

**Marketing recommendations in the VEIC study**  
**Compiled by Mary Downes at OEP**

**Municipalities:**

**Community Planning Page 3-11:** OEP offer regular training and guidance to municipalities to assist them in promoting compact, nodal development whether by the use of Form Based Codes or other means. The education regarding the linkage between sound planning and energy efficiency needs to be a key component of this effort.

**Building Code Chapter 4:** Continue to support and expand energy code outreach at the state and local levels, including raising awareness among new stakeholders. Provide inspection departments with training, tools, DOE materials, and other resources to improve energy code enforcement.

**Sustainable Energy Chapter 10 page 14:** The current excitement generated by the state's 150+ local energy committees can be tapped to provide input and the launching pad for such community-scale sustainable energy projects and provide local policy interface, such as planning, land use development, zoning, and economic growth practices.

- **Residential CORE Chapter 7 page 35:** Community-targeted outreach and education to support community-scale [renewable energy] projects. [Utilities Teaming up with [LECs] could prove to be a highly effective targeted strategy.
- **Residential CORE Chapter 7 page 31:** Community-based projects involve local businesses, schools, retailers, civic clubs, and the municipal government. These projects may address informational, financial, and product availability barriers all at once. The media attention and resulting awareness from events can also have lasting impact and may result in the building of lasting community infrastructure and increased public awareness of the benefits of energy efficiency. Involvement in community-based projects allows energy efficiency providers to:
  - Educate the public about actions to reduce their individual energy use
  - Secure energy savings in hard-to-reach markets
  - Leverage additional resources
  - Use the experiences of these communities to be a model for others
  - Generate media focus on energy efficiency

Through the CORE programs, utilities can have an active role helping communities and consumers understand their options for increasing energy efficiency, thereby helping the utilities meet their stated goals while also stimulating the local economy and helping to achieve state energy and climate change mitigation goals.

## Nonprofits/Other

**Community Planning Chapter 3 page 11:** OEP establish a networking opportunity on its web site, where individuals interested in forming a PAREI-type regional effort in their part of New Hampshire could connect with like-minded individuals in their region.

**Residential CORE Chapter 7 page 30:** School educational programs may include programs such as:

- Science-based classroom presentations and teacher training on electricity, energy efficiency, and renewable energy
- Collaborations on student-based projects that deliver near-term electrical savings
- Energy efficiency information distributed to students, who then bring home materials and ideas, educating their parents
- Leveraging interactions with students to promote efficient products and generate subsequent savings in both the residential and business sectors

**C&I CORE Chapter 8 page 13:** Certain types of customers are hard to reach, and even when contacted, there are multiple barriers to completing efficiency projects.

***K-12 Schools:*** a retrofit program or initiative that targets schools to help them identify opportunities, quantify savings, overcome technical issues, navigate the financing barriers, and complete projects would serve New Hampshire taxpayers well. It would appear that the PUC's EnergySmart Schools program would meet some of these needs.

***Water and Wastewater Facilities:*** A program or initiative that targets water and wastewater facilities to identify opportunities and overcome barriers would be beneficial to the citizens of New Hampshire

***Agricultural Programs:*** A more unified approach, with more utility involvement, could potentially result in more support for farmers and more savings

## Business – Commercial / Industrial

**Energy Code Chapter 4, page 4:** Encourage partnerships between the state, trade associations, the utilities, and other stakeholders that result in continued outreach, education, training, etc. once the current Energy Code Challenge program is completed. Encourage design and construction professionals to construct and market energy-efficient buildings to distinguish themselves in a competitive marketplace.

**Residential CORE Chapter 7 page 30:** A key component of the development of robust energy efficiency markets in New Hampshire is creating a network of informed service and product suppliers. This goal can be met not only through traditional marketing material, but also by organizing conferences and trainings, providing education programs in schools, organizing community-based energy projects, coordinating Energy Code activities, etc.

### **Residential CORE Chapter 7 page 34 (on CORE Educational Programs):**

More educational opportunities focused on lighting, HVAC, and commercial kitchen equipment would help small businesses. There is a lack of awareness of program offerings among some small customers in general and for some types of large customers. This lack of awareness of efficiency programs is a barrier to their participation in the programs and their implementation of efficiency projects. Overall, only 60% of small C&I were aware of the programs. Least aware small businesses (by business type) are retail (43% aware of utility programs), grocery (46%), and health (46%). Least aware large business types were large retail (75%).

The C&I market would benefit from additional staff resources to provide dedicated outreach to more customers.

**C&I CORE Chapter 8 pages 2-4:** There are many market elements that must be in place for an efficiency opportunity to turn into a completed project. While each business has its own set of challenges, or barriers, the following list is typical:

- **The customer must know about the efficiency program and what help it may offer**
- The opportunity must be identified
- The opportunity must be quantified for savings and cost
- Other benefits resulting from the opportunity must be evaluated (for example: a reduction in maintenance requirements or an improvement in light quality)
- The opportunity must be cost effective
- Capital or financing must be available
- The customer must have the time and motivation to make a decision and take action
- Materials or equipment must be available in a timely manner to complete the project
- Personnel must be available to install and properly commission the equipment
- **Decision makers must be informed and convinced that the opportunity makes sense for their business**

It takes just one hurdle to stop a customer, and for an efficiency project to stall or die. An efficiency program can and should play a part in all of these elements, especially in a new market. And as the market develops and matures, the efficiency program should be able to step back and play less of a role in each element over time, as the market performs more and more on its own, through direct private transactions.

A common adage in sales is that customers won't make a change or buy a product, unless they are in "pain" in some way. . . . Energy savings alone may often not be enough to motivate a customer. If it can also be demonstrated that an energy efficiency improvement will eliminate a

source of pain, then it is more likely a project will move forward. Are there problems with poor lighting or air quality? A retrofit can solve those problems, and save energy as well. Are there quality control issues because of fluctuating compressed air pressure? Fixing air leaks and eliminating inappropriate uses of compressed air can solve those problems, and improve the profitability of the company.

**Successful C&I efficiency programs must not only overcome market barriers, but must align the program with the needs of customers. Quite often it is not energy savings that sell a project, but other benefits.**

**C&I CORE Chapter 8 page 8:** A marketing campaign targeted towards specific customer types and that presents a customized suite of efficiency opportunities for that customer type can be effective. Efficiency Vermont recently launched a marketing campaign directed towards small grocery stores and delis which is proving to be highly successful.  
([http://www.encyvermont.com/stella/filelib/GreenGrocer\\_2010\\_FINAL.pdf](http://www.encyvermont.com/stella/filelib/GreenGrocer_2010_FINAL.pdf))

**C&I CORE Chapter 8 page 11:** An important objective for new construction and market opportunity programs is to help customers overcome the first cost and perception of risk barriers. A combination of incentives and education is critical to success, as is engaging trade allies. If a customer does not have the option to purchase more efficient equipment, or is discouraged from doing so by a vendor who places doubt in the customer's mind, then no amount of incentives or education will be sufficient.

**C&I CORE Chapter 8 page 16:** While the [gas utilities] plan mentions plumbers and heating contractors as being critical trade allies, there are others who should also be recruited as trade allies. Commercial kitchen equipment vendors, industrial supply houses, architects and engineers all play a role in specifying and selling equipment that uses natural gas, or in specifying insulation levels, which impact natural gas usage.

**C&I CORE Chapter 8 page 23:** [All utility ee programs should] Hire or subcontract more people to work on market development through account management, education and direct customer outreach.

- **State Operations Chapter Chapter 5, page 3:** Extensive outreach and education effort focused on telling the state's story [around EE/RE efforts]. In addition, the State might seek to hold open houses to show off their projects and to develop case studies sharing their lessons learned.
- **Sustainable Energy Chapter 10, page 12:** All government agencies should be required to clearly communicate about [EE/RE] issues, including individually identifying the details of all fees and taxes assessed, issuing clarifying letters and FAQs, and taking care that all decision-making is as transparent as possible
- **Sustainable Energy Chapter 10, page 23: Provide support for workforce development:** It is also effective to have state-level support for elements, such as workforce development, that are unlikely by themselves to drive a market – but the lack of which will leave serious gaps. Encouraging market growth through financial incentives can lead to problems if the infrastructure to train and oversee a qualified workforce is not in place. Private market actors, including industry, and third-party training and certification organizations can make significant contributions to workforce development, quality assurance, and consumer protection.
- **Sustainable Energy Chapter 10, page 24:** Establishing program designs and program administrative coordination that motivate and accommodate this coordination is important. Wisconsin Focus on Energy has seen a marked increase in the number of customers who pursue efficiency before they install a photovoltaic or solar hot water system with their \$500 Solar Bonus initiative. This initiative is also yielding some interesting in-field partnerships between efficiency and renewable energy installers, partnerships that make it easier for customers to do combined projects.

...design [RE] program delivery and administration to result in one-stop-shopping for the customer. Whenever possible, integrate information on programs, financing, contractors, applications, permitting, and other requirements. When the program requires complex calculations (for example, estimated wind turbine performance) or information that is not readily available, be sure there is customer service support in place.

## Residential

**State Operations Chapter Chapter 5, page 3:** The state could sponsor and host events for [State] employees to promote taking [EE] action at home. Partnering with the utilities to promote residential efficiency programs could benefit all parties.

**Sustainable Energy Chapter 10, page 47:** Provide customer education on ground source heat pump technology and appropriate siting: Because GSHP is not necessarily the most efficient choice for all thermal load types, customer education about the optimal uses of this technology is a very important component of any program to support it.

**Low Income Weatherization Chapter 9, page 5:** ...customers may have little awareness of the multiple sources of funds paying for the work done on their homes as they experience one “face” to the program (the CAA). This is an effective program design feature, as it helps eliminate customer confusion. (I.e., this is a best practice)

**Sustainable Energy Chapter 10, Page 23:** Consumer information and basic education on technologies, incentives, and how to participate in the market help to encourage and catalyze consumer demand – while building a greater general awareness of the ability of clean energy technologies ability to provide solutions today. Outreach and education for consumers and contractor support will engage the market more quickly and effectively.

### Residential CORE programs, Chapter 7 (primarily):

- The residential market would benefit from additional education on energy efficiency and programs offered by the utilities.
- Education and outreach to customers: Emphasizing the increased comfort, reduced energy bills, and health and safety benefits from increased energy efficiency in existing homes.
- ...the most effective energy efficiency programs in the nation feature an integrated package of services which includes marketing and consumer education, technical assistance (audits, economic and technical analysis of efficiency options, design recommendations, etc.), financial incentives (rebates or financing), follow-up quality-assurance, and verification of results.
- additional distribution of promotional materials [for HPwES customers] that help inform consumers of the benefits of energy efficiency, educate them to more easily identify knowledgeable contractors, and help create long-term demand in the marketplace.
- cooperative advertising can help support certified contractors in marketing their services, reducing their risk of investing in new skills. While some utilities support cooperative advertisement, the current contractor recruitment structure in New Hampshire may not be a supportive design for extensive cooperative advertisement.
- Program evaluation recommends that marketing materials more strongly emphasize the benefits of improving home comfort and reduced energy bills, by including customer testimonial.
- Providing regular contractor training and increasing the number of qualified contractors participating in the [HPwES] program would further develop the home energy retrofit market in New Hampshire.
- Understanding how well utilities partner with small builders may help understand how changes in different segments of the market will affect participation in the [Energy Star homes] program.
- ...information about the [energy efficient retail products programs] products should be on hand in the store and the products need be in stock and available for immediate sale and/or delivery.
- Suppliers’ risk of stocking new products can be reduced by helping to create demand and providing training to sales people about the benefits of efficiency, the features of new technologies and products, and the ways stocking products can help differentiate a business from its competition.

- A variety of strategies can be used to address market barriers including incentives, consumer education, and special events leveraging local festivals and other community activities.
- Incentives are most effective when targeted to address a specific situation or hard to reach market. For example, an incentive may be designed to significantly reduce the incremental cost of an expensive efficiency purchase to motivate a buyer as well as be used to reduce the risks to vendors associated with introducing new products with uncertain market demand.<sup>1</sup>
- Success depends on building strong relationships with retailers, manufacturers, and other key trade allies (e.g., buyer groups for independent appliance retailers). In rural sections of New Hampshire, special attention could be given to developing a network of local stores (such as grocery stores; drug stores; independent electrical, HVAC and building supply houses; and hardware stores) that stock efficient products.
- Circuit riders<sup>2</sup> could recruit and retain retail partners to the program as well as provide training and support on new technologies. This service could also provide materials for retail promotion events, such as banners, informational signs, and interactive displays. The existing design of the lighting and appliance programs could increase efforts in both consumer electronics and pool pumps and timers. ...[circuit riders] recruiting participating retailers, training their staff, implementing special promotions and events, placing point-of-purchase material, and conducting periodic price and shelf surveys. The utilities circuit-riders already perform some of these functions and their scope of work could be extended to additional products and retailers.
- Retail products programs should also support the ENERGY STAR brand, U.S. Department of Energy (DOE) standards, and Consortium for Energy Efficiency (CEE) standards with the goal of a long-term development of residential markets by continuous expansion toward emerging technologies and products.
- An effort could be made to coordinate with similar programs throughout the region to take advantage of economies of scale and to negotiate more effectively with other players in the residential markets.
- Specialty CFLs and LEDs have higher incremental costs which could be proportionally covered by increasing rebates amounts specifically for these products. Specialty CFLs and LEDs are available through the NHsaves retail catalog at a reduced price. However, that approach to the market does not increase availability in stores, a key aspect of developing a wide array of technologies stocked in New Hampshire retail stores.
- Currently, the programs in New Hampshire provide incentives for “Smart Strips” which help reduce phantom loads of consumer electronics. ... Because there is little or no price premium for most efficient models of consumer electronics, promotions could be based on innovative marketing and customer education strategies rather than providing consumer incentives. The program should explore promotion of computers, monitors, set-top boxes, and other electronic equipment.

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<sup>1</sup> As shown by Table 7.19, the saturation of ENERGY STAR appliances is very high in New Hampshire, which indicates a market which is prepared for more advanced technologies. Programs that promote CEE tiers increase incentives over ENERGY STAR levels to cover higher incremental costs of premium efficiency equipment but also realize more savings per unit therefore increase yields. A program would expect to have fewer units being processed through the program at first, so budgets would not necessarily have to be increased to move towards market development for more efficient product

<sup>2</sup> New Hampshire retailers participating in the Efficient Product CORE Programs are visited by circuit riders who help promote ENERGY STAR appliances and lighting by placing collateral materials in store and by training retail employees and customers about the features and benefits of ENERGY STAR qualified products. This service is contracted through the CORE program and has been provided since 2002 by Applied Proactive Technologies Inc. (APT) through contracts with the utilities. Mail-in and instant rebate redemption is done centrally for all utilities through EFI. The utility circuit rider updates displays and train sales staff of selling ENERGY STAR products. CORE program contractors recruit and retain participating stores and also process the rebates.

- A variety of market barriers exist ... that limit widespread sales and use of energy efficient heating, ventilating, and air conditioning equipment in residences<sup>3</sup>. A statewide, coordinated approach to HVAC market development could lead to more effective and less costly:
  - Contractor recruitment and outreach;
  - Contractor technical and sales training support;
  - Contractor collaborative marketing efforts;
  - Setting and managing customer expectations, particularly relative to the quality of installation and the relationship to home comfort and performance;
  - Benchmarking cost and savings;
  - Consistent evaluation, measurement, and verification; and
  - Enhanced offerings that include financing, advanced load controls, and others.
  
- HVAC services should support the ENERGY STAR brand, Consortium for Energy Efficiency (CEE) tiers, Air Conditioning Contractors of America (ACCA's) installation specifications and North American Technician Excellence (NATE) and Building Performance Institute (BPI) certifications for HVAC contractors.
- Coordinate with similar programs throughout the region to take advantage of economies of scale and to negotiate more effectively with other players in the residential markets.
- The technologies promoted should span all fuel types and HVAC equipment to include oil, gas, and wood high efficiency space heating and domestic hot water DHW equipment as well as high efficiency cooling equipment.
- Marketing should focus on educating the trade allies on the incentive program and available equipment. This would be done through a combination of in-person meetings, training, and mailed marketing packages. Given that many of the trade allies who sell and install heating and hot water equipment also install central air conditioning, a comprehensive and fuel neutral program structure would allow budgets to go further.
- Coordination with other programs including Home Performance with ENERGY STAR would also help increase program participation.
- **Adopt a contractor-driven sales approach:** One of the major barriers to homeowners taking out loans has been the lack of a streamlined process and a successful sales agent. In recent years, many states have significantly improved their participation rates by co-opting either a pre-approved set of contractors or using "energy advocates" to be a continual resource to the customer throughout the loan application process. Turn-around times of 24-48 hours for loan application approvals are now common. But encouraging a customer to invest in a project that would not otherwise be implemented through the enticement of low-cost financing requires a full initial sale through loan issuance. In states such as CT and MI, the loan programs have empowered a group of certified vendors to take on the sales role that would otherwise be done by a loan officer at a bank. Extensive training programs on sales techniques, as well as the requirements of Truth-in-Lending Laws, have enabled the contractors in the program to take significantly greater initiative than what was previously a common practice of simply leaving behind a loan application or brochure....

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<sup>3</sup> There are an estimated 592,000 housing units in New Hampshire with the majority ... having their own heating system. If the useful life of heating equipment is 15+ years that means about 30,000 units of heating equipment are replaced each year.

## Not specific to any one audience / market

### [Relating to CORE education programs, specifically:]

- The general goal of education programs is to **engage a range of market actors and address a variety of barriers across many markets.** This is done by establishing key partnerships with individuals, businesses, households, institutions, organizations, and communities engaged in activities that cross defined market boundaries.
  - An understanding of where education is most needed and a vision of how a particular mix of educational programs will advance the development of the efficiency market are paramount in determining what mix of educational programs are most likely to achieve the desired goals.
  - It could be beneficial for the utilities to **develop and report a clear vision for their educational programs** as a whole, as well as report clearly defined short-term and long-term goals for each educational program.
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- **The Energy Code** may be promoted through direct training of trade partners during workshops and classes and through brochures. Assisting with code compliance through a resource center creates opportunities to influence residential and business market actors. Directing customer inquiries to a highly trained and well qualified call-in center can also be helpful in:
    - Engaging in new construction projects early in the design process; Offering an opportunity to inform designers and builders of minimum energy standards, advancing their knowledge and skills, and encouraging practices that go beyond code.
    - Informing customers, design professionals, and trade allies about the direction of codes and standards development
    - Ensuring that efficiency providers have an excellent technical understanding of baseline building practices, to better develop savings estimates for advanced building practices.
    - Investing in Energy Code education is very important ... partnerships for the further development of the on-line training center, and the greater involvement of utilities as a central resource for energy code related questions could be investigated.

### [Relating to the marketing of Finance Programs]

- **Marketing and outreach [of financing programs] could be expanded:** Although there are a multitude of financing programs currently offered in New Hampshire, there appears to be limited information, education, and outreach about them and there is no single source of contact to learn more. Individual websites discuss individual program offerings, but there is no “one stop shopping” location where a customer can find information about all of the programs, and then proceed from there.
- ... financing cannot be offered in isolation – it addresses one of the potential barriers to investment in energy improvements, lack of capital to meet up-front costs. The most successful energy efficiency and sustainable energy approaches integrate finance directly into the program offerings, and use energy audits, education, and outreach to attract participants to the financing.
- Move towards standard auditing practices and state-wide certification standards for auditors.
- Evaluate marketing and outreach of programs: Current outreach and education methods are helpful, but not sufficient. The lack of coordination and consistency in messaging is confusing and it is unclear where to go for the most complete and up to date information on financing programs. Although anecdotal, requests for information by the study team found it challenging to find knowledgeable individuals at multiple utility programs through the customer service desk, and often concluded with being directed towards a website. Calls to local branches of a lending bank did not lead to bank employees with familiarity with the current lending program.
- It is important to emphasize that a small business loan program will be most successful when it emanates from first a comprehensive audit being performed. The contractor either directly or

indirectly involved with that audit can become a sales agent for the loan program. This has proven significantly more successful than relying on a small business to approach a variety of different programs on their own and attempt to “shop the best deal” from a changing array of programs.

- The ... data demonstrate that the perception [on the part of lenders] that [residential] energy loans carry an unacceptable level of risk is incorrect.
- Allow more time for programs to become effective. One of the largest hurdles BBBC is facing may be time. While residential customers may not be as slow to move as commercial, the sector still requires significant outreach and education to understand energy efficiency, the financing options, and the savings that are associated with comprehensive projects. Trust and credibility are crucially important characteristics of a finance program, and are difficult to effectively nurture in a one to two year timeframe.