



Small Business Program Energy Assessment Report

Program Year (PY) 2021
Summary of Findings



January 18, 2022



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Research Objectives

- The PY 2020 evaluation reports for the Business Energy Consultation (BEC) and Small Business Focus (SBF) programs identified opportunities for improvement on the Energy Assessment Report.
- Guidehouse provided feedback on the BEC and SBF energy assessment reports by benchmarking against similar programs across the country and by conducting in-depth customer interviews.
- With a focus on small business customers, findings from this research is timely.



DTE Energy Assessment Reports

DTE Energy Assessment Reports Compared

The below components are represented in the BEC and SBF program Energy Assessment Reports.

- Both the BEC and SBF reports contained similar Energy Assessment Report sections.
- The SBF program includes recommendations for rebated projects, whereas BEC does not offer this pathway.
- Primary section differences between the reports were:
 - Current energy usage (BEC)
 - Assessment of current energy systems (BEC)
 - Measure level payback and savings (SBF)
 - Customer journey timeline (SBF)

Report Components	BEC	SBF
Current Usage	Y	X
Measures Received	Y	Y
Assessment of Current Energy Systems	Y	X
Potential Project Cost Savings	Y	Y
Potential Project Energy Savings	Y	Y
Project Payback/ROI	Y	Y
Project Rebates/Incentives	Y	Y
Savings/Payback Per Measure	X	Y
Customer Journey Timeline	X	Y
Next Steps	Y	Y

DTE BEC Energy Assessment Report

The BEC report focuses on current and potential energy savings and provides an overview of the customer's current energy systems.

We've identified several ways for you to improve the energy efficiency of your business. We've listed the energy savings measures installed during our visit and made additional recommendations for future savings opportunities.

INSTANT SAVINGS

Energy-saving products installed at your facility—at no charge—offer annual savings of:

0.000 kWh
\$0.00 Estimated Savings

REBATES



flex Available discounts on recommendations:
\$0.00

ANNUAL RECOMMENDED SAVINGS



Based on the report recommendations your annual energy savings could equal
0.000 kWh

CURRENT ANNUAL ENERGY USAGE



Average Electric Usage:
17,000 kWh
Average Gas Usage:
1,872 Therms

ENERGY SAVING RECOMMENDATIONS FOR YOUR BUSINESS

Since a portion of energy costs is a controllable operating expense, every dollar saved can make an impact on your business' bottom line. Based on the data collected today from your business, we are recommending you advance to the DTE Energy Incentive Program- as it offers a comprehensive set of incentives and/or rebates designed to help you invest in the appropriate energy efficient technology and upgrade(s) for the business:

	HVAC Excellent		Water Heating Excellent	 <p>Good Average Poor</p>
	Lighting Excellent		Appliances	

ENERGY SAVINGS MEASURES INSTALLED

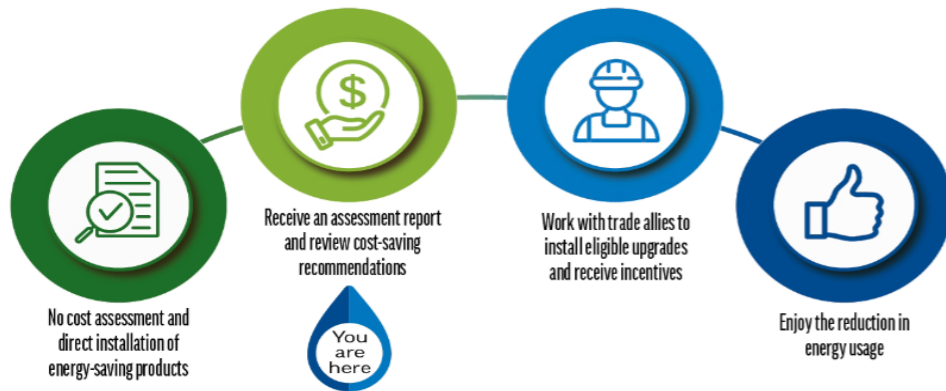
To help you start saving energy and money immediately, we installed the following items during your Business Energy Consultation.

Measure	Quantity	Savings
Yearly Energy Saved: 0.000 kWh		
The total value of these measures and audit is:		\$0.00

DTE SBF Energy Assessment Report

The SBF report focuses on the potential energy savings the customer would experience if they adopted each recommendation, as well as each recommendation's payback period.

Customer Journey



Payback Summary

REPORT SUMMARY	Direct Install Measures	Energy Efficiency Recommendations	Outcomes*
Total Annual kWh Savings	1,497 kWh	23,048 kWh	24,545 kWh
Total Annual MCF Savings	6.26 MCF	0.03 MCF	6.29 MCF
Total Estimated Incentives**	cost of product installed	Potential upgrades and incentives will be identified by a DTE trade ally	-
TOTAL ANNUAL SAVINGS**	\$25	\$2,794	\$2,820
Simple Payback in Years	Immediate	1 years	1 years

Recommendations

The following is a list of energy-saving opportunities identified during your assessment today. Incentives are available to help make projects more affordable. Our pre-qualified trade allies can provide you a quote and help you move forward with upgrades.

Furnace/RTU Tune-up	Save Up to Per Year \$28.71
	Quantity 1
	Estimated Payback 4.63 years

Benchmarking Summary

Benchmarking Methodology

Guidehouse benchmarked similar small business utility programs across the country to understand what other utilities assessment reports offered.

Guidehouse took the following considerations when identifying the utility programs to include in the benchmarking exercise:

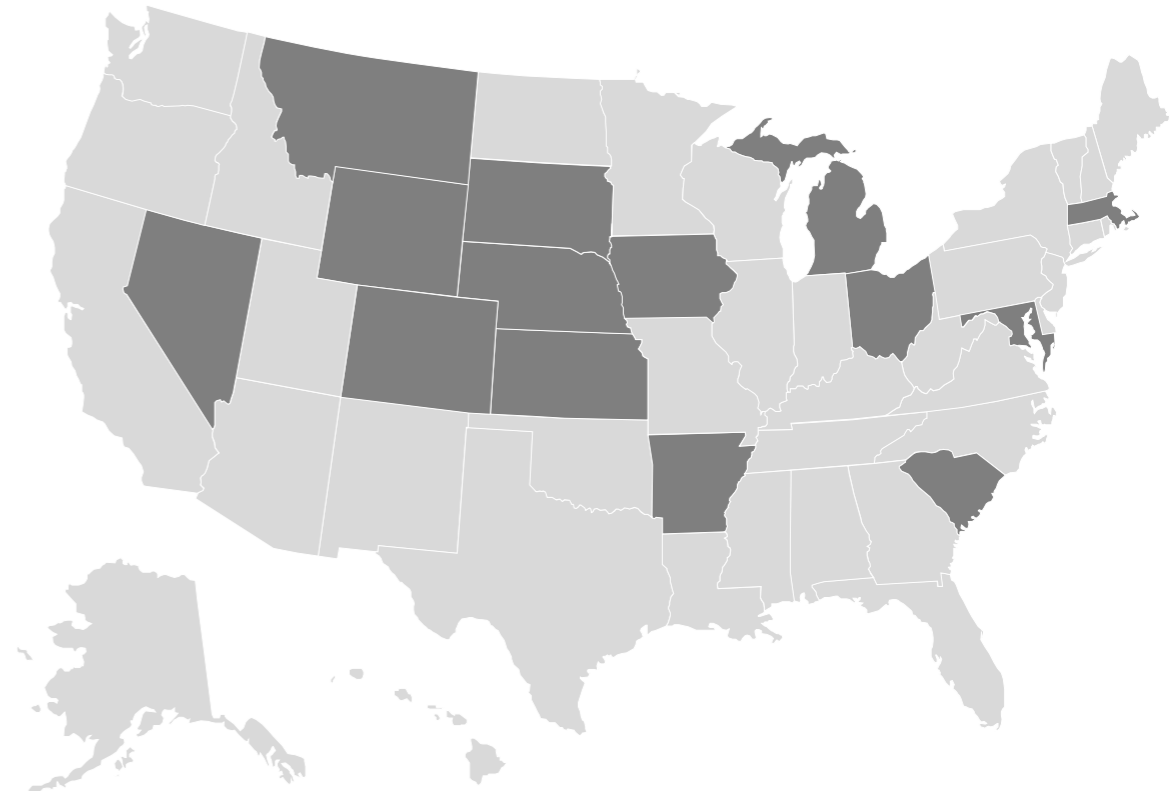
1. Identified small business programs that had a similar design as DTE's small business programs
2. Identified programs that provided an assessment report or other type of documentation that followed an energy audit or assessment
3. Gathered sample assessment reports from relevant programs and compared aspects of the reports
4. Examined additional research studies on small business customer engagement
5. Identified best practices across comparable reports and developed recommendations

Benchmarking Insights

Benchmarking ten utilities with similar small business programs revealed the following insights:

- Two reports included environmental impacts as part of the project outcomes (Black Hills and OG&E).
- Seven benchmarked reports clearly distinguished the difference between the full project cost and the discounted cost to demonstrate the benefits of incentives (ComEd, Consumers, Dominion, Mass Save, NRM, NV Energy, OG&E).
- Four reports benchmarked the customer's energy usage to similar businesses (Consumers, BGE, Mass Save, NRM).
- Seven benchmarked reports included visualizations such as annual savings, value of investment, and energy usage (BGE, ComEd, Consumers, Efficiency Works, Mass Save, NRM, OG&E).

Location of Benchmarked Utilities



Sections Included in Benchmarked Energy Reports

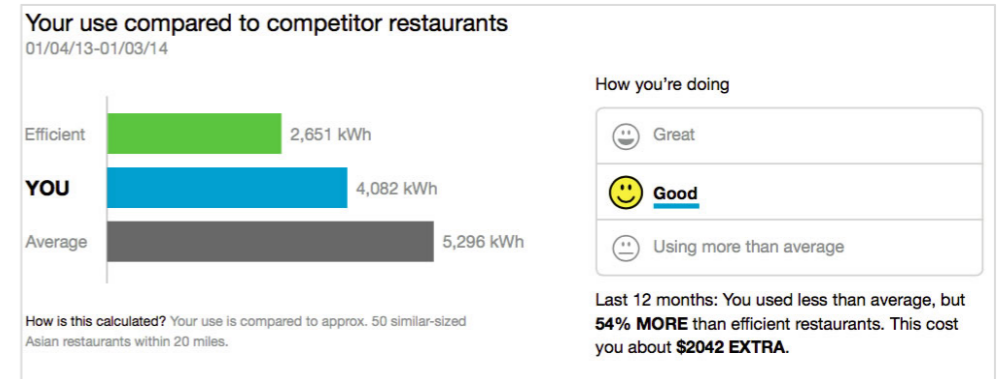
Most reports include project benefit/savings, payback period, and project recommendations.

Utility	Project Benefits/Savings	Environmental Benefits	Customer Energy Usage	Benchmarked Energy Usage	Payback Period/ROI	Project Plan/Recommendations	Next Steps
BGE, MD	X		X	X		X	
Black Hills Energy*	X	X				X	
ComEd, IL	X		X		X	X	X
Consumers Energy, MI	X		X	X	X	X	X
Dominion, SC	X				X	X	
Efficiency Works, CO	X				X	X	X
Mass Save, MA	X		X	X	X	X	X
NRM	X		X	X		X	
NV Energy, NV	X				X	X	
OG&E, AR	X	X			X	X	
Total	10	2	7	4	7	10	4
BEC	X		X		X	X	X
SBF	X				X	X	X

Additional Insights

Guidehouse reviewed research on how small businesses interact with business energy reports. Although the frequency and information may differ from energy assessment reports, the following findings were found to be applicable.

- Customers often viewed the annual cost breakdowns and energy performance trend sections first on their report.
- Customers often ignored sections without quantitative information.
- Customers considered historical self-comparisons of energy use the most useful.
- Customers most often used and understood the visualizations of their energy use over time.
- Customers prefer a multiple month display to a single month comparison of usage.
- Customers look for comprehensive assessments that inform them of all possible ways to save energy.



BGE Energy Assessment Report



Consumers Energy Assessment Report

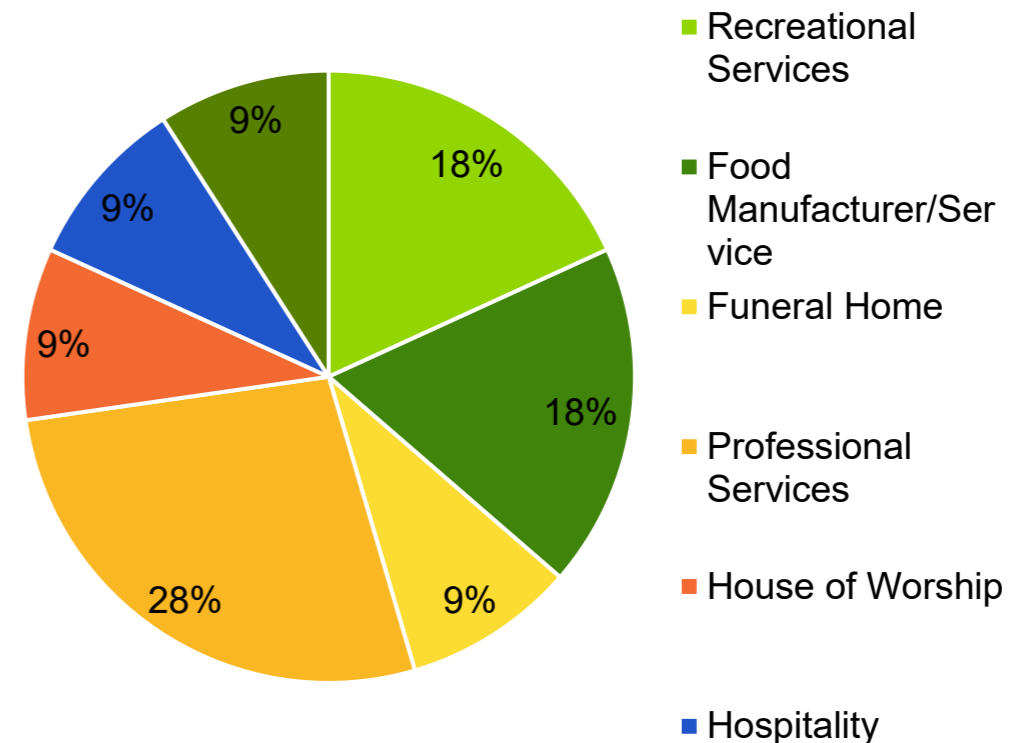
In-Depth Interviews

Firmographics of Interviewed Customers

Guidehouse conducted 11 in-depth customer interviews to gather insights on the perceived value and usefulness of the energy assessment reports.

- The largest sector of customers interviewed (3 out of 11) were considered part of the professional services industry, which included tax preparation, event rentals, and real estate management.
- Six customers owned their property while five leased.
- Seven of the 11 customers considered themselves decision makers when it comes to approving energy efficiency projects at their business. Although, the remaining customers did state they could make small improvements without landlord approval.

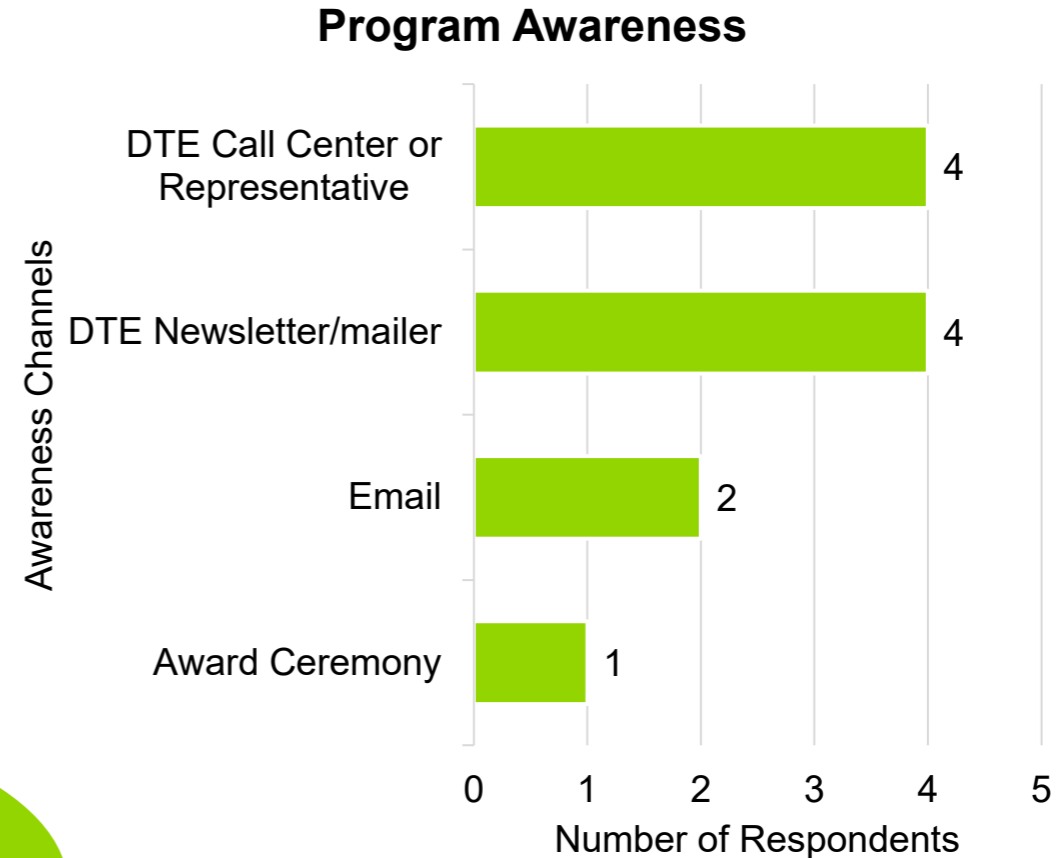
Customer Firmographics



Program Awareness of Interviewed Customers

The DTE newsletter and the DTE Call Center were how most customers interviewed learned about the program.

- Customers mostly learned about the Small Business Energy Efficiency program through the DTE Call Center or representative, and through the DTE newsletter.
- Not all customers were confident in their ability to recall how they learned about the program since it had been several months since they had interacted with the program.
- One customer recommended that bill inserts informing small businesses of the program could be a successful outreach tactic, as it sometimes is seen by multiple people.

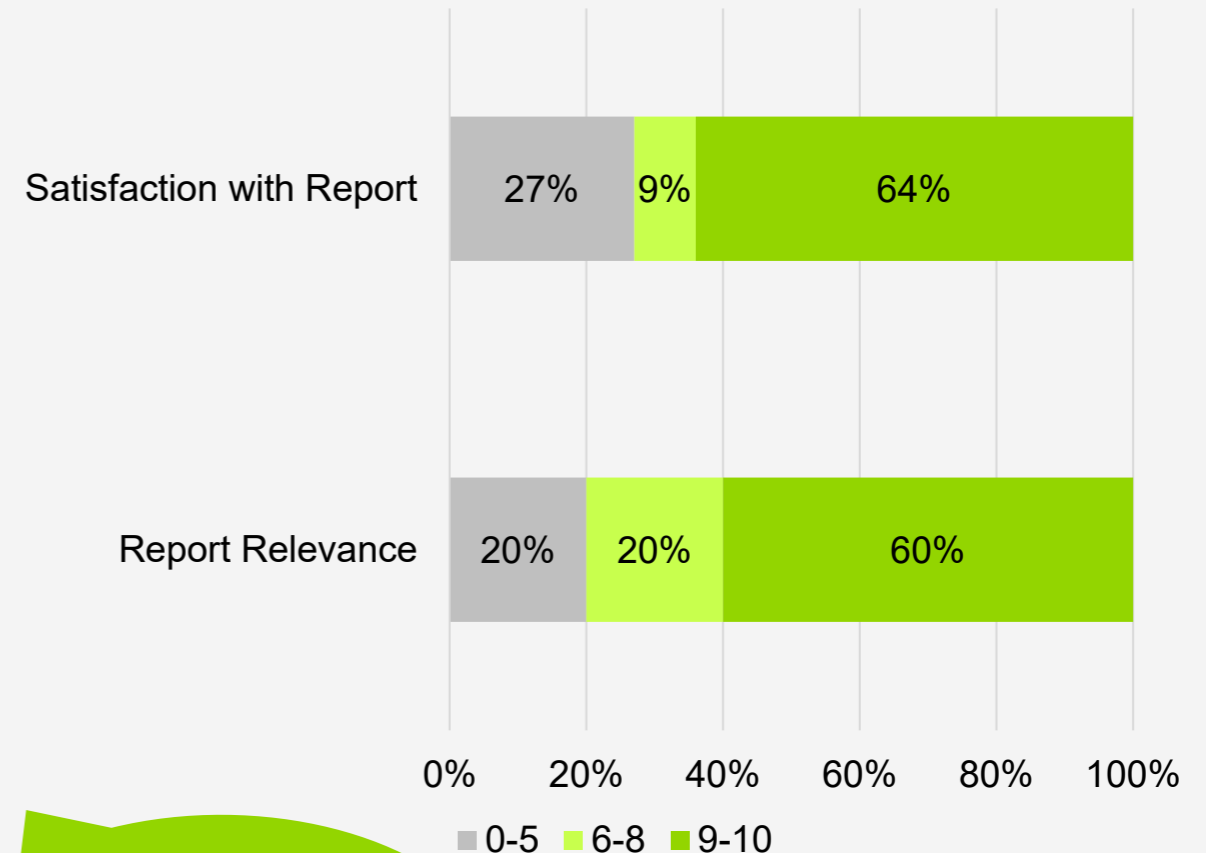


“A bill insert is a good method to grab a customer’s attention. Having information going through accounts payable/billing will help it to be noticed more than just a piece of mail.” – DTE Customer

Small Business Customer Experience

- All but two customers (9) had a positive experience with the energy assessment, stating that the Energy Advisors were very professional and thorough.
- Drivers of high customer satisfaction were the clear and concise nature of how savings and recommended measures were presented.
- Drivers of low customer satisfaction were lack of recommendations that had deeper, more comprehensive energy savings.
- Customers who did not find the report relevant said that they expected more of a building analysis and not just a walkthrough with potential recommendations.
- Two customers indicated they wanted to **install the recommended measures themselves** but would have appreciated additional guidance, especially on the incentive application.

Energy Report Satisfaction and Relevance



“I was hoping that they would look at the different equipment to see where we could improve, a more comprehensive audit.” – DTE Customer

Energy Assessment Report Customer Insights

Customers appreciate receiving recommendations from a credible source like DTE, but still feel that there is room for improvement with the energy report.

Useful Report Sections

- Customers cited the **recommendation** and the **potential saving** sections of the energy assessment report as the most useful
- Some customers also appreciated that this information came from a credible source (DTE); they had engaged with salespeople in the past but did not know what to believe
- Two customers stated they used the recommendations as **confirmation** for energy efficient upgrades that they were already considering

Confusing Report Sections

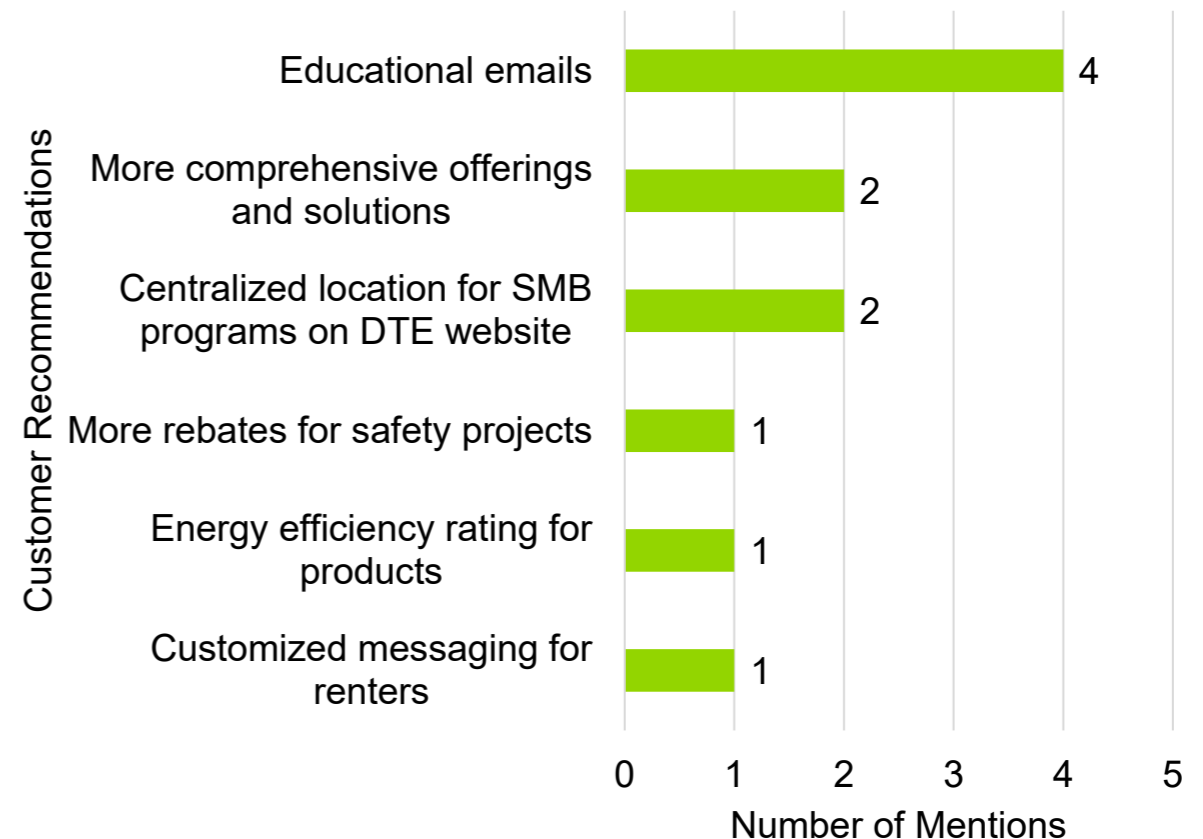
- One customer stated that the payback summary was not relevant to them since it did not consider their energy profile (high cooling costs)
- Another customer was confused by the current energy systems ratings as some of the ratings seemingly did not apply to their property
- One customer was confused by savings expressed in kWh and MCF; they just want to see dollar amounts

How Customers Seek Energy Efficient Information

Customers see DTE as a source for information but are looking for customized messaging and a more streamlined customer journey.

- Interviewed customers seek energy efficient information through DTE, their contractor, search engines, word of mouth, and through their corporate office.
- When asked how DTE could help their business be more energy efficient, customers most frequently mentioned educational emails, emphasizing ones that come right before a cooling or heating season.
- Customers also mentioned centralizing small business resources in one location on DTE's site, or a handout, would help businesses find information more easily.

How DTE Can Help with EE Projects



Customer Behavior & Motivations

- Six of the 11 interviewed customers planned to pursue an energy efficient project after receiving the energy assessment report, however, only one customer felt motivated to pursue the project because of the report itself.
- Customers stated that they generally had a project in mind when the energy assessment was conducted, and the report served as guidance or confirmation for that project.
- When asked what could help a customer pursue another energy efficient project, a customer stated, *“Provide a checklist of what to look for when moving into a new facility, since it is easier to do things before rather than after.”*
- Customers that stated they had no plans to pursue a project (5) cited uncertainly due to COVID, addressing other business priorities, and uncertainty of duration of stay at the property assessed.



Findings and Recommendations

Energy Assessment Findings & Recommendations

Finding	Recommendation	Impact
Some customers expected a more comprehensive and detailed energy assessment than what the programs offers	Set expectations of upgrade types that the program provides ahead of time to avoid customer dissatisfaction	Improved Satisfaction
Rebates that were not yet available were discussed with a customer without additional guidance on how to follow up	For upcoming bonuses or rebates, provide expected timelines and a way for the customer or the Energy Advisor to follow up. The IC should also be clear with their Energy Advisors on when to start discussing rebates and offers	Increased Participation, Increased Satisfaction
Some customers who receive an energy assessment feel strongly about pursuing their own installation, but want additional guidance and assistance with the rebate application process	For customers that wish to self-install, consider dedicating resources, either guidance documents or staff , to give these customers a better sense of the process	Increased Participation

Report Based Findings & Recommendations

Finding	Recommendation	Impact
Some benchmarked reports included environmental impacts tied to recommended measures to engage with customers	Consider including environmental benefits to encourage participation from environmentally-minded businesses	Increased Participation
Research suggests that historical self-comparison graphs, along with other graphics, were one of the most appreciated and understood aspects of energy reports	Consider including historical self-comparison graphs so that customers can see how their energy usage has changed over time. Also consider including context on why usage and costs may not reduce year-over-year	Increased Understanding
Interviewed customers cited savings and recommendations as the most useful sections of the energy assessment report	Highlight the recommendation and saving sections for customers	Improved Participation

Customer Engagement Findings & Recommendations

Finding	Recommendation	Impact
Customers look to DTE as a trusted source of information, but want all relevant information to be easily located	Consider centralizing small business programs and resources in one place , either on the small business website or through a handout	Increased Participation
Customers generally have an energy efficiency project in mind prior to receiving an energy assessment	Consider adapting current messaging to acknowledge that DTE is here to help with projects that the customer may have already considered	Increased Participation
A customer stated that it is easier to incorporate energy upgrades prior to moving into a new space	Consider creating outreach geared towards small business customer moving into a new space	Increased Participation

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