

# Austin's Energy Leadership

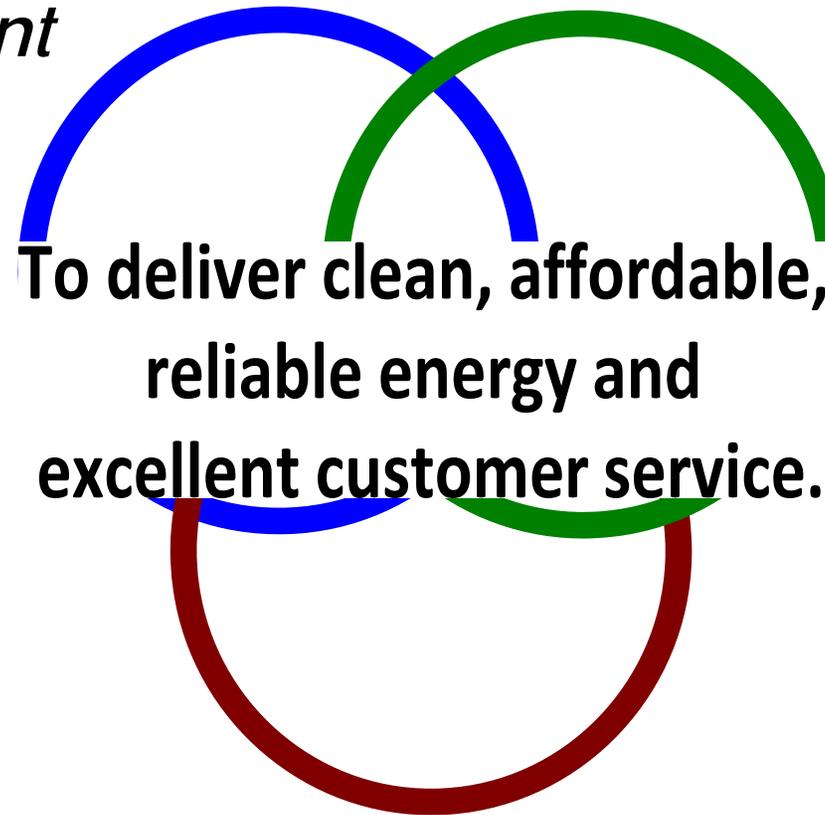
## Best Practices for Utility Incentive Programs – *Best Offer Ever*

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# Austin Energy's Mission Statement

*Environment*

*Economy*



*Society*

# Clean Energy for Everyone, Today and Tomorrow.



# Spotlight on Austin, Texas: Let Your Contractor Be Your Guide for Big Rewards

## Key Takeaways

- Get feedback from contractors on your program design before finalizing and launching
- Pay attention to contractor schedules when setting meetings and promoting the program
- Train contractors on program details, including how to use the program website

## All About Contractors

Austin Energy, a municipally owned utility, has a long history of working closely with the building contractors in its area to deliver energy efficiency programs that benefit both parties involved. Because contractors are a key part of Austin Energy's success, the utility has made a long-term commitment to support them. Over the years, contractors have been willing to invest time and money into the program, including purchasing the equipment upgrades required to conduct work in the field. As a result, they have helped create strong public recognition for Austin Energy's aggressive energy efficiency goals—including the Clean Energy Neighborhoods program to help drive demand. To launch its new Best Offer program, Austin Energy focused particular attention on ensuring that the program was being implemented in a way that was responsive to its contractor base, which really paid off—47 contractors completed a record 564 home energy upgrades in just six months. For many of the participating contractors, the high program volume resulted in 2010 being their most profitable year ever.

[http://www1.eere.energy.gov/buildings/betterbuildings/neighborhoods/pdfs/cs\\_austin\\_wfdevelopment.pdf](http://www1.eere.energy.gov/buildings/betterbuildings/neighborhoods/pdfs/cs_austin_wfdevelopment.pdf)



# *Best Offer Ever*

- Austin Energy rebates
- Texas Gas Service rebates (if applicable)
- Federal tax credits
- 0% loan financing

Average customer cost	\$9,000
Austin Energy rebates	- \$1,400
Amount financed with 0% loan	\$7,600
Texas Gas Service rebate	- \$300
Cost after all rebates	\$7,300
Federal tax credit	- \$1,500
<b>Customer net cost</b>	<b>\$5,800</b>

# *Best Offer Ever* Raised Issues in Several Areas

- **Contractors/Workforce**
- Application processing and scheduling
- QA/QC
- Data collection and reporting
- Loan approval expirations
- Historical preservation

# Program Background and Workforce

- Program has grown from less than a dozen HPwES contractors in 1982 to nearly 50 in 2011
- Existing weatherization workforce transitioned to HPwES
- Customer demand and financial incentives drive contractors to participate in Austin Energy's HPwES program

# Collaborating with Contractors is Critical to a Successful Program

- Austin Energy has a long history of collaborating closely with energy efficiency professionals (nearly three decades)
- Collaboration has resulted in strong public recognition and support for Austin Energy's efficiency goals
- Collaboration provides workforce with incentive to invest in technical training and skills to make programs successful

# 2010's *Best Offer Ever* Promotion was Wildly Successful

- 568 residential energy upgrades completed in six months
- 47 participating contractors
- Avoided contractor layoffs during slow season
- Over \$4 million in energy efficiency loans
- 10X typical program participation rate

# Key Takeaways from *Best Offer Ever*

- Engage contractors early and focus on the details
- Be mindful of contractor's schedules
- Ensure incentives quickly reach their intended targets
- Leverage contractor outreach for co-marketing
- Communicate with contractors to provide program updates and receive feedback

# Be Mindful of Contractor Schedules and Needs

- *Best Offer Ever* was launched during the slow season to take advantage of contractor availability
- Austin Energy hosted a breakfast meeting over tacos and coffee to walk through roles and responsibilities – before contractors were out in the field for the day

# Ensure Incentives Quickly Reach Their Intended Targets

- Contractors have tight budgets and lines of credit – small delays have large impacts
- Austin Energy revamped internal processes to reduce rebate payment time from six weeks to under two weeks
- Quicker payment time led to reduced up front costs to homeowners

# Leverage Contractor Outreach for Co-Marketing

- Fostering contractor relationships early in the process created buy-in reflected in contractor's own marketing efforts
- Contractors marketed *Best Offer Ever* alongside or in addition to their own programs and incentives

# Communicate Program Updates and Receive Feedback

- Austin Energy holds monthly meetings to issue program updates and receive feedback from contractors
- Austin Energy also participates in monthly trade association meetings
- In *Best Offer Ever*, heavy workloads resulted in loan expirations – Austin Energy worked with the lending partner to keep contractors and program staff in constant communication to avoid bottlenecks

# Questions & Discussion

## Contact

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