



Xcel Energy - Colorado 2019 DSM Evaluation Findings



PRESENTATION
TO COLORADO
ROUNDTABLE

February 12, 2020



2019 EVALUATIONS

1 Heating Efficiency

2 Single Family Weatherization

3 Motors and Drives

4 Lighting Net-to-Gross Follow-up Research

RESEARCH METHODS

| Primary Research Objectives | Participant Interviews (n=10) | Trade Partner Interviews (n=10) | Peer Benchmarking (n=4) |
|--|----------------------------------|------------------------------------|----------------------------|
| Analyze customer and trade partner experiences and satisfaction with the product | X | X | |
| Identify barriers to participation | X | X | |
| Identify opportunities to improve application process | X | X | |
| Identify methods to better engage trade partners | | X | X |
| Identify opportunities to expand to new markets | | | X |

KEY FINDINGS

- Trade partners' familiarity with the product was low.
- Xcel Energy staff highly rated, but also some miscommunication.
- Trade partners reluctant to recommend rebate-eligible equipment, and participants reported difficulties finding qualified trade partners.
- Customers investigated rebate opportunities *after* deciding which equipment to purchase.
- Customers and trade partners used paper applications instead of online form.
- Peer programs offered a wider variety of gas savings measures.
- Forecasting product energy savings was challenging.

RECOMMENDATIONS

- Increase marketing to trade partners who participated more than once
- Increase training and support for training
 - Product requirements and eligibility (*Xcel Energy sales staff*)
 - Support increasing product and equipment awareness (*trade partners*)
 - How to use online application forms (*trade partners and customers*)
- Adjust incentives to encourage mid-level efficiency boilers vs. lower-level ones.
- Increase web presence of Xcel Energy rebates on search engines.
- Examine how to make online application forms easier to complete.
- Assess feasibility of adding measures.
- Improve data management practices relating to documentation of early project stages in Salesforce.



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RESEARCH METHODS

| Primary Research Objectives | Participant Surveys (n=71) | Peer program benchmarking (n=5) |
|---|----------------------------|---------------------------------|
| Identify new marketing and outreach methods | X | X |
| Identify barriers and motivations | X | |
| Identify opportunities to improve the customer feedback process. | X | |
| Identify opportunities to increase the efficiency of data collection. | | X |
| Identify whether peer utilities include product in DSM portfolio and strive to be cost-effective. | | X |
| Identify whether peer utility programs have a low-income market rate and how they track it. | | X |

KEY FINDINGS

- Marketing is key to recruitment
 - Word-of-mouth and neighborhood-focused strategies
 - Availability of product information would motivate more word-of-mouth
 - Distrust is a key barrier to participation.
- High satisfaction with product and interactions with representatives.
 - Most dissatisfied with how to reach representatives and energy education received.
- Half of respondents reported either signing an energy pledge or receiving energy education.
- Customers would like:
 - More information about and accessibility of product processes.
 - More education on how to save energy and use their new equipment.
 - A timely, easy to complete survey to make providing feedback easier on the customer.

RECOMMENDATIONS

- Increase/improve marketing and outreach and trust within communities.
 - Help customers market the product to their communities.
 - Set neighborhood goals.
 - Offer a referral bonus.
 - Use spatial (GIS) analysis to focus marketing strategy.
 - Explore adding an addendum preventing increased rent due to product installations.
- Set clearer expectations on product processes.
 - Easy-to-locate contact information.
 - Materials that are accessible to diverse abilities and languages.
 - Educational slide show
- Expand energy pledge activity.
- Consistently offer a short feedback survey that takes minimal effort to give and fill out (e.g. via text)



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RESEARCH METHODS

| Primary Research Objectives | Participant Survey (n=60) | Participant Interviews (n=5) | Near-Participant Survey (n=18) | Trade Partner Interviews (n=14) |
|--|------------------------------|---------------------------------|-----------------------------------|------------------------------------|
| Estimate a NTG ratio documenting the product's influence on customers' decisions. | X | X | X | X |
| Identify major drivers of free ridership. | X | X | | |
| Assess market effects of the Motor & Drive Efficiency Product. | | | | X |
| Understand customer and trade partner satisfaction and experience with the product and with Xcel Energy as an energy provider. | X | | X | X |
| Assess customer and trade partner awareness and perceptions of motors and drives technologies. | X | | | X |
| Characterize key barriers in the customer decision-making process related to motor and drive purchases. | | | X | X |
| Assess trade partner experiences. | | | | X |
| Assess trade partner interest in incentives. | | | | X |
| Assess interest in additional customer incentives vs. financing. | | | X | |

KEY FINDINGS

- Retrospective NTGR: 0.81 for kWh; 0.83 for kW.
 - Influence is driven by rebate, interactions with Xcel Energy, and trade partners.
- Customers reported:
 - High satisfaction with trade partners,
 - Xcel Energy marketing and tools and trade partners influenced decision to participate, and
 - Application paperwork was most challenging product barrier.
- High satisfaction of trade partner manager; valued relationship
- Account managers/BSC educated customers but sometimes led customers to investigate rebate opportunities *after* deciding which equipment to purchase.
- Near-participant survey respondents had inaccurate Salesforce participation records.

RECOMMENDATIONS

- Use the retrospective NTGR of 0.81 for kWh and 0.83 for kW for the prospective NTGR.
- Provide trade partners additional trainings in marketing and tools
 - Simple payback calculator
 - Online application
- Invest in support for trade partner manager activities.
 - Wider range of trade partners and increased participation
- Continue training for account managers and BSC representatives to mitigate free-ridership.
- Ensure transitions between account representatives are smooth and complete.



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FOLLOW-UP KEY FINDINGS & RECOMMENDATIONS

In 2018, the evaluation team completed a comprehensive evaluation of this product and recommended that Xcel Energy complete additional research in 2019 specifically on NTG.

- Accelerates adoption of LED light fixture and retrofit kits; greater impact on sales volume than market share.
 - Adopt a 2020 NTGR of 0.73 for downstream measures.
 - Continue to evaluate changes in the volume of LEDs sold with/without the Product.
- Trade partners are responsive to incentive offerings, allowing targeting.
 - Continue to consider greatest benefit to product and set incentive levels accordingly.
- Downstream rebates have limited impact on maintenance installations; recent shift to midstream incentives may be more effective.
 - Ensure products frequently installed as maintenance measures are included in the midstream product.