

To: Lori Lewis, Analytical Evaluation Consultants

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Date: May 13, 2015

RE: Response to Comments on C20: Energy Conscious Blueprint Process Evaluation

EMI Consulting submitted the review draft of the C20: Energy Conscious Blueprint Process Evaluation for review by the Connecticut Energy Efficiency Board's (EEB) Evaluation Committee, the EEB Consultants, and the utilities. The final report contains updates to language, particularly the recommendations, to reflect ongoing efforts and some other minor additions and revisions. This memorandum documents our response to comments from stakeholders.

Additional Recommendations

We have added one additional recommendation as suggested by DEEP:

5. Create synergies with Energy Opportunities (EO) Program.

The majority of equipment replacement participant respondents were not aware of the Energy Opportunities Program. Although a lack of recall of the program name (and description) does not always correspond to a lack of awareness of the opportunity, this suggests there is room to improve awareness of the EO program for ECB participants. The EO program and ECB program can be complementary and awareness of both programs should be promoted to customers and vendors.

CL&P Comments

The comments and responses are as follows:

- *Financing is challenging to incorporate effectively into a program which typically covers most of the incremental cost of energy-efficient equipment. The extra cost associated with equipment upgrades is typically a small percentage of the installation cost, approximately 5-30%. It would be cost-prohibitive to finance the total purchase price when most of the costs are not in support of energy efficiency. Since the program is designed to pay most of the extra cost associated with energy-efficient upgrades, a customer is typically reimbursed for the higher cost energy-efficiency measures after the measures are installed and verified.*

Response: In light of the challenges around financing of equipment upgrades, we have modified the recommendation to focus on raising awareness of existing financing options and deemphasized the recommendation of developing additional financing options.

- *CL&P appreciates the recommendation to provide greater support to vendors. Please note that sales training is planned for vendors in 2015 to help them properly present projects to customers so they understand the importance of both energy and non-energy benefits.*

Evaluators also suggested enhanced direct outreach to customers and organizations as a way of increasing program participation. CL&P has recently assembled a dedicated team of professionals who are actively increasing outreach efforts for building owners, project managers, architects, and developers in an effort to increase awareness of energy efficiency and the ECB program. Additional new program marketing efforts are planned to increase awareness by updating program marketing materials and targeted messaging.

Response: The evaluation team has edited the recommendation language to reflect current efforts.

- *Several elements of the study focused on customer and vendor engagement with the company website. The CL&P website is currently undergoing a significant redesign to improve its functionality on all levels. The enhanced website will provide information on energy usage and program opportunities to customers and specific program details to designers.*

Response: EMI Consulting is pleased to hear of the website redesign efforts and hopes the recommendation regarding waypointing can be incorporated. We have modified the report language to acknowledge this effort.

- *The evaluation contained multiple recommendations for utility tracking databases. CL&P implemented a new commercial and industrial program tracking system in 2014. It contains some of the requested data fields, and further upgrades are in progress.*

Response: EMI Consulting is pleased to hear of the efforts being made to address these issues and has noted that some of the fields may now exist in the tracking database. The noted fields are important to both evaluators' and program staff's ability to track program performance.

UI Comments

- *Page 44- The Companies believe the developer response is an educational opportunity. Please provide a list of respondents.*

Response: Because we promised confidentiality to the developers, we cannot provide a list of the developers we contacted. However, the contacts were drawn from the Reed Construction database with the following query parameters: Project Location =

Connecticut; Stage = Post Bid, Low Bids Announced, General Contractor Award, Construction Underway, or Closed; Work Type = Addition, Addition/Alteration, or New. The complete results of this query, including developers that were and were not contacted, will be provided to the Companies.

- Pages 44- Please clarify how the respondent who sought out information from the CEFIA and Connecticut Energy Efficiency Fund would have no knowledge of the ECB program. What information did each of these parties provide?

Response: The respondent described seeking out information from the CEEF website, receiving grants through the CEFIA (which the organization ultimately could not use due to the timeline of the project), and receiving incentives from UI. The respondent was unable to recall the name of the program providing incentives. The respondent expressed interest in the ECB Program and did not appear to be familiar with it; however, it is possible that the respondent had been exposed to the program previously and did not recognize the program name or description.

- *The thought of positioning ECB as a resource during the grant will be reviewed. This idea did not seem to be included in the recommendations.*

Response: Based on the small sample size (n=2) of respondents who brought up the subject of grants and the sector of these respondents (non-profit and education sectors), the evaluation team did not have sufficient information to determine whether aligning ECB with grants would represent a significant opportunity for the program. UI's review of this opportunity appears to be a prudent course of action.

- *Page 49- Please provide specifics as to who suggested a vendor alliance is being formed.*

Response: In our program staff interview, we were told that UI would like to "cultivate a group of contractors" and "this is happening now in Connecticut." We thought this meant a vendor program was being formed and later sought clarification from the interviewee, but received no response. We have removed this reference and modified the language that suggested existing efforts to develop a trade alliance.

- *Can the evaluators provide additional insight into the differences between vendors (60%) and participants (31%) reporting regarding lack of acceptable financing? Were there questions regarding what acceptable financing meant? Interest rate or term length?*

Response: We have added an explanation of the observed difference between vendors' and participants' perceptions of lack of acceptable financing as a barrier. Regarding the second question, the finding around financing was emergent in this research and as such we did not develop an in-depth line of questioning around desired financing options.

- *The Companies understand the majority of vendors are satisfied with their experience and this should be a caveat to this recommendation [recommendation 2]. The Companies will continue to pursue in a cost effective manner.*

Response: We have expanded language in recommendation 2 to emphasize the existing satisfaction of vendors.

- *The Companies websites were already in the process of being updated prior to this evaluation.*

Response: We have added language to acknowledge this effort. We were aware of this effort during the evaluation and hope our recommendations are useful to the redesign effort.

- *The Companies' position is the majority of these requests are already available in our tracking systems. The data request for this was bundled with several others, which may have muddied the specific needs for each project. The Companies believe bundled requests will no longer take place.*

Response: The evaluation team's recommendation was based on the data received and our assessment of the data that would be necessary to thoroughly explore trends in the tracking data. The evaluation team is pleased to hear the data are already available; this recommendation will document these necessary fields for future evaluation efforts.

DEEP Comments

- *Pp. 15-18. Provide tables to clarify research findings.*

Response: We have added a table of satisfaction scores to this chapter to supplement the text.

- *P. 17, Section D, 1st sentence. Clarify the definition of standard efficiency option versus energy efficient option.*

Response: We have added a sentence to clarify this terminology.

- *The ECB program has three components: new construction, major renovations, and equipment replacement. The study results indicate that the new construction program is operating with high customer satisfaction. However, the results pointed to some areas of improvement for the major renovations and equipment replacement components, such as access to financing (p. 39) and customer knowledge of the program. To what extent are the barriers to customer participation specific to the three program components? (p. 39) To the extent possible, the report should report and analyze data for each of the three program components.*

Response: The evaluation team explored differences in experiences and perceptions by program track (new construction, major renovation, and equipment replacement) for participating customers and participating vendors. With regard to vendors' perceived barriers to customer participation, we found that responses were consistent across new construction, major renovation, and equipment replacement. Where statistically significant and/or consistently reported differences were found, the evaluation team noted these differences. In the remainder of the analyses, we did not find discernible differences between the program tracks. Note that we were unable to stratify our samples by program track due to the aforementioned data issues, restricting our ability to make these comparisons.

- *P. 28. Changes in O&M practices are included as non-energy benefits in cost-effectiveness screening, but other non-energy benefits, such as comfort, worker productivity, process productivity, safety, etc. are not. This distinction should be included in a footnote.*

Response: We have clarified this distinction in a footnote as suggested.

- *The following exposition appears contradictory and should be clarified: P. 38: "Figure 4-18: Participating vendors typically use website to look up incentive information" and "Most participating vendors have not used the tools available on the website."*

Response: We have added clarifying language to specify that the figure caption pertained only to contractors who use the website. This resolves the apparent contradiction.

- *P. 41. Table 4-2. Include percentages.*

Response: We have added percentages as suggested.

- *P. 42. Figure 4-21. If it is known why three customers completed the project outside of the program, explain why. Why would customers opt out of a financial incentive?*

Response: We added the following text to the report to describe why these three customers proceeded without the ECB program.

These three customers forwent the ECB program for the following reasons:

- One respondent described being told he was not eligible for incentives through the ECB Program, but believed he should have been eligible.
- The second respondent thought the rebates were too insignificant to prompt any action on their part to participate in the ECB program. We did not probe for specifics on what equipment was included in their project, but the response suggested the incentive was not sufficient to motivate this respondent to select the energy efficient option and apply to the program for an incentive.

- The third respondent was pursuing a chiller project but realized it was not going to be cost-effective and a much larger upgrade was needed. They suspended the original project, hence the dropout from the ECB program. When they started the project back up again with a bigger overhaul of equipment, they forgot about ECB, but expressed interest in working with the program again in the future.
- *P. 43. Explain what REED stands for.*

Response: We have added an explanation of the Reed database. It is not an acronym. The Reed Construction database contains listings of construction projects and can be filtered by geographic area and date. This is the same database used by the program since the end of 2012 to identify new construction leads.

- *P. 44. Typo, last line. Add apostrophe after “interviewees”.*

Response: Addressed.

- *P. 45. “The evaluation team conducted 9 usability sessions with commercial and industrial customers across Connecticut.” Clarify whether EMI Consulting met individually with each of the C&I customers.*

Response: We added an explanation that EMI Consulting met with customers individually.

- *P. 49. Each recommendation should be bolded and numbered.*

Response: Recommendations in Sections 1 and 5 have been bolded and numbered.

- *p. 16. Results indicate that awareness of the EO program was low. The recommendations should include improved education on the EO program for ECB customers, such as better vendor training, website links, informational material, etc.*

Response: We have added a recommendation to improve synergies with the EO program (see the beginning of this memo).

- *The recommendation for increased vendor support should include a recommendation to simplify (if possible) the complexity and paperwork for vendors. (p. 40)*

Response: We have added language incorporating this suggestion into the existing recommendation around vendor support.

- *Recommendations should include a tracking process by account number or street address to determine which of the cancelled or postponed projects eventually became participants. (pp. 40-41)*

Response: This recommendation is included in the existing recommendation around data tracking, specifically "A note or indicator if a cancelled project was subsequently resumed."

- *As mentioned in the Report, the study results pointed to some areas of improvement specific to a program component: new construction, major renovations, and equipment replacement. Where applicable, the report should make recommendations specific to the need for improvement in the three program components.*

Response: Recommendation #1 pertains mostly to equipment replacement projects. Recommendation #3 applies to new construction and major renovation projects. Recommendation #2, 4, 5, and 6 apply to all program tracks. We have changed the report language to reflect this.

- *The Report, pp. 2 and 45, states that the utility websites for CL&P and UI are not user-friendly. In order to get the full benefit of the website, it needs to be modified to make it easier to use. The recommendation for website improvement is incomplete, and should more directly incorporate the findings in the Report, pp. 45-48. Specifically, the web text should address the following customer and vendor responses: encourage C&I customers to contact the utilities (p. 46), more clarity and assistance to sign up for the program (p. 46), more information should be given on the sign-up process rather than how incentives work (47), overall confusion in navigating the web site (p. 47). Since vendors and customers have different objectives when navigating the web site, the PAs should consider offering information or FAQ for each group. Finally, it is unclear why CL&P and UI have different ECB web designs. EMI should recommend that CL&P and UI to collaborate and offer a single ECB website design. This would make the usage easier for vendors and customers that have operations in both service territories.*

- **Response:** Detailed recommendations added to Recommendation #4 as suggested. These include:
 - Encourage customers to contact the utilities.
 - Clarify information on how to sign up for the program.
 - Tailor information to emphasize next steps rather than incentive information.

Regarding the suggestion of consolidating the two utility program websites, the evaluation team is in agreement. However, this would likely be a significant undertaking and our evaluation did not find the existence of two utility websites to be a major area of concern among participants and vendors.

- *Additional marketing efforts should be developed to fully educate potential customers of the benefits associated with the ECB programs. (see p. 45, 1st sentence under Resources).*

Response: This finding has been incorporated into Recommendation #3, related to outreach to individuals involved with New Construction projects.