

ARRA: EVALUATION OF SOUTHEAST EECBG FINANCING PROGRAM AND SEEA RETROFIT

Deliverable #1

October 4, 2010

The federal government has made a significant investment in energy efficiency program development. To what degree these programs will be successful has yet to be seen, but the potential for success is there. This is assuming the necessary steps are taken to establish strong sustainable programs. Grant recipients face a challenge in allocating their resources and stimulus funding most effectively across a wide range of programmatic choices and the criteria used to evaluate their programmatic choices are equally important. Often times policy is developed using poorly specified questions, usually delivered in vague and ambiguous terms by superiors who themselves are not always sure what the right question is. Finding the appropriate tool to apply to these program designs to improve the organizational choices will be important to the long term success of the program development. Some of these tools include how well they address the economic barriers, use the resources at their disposal, and understand and address local needs.

One issue that has been brought to light as the communities determine how to allocate their funds is a clear understanding of the linkages between program goals and the selected activities to meet those goals. Many of the programs are pursuing activities such as home energy audit rebates or neighborhood competitions without a clear articulation of how the activity will allow the program to successfully meet its targets. Couple that with pressure from the DOE to meet their objectives of “spent” dollars and job creation makes it difficult for program administrators to take a step back and understand what their overall objectives are. Sometimes this is due to a lack of understanding by the program administrators about the market they are trying to impact.

Understanding the attitudes, beliefs and values of the overall market for energy efficiency can guide program design to successfully achieve the program’s goals. Incomplete knowledge about the consumer behavior could kill a program before it even gets off the ground. Interestingly, understanding consumer behavior impacts all aspects of a successful energy efficiency program, from the strategies to marketing, to mitigating financial risk, to meeting environmental impact goals. It can also help inform policymakers and planners in long term behavior modification strategies. It is unlikely that the average home owner understands the full implications of their daily behaviors on their energy consumption. Energy consumption is derived from and influenced by the individuals that compose the household, as well as the physical characteristics of the house and equipment stock, environmental variables, social

factors, and economic conditions. Current energy conservation programs and policies range from information programs, to energy efficient appliance rebates, to regulations, to energy-price increases. From the perspective of policy-makers, a major consideration in the evaluation of energy efficient program alternatives is an assessment of the probable magnitude of energy savings. This includes consideration of both potential energy savings in a technical sense and probable energy savings in a behavioral sense. This drives the concerns over uncertainty and risk of many individuals who are designing and investing in these programs.

However before these programs can be evaluated, we must understand the characteristics of the consumers who are participating in and benefiting from these energy efficient retrofits from the very beginning. SEEA will focus some of its funds to the establishment and administration of a consistent survey to be administered in all of its communities. The initial survey would be applicable to all individual consumers in all markets because the focus would be on general attitudes and understanding of energy efficiency. This data will allow a better understanding of the variations of consumers in communities as well as paint a picture of the overall consumer attitude in the southeast. This data can then be used to draw links back to the program designs that have been established by the LEAs. Predictions can be made to the effectiveness of the programs based on the LEAs ability to address the consumer's needs. Other variables can be evaluated. For example, how do the various organizational structures serve their communities? Are there any conclusions that can be drawn based on the structural differences between municipal, nonprofit or utility run programs? Are there any potentials or limitations to the different administering organizations?

New Orleans has decided to allocate a portion of its grant to develop a survey that will measure the following:

- Measure understanding of the terms “energy efficiency” and “weatherization”
- Measure unaided and aided awareness of energy efficiency and weatherization programs
- Measure the likelihood to participate in energy efficiency and weatherization programs
- Measure importance of various benefits of energy efficiency and weatherization programs such as cost savings through rebates, cost savings through affordable loans, increased comfort, reduced pollution, reduced greenhouse gas emissions, reduced reliance on foreign oil
- Identify drivers of interest in participating in energy efficiency and weatherization programs
- Measure barriers to participating in energy efficiency and weatherization programs
- Measure knowledge of the availability of energy efficient products/appliances

The survey will be used to develop a marketing strategy that will better impact the various market segments within the city. The hope is to then use that survey to evaluate the residents of other grant cities. Using the data collected from the various cities will allow policy makers to

accurately characterize the Southeast, which has yet to be done. Also, make more informed decisions about how to allocate resources.