

Technical Assistance to State and Local Governments

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TA for Recovery Act Grantees



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



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



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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