



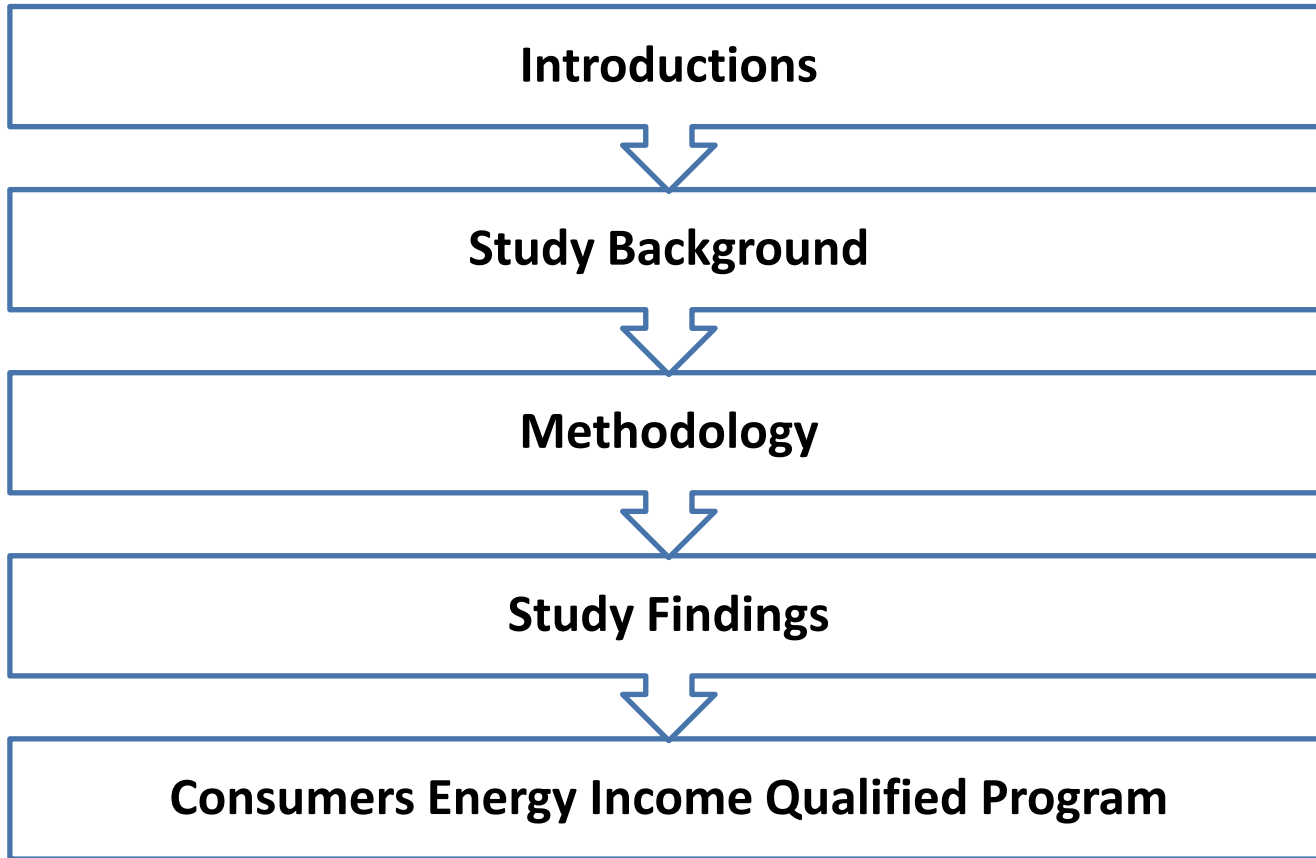
CADMUS



Shaking It Up: New and Nimble Designs for Low- and Moderate-Income Programs

June 22, 2015

Presentation Agenda



Introductions and Study Purpose



CADMUS

Michelle Kelly – Cadmus – Portland, OR



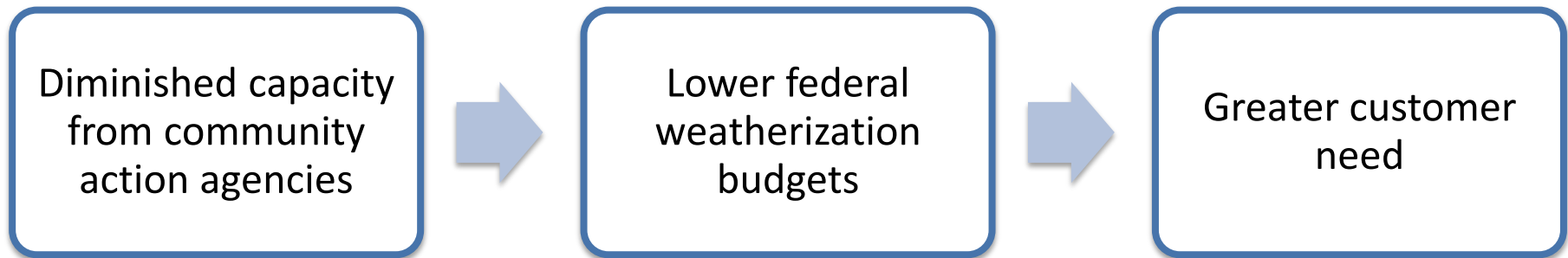
Consumers Energy

Chad Miller – Consumers Energy – Lansing, MI

Determine the strategies of utilities, nonprofits, state agencies, and other program administrators working to create inventive new program models that help alleviate energy poverty and expand the breadth and depth of energy savings



Following the Recovery Act and Clean Air Act → increased pressure on utilities and program administrators to establish energy efficiency as a resource and prepare for the future



Utilities and program administrators have responded to needs among lower-income energy-efficiency programs in a variety of ways

Cadmus conducted a best practices analysis of income-qualified sector program design and delivery methods



Benefits of Best Practice Research

Effective mechanism to quickly assess the strengths and opportunities of key programs

Focus finite program resources in the areas that are most likely to improve or even optimize program performance

Provides more nuanced insights related to participant engagement





Industry reports, publicly available program information, prior evaluations, and institutional knowledge



Interviewed program administrators and industry experts on best practices topics

Best Practice Metrics

- Innovative methods of serving customers
- High or highly cost-effective energy savings
- Identify or reach a population that has not been widely served in the past
- Assess the community need and offer complementary services
- Provide more comprehensive services/generate more comprehensive savings



Programs

Program Sponsor	State/Region	Literature Review	Interview
Ameren Missouri	Missouri	✓	✓
California CARES – CA IOU's	California	✓	
Community Energy Project	Oregon	✓	✓
Connecticut Power and Light Corporation for Enterprise Development	Connecticut	✓	✓
Emera Maine	Maine	✓	
Efficiency Vermont	Vermont	✓	✓
Focus on Energy	Wisconsin	✓	✓
Iowa Utilities Association	Iowa	✓	✓
National Center for Appropriate Technology (NCAT)	National	✓	✓
Massachusetts Program Administrators	Massachusetts	✓	✓
National Grid	Massachusetts	✓	✓
Northwest Energy Efficiency Alliance	Pacific Northwest	✓	✓
PacifiCorp	Pacific Northwest	✓	✓
Puget Sound Energy	Washington	✓	✓
The Rural Renewable Energy Alliance (RREAL)	Minnesota	✓	✓
R.J. Karg and Associates	National	✓	✓
Texas Investor-Owned Utilities	Texas	✓	
Xcel Energy	Colorado	✓	✓



Program Administrator Interviews



- Efficiency Vermont –
 - ACEEE exemplary program
 - Portfolio of IQ programs: SF, MF, MH
 - Coordinated approach with many other organizations



- Mass Save –
 - ACEEE exemplary program
 - Portfolio of low-income programs: SF, MF, Moderate Income



- Xcel Energy-
 - ACEEE exemplary program
 - Portfolio of IQ programs: SF, MF, Energy education



- Community Energy Project
 - Small non-profit providing small measure weatherization and training
 - High savings for dollars expended, very engaged in the community, outreach and marketing



Industry Expert Interviews

R.J. Karg Associates
ENERGY INFORMATION MANAGEMENT



- Rick Karg – Low-income weatherization trainer and technical expert. Has written technical standards and weatherization guides for: the Midwest, NM, ME, NH, ND, WV



- Sherry Vogel – manager of the LIHEAP Clearinghouse database which catalogues energy assistance and energy efficiency programs offered by states, utilities and the federal government.



Themes and Focus Areas

- Innovative program design models
- Successful program delivery strategies
- Proven marketing and outreach tactics
- Innovative or emerging technologies



INNOVATIVE PROGRAM DESIGNS

Portfolio Approach

Manufactured Homes Programs

Multifamily Programs

Customer DIY Installation Programs



Portfolio Approach

Offering a suite of low-income programs helps a broader range of customers and expands opportunities for energy savings

Serve Broader Population

- Targets market niches and customer sub-segments
- Opportunity to reach participants that may not participate in traditional program offerings

Meet Customer-Specific Needs

- Weatherization, energy education, energy efficiency kits
- Target both single family and multifamily customers

ACEEE Best Practice

- Customers have multiple opportunities to learn about and implement energy efficiency measures
- Program dollars are distributed equitably across the segment

Capture Deeper Savings

- Range of initiatives that reach as many low-income households as possible



Manufactured Home Programs

Duct Sealing Programs

- Offered in MI, WA
- PSE: Parks served all at once, coupled with small measure installations

Manufactured Home Replacements

- Offered in VT, MT, ME, AZ
- Long-term process
- Need to team with other funding sources
- Decommissioning of old houses



Moderate Income Programs

Programs have leveraged the Income Qualified infrastructure to offer highly cost-effective savings for a population unable to participate in traditional programs (60 – 100% AMI, 200-250% FPL)

Focus on Energy, WI

Higher incentive levels

Delivered through trade ally network

Alliant Energy, IA

Cost limit for household

Delivered through agency network

Efficient Neighborhoods, MA

Enhanced incentives for residential measures

Delivered through neighborhood sweeps



Multifamily Programs

There are opportunities to further serve this hard-to-reach population and generate significant energy savings with innovative services and additional measure offerings

Whole-Building Program

- Offered in MA, VT
- Team with other funding sources
- Comprehensive measures
- Agency or implementer approach

Enhanced In-Unit Upgrades

- Offered in MO
- Some non-traditional measures: replacement of older room AC, cleaning central AC
- High touch program
- Agency and implementer approach



Customer DIY Installation

Providing customers with education and tools to make energy efficient upgrades on their own provide cost-effective savings and promotes energy use awareness

Consumers Energy, MI

Energy kits and
classroom training

Training for small
and large
measures

Community Energy Project, OR

Weatherization
workshops

High participation
and community
interest

Energy Wise, IA

Energy kits and
energy education

Delivered through
community
agencies



SUCCESSFUL PROGRAM DELIVERY STRATEGIES

Pairing Energy Efficiency with Rate Assistance

Marketing and Outreach Tactics



Pairing Energy Efficiency with Rate Assistance

Provide access to otherwise hard-to-reach customers

Opportunity to leverage funding for bulk fuel customers

Consumers Energy, MI

CARE Pilot Program

Verify participant eligibility for weatherization services

California Alternate Rates for Energy

Fixed percentage reduction on monthly bills

Focus marketing to hard-to-reach populations

National Grid, MA

Rate assistance programs provide entry point for EE services to moderate-income customers

Partnerships with CAAs, affordable housing networks, and community development corporations



Marketing and Outreach Tactics

Word of Mouth

- Most participants learn of the program through a recommendation of friends or family

Strategic Partnerships

- ACEEE – “relationship building is important for improving overall program participation and that customers’ must see the partner organizations as trusted information sources and/or experts”

Overcome Language Barriers

- Provide information in simple language, and in multiple languages, with a minimum of technical information

Consistency in Program Offerings

- Information about new program opportunities take longer to spread in low-income communities
- Offer consistent programs for at least a couple of years - lead to increases in participation



INNOVATIVE TECHNOLOGIES

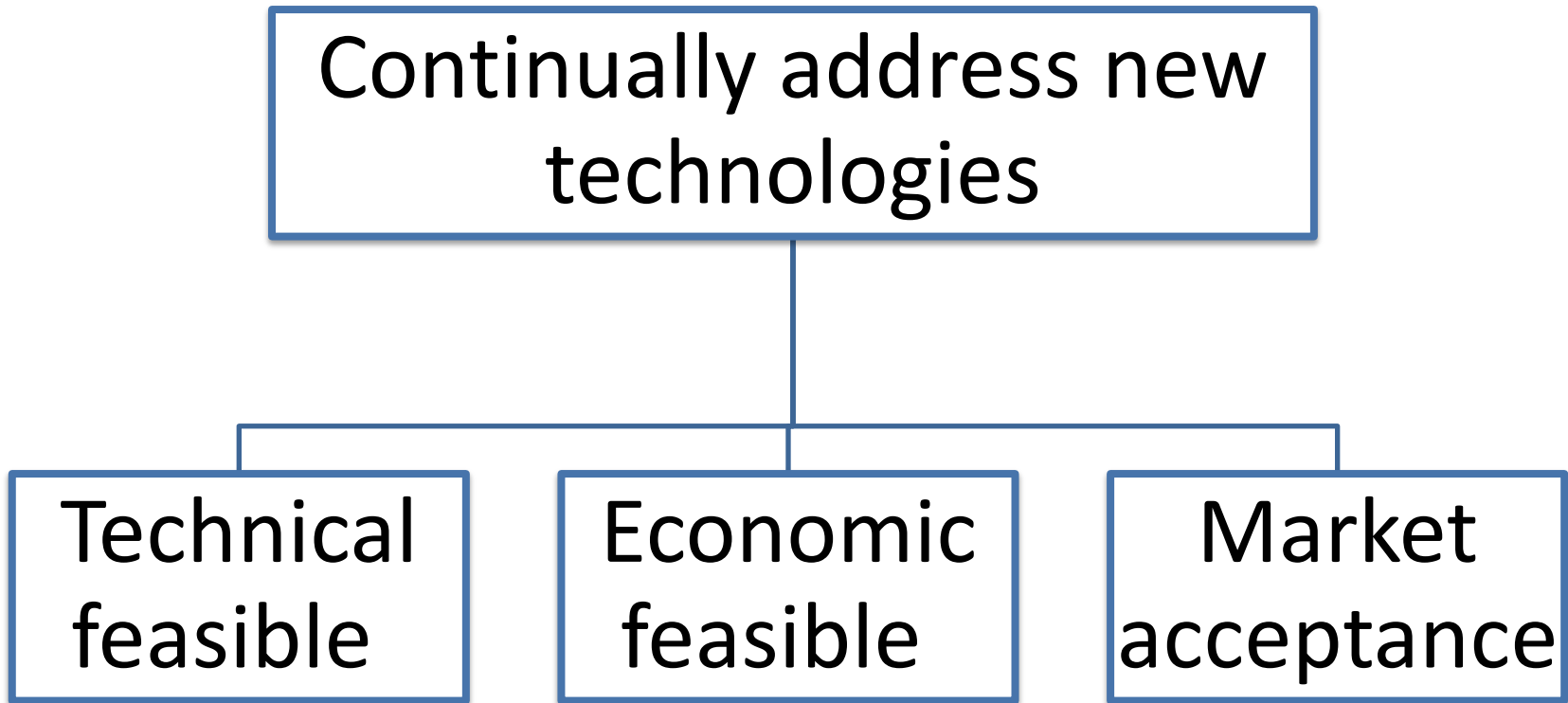
Ductless Heat Pumps

Room Air Conditioners

Solar Air Heat



Different emerging technologies will make sense for different regions, building types and utility capacity



Ductless Heat Pumps

- Offer significant savings over baseboard heat: 2,500 to 3,200 annual kWh found in Connecticut
- Currently popular retrofit for multifamily housing
- Can provide very efficient cooling; savings potential if replacing less efficient technologies



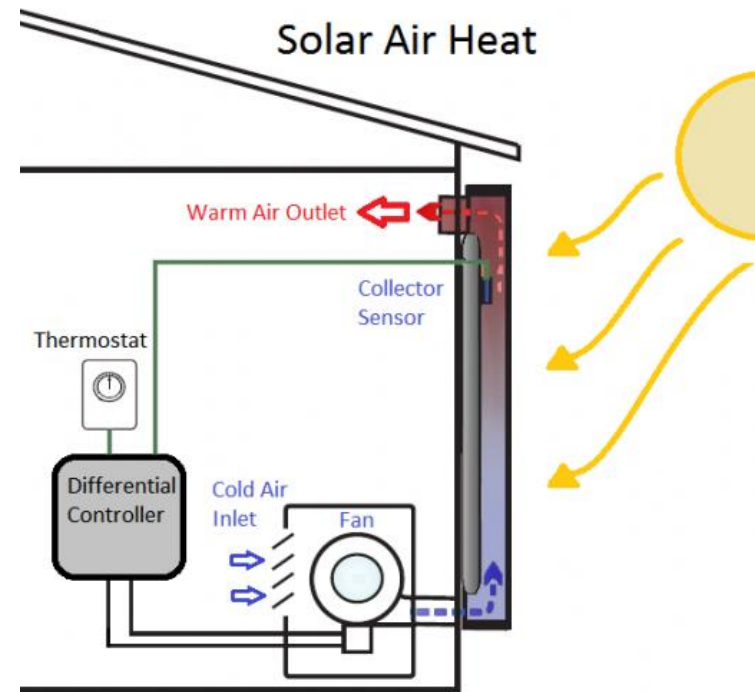
Room Air Conditioner Replacement

- Offered in Missouri in Multifamily, Ohio in Single Family
- RACs in IQ homes are often older and less efficient
- Often cooling larger spaces than rating
- High savings – 500 kWh per year



Solar Air Heat

- Rural Renewable Energy Alliance in Minnesota
- Appropriate for Northern states, rural locations
- High savings potential - 2,100 kWh
- Partnership opportunity



Pulling it all together

IQ programs aim to help as many households as possible

Understanding best practices will help each entity reach households in best possible way



Consumers Energy IQ Program

Program utilizes several design and delivery methods identified as best practices

Portfolio of Program Initiatives

- Serves single family and multifamily customers
- Manufactured homes – duct sealing

Strategic Partnerships

- Collaborate with local agencies

Pairs Energy Efficiency with Rate Assistance

- CARE program

Consistent Outreach Message through Program Branding

- Helping Neighbors



CONSUMERS ENERGY

Helping Neighbors Program

Income-Qualified Energy Efficiency Assistance



Chad D. Miller
Senior Program Manager
6/22/15

Consumers Energy

Count on Us

- **Multi-faceted program provides Consumers Energy with opportunities to touch multiple niche markets with a portfolio approach**
- **Deliver energy efficiency products, services and education**
 - No cost energy efficiency upgrades to Michigan households
 - Multifamily and Single family
 - Eligibility: At or below 200% FPL
- **2015 Program targets:**
 - 75,000 MCF | 3,800 MWh
 - \$11.6M

- **HIGHLIGHTS:**

- Customers served:
 - **2009:** 7,012
 - **2010:** 13,251
 - **2011:** 12,441
 - **2012:** 21,791
 - **2013:** 9,898
 - **2014:** 13,612
- Prescriptive approach to focus delivery of more impactful measures
- Improved customer experience through a multi-touch approach (*energy efficiency journey*) and education

- **BEST PRACTICES:**

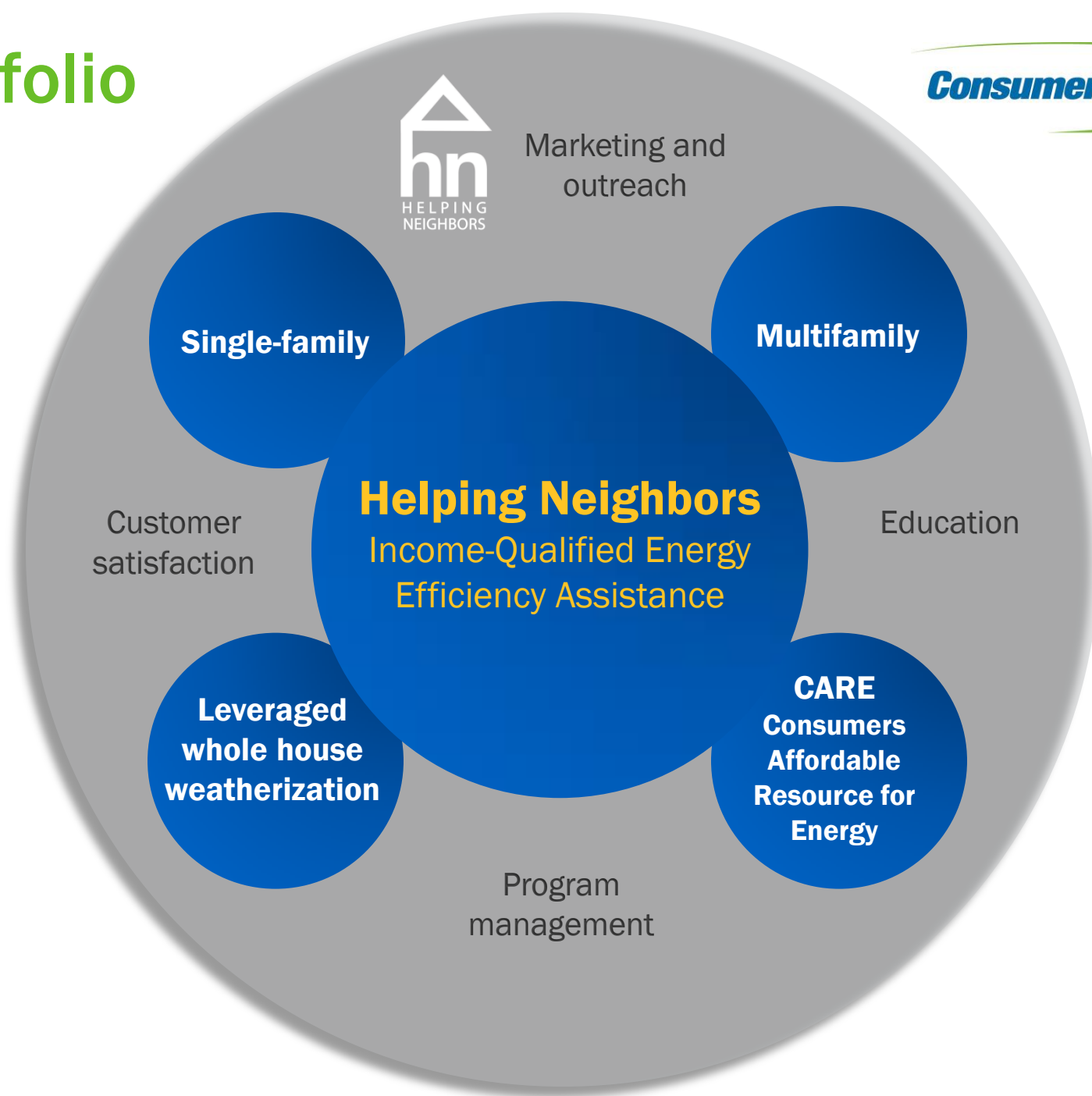
- Portfolio Approach
- Targeted marketing and high-involvement community outreach strategies
- Developed a unique brand identity for the program



Helping Neighbors began as a grass roots, targeted initiative in June 2011, but over the past two years has grown tremendously into the **equitable brand** as we know it today as a portfolio approach to meeting customer needs.

- *Nurtured relationships*
- *Built trust within the community*
- *Positive public relations*

Portfolio



- Turn-key solution providing energy efficiency to IQ multifamily sector
 - In-unit measure upgrades
 - Future opportunities:
 - Whole building and enhanced in-unit upgrades
- Market saturation continues to threaten the viability of current program design – **need to innovate**
 - Collaboration with market-rate rebate program
 - Maximizing cost-effectiveness on implementation
 - Ability to leverage established infrastructure and outreach model



SAVINGS THE ENTIRE COMMUNITY CAN GET BEHIND

The Consumers Energy Helping Neighbors Multifamily Program makes it easy for qualified properties and your tenants to be energy smart. We'll help you:

- Implement **FREE** energy efficiency upgrades
- Strengthen the community through energy efficiency education
- Promote sustainable behaviors
- Increase the quality and comfort of your properties

PRODUCTS AND SERVICES MAY INCLUDE:

- LED bulbs
- Water heater pipe wrap
- High efficiency showerheads
- Programmable thermostats
- High efficiency faucet aerators
- Furnace tune-ups

The Helping Neighbors Multifamily Program offers no-cost energy assistance to income-qualified communities. Contact us today to start saving energy!

(877) 448-9433
ConsumersHelpingNeighbors.com



To be eligible, at least 65% of property residents must be at or below 200% of federal poverty guidelines. Properties must be heated by Consumers Energy natural gas. Items available will vary based on existing equipment and building mechanical systems. Other energy efficiency programs may be available for alternative building types. Furnace tune-ups are contingent upon building mechanical system.



FREE

ENERGY EFFICIENCY PRODUCTS

The Helping Neighbors Program provides a wide range of energy saving measures and services, which may include:

- LED bulbs
- Furnace tune-up
- Air sealing
- High-efficiency showerhead
- Programmable thermostat
- Water heater pipe wrap

(877) 448-9433

ConsumersHelpingNeighbors.com

Households must meet income guidelines to qualify.

- Main initiative among the offerings within the Helping Neighbors portfolio:
 - **Phase one:** Entry point for customers (basic measures and services)
 - Water heating efficiency, lighting measures, and carbon monoxide testing
 - **Phase two:** Greater impact on energy efficiency through more comprehensive measures and services (based on home's qualification for more comprehensive services)
 - Phase one + blower-door testing, air sealing, insulation, furnace tune-ups, etc.
 - Energy education via online tool, leave behinds and dialogue with technicians
 - **Integrated marketing:** Media placements, direct marketing and outreach
- A la carte option for premium measures
 - Measures: Furnace replacements (95 – 98 percent) AFUE, refrigerator replacements, crawlspace insulation and duct sealing (15 percent reduction)
 - All costs paid by Program
- Energy Education (EASE)

Primary driver for Program customer satisfaction, which is maintained through an in-house team of technicians vs. contractors



Everyday Actions Save Energy

LOGIN ONLINE



CLIENT INTERFACE

Consumers Energy Count on Us EASE

Tell Us About Your Home Reset Profile Run Analysis

STEP 1 What is the location of your home?
48823 - East Lansing, MI

STEP 2 How big is your home?
Small House (500-1600 Sqft.) Medium House (1600-3500 Sqft.) Large House (3500-8000 Sqft.)

STEP 3 How many people live in your home?
Use the slider below to select the number of people in your home. Num. Occupants: 1

STEP 4 How much insulation do you have?
Don't Know Thick Insulation Some Insulation No Insulation

STEP 5 What type of heating and cooling system is in your home?
Electric Heat w/Central Air Electric Heat w/o Central Air Gas Furnace/Boiler w/Central Air

- Multi-tiered online platform providing energy education to influence long-term behavior modification
 - Reinforces learnings provided in customer report

- Collaboration between community action agencies and community organizations
 - Leverage public funds to reduce the cost burden
 - Supports ability to engage more qualified households
 - Expands lead generation through warm leads identified by participating agencies
 - Improves customer satisfaction by touching customers on long agency waitlists
 - Impacts growth on statewide infrastructure by building industry technical knowledge through energy efficiency training
- Builds statewide infrastructure in energy efficiency by supporting Program's participating agencies with technical training to improve their skills and energy efficiency knowledge
- Supports local economy by identifying projects for Program's participating agencies to keep and expand their work in Michigan



During ARRA

- Community Action Agency (CAA) network
 - Well-funded
 - Leveraged dollars
 - Substantial energy efficiency participation, including major weatherization projects
 - Benefits of an existing, trained workforce

Life After ARRA

- Limited funding
 - CAAs can no longer meet the demands of program needs
- Meeting the needs of a changing landscape
 - New program design - **HELPING NEIGHBORS**
 - Single-family initiative
 - Weatherization (HN & CAA model)
 - Multifamily initiative
 - Began expanding network of other non-profit organizations
 - Created opportunities to leverage funding categories outside ARRA

CARE Program



Customer Benefits

- Affordable payment program that provides long-term, proactive, and accountable assistance *before* crisis
- 40% bill credit each month
- Gradual past due balance forgiveness as a reward for regular payments
- Energy education and free in-home weatherization
- \$25 gift for completing energy home visit

Accomplishments

- \$15.7 million investment from state of Michigan
- More than 18,000+ customers enrolled
- Energy education offered to all participants
- 4,000+ (Up to 5,000) customers offered EE upgrades (*valued at \$5.1 million*)

Why this (portfolio approach) works?

38

- Comprehensive portfolio of initiatives
 - Responsive to market conditions
 - Tailored to customers needs
- Agency-quality marketing deployments governed by overarching strategic communications plan
 - Geotargeted placements to maximize costs and diminish waste
 - Media placements, direct marketing and collateral library
 - Campaigns are sized to fit current customer priorities (e.g., seasonal) and program goals
 - Drives equity, credibility and interest
 - Digital engagements to optimize customer engagement



RECEIVE NO-COST ENERGY EFFICIENCY PRODUCTS & SERVICES
Put some SPRING in your step with home energy savings!

Save more on your energy bill this spring with a no-cost energy assessment and free energy-saving measures for your home. Products or services you could receive at no-cost include:

- Air sealing
- Carbon monoxide testing
- High-efficiency showerhead
- Other products or services are available.

Call **877-448-9433** to schedule an appointment today.

USE OFFER CODE **SPRING TO SCHEDULE YOUR APPOINTMENT TODAY**

Income-Eligibility Guidelines

Number of Household Members	Maximum Income (200% of poverty level)
1	\$23,540
2	\$31,860
3	\$40,180
4	\$48,500
5	\$56,820
6	\$65,140
7	\$73,460
8	\$81,780

Add \$9,320 for each additional household member

Funding is limited. Call **877-448-9433** today to schedule your free appointment.

hn
Consumers Energy
Count on Us

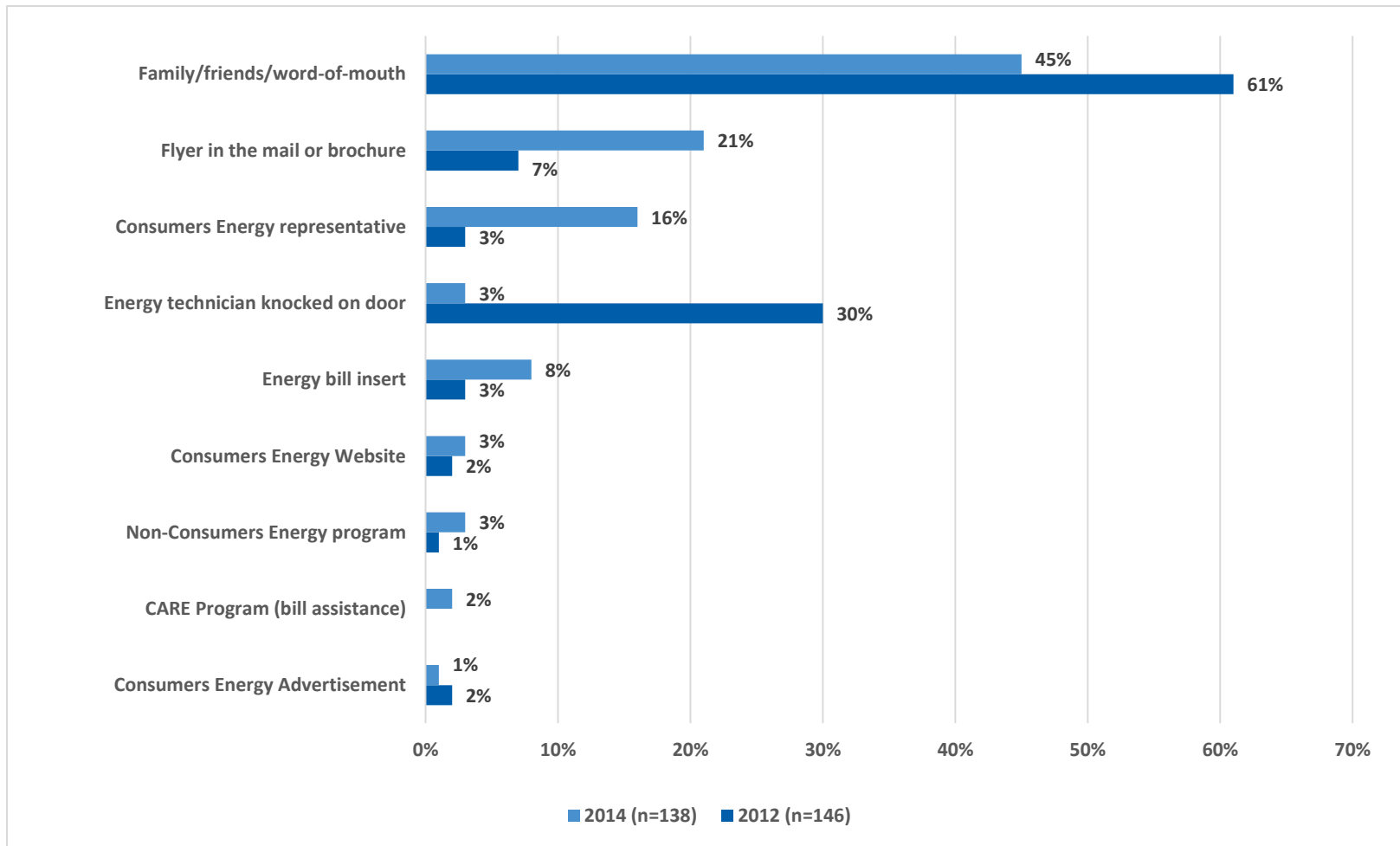
Spring direct mail

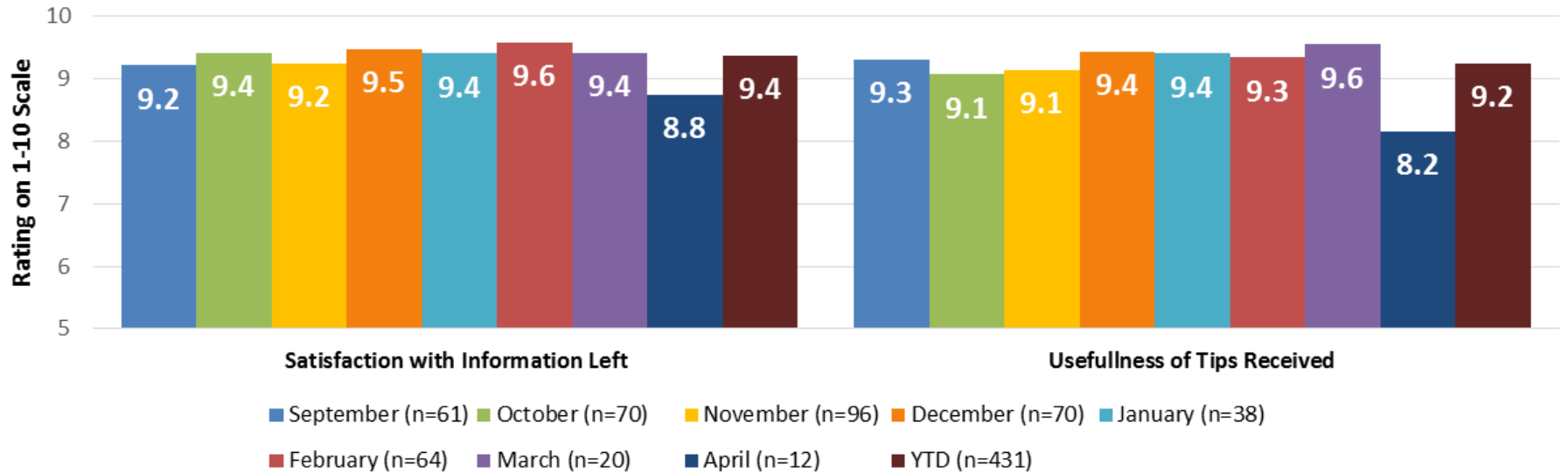


HELPING NEIGHBORS PROGRAM
FREE ENERGY EFFICIENCY PRODUCTS & SERVICES
(877) 448-9433

hn
Consumers Energy
Count on Us

Winter exterior bus ad





- **Website Refresh**
 - Self-scheduling
 - Agency Engagement Tool
 - Access to EASE (education)
 - Agency Requests
 - ◆ Presentations
 - ◆ Collateral
 - Agency Portal
 - Measure Reservations
 - Application Submittals
 - Electronic Application Processing
 - ◆ Status Updates

THANK YOU!



Consumers Energy

Count on Us

Contact information



Michelle Kelly

Michelle.Kelly@cadmusgroup.com



Chad Miller

Chad.D.Miller@cmsenergy.com



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