2007 Trade Ally Survey Executive Summary

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This report summarizes the results of the 2007 Energy Trust of Oregon Trade Ally Survey. The survey was originally conceived as a feedback tool for the communication department about various marketing and training offerings for trade allies. Now in its third year, the survey is still focused on feedback but now includes a program/measure specific market research component. The rationale for collecting self-reported data from the trade allies about their specific markets is two-fold. First, any change in the proportion of various efficient technologies that are being installed by trade allies can be analyzed. Second, the trade ally survey can be compared to evaluations and program reports to corroborate the results.

The 2007[1] Trade Ally Survey was sent via email to 609 trade allies[2] on March 26, 2007. The survey closed April 27, 2007, with 125 completed surveys yielding a response rate of over 20%. Survey respondents accounted for one quarter of the total incentives paid in 2006. Additionally, respondents accounted for almost one third of incentives affiliated with the 609 trade allies contacted for the survey.

Key Findings & Recommendations

General Trade Ally Findings

Of those responding to the survey, 33 reported themselves as working mainly in the commercial sector, 60 in the residential sector, 18 in the solar electric and thermal area, 9 serving industrial customers, and 5 "other" (includes respondents who listed "wind and other renewables" or "other"). The survey found that most trade allies have been working with Energy Trust for over two years, indicating that many find value in their relationship with our organization. This is further evidenced by the finding that a majority of trade allies plan to increase the proportion of their projects that receive Energy Trust incentives. Additionally, interest in general program training received significant interest. Reported levels of satisfaction with the program were similar to the previous year's survey and indicated high levels of overall satisfaction working with the agency.

Close to one quarter of respondents indicated that they were not familiar with Oregon Department of Energy tax credits. As these tax credits can provide additional leverage to help close projects, communicating to Trade Allies about the importance of the tax credits should be an ongoing priority.

The survey also asked trade allies from the commercial and industrial programs about their experience with the reservation system. Responses were very positive about the system's ability to aid in customer decision making and indicated that the system does not typically obstruct the sales process. A minority of these vendors did indicate a lack of familiarity with the system, which could be due to limited experience with it.

Solar electric and solar water heating trade allies reported a 25% increase in customer inquiries over the previous year. These firms typically have the equivalent of two employees working full time on solar, 0.5 FTE of which was added in 2006.

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[1] To clarify confusion with the nomenclature, the '2007 report' covers the 2006 program year survey and will be referred to as 2006 from this point on.

[2] 'Trade ally' is being used to define any contractor who responded to the survey. This doesn't necessarily mean they are registered trade allies.

Trade ally characteristics

- One quarter of trade allies received a majority of their revenues from jobs receiving Energy Trust incentives.
- Nearly three quarters of respondents reported that they have been an Energy Trust trade ally for more than two years, an increase over the nearly two thirds who reported this in the previous survey. This change indicates that trade allies see value in maintaining their relationship with Energy Trust.
- Nearly all trade allies derive less than a quarter of their revenue from out-of-state work. As Energy Trust begins to explore the possibility of expanding its service territory into other states, new relationships will have to be formed with local contractors. The majority of survey respondents do little or no work outside Oregon.

Trade ally communications, marketing, and training feedback

Trade allies were asked to rate their interest in various communications-related questions on a 1 to 5 scale (1 indicated ”no interest” while a 5 indicated “very interested”). The following figures represent the percentage of trade allies who responded that they were ”interested” (4) or “very interested” (5) in various Energy Trust communications offerings. Those categories in bold indicate a significant increase in overall interest reported since the 2005 report.

Marketing:

- Cooperative advertising support…….58%
- **Ad expressing thanks to our trade allies ……..…...58%**
- One-on-one marketing consulting provided by Energy Trust……42%
- Marketing workshops……31%
- Marketing to boost Energy Trust brand recognition……..……46%

Networking Opportunities:

- Networking within your specialty/trade……..39%
- Networking within your program (across trade)……34%
- Networking within your region……...…….....39%

Rewards:

- **Scholarships to energy conferences……...50%**
- Publicity through press releases……...……55%
- **Trade ally of the month…….....44%**
- Case studies of trade allies…….....41%

Training:

Trade allies were given an opportunity to prioritize potential training offerings, with the percent of respondents indicating interest in the following categories was:

- General training on Energy Trust programs……51%
- Technical training on energy efficiency……32%
- Technical training on program measures and compliance…….....9%
- Small business management……...6%
- Sales and marketing…….....2%

⇒ **<u>Recommendation</u>**

Provide training for trade allies on Energy Trust programs and measure compliance. Given the choice to prioritize, trade allies were primarily interested in these two training topics. These two training categories also received high levels of interest in 2005.

INSIDER newsletter

Trade allies generally find the newsletter helpful, with a large majority reporting it was “somewhat” helpful, but few suggested any specific improvements to make it ”very” helpful.

⇒ **Recommendation**
In the future, more specific survey questions should be employed to elicit feedback about vendor expectations of the newsletter. Do vendors expect the newsletter to help with increasing sales? Providing updates about programs? Technical information?

Energy Trust website
A large proportion of respondents indicated that the website was relatively easy to use. Despite this, several open-ended statements indicated that improvements should focus on ease of use.

- **When making website improvements consider giving priority to improving:**
  - Access to forms
  - Streamlining/automating the forms process
  - Information on qualifying measures

Efficiency program satisfaction
High levels of satisfaction were reported across all categories from trade allies. Among commercial and industrial trade allies was a very noticeable tendency to indicate that they were "very satisfied" with the service they received from Energy Trust and PMC staff. These levels of satisfaction are relatively unchanged from the previous year's survey.

Percent expressing 'Satisfied' or 'Very satisfied' responses for:
- Overall……71%
- Interactions with staff……74%
- Response times…….....65%
- Requests for information…….....69%
- Requests for help on forms……72%

Renewable program satisfaction
Renewable contractors indicated high levels of satisfaction across all categories, with the exception of paperwork approval.

Percent expressing 'Satisfied' or 'Very satisfied' responses for:
- Overall……78%
- Turnaround time for paperwork approval……55%
- Responsiveness of staff to inquiries.....72%
- Quality of Energy Trust inspectors.....80%
- Quality of your relationship with inspectors……88%

General demographics & ODOE tax credits
Nearly three quarters of trade allies indicated that they have been working with Energy Trust for more than two years. Half of vendors indicated that they received less than one quarter of their revenue from projects involving Energy Trust incentives, while one quarter derived 75% or more. 15% of respondents said that they derived more than one quarter of their revenue from work outside of Oregon.

⇒ **Recommendations:**
- **The presentation of availability and eligibility requirements for Oregon Department of Energy tax credits should be an ongoing priority -** Energy Trust should seek to provide trade allies with tools to help them promote the ODOE credits. Energy Trust and ODOE staff should continue working toward automatically populating BETC/RETC forms with information from a customer's application for an Energy Trust incentive. The benefits would be twofold: the simplicity of paperwork for

incentives could encourage trade allies to pursue more projects involving Energy Trust (currently over half of trade allies derive less than one quarter of their revenue from projects involving Energy Trust); the ease of BETC/RETC application would give trade allies additional leverage to close projects.

- **Ease and simplification of form completion -** Tying into the previous recommendation, when asked how staff and PMCs could help improve service, a significant number of open ended responses pertained to simplification of forms. The possibility of forms that are easy to fill out electronically and that auto-populate ODOE tax credit forms should be considered.

Commercial Trade Ally Findings & Recommendations
Commercial respondents primarily installed lighting (20) followed by HVAC (5) installers, with a number of other measure categories tied to one respondent (not reported on individually).

Commercial lighting technology installations (weighted by firm size)
Percent of fixtures installed on a project with incentive:
- 57% premium T8
- 42% T5

Percent of fixtures installed on a project *without* incentive:
- 30% premium T8
- 40% T5

The 2008 survey will aim to get an overall idea of what technologies are being installed rather than ask "with and without an incentive."

Impact of the reservation system
- The majority of commercial trade allies indicated that the reservation system does not obstruct their sales process. Open-ended comments indicated that the system encourages commitment from customers and puts projects on a definite timeline.
- Nearly a third of commercial trade allies indicated low levels of familiarity with the reservation system.

⇒ **<u>Recommendation</u>**
- The fact that most trade allies find the reservation system does not impede sales suggests the process is working smoothly. However, Energy Trust should continue informing trade allies about the reservation system and assist them in consistently communicating its requirements to their customers.

Industrial Trade Ally Findings
All industrial respondents indicated that they installed lighting as their primary measure. Other than for lighting, the Production Efficiency program does not use trade allies.

Impact of the reservation system
- 7 of 9 industrial trade allies indicated that the system does not obstruct their sales process. The reservation process is the same for commercial and industrial lighting installations.
- A few respondents indicated low levels of familiarity with the system.

Industrial lighting technology installations
Percent of fixtures installed on a project with incentive (weighted by firm size):
- 14% premium T8
- 84% T5
- 1% pulse start metal halide

The response rate for installations without an incentive was too low to report.

Residential Trade Ally Findings

The majority of residential respondents installed gas furnaces (29). Other measures represented included windows (7), heat pump (6), and insulation and site-built home vendors (5 respondents apiece).

Residential gas furnace reported efficiency categories (weighted by firm size):

- 80-89% 39%
- 90-94% 48%
- 95% or better 11%

Respondents reported a drop in the number of electronically commutated motors installed on furnaces compared to the previous survey

A significant number of residential vendors indicated that they are not familiar with or do not regularly promote ODOE tax credits. The tax credits provide additional leverage for vendors to help sell efficient products. Included in the recommendation section is a suggestion to provide ”auto-populating” application forms for both Energy Trust incentives and ODOE tax credits to make the process as simple as possible for customers to apply.

Recommendation

- Emphasizing the importance of the tax credits to trade allies should be a continuing priority.

Solar Electric and Solar Water Heating Findings

Only one third of those vendors who participated in the 2005 survey also participated this year. This shift in the respondents is reflected in a large difference in reported proportion of revenue stemming from projects receiving Energy Trust incentives. Thus, with this small sample, it is hard to draw any conclusions about behavior changing from responses in 2005 to this year.

Project backlog

- Compared to previous year, firms report having work lined up further into the future.

Customer inquiries

- Firms saw an average 25% increase in inquiries about solar compared to the previous year.

Employment and hiring

- Firms have an average equivalent of 1.5 full-time employees dedicated to solar electric and water heating
- Firms hired an average of .5 FTE in 2006 to work specifically on solar.