the local community to have ownership of the program.
- **Get buy-in from local organizations.** Ask for the support of respected local organizations, especially nonprofits.



# Partner with contractors



- Design a program that contractors want to sell
- Consider sales training & marketing incentives for contractors
- Not all contractors have the same business model – structure incentives to move contractors toward more comprehensive upgrades
- QA is VITAL, but should not increase burden on customer



# Identify the Target Audience



You will not be able to reach everyone in the initial launch, in fact, it may be prohibitively expensive to do so effectively.

- Focus on the early adopters in the beginning stages of a program.
- Use focus groups and market segmentation research to identify the target audience; understand the specific barriers and effective messages to reach this audience.
- **Consider targeting by:**
  - Demographics
  - Values
  - Hot issues
  - Potential for savings
  - Entry point



# Sell Something People Want



**Comfort:** Increase your family's comfort and wellbeing.

**Practical Investment:** Make an investment to protect and maintain your most valuable asset.

**Self-Reliance:** Become a self-reliant American – reduce your energy dependence.

**Social Norm:** All of your neighbors are making home energy improvements.

**Health:** Protect your family from mold allergies and asthma.

**Community:** Join your neighbors in supporting local prosperity, reducing energy waste, and protecting the environment for future generations.



Driving Demand for Home Energy Improvements

# Language Matters



- Words have power – try to fit within existing mental frames. The terms “audit” and “retrofit” are not effective.
- Communication style matters, and this can require training to get right. Programs should consider using vivid examples, personalizing information, using statements of loss rather than gain, and inducing a commitment from the homeowners.



# Pilot, Experiment, Measure...



Know success and failure by *measuring* it, and *experiment* to figure out what works

- Design for data collection and evaluation at the start to allow
  - ✓ Mid-stream adjustments
  - ✓ Better selection among strategies
  - ✓ Knowing success when it arrives
- **Pilot pilot pilot** - It is important to pilot strategies before launching full-scale programs and to test a variety of strategies to learn what works.
- **Look at the *all in costs of the program*** – including all direct and indirect staff time, incentives, marketing materials, etc – and come up with a cost per home upgraded. How does this return on investment compare to other strategies available?



# Resources

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## Join the Driving Demand email listserve

(announcements only or the discussion group)

## Driving Demand Webinars online

- Results from the Driving Demand report, plus Minnesota's "One Stop Shop" case study
- Door-to-door outreach and tracking metrics
- Working with and learning from contractors

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