Small Commercial Program Insights

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Cape Light Compact Board Meeting
June 13, 2012
Why This Project

- The CLC Board wanted to know more
  - About our C&I customers
  - About their perceptions of CLC and our programs

- Our research question:

  *What should CLC do to increase engagement of the small C&I sector, given the specifics of the population on Cape Cod and Martha’s Vineyard?*

- Our primary solution: **Focus Groups**
Project Plan

1.0 Finalize work plan
• Kick-off meeting
• Work plan
• Communications protocols
• Staff and vendor interviews

2.0 Background Research
• CLC structure, market
• MA energy efficiency landscape

3.0 Customer Research
• Focus groups
• Follow-up
• Analysis

4.0 Best Practices
• Similar programs, geographic areas
• ACEEE scorecard
• NAPEE

5.0 Analysis & Synthesis
• Policy & regulation
• CLC data and markets
• Focus groups

6.0 Report
• Process
• Analysis
• Recommendations
## Background Research – The CLC Market

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Barnstable Cty. Employment</th>
<th>CLC Participant kWh</th>
<th>Statewide kWh Potential</th>
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</thead>
<tbody>
<tr>
<td>Hospitality</td>
<td>18%</td>
<td>26%</td>
<td>3%</td>
</tr>
<tr>
<td>Retail</td>
<td>20%</td>
<td>31%</td>
<td>13%</td>
</tr>
<tr>
<td>Office</td>
<td>18%</td>
<td>14%</td>
<td>38%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>19%</td>
<td>2%</td>
<td>16%</td>
</tr>
<tr>
<td>Government</td>
<td>N/A</td>
<td>14%</td>
<td>N/A</td>
</tr>
<tr>
<td>Other</td>
<td>25%</td>
<td>13%</td>
<td>30%</td>
</tr>
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</table>

21,000 commercial/industrial (CI) accounts
60% use the same or less than a large residential account
Only 225 accounts using over 500,000 kWh/year

Key industries: Retail, Hospitality, Healthcare, Government
Government/military generates 14% of CLC claimed savings
Remainder of state dominated by office building spaces
Focus Groups: Approach

- Three focus groups
  - Yarmouthport: focus → mid-size customers
  - Eastham: focus → small customers
  - Sandwich: focus → larger customers

- Mix of participants, non-participants, stakeholders/trade allies
Focus Groups: Guided Discussion

1. Equipment-related purchases and decision-making
2. Sources of funds for customer contribution
3. Other, non-monetary barriers
4. Operations and maintenance of equipment
5. Perception of what CLC offers
6. CLC outreach, communications, marketing
Focus Groups: Summary Results

Uniqueness
- Cape Cod is seasonal
- Cape Cod businesses are small
- Cape Cod businesses are of a different sectoral mix than the rest of Massachusetts

Economic Development
- Energy efficiency as a cost-cutter is recognized
- CLC programs are an opportunity to create jobs locally
- CLC programs could be a source of work for local trades

Accessibility/Complexity
- Perception of direct install vendor as the only path
- Some confusion about eligibility other than lighting and direct install
- Some lack of understanding of how to participate

Communication
- Some expressions of being "all alone"
- Observations of ongoing "language barrier" of energy efficiency jargon
- Perception of lack of coordination of programs
Focus Groups: Cape is Unique

Seasonality

- “Cape Cod seasonality is the issue; it affects all businesses with sort of a rotational trickle effect.”

Community

- “The Cape is a tight community; we help each other; we like to work with local people.”
Focus Groups: Communication and Outreach

- “(You) need to get the word out about the programs.”

- “The name tends to make people think of lighting, hence Cape ‘Light.’”

- “I went to website and couldn’t understand all the materials.”

- “Make it simple: we’ll help you pay for it, you’ll save money.”
Customers and research point to a well-run portfolio with good levels of satisfaction, however there are always risks and opportunities.
Conclusions/Recommendations

- **Policy**
  - Undertake further study of possible need/desire to seek specific policy/regulatory accommodations given CLC’s unique market

- **Program**
  - Package and market direct install by industry segment
  - Repackage and emphasize the custom path as an option
  - Develop an “express lighting” offering within direct install
  - Review internal data analysis and reporting capabilities

- **Marketing**
  - Invest in a CLC-specific strategic marketing plan
  - Continue enhancing the CLC web site
  - Increase engagement of trade, business and civic allies
Suggested Next Steps

- Initiate enhanced outreach and engagement of trade, business and civic allies
- Plan and execute development of a strategic marketing plan
- Prioritize other conclusions, recommendations and areas suggested for further study
- Establish timeline and plan for action
Contact Information

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Supplemental Material/
Further Reading
“Keep the money on the Cape. You should let the local trade allies become your sales team and spread the word about the programs.”
Focus Groups: Access and Complexity

“You should have information about what to expect when going through the programs with things like timelines, conditions processes and even who will come to the door.”

“It comes down to money, time, aesthetics, complexity (of the work) and disruption of my business.”

“The programs should do better job of referring to other programs to get full spectrum of offerings.”
Best Practices

  - Focus on Markets
  - Leverage
  - Don’t “reinvent the wheel”