

# On-Bill Loan Program Research

Energy Waste Reduction Collaborative

April 16, 2019

# Presentation Overview

- Overview of the research approach
- Research results
- Conclusions
- Discussion

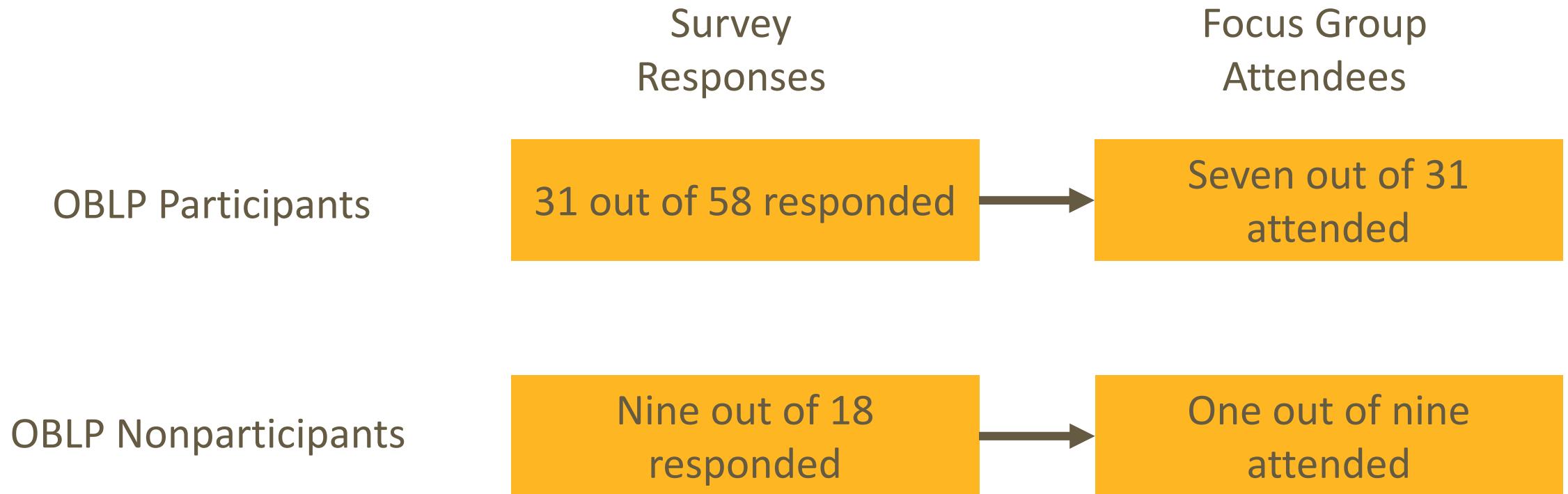
# Research Overview

# Research Partners and Objectives



- Understand customer interest in on-bill energy-efficiency financing options and influence on decision to invest
- Identify impact of program offerings on customer engagement and satisfaction
- Inform policy discussions with regulators and stakeholders
- Guide future program development
- Document customer journey/experience
- Identify opportunities for improving program design or delivery
- Explore avenues of expansion or growth for the On-Bill Loan Program (OBLP)

# Data Collection



# Research Questions

- How did participants become aware of the OBLP?
- What drove their decisions to participate in the OBLP?
- What were their experiences applying for the OBLP?
- How does OBLP impact the decision to make energy upgrades?
- What energy savings and other nonenergy benefits do participants observe as a result of their energy upgrades?
- What would participants have done in the absence of the OBLP?
- What did customers who elected not to complete the loan process do?
- How does the program impact participants' perceptions of their utility providers?

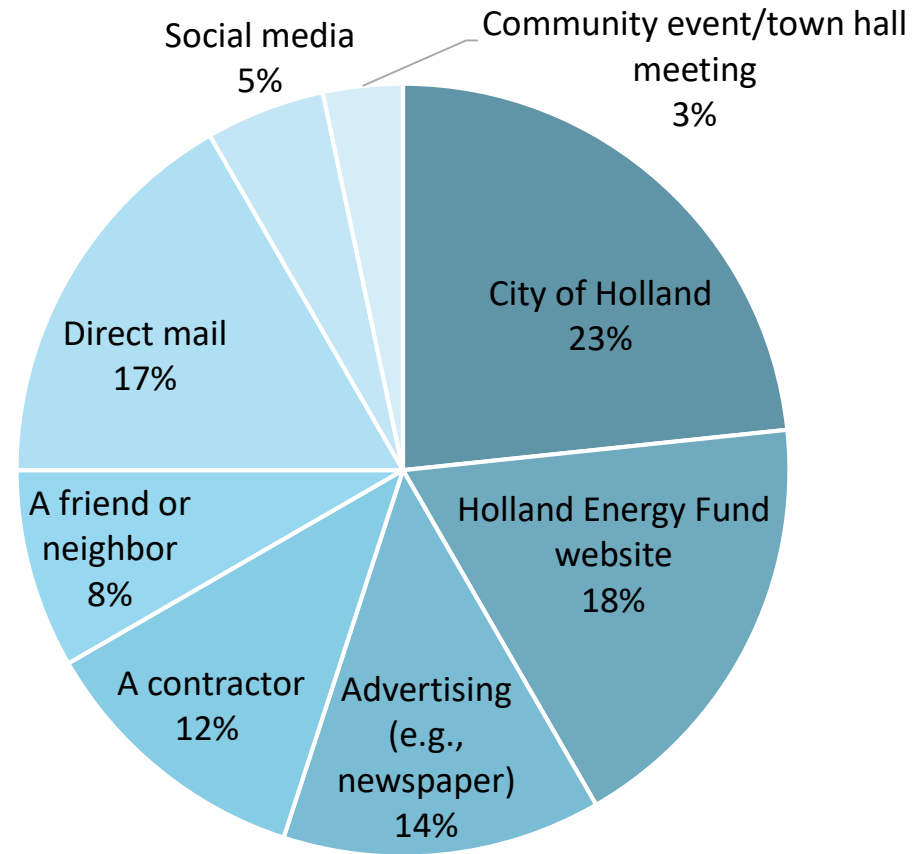
# Research Areas

- Energy-efficiency and program awareness
- Energy-efficiency investment decision making
- Program experience
- Program and utility satisfaction

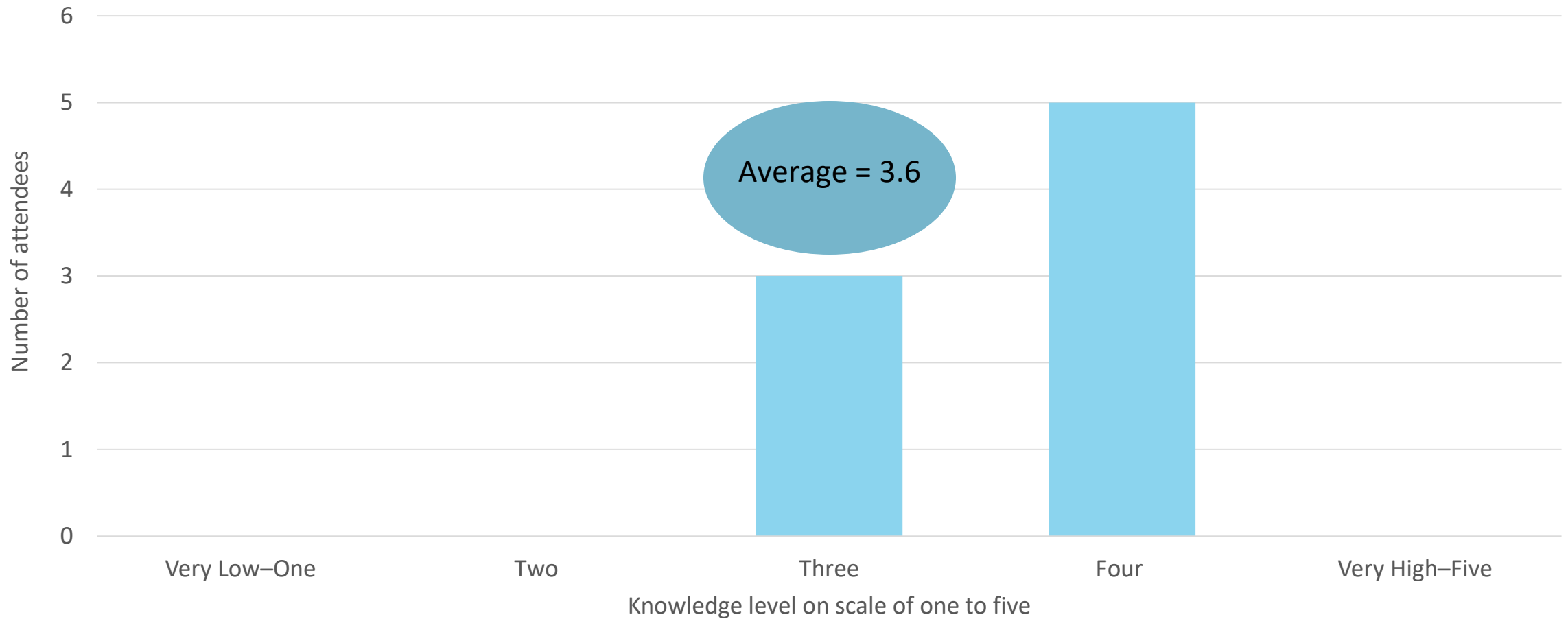
# Energy-efficiency and Program Awareness



# Program Awareness

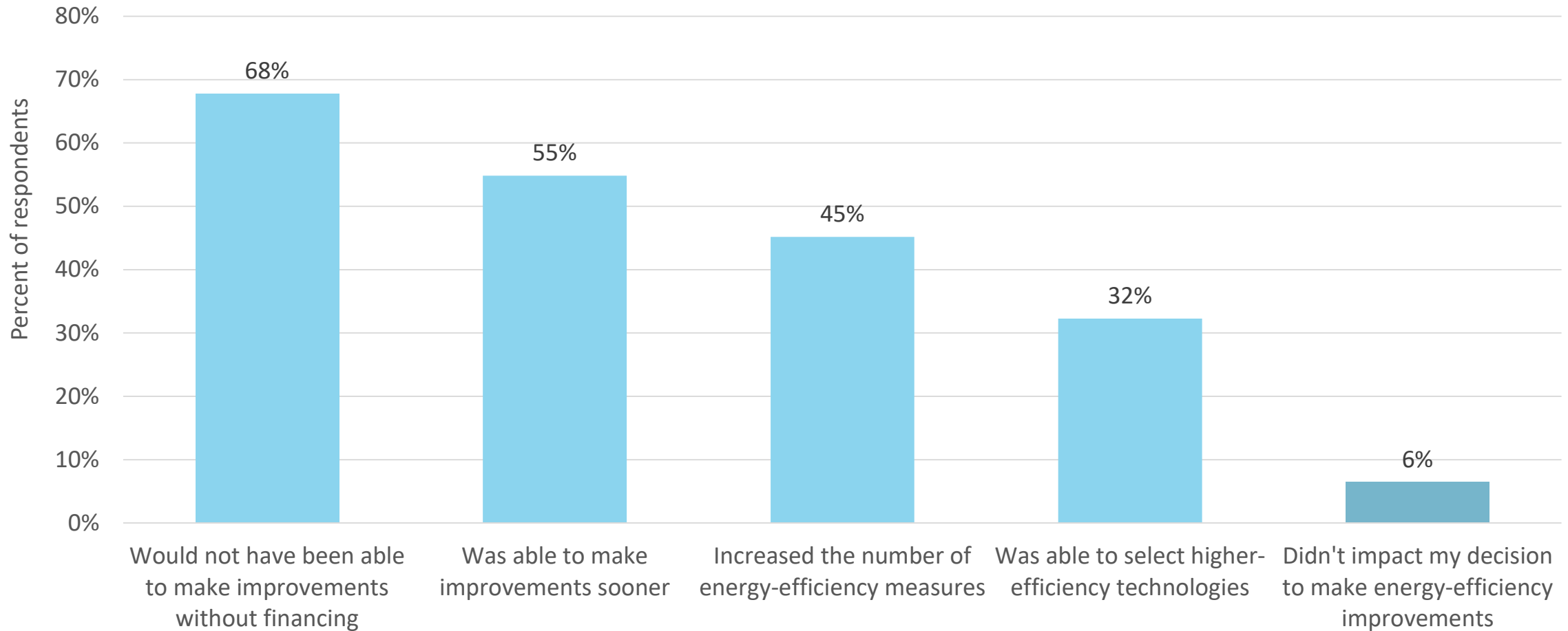


# Knowledge of Ways to Manage Energy Costs

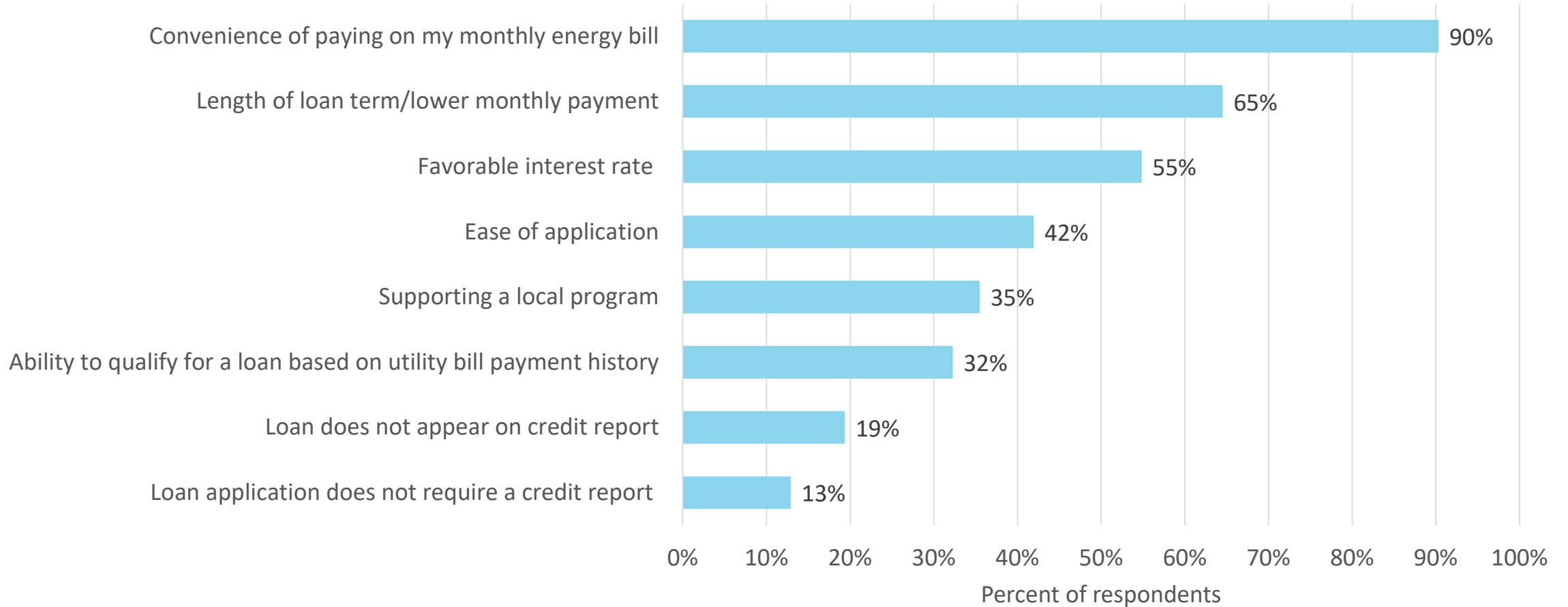


# Energy-efficiency Investment Decision Making

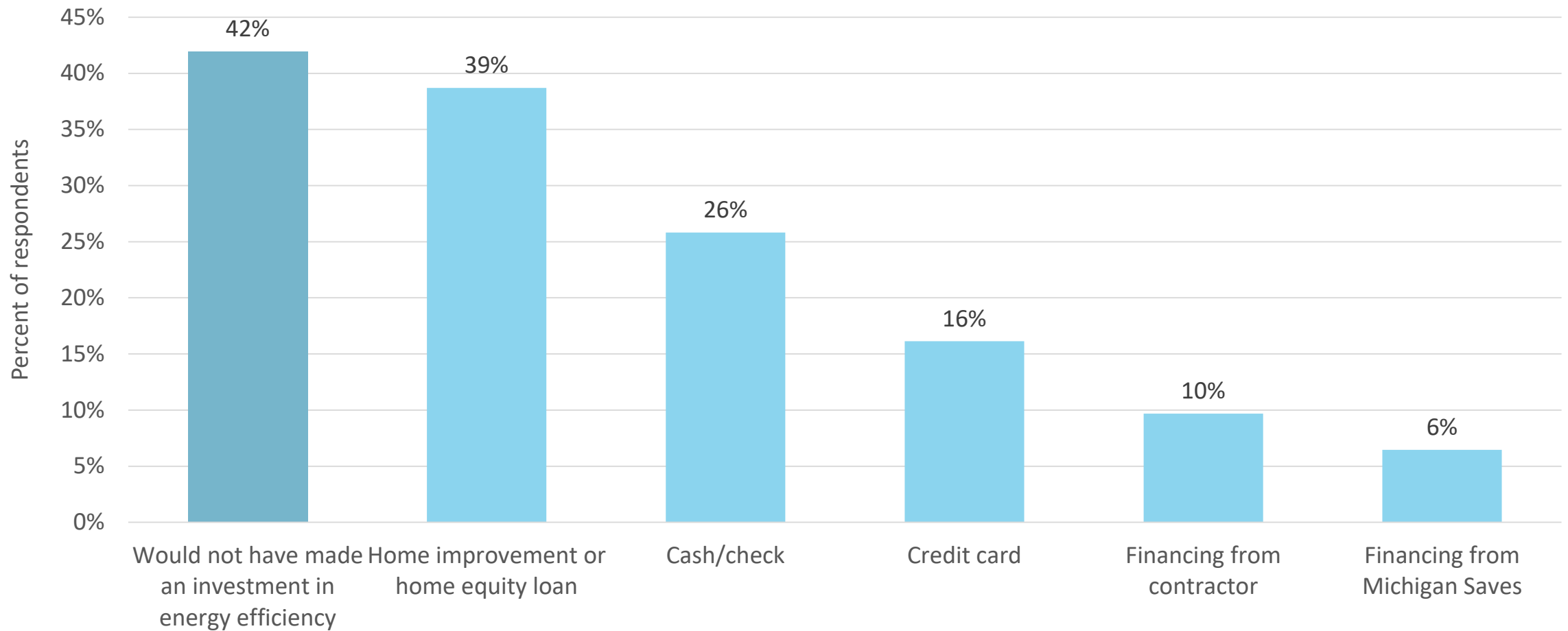
# Impact of Financing Availability



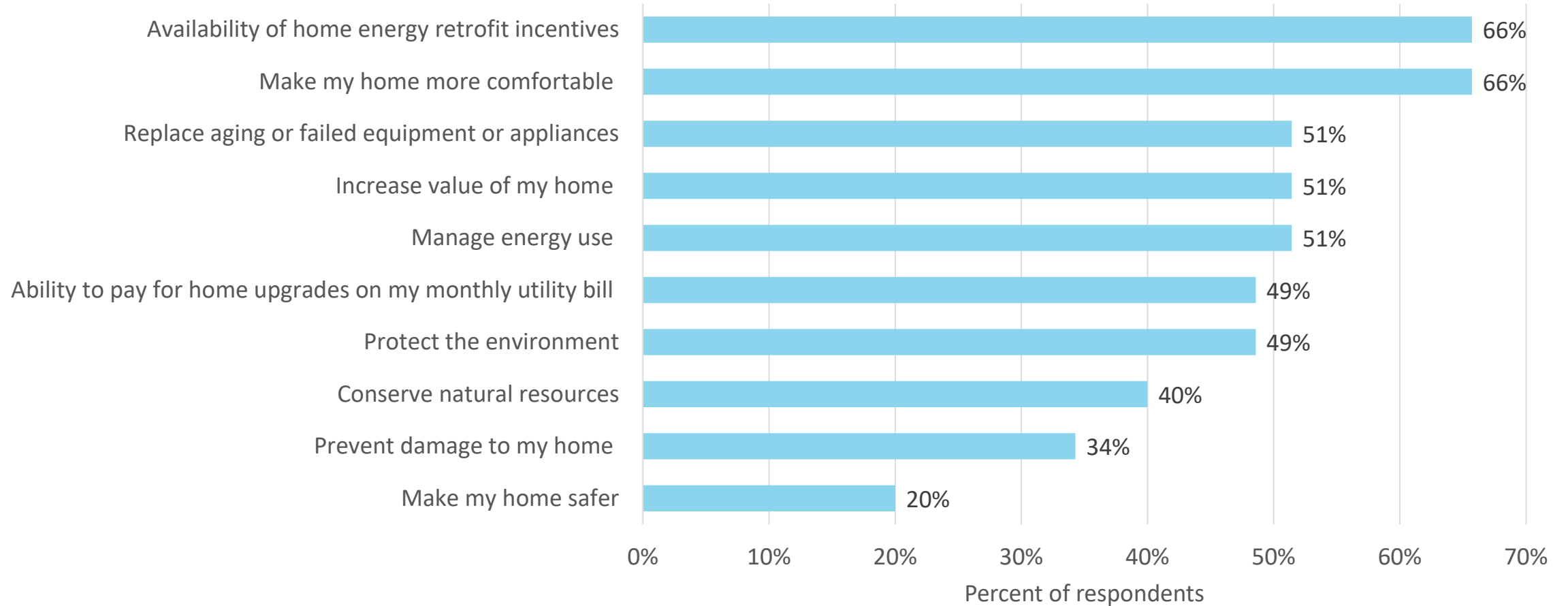
# Reason for Choosing the OBLP



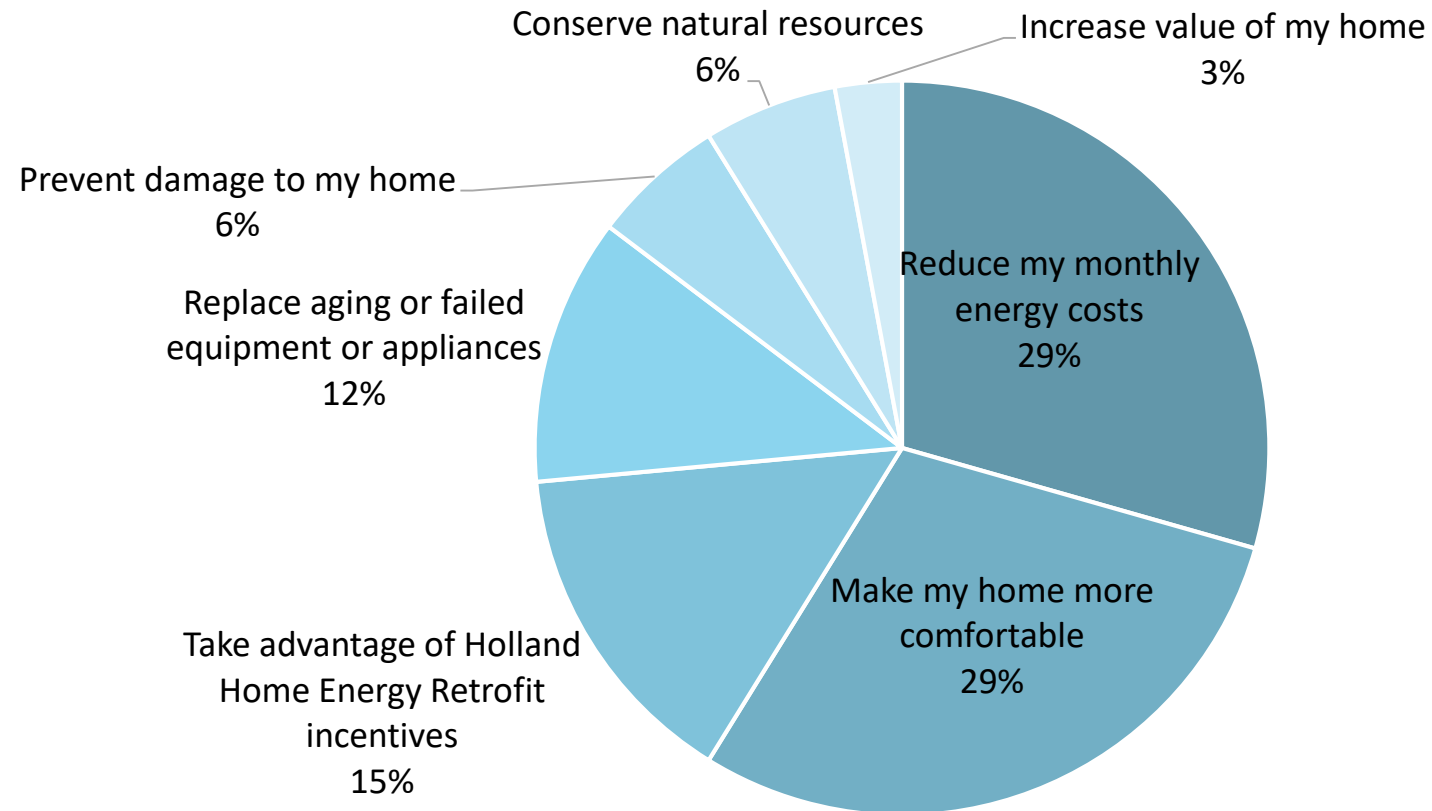
# Alternative Modes of Funding Energy-efficiency Improvements



# Reasons for Making Energy-efficiency Improvements



# Top Reason for Making Energy-efficiency Improvements





# Barriers to Investing in Energy Efficiency Survey

- Cost of efficiency upgrades (58 percent)
- Lack of information about which energy-efficiency upgrades are most beneficial (39 percent)
- Unable to find qualified or reliable contractors (19 percent)
- No significant barriers to energy efficiency (19 percent)

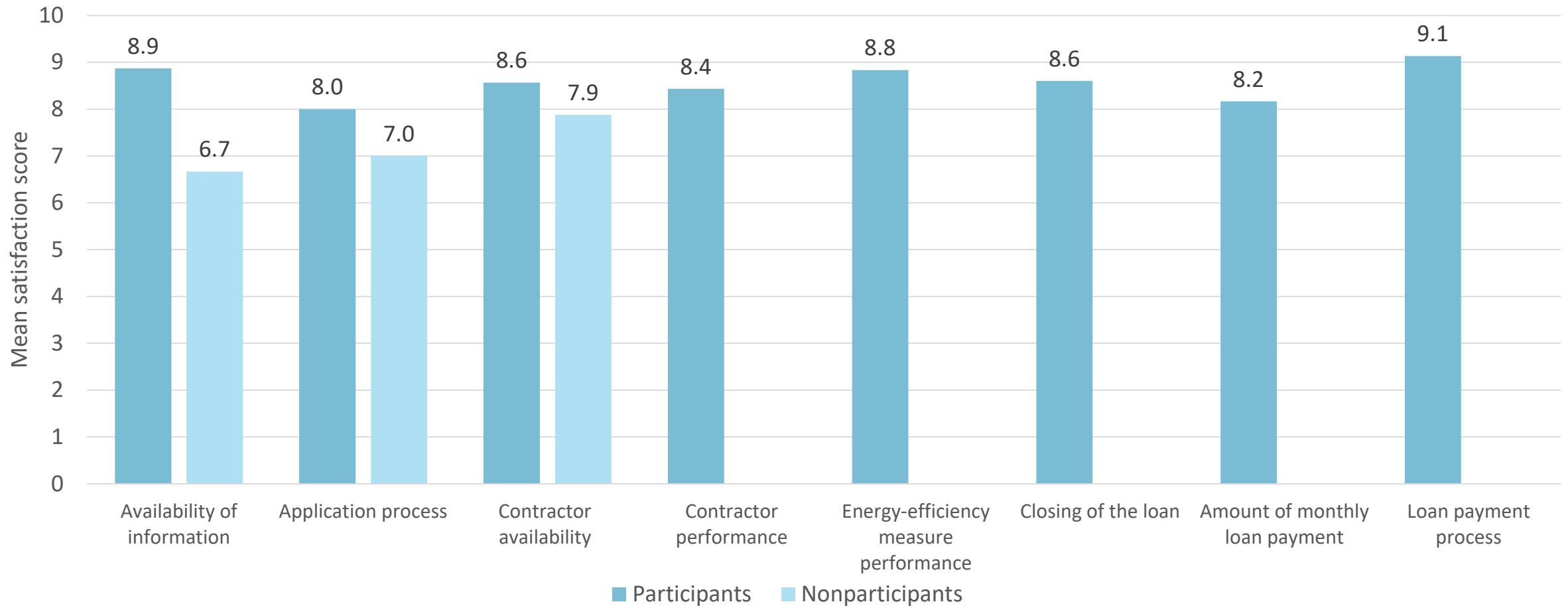
# Barriers to Investing in Energy Efficiency

## Focus Group

- Limited contractor options
- Contractors were unresponsive
- Limited awareness from marketing
- Lack of communication about programs
- Uncertainty that upgrades would save money
- Program expiration dates
- Income (ability to afford upgrades)
- Ability to perform work while living in the home

# Program Experience

# Program Satisfaction



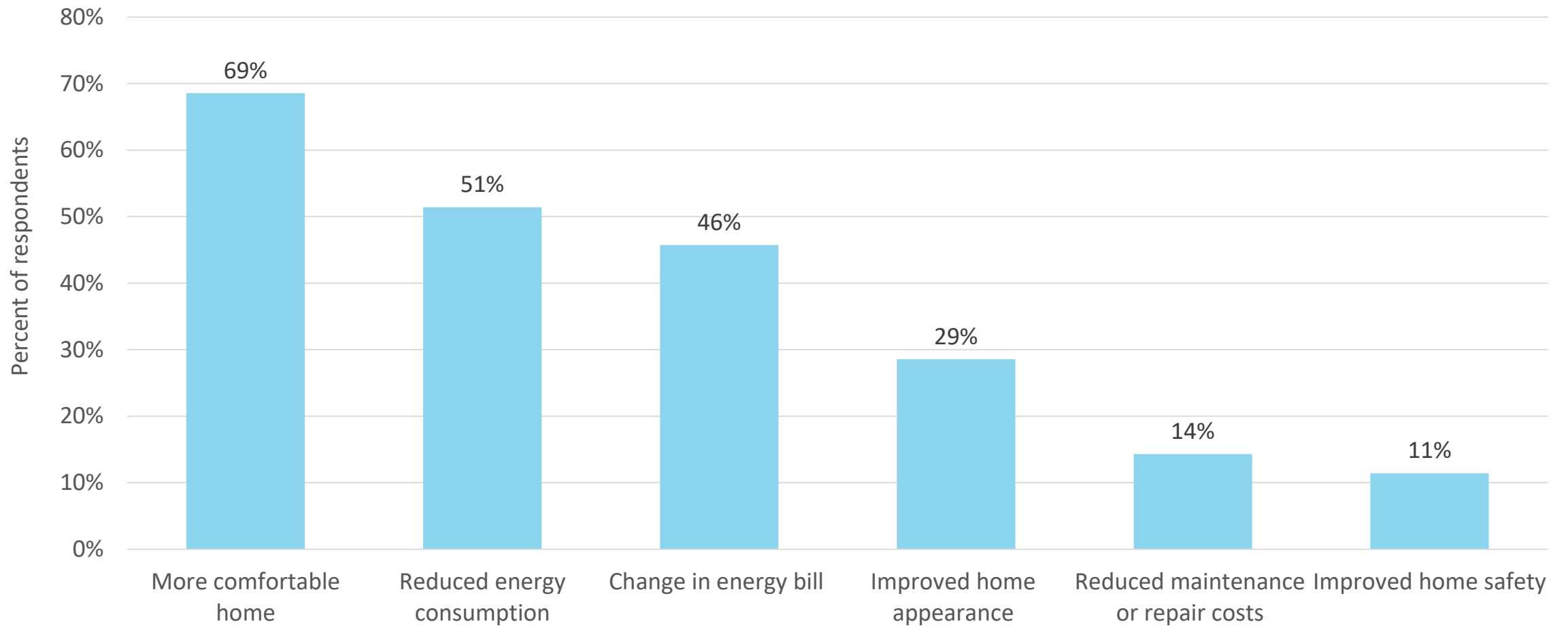
# Loan Process

- Participants received information from multiple sources (e.g., the contractor, the City of Holland, and the Holland Board of Public Works) and felt that it would be helpful to have a single point of contact
- There was a lack of clarity about the need for a credit score as part of the loan application
- The program could be improved by streamlining the loan process (e.g., not requiring participants to print documents, ensuring that all materials can be signed and filed at one time)

# Contractors

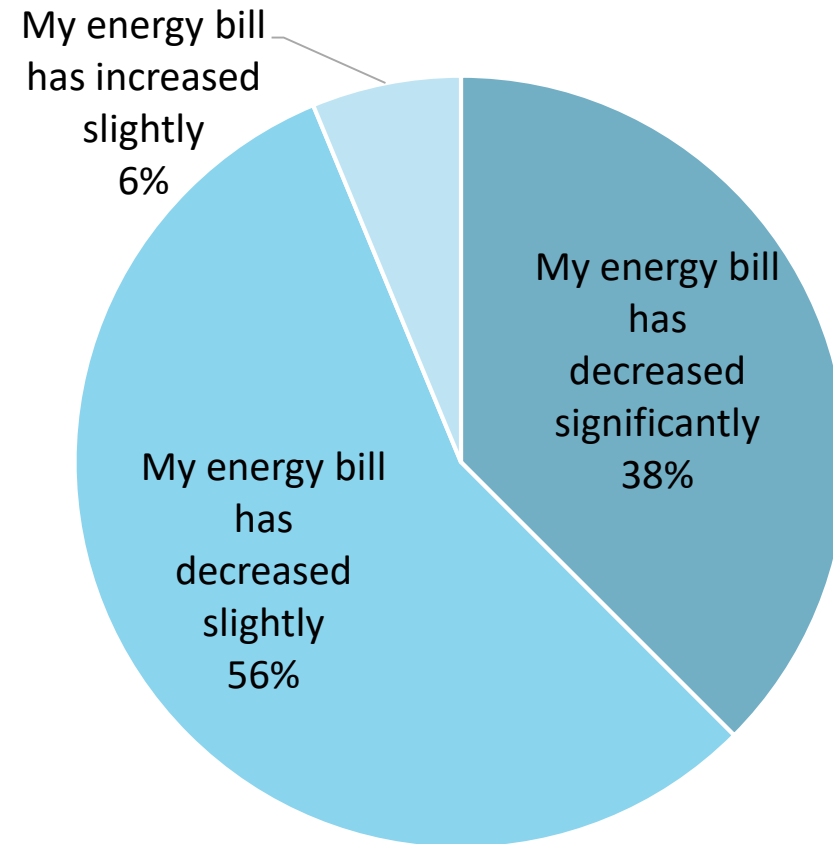
- Survey respondents generally gave high marks for contractor availability and performance—some noted the lack of options
  - None of the approved contractors were headquartered in Holland
- Focus group participants reported mixed experiences with contractors' knowledge and helpfulness
  - Lack of clarity about options for—or choice of—subcontractors (i.e., heating and cooling providers, window vendors)
- One contractor has completed 90 percent of all projects to date
  - While participants gave relatively high satisfaction scores for contractor performance, only one of six focus group attendees said they would be likely to recommend the contractor

# Energy-efficiency Measure Performance



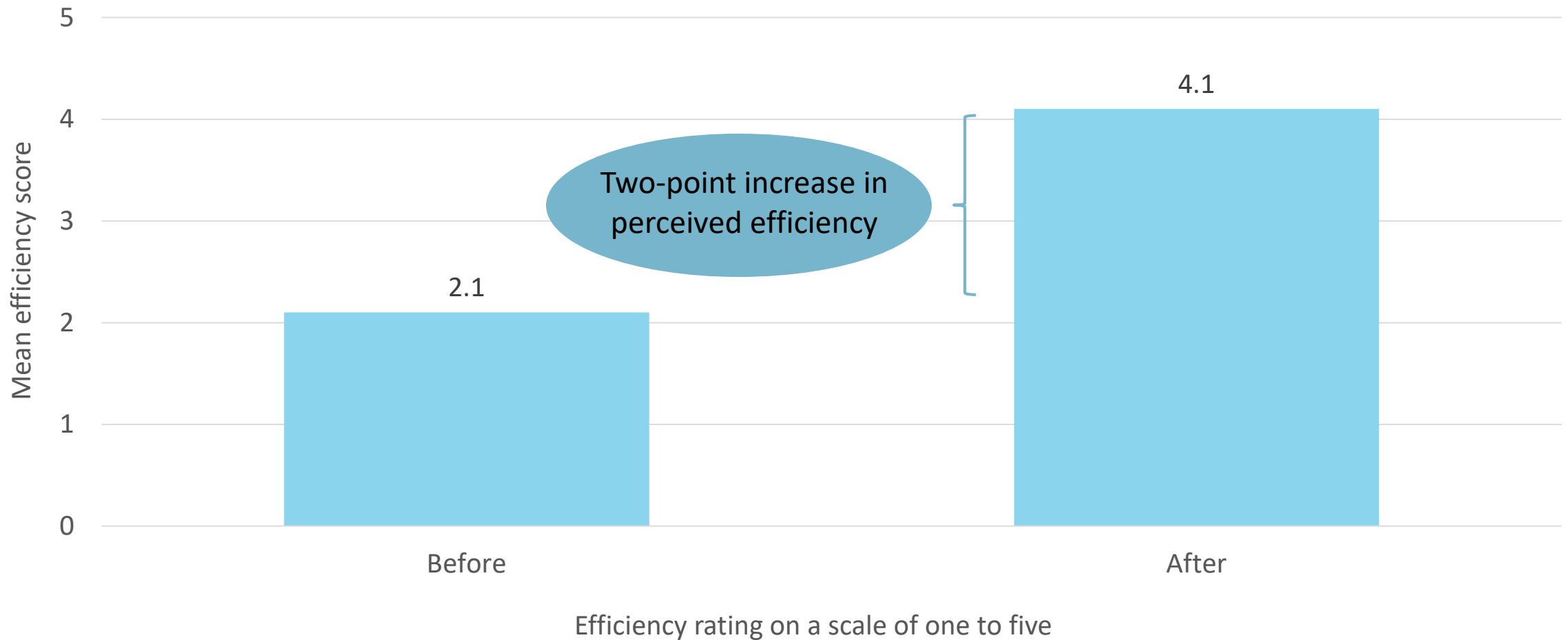
# Change in Energy Bill

- Nearly half of the survey respondents who made energy-efficiency upgrades saw a change in their energy bill—most of those reported bill reductions





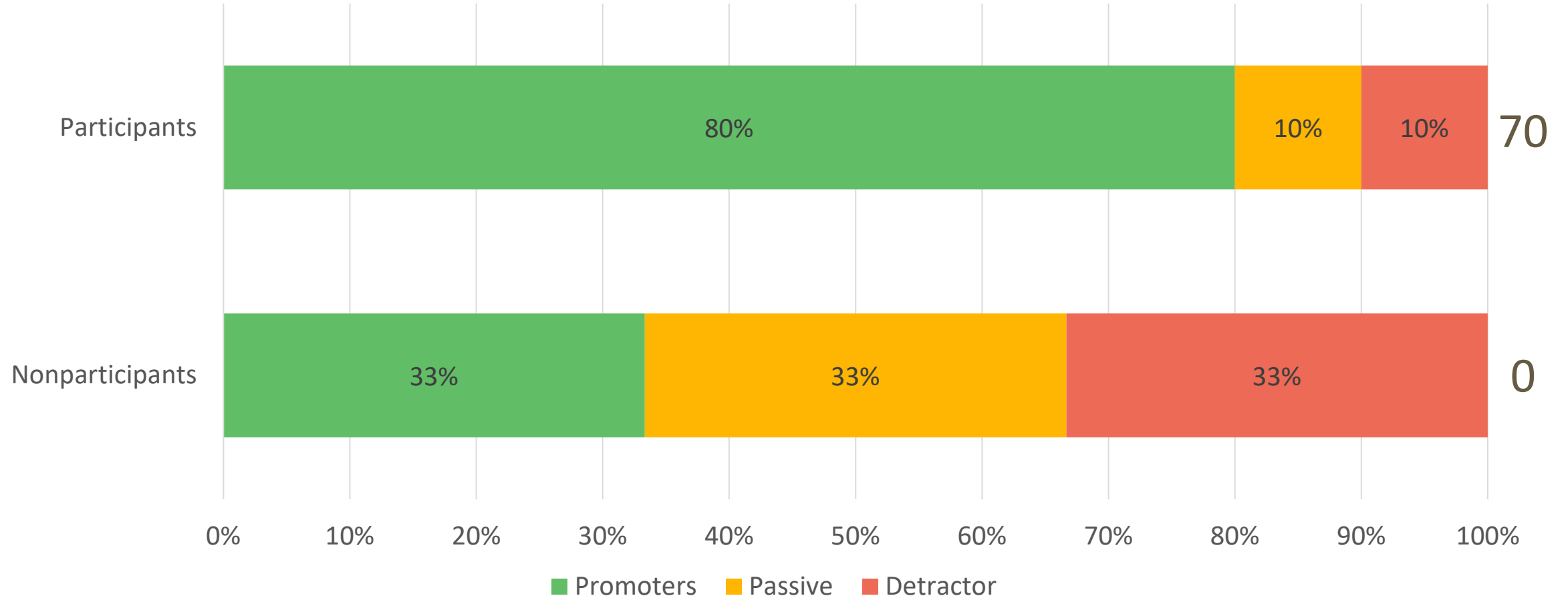
# Rating of Home Efficiency



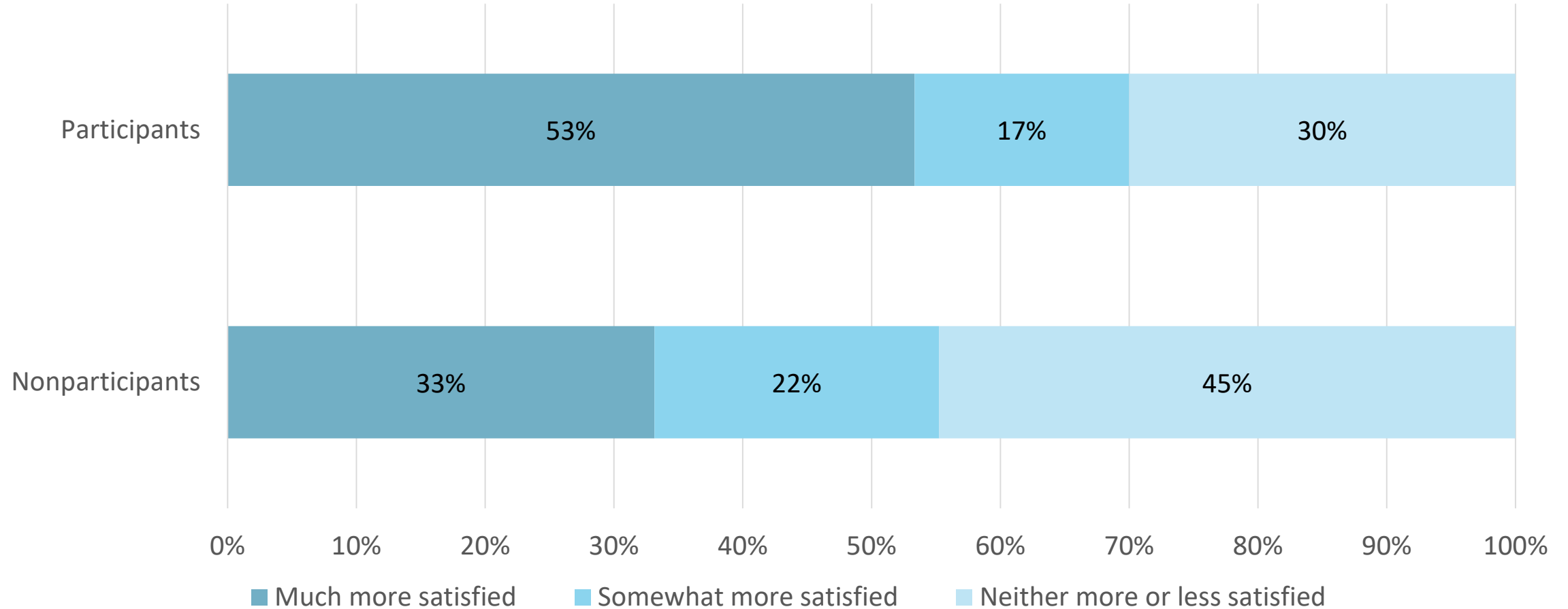
# Program and Utility Satisfaction

# Likelihood of Recommending OBLP

Net Promotor Score<sup>®</sup>



# Impact on Utility Satisfaction



# Conclusions

- The early stages of the program participation process can be difficult for some customers to navigate, which results in program dropout
- Financing is essential for enabling project progress
- The importance and convenience of repaying the loan on the utility bill is unclear, but participants are clearly interested in seeing energy savings in relationship to their investment
- Expanding the pool of qualified contractors would create benefits for future participants
- Offering on-bill financing has a positive impact on customers' satisfaction with their utility provider

# Contacts



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# Questions and Discussion



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