Residential Sector Overview

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OVERVIEW

Energy Trust's Residential Sector provides energy efficiency and renewable services to residential customers, home builders, installation (trades) and program (retail) allies. Additionally, the sector works collaboratively with many market actors to leverage rate payer investments. Primary Sector activity is accomplished through two Program Management Contracts: Existing Homes and New Homes and Products. In addition, the sector supports behavioral savings efforts, trade ally & customer engagement strategies and other initiatives.

Sector staff oversees program implementation contracts, drives program strategy and design, manages relationships with stakeholders, and coordinates marketing and outreach activities.

For 2013, a key priority is to grow and leverage our relationships with current allies, customers, and with market stakeholders. This includes: developing a strategy focused on participants who have already engaged with residential services from Energy Trust, increasing trade ally network value proposition and maximizing leverage points within the community, and analyzing engagement at each touch point to maximize program participation.

For Existing Homes, program design components include achieving a high level of customer service and further leverage trade allies to achieve program goals. The program will build on established relationships with current allies, market stakeholders and customers to achieve these goals. In broadening these relationships with allies, an enhanced customer experience will create a foundation for transitioning program tracks such as Home Performance with ENERGY STAR and Home Energy Reviews to be more market driven. Additionally, the programs will need to introduce changes to

address cost effectiveness of therm savings due to the lowered avoided cost of natural gas.

New Homes program strategies will be designed to address an independent verifier market, stricter building code requirements, and increased ENERGY STAR® requirements.

Products program focus will be on driving customers to purchase the most energy-efficient products available, identifying and capitalizing on a broader range of leverage points with manufacturers, retailers and industry stakeholders, and diversifying savings opportunities and better understanding customer motivators.

Program savings

Residential Sector
Overall sector goals for savings are 108,993,910 kwh (12.4 AMW) and 2,129,729 therms. These will come from two programs:

Existing Homes

- Overall 53,539,346 kWh (6.1 AMW) and 1,242,814 therm savings

New Homes and Products

- Overall 55,454,564 kWh (6.3 AMW) and 886,915 therm savings

GOALS & OBJECTIVES

In order to achieve savings goals and lay the foundation for future savings at a cost effective rate the sector will:

- Secure a 17.7 percent market share of EPS participation of those new homes built within Energy Trust territory; up from a goal of 13.5 percent last year.
- Deliver weatherization, HVAC, direct install ISM's and water savings measures to over 17,000 households.
- Transition 20% of the kWh savings garnered through CFLs in 2013 and 50% of the kWh savings in 2014 to new measures and approaches.
- Develop additional ways to motivate customers to make energy-efficient product choices beyond financial incentives.

- Ensure under-served populations (i.e., rural communities, lower income) have easy access to Energy Trust program offerings and financing they can participate in.
- Recruit and sign up at least 20% of the lending agencies in the state to participate in the lender ally program.
- Leverage residential market actors and industry stakeholders to streamline efforts, minimize market confusion, strengthen relationships and maximize cost-effectiveness.
- Increase market awareness and uptake of EPS.
- Implement gas weatherization pilots that meet requirements to improve savings without increasing installation cost.
- Achieve greater program savings while lowering the cost of the program for both Energy Trust and the consumer while maintaining high levels of customer and contractor satisfaction.
- Promote use of online incentive applications and utilization of the Energy Trust website by residents and contractors.
- Increase the percentage of savings achieved through domestic hot water measures.
- Increase customer awareness and improve accessibility to solar hot water heating measures.
- Further build and leverage relationships with retailers and manufacturer to deepen their engagement and strengthen program and encourage repeat participation with the program and other Energy Trust services.
- Expand measure portfolio to diversify savings opportunities and develop new innovative program designs.
- Utilize kits as a key engagement tool to encourage customers to make energy saving improvements while transitioning program away from dependency on Energy Saver Kits as a significant savings lever.

STRATEGIES & TACTICS

The Residential Sector faces significant challenges in 2013. Recent changes to the gas avoided cost will require targeted program measure and incentive adjustments to ensure the programs meet their goals through supporting cost-effective measures. Federal Lighting Standards will continue to impact opportunities in lighting. In addition, slow

economic recovery limits customer's willingness and ability to make investments in energy efficiency and renewable projects so expansion of lender allies and leverage of market based resources while bringing efficiencies in delivery and contractor interactions remain a key aspect of program designs.

The Sector will evolve long-term program enhancements that utilize our new customer relationship management system's customer and trade ally interactions while continuing to focus on meeting aggressive goals through near-term acquisition of cost-effective savings.

Near-term

The sector will achieve near-term savings through:

- Develop audience-centric (both trade ally and consumer) messaging that includes: targeted marketing through house characterization, Energy Saver Kits, website content and usability, collateral and more.
- At retail, offer enhanced cues such as "good, better, best" to increase customer understanding, and to influence sales floor conversations, and ultimately, purchases and provide enhanced training to retail sales staff to support customer education.
- Encourage recycling of older and second fridges by shifting some emphasis away from retail toward channels that best reach customers with a second or older fridge at home.
- Provide simple data collection protocols and resources and eliminate complex energy modeling to decrease the amount of time spent in the home.
- Streamline incentive processing and bring tools for use by trade ally contractors that enhance and simplify the way they do business.
- Implement with PGE a targeted outreach for Savings Within Reach for all-electric heat customers, including cable ceiling heating customers.
- Develop marketing strategies which leverage housing characterization and addresses efficiency opportunities for new homebuyers and homeowners pursing remodeling improvements.
- Conduct outreach to new retailers to encourage increased number of participating stores throughout region.

- Continue collaboration with industry stakeholders (OHBA, HBA-MP, ORA, ORACCA, EAI, etc.) and aggregate outreach efforts to those organizations as well as additional organizations such as the Oregon Association of REALTORS®, PHCC, and ICCA.
- Position the website and call center to guide the customer to the appropriate program offerings by utilizing a series of questions designed to pinpoint the customer's barriers, needs and goals.

Long-term

Long-term objectives will be met through fostering deeper relationships with trade-allies, gaining an understanding over time of customer's interactions that lead to program participation, leveraging market actors and resources, by conducting pilots to bring new methods of installation and next generation technologies into the market and providing resources to aid contractors to conduct business effectively so overall project costs can be lowered. For 2013 this will include:

- Integrate easy access to loans through Lending Allies to increase participation and the introduction of a loan designed for customers of lower income.
- Implement partnerships with Publically Owned Utilities in Oregon to increase overall gas savings achieved in territories with overlap.
- Transitioning measures and incentives to respond to changing market conditions and reduce the dependence on instant savings measures.
- Develop a plan for the Living Wise Kits that shifts the distribution of the kits in school classrooms to a call-to-action to encourage parents to log on to the Energy Trust website to complete an online audit and order a kit.
- Engage with EPS homeowners to gather feedback and to encourage behavioral change and additional participation.
- Meet with community-based organizations to develop strategic approaches to target qualified customers in both urban and rural areas.
- Develop pilot plans for prescriptive duct sealing and air sealing installation specifications for Cascade and NW Natural gas territories.
- Increase Trade Ally engagement support through training, technology and analytic tools, and marketing support including the development of a TA portal through the use of

EnergySavvy Optix to facilitate greater engagement between trade allies. Including further enhancement to the referral code mechanics for contractors.

- Work with market-based training providers to develop enhanced training offerings, including mentoring, marketing, sales training, estimating, bidding, and project management to bring efficient use of resources and effective selling to the trade allies to reduce their overhead and lower overall project costs.
- Develop analytics including general data reviews looking at planned vs. actual savings assumptions, home characterization, and customer usage data to improve program design, develop targeted marketing, and increase savings per project.

Behavior

In 2013, Energy Trust will continue a persistence test of the 2012 Opower pilot with half of the customers no longer receiving the reports and the remaining half receiving a series of six reports throughout 2013. Additional budget has been allocated for other behavioral savings opportunities that may be implemented within 2013.

OVERALL SECTOR SAVINGS & BUDGET

2013 Stretch Savings Goals for the Residential Sector are 108,993,910 kWh (12.4 AMW) and 2,129,729 annual Therms.