

Conception, Care and Feeding of a Lighting Trade Ally Network in Oregon

Greg Stiles, Energy Trust of Oregon, Inc., Portland, OR
Leana Mathews, Energy Trust of Oregon, Inc., Portland, OR
Roger Spring, Evergreen Consulting Group, Portland, OR

ABSTRACT

This paper describes the sales channels, feedback mechanism and energy efficiency measures Energy Trust used to develop, launch, expand and evolve a comprehensive lighting trade ally network for commercial markets. Developed over six years the lighting trade ally network is used to acquire large volumes of cost-effective kilowatt hour energy savings from lighting and lighting control projects.

After examining market potential for lighting energy savings and leverage points, efforts were focused on enabling local lighting companies, electricians, electrical distributors and others to partner with Energy Trust to successfully market program benefits to their end-use customers. A lighting trade ally network was developed to acquire cost-effective electric savings by providing exceptional and consistent support of the lighting trades. Lighting analysis tools, trainings, financial incentives, streamlined paperwork and dedicated support for high performing trade allies all motivate market actors to sell and complete energy efficient lighting projects.

Extremely successful, the lighting trade ally network has grown from a dozen to over 126 companies in six years. Supporting and nurturing a lighting trade ally network has worked, acquiring large volumes of kilowatt hour savings – over 102 million kWh in the last six years through nearly 1,700 projects throughout the state at a very low administrative cost.

The approach used is a model for other state, utility and public purpose fund programs for establishing and nurturing a trade ally based sales channel.

INTRODUCTION

Energy Trust of Oregon, Inc., is an independent nonprofit organization dedicated to energy efficiency and renewable energy development. The Energy Trust mission is to change how Oregonians produce and use energy by investing in efficient technologies and renewable resources that save dollars and protect the environment. Serving Oregon customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas, Energy Trust operates energy efficiency and renewable energy resource acquisition programs in the residential, commercial and industrial sectors.

As Energy Trust started operation in 2002 it targeted commercial lighting savings as a source of low-cost energy savings. Commercial lighting accounts for 21% of all energy used in commercial buildings and 38% of electric energy use (Energy Information Administration 2008). A lighting trade ally network was established as part of the Energy Trust Existing Buildings program to capture lighting savings. To acquire cost-effective electric and natural gas savings the Existing Buildings program provides financial incentives and technical assistance for high-efficiency equipment and energy efficient operating practices in existing commercial facilities. The Existing Buildings program and lighting trade ally network were launched in 2003. From the beginning, savings from lighting projects submitted by

the lighting trade ally network have been a significant source of kilowatt-hours savings, contributing on average 54% of the savings each for the Existing Buildings program.

Lighting Trade Ally Network

In developing a lighting trade ally network Energy Trust leveraged an existing lighting trade ally network for lighting contractors developed in 1995 by Pacific Power. In 2002 Energy Trust was established and given the responsibility of implementing energy efficiency programs for Oregon customers of Pacific Power and Portland General Electric. Energy Trust adopted and expanded Pacific Power's lighting trade ally network. Pacific Power serves approximately 31% of Oregon's electric load and Portland General Electric serves 40% (Oregon Department of Energy 2008). The expanded lighting trade ally network grew to cover 71% of the state.

Pacific Power established the lighting trade ally network using a subcontractor, Evergreen Consulting. Through a competitive bid to design and implement a commercial retrofit energy efficiency program Energy Trust hired Lockheed Martin which included Evergreen as a subcontractor. By continuing to use Evergreen, Energy Trust was able to rapidly expand and refine the lighting trade ally network given the familiarity and positive relationship the allies had with the previous lighting network.

The Energy Trust lighting trade ally network is an officially recognized group of electricians, lighting contractors, lighting equipment distributors and lighting equipment manufacturers. It is a mix of sole proprietors, small companies and large multi-state operations providing lighting services throughout the state. Some companies only operate in a small geographic area while others cover the entire state of Oregon. Some companies provide full-time lighting services, mainly based in the Portland metropolitan area, while other companies in smaller communities tend to do lighting as a side business to their main electrical work.

To be an approved lighting trade ally, each company must complete and submit a lighting trade ally application to Energy Trust. The applications are reviewed to assure companies have the requisite experience to promote Energy Trust programs and adequately install recommended lighting equipment. Customer references are required and checked to confirm customer perception of professionalism and overall satisfaction. Approved allies must meet Energy Trust insurance requirements and State of Oregon contractor licensing requirements. To maintain an active status in the network, each ally must complete at least one Energy Trust lighting project a year.

Energy Trust Trade Ally Network

The Energy Trust trade ally network is built around a strategy of leveraging market based skills, talents and existing sales channels to sell and install energy efficient and renewable energy equipment. The Energy Trust has found unique and innovative ways to create business to business relationships that benefit the customer, trade ally and Energy Trust. Trade allies can increase their business and sales through exposure within the network and by knowing specifically about Energy Trust opportunities for their customers.

Energy Trust provides strong support for trade allies through ongoing two-way communication and program coordination. Two-way communication allows trade allies to mold, shape and promote Energy Trust programs. This nurtured relationship is a vitally important strategy for achieving cost-effective energy savings as trade allies bring in up to 70% of the completed energy efficiency and renewable energy projects.

The trade ally network consists of over 1,482 contractors, distributors, manufacturers, engineers, and other professionals from throughout the Pacific Northwest who work directly with Energy Trust and customers to leverage Energy Trust incentives and programs to sell and install energy efficient and renewable energy systems and equipment. The trade ally network consists of trade allies providing a multitude of services to residential, commercial and industrial electric and natural gas customers throughout the state.

Energy Trust developed and maintains a comprehensive online trade ally directory and website which has a profile for each approved company that shows their services, specialties, certifications, and service regions in Oregon. The services and specialties of commercial trade allies are shown in Table 1. Energy Trust programs refer participants to this list to find trade allies. The website provides an opportunity for trade ally exposure, business leads and publicity.

Table 1, Services and Specialties Offered by Energy Trust Trade Allies

Services	Specialties
Building Design	Air-Compressors
Commissioning	HVAC - Boilers
Compressed Air Systems	HVAC - Controls
Energy Analysis	HVAC - Electric
Foodservice Equipment	HVAC - Gas
Grocery	HVAC – Radiant Heat
HVAC	Heat Pumps
Insulation	Lighting & Controls
Lighting	Premium Motors
Natural Gas Equipment	Refrigeration
Plumbing	Tankless Water Heaters
Windows	Other
Other	

During the past year the trade ally enrollment process was centralized so trade allies could participate across residential, commercial, industrial and renewable energy programs with less confusion and without having to apply to each program separately. Insurance requirements were standardized and centralized to protect Energy Trust and to provide one standard level across all programs. Trade allies now sign an initial agreement which lists all the programs the trade ally is applying for and then fills out a program specific application for each program. Verification of insurance certifications and licensing is now managed by Energy Trust instead of by several contractors responsible for program implementation in specific markets. By unifying and centralizing the process, all trade allies go through a consistent process. All trade allies must meet standard requirements to participate in the trade ally network to promote Energy Trust programs and to receive trade ally benefits.

Each commercial trade ally is required to carry occurrence based commercial general liability insurance that needs to list Energy Trust as an additional insured on the policy. Listed as an additional insured Energy Trust is notified of any changes or cancellations within the policy. The insurance policy must have limits of at least \$1 million per occurrence and \$1 million for the general aggregate. Energy Trust requires a copy of current state-required workers compensation certificate, unless the trade ally is a sole proprietorship with no employees and is exempt. The insurance certificates must stay current and trade allies are required to provide updated copies as they expire.

All trade ally contractors are required to provide their Oregon Construction Contractor Board license number. The license number is checked on a monthly basis on the Construction Contractor Board website for any suspensions, penalties, expirations, or disciplinary actions. If their status becomes inactive with the CCB, then the trade ally is given a phone call, they are removed from our website, and listed as out of compliance in our database until their status is reactivated. Each company's status with the Oregon Business Registry Database is verified to ensure each company is registered and current to do business within the state.

STRATEGY

Energy Trust uses a strategy of working closely with local businesses to build and support market capabilities for delivering energy efficiency services and equipment. Energy Trust leverages existing relationships between trade allies and customers in all sectors and programs to complete energy efficiency and renewable energy projects. This approach is especially effective for lighting projects. Tapping into existing relationships between businesses and their customers is critical for maximizing the number of completed energy efficient lighting projects statewide.

Four core values are used to shape the strategy for building and refining the lighting trade ally network and lighting program. The values target the needs of the trade allies and the customers they serve. The four core values used to shape the lighting trade ally network are: 1) keep it simple, 2) consistent and timely communication, 3) develop long term, meaningful and valued relationships and 4) work at business speed. These core values are incorporated into the design, development and implementation of the lighting trade ally network and lighting program.

Keep It Simple

The Energy Trust lighting program is designed to be extremely simple. All program descriptions, processes, incentives, application forms and inspection protocols are written in "non-engineer" language. Handout materials are designed to be no more than one page. Application forms have been digitized and streamlined. The aim is to keep forms and processes simple, short and straightforward.

A Microsoft Excel workbook has been developed, integrating a project application, lighting analysis, financial analysis, sales letter and incentive estimate. This lighting tool is used by trade allies to make sales to prospective program participants. The tool includes numerous features to save time such as drop down menus and auto-population of repeated information. The financial analysis in the lighting tool estimates energy dollar savings, Energy Trust incentives and state tax credits. The sales letter is an Energy Trust branded one page financial analysis for the trade allies to share with customers to show estimated energy cost savings and simple financial payback. The lighting analysis includes drop down menus of existing and proposed fixture descriptions which automatically fill cells with prescribed fixture wattages, annual operating hours based on inputs for daily hours of use and estimated kWh savings based on the quantities of fixtures being proposed. The lighting analysis is flexible allowing fixture wattages to be adjusted by trade allies or program staff and custom fixture applications are easily included in the tool as well. The lighting tool also incorporates an application for the Oregon Department of Energy's Business Energy Tax Credit (BETC) program which is auto-populated with data from the workbook.

The process of accepting, reviewing and approving trade ally submitted lighting projects is optimized to meet the needs of the program and the lighting trade allies. A monthly reservation system

was established in 2005 to accept new project applications and to manage the incentive budget while supporting trade allies in the sales process. Projects must be submitted the first full week of each month for approval. Trade allies leverage the reservation window to close customer commitments to move forward with project proposals and submit them by the monthly deadline. Projects are reviewed for eligibility and completeness and the trade allies are notified within two weeks if the project is approved for incentives or if necessary a project inspection is scheduled. Projects requesting incentives of more than \$5,000 are inspected by program staff prior to approval to confirm operating hours, fixture counts, locations, lighting controls and overall project quality. Inspections are scheduled within a week and completed within two to four weeks of project submittal. While not required to attend pre-approval inspections trade allies are encouraged to participate in the inspections to increase communication on project design and to jointly review other energy savings opportunities that may exist at the facility.

A one page document provides simple descriptions of prescriptive and custom lighting incentives and equipment specifications. Descriptions of qualifying equipment are kept to an absolute minimum to reduce program complexity. Equipment not on the prescriptive list is considered custom and may be eligible for custom incentives of \$0.15 per kWh up to 30% of installed cost.

The trade ally world revolves around sales. Reading emails, studying manuals, attending seminars, going to meetings, negotiating complicated paperwork and other typical energy efficiency program requirements take away from their ability to make sales. Time to read and comprehend program requirements, forms and processes is very limited. For electricians and electrical distributors that do not focus on lighting full time, the time to understand complex program requirements is even more limited. The lighting tool, the streamlined and responsive project submittal and review process, and the clear incentive structure and equipment specifications allow trade allies to easily work with Energy Trust to promote and install high efficiency lighting projects.

Consistent and Timely Communication

To build and maintain the lighting trade ally network Energy Trust uses a comprehensive and effective communication strategy. The primary communication channels are determined by the needs of the trade allies and include a combination of email, telephone, face-to-face meetings and training sessions. The lighting trade ally network is further supported by electronic newsletters, website and print communication which is provided to all trade allies, regardless of program affiliation.

A monthly email is sent to all lighting trade allies at the beginning of each month from the lighting program manager. The email contains updates on the lighting program, training opportunities offered by Energy Trust or other organizations, deadlines for submitting project proposals, an updated lighting tool if necessary, updates on the Business Energy Tax Credit, a review of the submittal process and contact information for lighting program staff. The email is a regular and consistent touch point with all the trade allies. The email contains modest graphics and formatting to maintain the Energy Trust brand and professionalism while keeping the email size as small as possible, between 1 MB to 3 MB.

Lighting trade ally access to program staff using the telephone is and continues to be a very effective communication channel. The names, direct office numbers, cell phone numbers and email addresses of all the lighting program staff are made public for the lighting trade allies. High performing trade allies that consistently propose new projects are assigned to specific project coordinators to build relationships and improve communications. The program staff is available 7AM to 7PM and even on the weekends with calls occasionally coming outside the regular hours.

The lighting program staff maintain high standards for timely communication. All calls are returned in under 24 hours. Emails augment this availability allowing staff to be responsive near 24/7.

This near 24/7 availability has allowed program staff to develop solid business relationships with the lighting trade allies. Lighting trade allies call-in or email for help on program paperwork, assistance with the Business Energy Tax Credit program, technology questions, assistance with lighting projects outside the Energy Trust service territory and much more. The lighting program staff is a resource for all lighting trade allies. Using program staff as a resource is encouraged through all communication.

Every January since 2003 program staff goes on a “lighting road show” visiting four major population centers around the state of Oregon: Portland, Coos Bay, Medford and Bend. The events start early at 7AM with breakfast and end by 10AM to accommodate the schedules of lighting contractors. Program staff provides updates on Energy Trust and the lighting program such as new incentives or equipment specifications. Technical training on lighting technology and applications is part of these sessions to provide trade ally continuing education. The technical trainings focus on technologies such as high performance T8’s, high bay lighting applications and lighting controls to help improve the quality of completed projects as well as the quantity of kilowatt-hours saved per project.

In 2008 the lighting program focused on lighting controls to increase the number of projects using controls. To support the focus on lighting controls an hour long training course on lighting controls was added to the lighting road show events. The technical training was well received, particularly outside the Portland metro area in Coos Bay, Medford and Bend. To make the lighting road show sessions even more valuable staff from other electric utilities outside the Energy Trust service territory are invited to participate and provide updates on their lighting program activities. Annual attendance at the sessions range from a high in Portland of 120 people to a low of 15 people in Coos Bay. Each year the four stop lighting road show reaches approximately 180 – 200 lighting contractors.

Until 2008 the lighting road show sessions were the largest outreach events targeting lighting contractors and electricians doing lighting work. In 2008 Energy Trust expanded its support of the lighting industry by doing two technical hands-on sessions focused on lighting controls. Featuring a two-hour technical overview of lighting controls and hands-on exercises designing lighting projects using control strategies the classes also included a mini expo with lighting control manufacturers and distributors showing off their equipment. Hosted in Portland in September and in Eugene in December each session attracted over 100 lighting contractors and electricians.

Beyond trainings the lighting trade ally network is supported by in-person meetings. The top lighting trade allies in terms of submitted projects, kWh savings and/or incentives are invited to periodic breakfast sessions in several markets around the state to acknowledge their contribution but also to receive feedback for improving the lighting program. These small group sessions prove invaluable for shaping and guiding the lighting program. Discussions are very open and relaxed. Individual lighting trade allies are supported by in-person meetings and trainings at their own facilities. This type of support is provided as needed.

To support trade allies that use paid advertising Energy Trust offers a cooperative advertising program. Energy Trust offers a maximum of \$3,000 per quarter in matching funds with minimal design requirements for including the Energy Trust logo. Trade allies are required to apply for cooperative advertising funding before placing an ad so Energy Trust can proof the ad copy and review media placement of the ad. Energy Trust also provides a simple process for trade allies to follow to incorporate the Energy Trust logo directly into their marketing materials like a website, business cards, letterhead, company brochures, posters, etc.

Program communications has evolved since 2003 but the focus has always been and will continue to be on being responsive, approachable and fostering a partnership.

Develop Long Term, Meaningful and Valued Relationships

Critical to leveraging the small lighting program staff is identifying and supporting top performing lighting trade allies through long term relationships. Identifying top producers, meeting regularly to confirm their needs and meeting those needs is a key component of the lighting trade ally network. Top performing trade allies are targeted by tracking the number and size of projects submitted to the program.

Program staff is very aware of the top producing trade allies and some of the relationships between individual staff members and trade allies are over twelve years old. Current program staff includes two Lighting Certified specialists that have strong technical lighting expertise, as well as field sales and installation experience in the lighting contracting community. The Lighting Certified specialists support top producing trade allies with joint customer sales calls to help promote the program and installation of energy efficient lighting. Account management plans are used to guide program staff actions to help individual companies increase the number of lighting projects and to increase the volume of kilowatt-hours saved per project.

Annual "Outstanding Contribution" awards are given to trade allies based on performance. The awards are presented during the January lighting road show sessions and are highly coveted by top producing allies. Awards are also used to recognize new trade allies and trade allies that have exemplary projects such as full controls integration or other special circumstances. Award winning companies are featured in Energy Trust newsletters and news releases. The awards are recognition of the importance Energy Trust places on having relationships with the lighting trade allies.

Relationships are built over time based on a series of actions to identify and meet needs of the lighting trade allies. Trade allies work consistently with the same lighting program staff project coordinator who supports their proposal through the application and completion process. Project coordinators meet with their assigned trade allies at the trade ally's office at least once a year.

For top performing trade allies, Energy Trust may develop a case study of an exemplary project. Copies of the case study are provided free to the trade ally to use in the sales process. Energy Trust provides branded and embroidered "Trade Ally of Energy Trust of Oregon, Inc." t-shirts and polo shirts for top performing trade allies.

To strengthen the relationship with trade allies Energy Trust allows participants to assign their incentives directly to the trade ally. This allows Energy Trust to have a direct financial relationship with lighting trade allies. It positions the trade ally to offer value added services of handling all aspects of the participant's paperwork and interactions with Energy Trust. Trade allies appreciate the flexibility of the lighting program to provide the incentive payment directly to the program participant or directly to the trade ally based on the needs and decision of the participant.

Program staff builds and maintains relationships with trade allies by adhering to communication services standards for replying to trade ally inquiries. Program staff maintains a positive, helpful attitude in reviewing and promoting trade ally project proposals and completed projects. For long-term success trade allies need to feel valued and Energy Trust lighting projects need to add value to their business.

Work At Business Speed

The Energy Trust lighting program is dependent on trade allies to promote, sell and install energy efficiency projects. Vital to the success of this effort is meeting the needs of trade allies for timely responses to project proposals, questions and general support. Being hyper responsive to the market is often a challenge for utility programs in that trade allies work at business speed not utility speed. The lighting program staff returns all phone calls and emails within 24 hours or less. Lighting Certified specialist are constantly on-call and available by office phone or cell phone. Rush pre-

approvals for projects are accommodated depending on project size, eligibility, level of incentives and inspection requirements. Top producing trade allies may request same day service for rush pre-approvals and inspections. Trade ally requests for status reports on incentive checks are handled quickly and efficiently.

Working at business speed gets things done. Being hyper responsive attracts and retains lighting trade allies.

RESULTS

The Energy Trust lighting trade ally network has been extremely successful in delivering large amounts of low-cost kilowatt hour savings. Nearly 95% of all lighting projects submitted to the Existing Buildings program are from official lighting trade allies. The lighting trade allies are in essence an extension of Energy Trust staff working out in the field every day. Kilowatt-hour savings for the entire Existing Buildings program and the contribution of lighting project savings are shown in Table 2.

Table 2, Existing Buildings Program Lighting Savings 2003 - 2008

	Total kWh	% kWh from Lighting Projects	kWh from Lighting Projects
2003	9,800,436	75%	7,350,327
2004	35,395,224	54%	19,113,421
2005	35,622,643	38%	13,536,604
2006	41,369,536	34%	14,065,642
2007	31,136,468	57%	17,747,787
2008 *	50,928,648	60%	30,557,189
Total	204,252,955	53%	102,370,970
* 2008 figures are forecasted.			

The energy savings from lighting projects submitted by members of the lighting trade ally network are substantial. From 2003 to 2008 the projects submitted by lighting trade allies have delivered over 102 million kWh which is 53% of the total savings acquired by the Existing Buildings program.

By supporting and working through local businesses, Energy Trust resources are leveraged to a high degree by using the trade allies as de facto program staff. Energy Trust operates with a small staff of 65 full time employees for all energy efficiency and renewable energy programs. The lighting trade ally network is currently composed of 126 companies with a median number of employees of 9 per company providing an estimated total workforce of 1,053 people promoting Energy Trust lighting incentives and projects around the state (Energy Trust Trade Ally Survey 2008). It would be impossible for Energy Trust to staff up to that scale. Lighting trade allies are invaluable for the work they do on a daily basis on behalf of Energy Trust.

For the past four years Energy Trust has surveyed trade allies to get feedback on program operations and market details. In 2008 the survey was sent via email to 616 trade allies and 104 surveys were completed yielding a response rate of 17%. Survey respondents accounted for 11% of total incentives paid in 2006 and represented 16% of incentives affiliated with the 616 trade allies contacted

for the survey. Lighting trade allies accounted for 8 responses out of total of 15 commercial trade allies that responded to the survey. As evidence of the long term relationships built by the lighting trade ally network 87% of the commercial respondents have been trade allies for more than two years. Of the 15 commercial respondents 20% reported that 75% - 100% of their 2007 revenue came projects receiving Energy Trust incentives. Sixty percent reported that 1% - 24% of their revenue came from Energy Trust projects. This is solid support that Energy Trust is adding value to the trade ally businesses. This trend is predicted to continue with 60% of the commercial respondents expecting to increase the proportion of projects involving Energy Trust in 2008. The survey confirmed that incentives move commercial projects forward with 53% saying the incentives are very influential in making projects happen.

The survey results confirm the effectiveness of the lighting trade ally network in building long term relationships and that the lighting program is helping trade allies make more sales. The most encouraging sign the trade ally network model works is that trade allies see working on Energy Trust projects as a sales growth opportunity for their business.

SUMMARY

Energy Trust's strategy for working with and supporting lighting trade allies is a success. The lighting trade allies contribute a large volume of energy savings each year. The number of trade allies, lighting projects and energy savings increase each year. To be successful the lighting trade ally network relies on a relationship-based marketing strategy and targeted sales channel support. Meeting the needs of the trade allies establishes and maintains the credibility of the lighting program. The four core values used to shape the lighting trade ally network have been vital to building and expanding the relationship between Energy Trust and the trade allies. Keep it simple and businesses will want to be trade allies. Provide consistent and timely communication to keep trade allies informed and earn respect. By developing long term, meaningful and valued relationships Energy Trust and the trade allies are supporting each other's business. Most important of all work at business speed and be responsive to trade allies. These are simple ideas but combining them into a business strategy has produced impressive results for Energy Trust.

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