Briefing Paper
Strategic Utility Topics

June 11-12, 2010

Summary

Energy Trust's funding utilities are working together on a presentation titled "What industry drivers may significantly influence utility and Energy Trust collaborations and future opportunities?" Though we do not have a full picture of the presentation, this paper provides background on subjects the utilities are considering. All of these subjects are areas in which Energy Trust and the utilities have common interest:

"GAP Analysis"

Would it be possible to analyze where we are not getting savings and what barriers need to be overcome, and options for overcoming these barriers? Below is an explanation of how we have approached this in the past. In addition, Rob Fenty of the Coraggio Group will brief you on June 11 on a planning process that we expect to serve a similar purpose.

Here is how Energy Trust identifies conservation opportunities, technical and market barriers and potential solutions now:

- Annually, Energy Trust does a comparative analysis of conservation resource potential by technology and major market, how Energy Trust programs are achieving savings, and whether there are areas where progress is inadequate. This analysis is typically done early in the year, and helps guide marketing and development of new initiatives. In years when utility integrated resource planning is also done, this analysis feeds IRPs.
- At the same time, Energy Trust uses end-use data to identify where efficiency measures seem insufficient, or where there is no programmatic approach. We use this information to guide technology development efforts and prospect for new strategies. Using this approach, for example, we identified efficiency gaps in rooftop heating in commercial buildings and home electronics. After identifying the rooftop heating gap, we helped start a national initiative to work with manufacturers to develop options. After identifying the electronics gap, we researched options, helped bring a TV initiative to NEEA, and are encouraging NEEA to diversify to other electronic devices.
- We regularly explore new opportunities and innovative approaches in various forums such as NEEA's regional working group on emerging technologies, the Regional Technical Forum, conferences, and regional and national working groups. These activities have led to several current pilots, e.g., an approach to duct sealing that does not require home testing, based on experience at Puget Sound Energy and coordinated research with BPA on variable-refrigerant-flow space conditioning for commercial buildings.
- Any of these activities may feed into policy processes. For example, we identified barriers to rental and small commercial efficiency, which helped legislators and others explore ways to test innovative financing and delivery tools for these markets.

Coordinating Utility and Energy Trust Customer Communications

Energy Trust and the utilities spend a great deal of time coordinating customer communications, and in general the results are good. At the same time, this is an area of continuing discussion with opportunity for improvement.

Here is how communications are coordinated now:

- Energy Trust engages in annual outreach and marketing planning separately with each utility. The result is an annual schedule of Energy Trust communications for customer bills, co-branded or co-sponsored promotions, and coordinated or joint media buys.
- We meet regularly with each utility to coordinate marketing. We discuss new opportunities and provide updates on activities on the annual schedule. Meeting frequency ranges from monthly to twice a year, based on utility preference.
- Regular e-mail and phone communications on development, review, and delivery of content and collateral.
- Joint development and execution of special campaigns, PR opportunities, events, and other promotions as agreed.

Co-branding: Most Energy Trust marketing collateral, all advertisements, all press releases, web site, e-mail and other communications targeting a general customer audience now include a statement naming all four utilities. Communications using targeted utility customer channels, such as utility bill inserts and customer event invitations, are co-branded by Energy Trust and the individual utility.

Coordination beyond the utilities: Energy Trust coordinates the results of utility interactions with several program management and other contractors. Moreover, some Energy Trust programs and services are communicated via Energy Trust's network of 1500 trade ally contractors. Energy Trust offers modest co-op marketing support for trade allies. In many cases, the trade allies control the content of their marketing with mention of Energy Trust incentives.

Here are factors Energy Trust thinks about in considering how best to coordinate:

- *Utilities have important marketing assets: established market recognition,* customer account representatives and customer relationships, credibility, and low-cost, high-saturation communication channels such as bill inserts, newsletters, and utility websites. They also have greater visibility within the community through established community relations programs.
- Utilities and their customers see value in being associated with energy efficiency, which can translate into higher customer satisfaction ratings in consumer surveys.
- Energy Trust communications have two major strengths:
    - First, we promote comprehensive energy efficiency solutions, plus renewable energy solutions. Because many homes and businesses use both electricity and gas, our messages engage customers with both needs, reach savings for both fuels simultaneously, and provide assistance with renewable options.

  - Second, Energy Trust is in the business of acquiring energy savings and renewable generation. This perspective can be an asset for reaching customers who many not understand a utility's interest in conserving fuel. By communicating our relationship with their utility, we also can help customers understand the importance of this connection.
- Efficiency programs work best by making it easy for customers to save energy, avoiding unnecessary transfers from one entity to another, and minimizing the number "clicks" or telephone transfers to get customers to programs.
- Targeted, co-branded customer communications with a single utility customer communication channel are reviewed by both parties. General Energy Trust communications are limited and do not include utility review. Energy Trust seeks utility review of Energy Trust communications for a general audience only if utility logos will appear on the communication.

The coordination activities noted above constitute a significant commitment of staff resources, both for the utilities and for Energy Trust. Streamlining coordination could save time and expense to ratepayers, while it would admittedly present challenges given different interests, messaging, goals and schedules.

Pursuing Efficiency in a Bad Economy

Energy Trust closely tracks program participation to identify where economic conditions may be reducing participation. This has resulted in several tactical changes to assure that we meet goals and that customers maximize the benefit of efficiency in hard times. Examples include:

- A new, limited-time industrial operations and maintenance pilot to help customers with limited capital save energy.
- Higher incentives for new and existing commercial buildings, to match similar industrial increases instituted last year.
- Rollover funds from 2009 being used to increase sales of showerheads and energy saver kits (shower heads, compact fluorescents, flow restrictors, and energy efficiency information) distributed directly and through schools. These measures provide extremely good "bang for the buck" and help hard-pressed customers to invest in beneficial but capital-intensive measures.
- Continued work to develop the Clean Energy Works Portland program and other pilots to explore bill-financing to help consumers.
- Expansion of our manufactured home retrofit program and expanded eligible measures installed in tenant units in the multifamily program.