



Strategies

Monthly Member Newsletter

[| AESP Home](#) | [| Events Calendar](#) | [| Contact Us](#) | [| Membership Information](#) | [| About AESP](#) |

Newsletter Sponsored By:

PERFORMANCE SYSTEMS
DEVELOPMENT

3 minutes will change the way you
manage energy efficiency programs

November 2011

Please email
feedback on
Strategies to
Adeline@aesp.org

[Click here to view a
printer friendly
version](#)

Upcoming Events

Brown Bags

Nov. 10, 2011
[Demand Response
to the Rescue - How
Demand Response
helped to keep the
lights on this
Summer](#)

Dec. 8, 2011
[Cost Effectiveness:
Applying the Best
and Most Accurate
Tests](#)

If you would like to
organize a Brown
Bag, please contact
[Kisha Caskey at](#)

Letter from the Chair

GETTING RESULTS BY GOING BACK TO THE FUNDAMENTALS

By: Carol White, AESP Board Chair



Carol White, AESP Chair

Energy efficiency is a prominent element of many local energy and climate mitigation plans. As a consequence, many of us are charged with achieving aggressive energy efficiency program results in support of policy objectives. We're learning that just doing more of what we've done in the past will not result in the desired outcomes. So, what is the answer? I certainly don't have all the answers but I do have some suggestions.

First, we need to go back to the fundamentals to understand how to increase the likelihood of success with our efforts. We need to better understand markets and consumer motivations for investments in the technologies and practices that need to be adopted to achieve successful outcomes. That means that we need to maintain a robust market research effort.

Next, we need to develop program designs that take what we have learned in our market research efforts into account and that help us to shape our efforts in a way that will resonate with consumer motivations. Our efforts need to be reworked to build on what we learn from market research efforts.

We also need to understand if the strategies we deploy are working as anticipated. How do we determine if that's the case? We utilize robust program evaluation efforts. These efforts need to focus on identifying, in a timely way, if our efforts are performing as intended; help us identify enhancements that will lead to efforts that are responsive to consumer needs and the marketplace; and that lead to outcomes in line with energy efficiency objectives. We need to carefully monitor program processes and results and make sure that our findings are shared with our program implementation and marketing areas.

Market research and evaluation are essential components of an aggressive energy efficiency deployment strategy. We need to take responsibility to ensure that these efforts are valued as a part of the overall effort, that they are adequately funded, and that results are used. Returning to these fundamentals will help us to be successful.

Headlines

Industry News

["Lighting Up Energy Efficiency: Are Utilities Game?"](#)
["Missouri Can Improve its Energy Efficiency, Nonprofit Says"](#)
["Tax Plan to Turn Old Buildings 'Green' Finds Favor"](#)
["Utilities Can Now Roll Energy Efficiency Loans Onto Bills"](#)
["Consumer Understanding Remains Central Obstacle to the Smart Grid"](#)
["Massachusetts Tops in Nation on Energy Efficiency Scorecard"](#)
["Overcoming Sticker Shock to Move Ahead on Energy Efficiency"](#)
["\\$1 Billion University Green Endowment Plan Launched"](#)
["Real Estate Leaders Form Green Bond"](#)

Featured Articles

AESP News

kisha@aesp.org.

AESP Training Courses

[Course I: Principles of Evaluation, Measurement & Verification](#)

[Course II: E2 – Level II DSM Economics & Evaluation](#)

Nov. 8-9, Albany, NY

[P2 – Level II DSM Program Planning, Design & Implementation](#)

Dec. 1-2, Las Vegas, NV

If you would like to schedule an onsite training please contact Suzanne Jones at (480) 704-5900 or suzanne@aesp.org. For more information about the AESP Institute, [click here](#).

Conferences

February 6-9, 2012
AESP's 22nd National Conference & Expo
Connect at Every Level

[Updates from AESP](#)
[New and Renewing Members](#)
[News Releases and Announcements](#)

Industry News

The following executive summaries of current news items were written for Strategies after being compiled from various news sources.

Lighting Up Energy Efficiency: Are Utilities Game?

As policymakers consider ways to limit the use of energy, one idea that has gained traction is to split utility rates from their sales volumes, known as decoupling. Utilities are generally rewarded based on the amount of electricity they sell and not what they can save, but decoupling allows them to earn returns on investments they make in energy efficiency while also ensuring that customer savings do not reduce their revenues. The American Council for an Energy Efficient Economy says that the model enables utilities to pay three times less for energy-saving technologies than they do for power plants and transmission lines. While consumers will pay for the energy efficiency tools, the reduced need for infrastructure will save them money. Twenty-six states have enacted mandatory energy efficiency goals for utilities, and the International Energy Agency reports that the participating states' per capita consumption is 31 percent less than otherwise. However, the forced rules requiring energy savings would cut into the sales that utilities would otherwise make if the regulatory model is not changed. The American council says that by allowing energy efficiency investments to be recovered, regulators can level the playing field and remove barriers to utility investment in such programs, adding that utilities should not suffer because they would be selling less electricity. Such revenue losses should be allowed back into their regulated profits -- a move that is opposed by large electricity users and some consumer groups that do not want to have to pay more for electricity that they are not using. Supporters of decoupling say that while it is possible for some customers to pay more in the short run, it will save billions in the long run because the reduced consumption would lessen the need for infrastructure -- savings that would be good for both customers and shareholders.

Share   | [Return to Headlines](#)

From "Lighting Up Energy Efficiency: Are Utilities Game?"
EnergyBiz (09/11) Silverstein, Ken

Hilton Bayfront, San Diego, CA
[AGENDA & REGISTRATION NOW AVAILABLE](#)

May 15-17, 2012
AESP's Spring Conference Marketing & Implementation: Create. Develop. Implement.
Hilton Baltimore, MD

October 15-17, 2012
AESP's Fall Conference Evaluation & Implementation: No Longer an Odd Couple.
Long Beach, CA

Have a Question...Ask AESP!

Do you need advice from your peers on your latest project or program? If so, submit your questions on AESP's listserv. To subscribe to the listserv, email your request to inailsrv@aesp.org and type "Subscribe

Missouri Can Improve its Energy Efficiency, Nonprofit Says

Missourians spend more money per person on heating, cooling, and electricity for their homes and businesses than 44 other states, but a Washington nonprofit, the American Council for an Energy-Efficient Economy (ACEEE), thinks it can do better when it comes to efficiency. The group recently issued a 112-page report, laying out its case that by 2025, Missouri could reduce electricity consumption by 17 percent and natural-gas usage by 13 percent. The report says various measures could help, including rebates for more efficient heating and cooling equipment and devices that cycle off air conditioners during peak hours. The relatively low energy costs in the state are thought to contribute to the state's low annual rankings for energy efficiency programs and policies. Conservation efforts have begun to pop up around the state, and the Missouri Energy Efficiency Investment Act of 2009 is expected to make a big difference. The law allows utilities to recover the cost of energy efficiency programs and establishes the regulatory framework for utilities to recover lost revenue. Additionally, despite the lower electricity rates, many customers still struggle to pay utility bills, which could spur more interest in efficiency.

Share   | [Return to Headlines](#)

From "Missouri Can Improve its Energy Efficiency, Nonprofit Says"
Kansas City Star (MO) (10/03/11) Everly, Steve

Tax Plan to Turn Old Buildings 'Green' Finds Favor

A business consortium that includes Barclays, Lockheed Martin, and Ygrene Energy Fund has detailed plans to invest as much as \$650 million over the next few years to reduce the energy consumption of buildings in the Miami and Sacramento metro areas. This represents the most aggressive effort to-date to kick-start a national market for energy upgrades that many professionals believe could eventually be worth billions. Focusing mainly on commercial buildings at first, the group's plan is to exploit a new tax arrangement that enables building owners to upgrade their structures at no upfront cost, typically slashing their energy use and their utility bills by as much as 33 percent. The various landlords would pay for the upgrades over five to 20 years via surcharges on their property-tax bills, but that would be less than the savings. State and city officials are hopeful they have found a way to address one of the country's most pressing energy problems--waste in older buildings--without new money from Washington. If enough property owners sign on, private capital would be put to work paying for retrofit projects. Such initiatives would not only save local businesses

AskAESP" and your first and last name.









AESP is a member-based association dedicated to improving the delivery and implementation of energy efficiency, energy management and distributed renewable resources. AESP provides professional development programs, a network of energy practitioners, and promotes the transfer of knowledge and experience.

AESP
15215 South 48th Street,
Suite 170
Phoenix, AZ 85044
(480) 704-5900

Submissions are due by the 12th of each month to Adeline

money, they would create thousands of new construction jobs. Officials note that this new financing approach is known as Property Assessed Clean Energy, or PACE.

Share   | [Return to Headlines](#)

From "Tax Plan to Turn Old Buildings 'Green' Finds Favor"
New York Times (09/20/11) Gillis, Justin

Utilities Can Now Roll Energy Efficiency Loans Onto Bills

United Illuminating Co. (UI) and Connecticut Light & Power Co. recently announced new programs allowing utility customers to roll loan payments for home-efficiency upgrades onto their bills. "We think it's the first of its kind in the country," said Patrick McDonnell, UI's director of conservation and load management of the Residential Energy Efficiency Financing Program. Its first loan provided money for one resident to install a new central air conditioning system in his home, along with programmable thermostats. To qualify for the programs, a homeowner must first participate in the Home Energy Solutions Program, which provides homeowners with an energy audit and a list of recommendations to improve efficiency. Loans must be between \$2,500 to \$20,000 and are unsecured. While the program will cover the cost of a variety of projects, it is limited to electricity and natural gas customers, because the funding for the program involves the Connecticut Energy Efficiency Fund. That means customers who heat their homes with oil or propane will not be eligible for heating-related upgrades such as insulation and window installations. Though this particular program is new, the utilities have administered similar funds for businesses for years. However, the interest rates for businesses and homeowners are different. Small business owners who participate get an interest-free loan and one third of the cost of the project is paid for by the utility, while residential customers pay interest of 2.99 percent to 4.99 percent, depending on the size of the loan. The interest covers the utilities' borrowing costs to establish the fund and other administrative costs, including the fee it pays to the originator of the loans, Connecticut Housing Investment Fund Inc. McDonnell said UI has built a \$20 million fund for electricity-related improvements and has an additional \$6 million for natural gas-related projects. So far, Connecticut Light & Power Co. has issued eight loans, according to Stephen Bruno, CL&P conservation team assistant manager. The program functions in exactly the same way, but Bruno said his company is using Energy Efficiency Funds to leverage about \$15 million for its program instead of putting up the capital itself.

Share   | [Return to Headlines](#)

Lui at
Adeline@aesp.org
(480) 704-5900

Editorial Staff

Meg Matt, President
& CEO

Carol White, Board
Chair

Katherine Johnson,
Vice Chair,
Publications

Editorial Committee

Gary Green, Board
Member

Lani MacRae, Board
Member

Tracy Narel, Board
Member

Laura Orfanedes,
Board Member

Elizabeth Titus,
Board Member

Adeline Lui,
Marketing Manager
Adeline@aesp.org

From "Utilities Can Now Roll Energy Efficiency Loans Onto Bills"
Newstimeslive.com (CT) (09/29/2011) Varnon, Rob

Consumer Understanding Remains Central Obstacle to the Smart Grid

A survey by the Association of Energy Services Professionals (AESP) indicates that consumer understanding and acceptance of the Smart Grid is a key hurdle to full implementation. "Clearly there is a lot of confusion about what is meant by the term Smart Grid," says Meg Matt, CEO of AESP. "That means we need to do a better job of explaining what the Smart Grid is--and isn't. The Smart Grid is important not only for enhancing energy efficiency, but for ensuring reliable delivery of energy to the consumer in the near- and long-term future, as the existing power grid continues to age and as demand increases." AESP's survey, comprised of professionals in the energy efficiency sector of the industry, finds that 95 percent of respondents believe that the consumer does not understand what is meant by the term "Smart Grid." Additionally, more than 75 percent of survey respondents report that Smart Grid technology can be used to significantly lower electricity consumption, and consequently, electric bills. Smart meters that monitor and communicate consumer usage and are in use by many utilities nationwide represent a first step toward Smart Grid deployment and are the most visible interface with consumers. But the survey indicates that resistance to smart metering continues to be high and presents a challenge to bringing online the more complex and less visible back-end elements of the Smart Grid, including comprehensively digitizing the electricity delivery system.

Share   | [Return to Headlines](#)

From "Consumer Understanding Remains Central Obstacle to the Smart Grid"

Transmission & Distribution World (10/11)

Massachusetts Tops in Nation on Energy Efficiency Scorecard

Massachusetts has unseated California to take the No. 1 slot in the nation in the American Council for an Energy-Efficient Economy's annual scorecard, which ranks states on their energy efficiency efforts. California had occupied the top slot for four years running. Such other New England states as Vermont (5th), Rhode Island (7th), and Connecticut (9th) also made the Council's top 10. Massachusetts Gov. Deval Patrick credited the state's Green Communities Act for establishing aggressive goals for energy

efficiency. The 2008 law required utilities to offer rebates and incentives for customers to upgrade lighting, air conditioning, and industrial equipment when incentives cost less than generating electricity using less efficient equipment. Massachusetts is also part of a multi-state effort to slash greenhouse gases from power plants. The American Council for an Energy-Efficient Economy's scorecard estimated that 29 states have adopted or made progress toward adoption of new energy-saving building codes for homes and commercial properties. Another two dozen states have set long-term adoption of the latest energy-saving building codes for homes and commercial structures, an improvement from 20 last year and 10 the year before.

Share   | [Return to Headlines](#)

From "Massachusetts Tops in Nation on Energy Efficiency Scorecard"
Boston Herald (10/20/11) Norton, Michael

Overcoming Sticker Shock to Move Ahead on Energy Efficiency

Americans understand the advantages of energy efficiency, but require additional education on pricing advantages before they will take action that matches European levels, according to a new study conducted by Harris Interactive and sponsored by Rexel Holdings USA, a distributor of electrical equipment. The study was based on interviews of 1,000 adults in France, Germany, the United Kingdom and the United States, which were described as all "bound on the same path" to reduce their energy usage through efficiency efforts, said Rexel Senior Vice President Mitch Williams. The survey suggests that although Americans are often portrayed as unwilling to pay more for energy efficiency, 34 percent of U.S. respondents said they would make more room in their budget for energy efficiency efforts while two-thirds said they were willing to make behavioral changes. The chief hurdle to the widespread adoption of energy efficient technologies is sticker shock, said Williams. Moreover, there is little understanding of the long-term benefits in energy cost savings, and that many savings may exceed the initial higher cost of the equipment investment in less than 12 months. The study concluded that it is necessary to educate equipment installers and the general public on energy efficiency and energy efficient technologies, and in particular, "that energy efficiency is not a one size fits all approach," said Rexel CEO Chris Hartmann.

Share   | [Return to Headlines](#)

From "Overcoming Sticker Shock to Move Ahead on Energy Efficiency"
AOL Energy (10/14/11) Gardett, Peter

\$1 Billion University Green Endowment Plan Launched

Thirty-two universities, including Harvard and Stanford, have committed a total of \$65 million to the Billion Dollar Green Challenge, a new energy efficiency financing initiative. The goal of the Billion Dollar Green Challenge is for colleges, universities and other nonprofits to invest a total of \$1 billion in self-managed "green revolving funds" that will fund energy efficiency upgrades, which result in quantifiable savings. A portion of the reinvested savings will then fund future green projects. Sustainable Endowments Institute, one of the 16 partners coordinating the Challenge, recently published a report entitled *Greening The Bottom Line* showing that such funds have a median annual return on investment of 32 percent. Other partners in the Challenge include Clinton Climate Initiative, the New England Board of Higher Education and the Rocky Mountain Institute. Bodies supplying financial support for the project include the EPA's Green Power Partnership, the David Rockefeller Fund and the John Merck Fund. The Billion Dollar Green Challenge Web site has a full listing of participating partners, universities and financial backers.

Share   | [Return to Headlines](#)

From "\$1 Billion University Green Endowment Plan Launched"
Environmental Leader (10/13/11)

Real Estate Leaders Form Green Bond

A group of property brokers, developers, tenants, and others have taken the wraps off a three-year plan to increase the energy efficiency of New York City's buildings -- the source of 80 percent of its carbon dioxide emissions, they note. The group includes Jones Lang LaSalle (JLL), Malkin Holdings, and Vornado Realty Trust, along with banker Goldman Sachs Group and several environmental groups. Under the title "Scaling Demand for Commercial Tenant Green Buildouts," the various organizations have all committed themselves to helping introduce energy-saving techniques to tenants and building owners and managers in the New York metro area over the next three years. The program will also be rolled out to other cities in the coming years. It should be noted that each partner will have a different responsibility for the project. JLL, for example, will be tasked with approaching tenants and landlords to interest them in joining the program. Building owners Malkin and Vornado will help track data on improvements in energy efficiency at the different properties. Among the big-name Manhattan tenants that have so far signed on are Bloomberg LP and LinkedIn. In the case of the latter, it will move into space in the Empire

State Building, which was recently awarded LEED-Gold certification after completing a major energy efficiency upgrade.

Share [in](#) [t](#) | [Return to Headlines](#)

From "Real Estate Leaders Form Green Bond"

Crain's New York Business (NY) (09/21/11) Olles, Rebecca

Featured Article

Can the Smart Grid Affect Behavior Evaluation?

By: Kelly Drow, SRP

One of the new sub-committees in the Association of Energy Service Professionals is called the Behavior & Smart Grid Sub-Committee. What does this mean? With the recent demise of two home energy monitors with big technology brands behind them, do we still expect that customers en masse will reduce energy use as a result of a communications technology-enabled grid?

The answer is yes, if utilities demonstrate value to the customer. Evaluation can play a role in communicating this value.



Two areas where evaluation of behavior change and the smart grid could make an impact are with operations measurement and product development.

The implementation of smart grid technologies means that, more than ever, behavior measurement should be based on quantitative data analysis to maintain statistical rigor. The ability to leverage the large amount of information available requires increasing analytical skills and a multi-disciplined business perspective. Effective data analysis that incorporates customer research will facilitate bringing to market energy management products that begin with the customer.

Companies poised to serve the market with products that demonstrate value to the customer will lead to behavior change that the investment in smart grid is meant to realize.

Marketing is undergoing a sea of change with technological advances that offer the ability to measure sentiment, behavior, and return on investment. Evaluators should look to increase their skills in marketing sciences, such as on-line measurement and retail data analysis, to continue to accurately depict market transformation.

Knowledge of electricity use may bring increased awareness of the utility brand by customers to a level similar in other service-based industries, such as telecommunications. The challenge for utility product development is to find balance between one-size-fits-all and a proliferation of products that are little utilized and increase expense for operations to support. For example, the smart grid increases the ability of utilities to offer a range of time-of-day pricing to fit customers' life styles.

When evaluators study customer behavior of new pricing products they need to clearly verify conservation behavior as well as shifts in energy use. Evaluators need to use simple, standard guidelines for measurement that can apply across product categories.

Another area of performance measurement that evaluators need to consider for measuring smart grid behavior programs, is the area of operations research to determine if the investment is leading to improvements for the utility. The access to, and understanding of, more and hopefully better data may result in utilities increasing their focus on the customer experience. This leads to a greater need for operations measurement and continuous improvement processes.

This is an exciting time for the utility industry. The smart grid investment will be perceived successfully by customers by not over-promising benefits and unrealistically expecting engagement with low involvement products.

It is better to communicate the value of operational efficiencies from the smart grid, in areas such as reliability and operational costs, to customers whose expectations are evolving as fast as technology can serve them.

Kelly Drow is a Senior Analyst, Measurement & Evaluation at Salt River Project (SRP) in Phoenix, AZ

References:

[A Policy Framework for the 21st Century Grid](#), National Science and Technology Council

[Google to Shut Consumer PowerMeter Tool](#) Jennifer Booton, FOXBusiness, June 27

[An Evolving Workforce: Where the Smart Grid Jobs Are, And Where They Need To Be](#) Laura DiMugno, RenewGridMag.com. August 3
[Return to Headlines](#)

AESP News

Updates from AESP

A Clear Call for Abstracts

AESP is looking for original material to be presented as panel discussions, case studies, lessons learned and/or best practices, for the AESP Spring Conference on Marketing & Implementation in Baltimore, MD, May 15-17, 2012. Your session must provide meaningful and practical information for AESP members (commercials for your products/services will not be accepted) and your abstract(s) must contain:

- Maximum one (1) page with 1” margins
- Brief objective of your session (key results, achievements, concepts)
- Names and contact information for you/your panelists/session participants
- Please make sure your participants have travel approval and can present at this conference

Send your abstract to meg@aesp.org by Dec. 5. Abstracts will not be accepted after that date. No exceptions.

Something to fill in your new 2012 Calendar

Write in these AESP Conferences! Start planning for 2012's conferences, especially if budget proposals are due now.

February 6-9, 2012

[22nd National Conference & Expo](#)

Connect at Every Level

Hilton Bayfront, San Diego, CA

Registration: \$995 for AESP members/\$1195 non-members*



May 15-17, 2012

Marketing & Implementation: Create. Develop. Implement.

Hilton Baltimore, MD

Registration: \$595 for AESP members/\$795 non-members*

October 15-17, 2012

Evaluation & Implementation: No Longer an Odd Couple.

Long Beach, CA

Registration: \$595 for AESP members/\$795 non-members*

*Subject to change

New Training Course provides Vroom for Implementers

Implementers, rev up your engines for 2012 by signing up for training this December 1-2 in [“P2 – Level II DSM Program Planning, Design & Implementation.”](#) Held at NV Energy, Las Vegas, this advanced course will deliver all of the tools you need for developing and implementing detailed DSM and energy efficiency programs. The course shows you how to create an energy efficiency portfolio with effective results-driven goals, how to accurately assess risk, and how to successfully implement, manage and track your programs. \$795 for members or 5 points for group members. You can also earn CEUs!

Hear, Here

The complete recording of all the sessions from the AESP Fall Conference is now available for purchase. [Click to hear a snippet of the presentations.](#)

Recordings include all audio (speakers and questions from the floor), synced to the PowerPoint presentations. [Order today!](#)

[Return to Headlines](#)

New and Renewing Members

New Individual Members

Adam Burke, Opinion Dynamics Corp

Bart Drewes, Nexant

Cary Betts, Oncor

Dana Kenney, Development Alternatives

Dana Wong, FortisBC

Debbie Pickett, NYSEG/RG&E

Elizabeth Van Denburgh, Van Denburgh Consulting Group

Eric Caban, Orange and Rockland

Gillian Saidman, Globe Electric

Greg Prisløe, Carrier
Hakan Kok, FortisBC
Javier Espinoza, Nexant
Jean Williams, Progress Energy-Carolinas
Jodie Capling, FortisBC
Judith Schwartz, To the Point
Kathleen Livelli, National Grid
Katherine Randazzo, Opinion Dynamics Corp
Larry Wei, Lennox Industries
Lisa Tallet, National Grid
Mark Williams, Nexant
Marlene Santacecilia, PHI
Michael Drury, Nexant
Mike Bellow, NYSERDA
Nani Stuckman, Portland General Electric
Ramsey Still, Nexant
Rick Winch, Opinion Dynamics Corp
Sam Elkin, Globe Electric
Sam Steele, Enerlyte
Sandi Johnson, GoodCents
Sara Collins, Lennox Industries
Scott Edwards, Honeywell
Stephen Shahan, Pedernales Electric Coop
Steve Phoutrides, NEEA
Steven Orman, Orange and Rockland
Teri Lutz, Tetra Tech
Toner Kersting, Honeywell
Zoe Krislock, Aubt Eng Consultants

New Group Members

SCE&G

Renewing Group Members

Lime Energy

Salt River Project

[Return to Headlines](#)



SDG&E joins local school to launch 25th clean energy project

News Releases and Announcements

[Advantage IQ and Ecos to Become Ecova](#)

[San Diego Gas & Electric joins with local school to launch 25th clean energy project](#)

[Sarasota County to kick off program to help residents lower energy costs](#)

[Osram Sylvania increases its stake in Encelium Technologies](#)

[Aclara Provides Total AMI Solution to Town of Culpeper](#)

[Return to Headlines](#)

Abstract News © Copyright 2011 [INFORMATION, INC.](#)

