Xcel Energy - Colorado
2019 DSM Evaluation Findings

PRESENTATION TO COLORADO ROUNDTABLE
February 12, 2020
2019 EVALUATIONS

Heating Efficiency

1. Single Family Weatherization
2. Motors and Drives
3. Lighting Net-to-Gross Follow-up Research
## RESEARCH METHODS

<table>
<thead>
<tr>
<th>Primary Research Objectives</th>
<th>Participant Interviews (n=10)</th>
<th>Trade Partner Interviews (n=10)</th>
<th>Peer Benchmarking (n=4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analyze customer and trade partner experiences and satisfaction with the product</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Identify barriers to participation</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Identify opportunities to improve application process</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Identify methods to better engage trade partners</td>
<td></td>
<td>X</td>
<td>X</td>
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<tr>
<td>Identify opportunities to expand to new markets</td>
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</table>
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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<table>
<thead>
<tr>
<th>Primary Research Objectives</th>
<th>Participant Surveys (n=71)</th>
<th>Peer program benchmarking (n=5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify new marketing and outreach methods</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Identify barriers and motivations</td>
<td>X</td>
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<tr>
<td>Identify opportunities to improve the customer feedback process.</td>
<td></td>
<td>X</td>
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<tr>
<td>Identify opportunities to increase the efficiency of data collection.</td>
<td></td>
<td>X</td>
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<tr>
<td>Identify whether peer utilities include product in DSM portfolio and strive to be cost-effective.</td>
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<tr>
<td>Identify whether peer utility programs have a low-income market rate and how they track it.</td>
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<td>X</td>
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</tbody>
</table>
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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<tr>
<th>Primary Research Objectives</th>
<th>Participant Survey (n=60)</th>
<th>Participant Interviews (n=5)</th>
<th>Near-Participant Survey (n=18)</th>
<th>Trade Partner Interviews (n=14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimate a NTG ratio documenting the product’s influence on customers’ decisions.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Identify major drivers of free ridership.</td>
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<td>X</td>
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<tr>
<td>Assess market effects of the Motor &amp; Drive Efficiency Product.</td>
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<td>X</td>
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<tr>
<td>Understand customer and trade partner satisfaction and experience with the product and with Xcel Energy as an energy provider.</td>
<td>X</td>
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<td>X</td>
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</tr>
<tr>
<td>Assess customer and trade partner awareness and perceptions of motors and drives technologies.</td>
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<tr>
<td>Characterize key barriers in the customer decision-making process related to motor and drive purchases.</td>
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<td>X</td>
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<tr>
<td>Assess trade partner experiences.</td>
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<td>X</td>
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<tr>
<td>Assess trade partner interest in incentives.</td>
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<tr>
<td>Assess interest in additional customer incentives vs. financing.</td>
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</table>
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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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.