

ee|at work

Where electric efficiency and efficient regulation meet.

Energy efficiency (EE) programs have a long record of achieving energy savings. But despite this and despite the recent expansions of EE efforts nationwide, there is a large and persistent gap between potential and achieved savings. How can we close the gap and improve the reach of EE programs?

A promising strategy is social marketing—engaging communities and existing social groups and organizations in the design and implementation of EE programs. Such community-based approaches have the potential to significantly increase EE market penetration rates, extending EE programs to customers who traditionally have been difficult to serve and improving the end-user's ability to capture savings.

One such program is Progress Energy's Neighborhood Energy Saver (NES) Program, whose motto is "changing communities one block at a time." Progress Energy developed NES in Florida in 2006 as an outgrowth of the company's low-income weatherization program. After a few years of using a traditional home weatherization retrofit program, according to NES program manager Melvin Philpot, the utility began looking for ways to increase participation among low-income customers.

The Challenges

The NES program focuses on low-income neighborhoods—it's an in-home, one-stop program that is completed with no out-of-pocket cost to the participants. To this end, using census block data, Progress Energy selects neighborhoods ranging in size from 500 to 1,500 residences that have high concentrations of residents below the poverty line. Over the course of 8-12 weeks, depending on neighborhood size, program contractors and energy auditors go street-by-street and door-to-door in selected neighborhoods, conducting energy surveys and installing a suite of simple low-cost, high-impact efficiency measures in participants' homes. These measures include compact fluorescent light bulbs, new furnace air filters, caulking, weather-stripping, low-flow showerheads, water aerators, water heater wraps, and refrigerator-coil cleaning. As part of the effort, program contractors educate customers about their energy use and demonstrate no-cost techniques to be more energy efficient.

The key innovation of NES is the way the program reaches customers. Community outreach drives the implementation strategy, and the program focuses on all residents in target neighborhoods. But, the first step in implementing it is to identify and gain the support and participation of key local leaders in government, civic, and community life—for example, city councilmen, church leaders, and community service organizations—for energy education and informa-

THE INNOVATION IS IN THE OUTREACH

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tion sessions. In this way, Progress Energy increases awareness about the NES program and energy conservation in general. These community influencers in turn provide grassroots support for the program by communicating about the opportunities for energy savings through the program to their congregations and constituencies, harnessing

the power of existing community networks. This leads to dramatically increased program participation rates.

In addition to enlisting local leaders, NES conducts a multi-stage notification campaign to inform residents in a particular community about the program—the campaign begins three weeks before contractors enter the neighborhood and ends with a last-chance notification a few days before the installation and education teams leave the area. The campaign also includes a public kick-off dinner to which all community residents are invited, with the local leaders as key

participants. According to Progress Energy's manager of retail strategy Chris Edge, serving a free meal and bringing in community leaders has proven to be a significant driver of program participation, and has been a key opportunity to engage the community.

The Takeaways

Although the program includes typical weatherization measures, the focus on neighborhoods and community-based marketing has produced remarkable results, with average participation rates above 70 percent. As an example, in a recently targeted neighborhood in Asheville, NC, over 80 percent of the eligible residents participated in the program. Participants in this community will save around \$95 per year on their electric bills, reducing their usage by an estimated 928 kilowatt-hours on average—an annual energy savings in the range of 6-8 percent. In this traditionally difficult-to-reach market segment, NES is a smashing success.

A big benefit of NES's neighborhood approach is its scalability. Progress Energy has identified neighborhoods throughout its service territory that meet the target demographics and geographical densities, and expects to deliver the program to approximately 45,000 additional customers over the next five years. The company has committed to the program long term and will continue to deliver on the Neighborhood Energy Saver program's motto by "changing communities one block at a time."



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