



MEMORANDUM

To: Nick Warnecke and Nic Crowder, AIC; Nida Khan, CAMI Energy; Seth Craigo-Snell, SCS Analytics; and Elizabeth Horne, ICC Staff

From: Opinion Dynamics Evaluation Team

Date: March 18, 2024

Re: AIC 2023 Business Program Evaluation – Energy Advisor Interview Findings

INTRODUCTION

This memo summarizes findings and recommendations from Opinion Dynamics' in-depth interviews with the Energy Advisors (EAs) supporting Ameren Illinois Company's (AIC) energy efficiency initiatives for business customers. The evaluation team conducted hour-long interviews between late December 2023 and early January 2024 with 15 out of 16 total EAs, including seven Small Business Energy Advisors (SBEAs), seven Non-Small (Standard) Business Energy Advisors (NSBEAs), and one Energy Advisor SME (EA-SME).¹ Each of the seven SBEAs and NSBEAs serves one territory within AIC's service territory, while the EA-SME serves all seven territories. The evaluation team investigated the following topics through the interviews:

- The roles and responsibilities of EAs in AIC's Business Program;
- The impact of recent initiative design and implementation changes on their roles and responsibilities;²
- The EAs' role in customer recruitment and engagement, including associated goals, metrics, key strategies, and challenges encountered by EAs to achieve Initiative goals; and
- Customer interest in program offerings, barriers to participation, and suggestions for program improvement.

KEY FINDINGS AND RECOMMENDATIONS

We summarize the key findings and recommendations that resulted from our interviews below.

- **Finding 1:** Business Program SBEAs and NSBEAs play a key role in customer recruitment, education and outreach, engagement, relationship management, and sales (i.e., lead generation). They also serve as AIC representatives in the field. The main difference between the approach of NSBEAs and SBEAs is that NSBEAs maintain relationships and communication with their customers for extended periods of time, whereas SBEA contact with customers typically declines after a project is completed. Despite the infrequent engagement

¹ The evaluation team scheduled most interviews via email and followed up by phone, as needed. One EA-SME serving public sector customers was unresponsive to our email invitation and follow-ups and could not be reached by phone.

² The evaluation team probed on changes to EAs' roles and/or responsibilities that resulted from Initiative changes that occurred in 2022 and 2023. Such changes include the reintegration of the 10 MW+ customers, the shift to a midstream model for HVAC and food service offerings, the introduction of the Small Business Energy Performance (SBEP) Channel, and any other changes that EAs were aware of at the time of the interviews.

between SBEAs and customers after projects are completed, SBEAs ensure small business customers know how to reach them if they need assistance with the measures they received through the Business Program.

- **Finding 2:** Most EAs welcomed recent programmatic changes to the AIC Business Program and noted that they did not feel that their roles or responsibilities changed significantly. Still, EAs noted several areas for program improvement. In particular, some SBEAs identified a need for training on non-lighting measures to better identify project opportunities for customers, as well as training on Business Program offerings beyond the Small Business Direct Install (SBDI) channel. This training would provide SBEAs with the tools needed to connect customers with the full range of AIC's offerings. Additionally, one-third of the EAs expressed concern over the shift to midstream delivery models for HVAC and food service measures. While there are well-documented requirements and guidelines for these delivery channels, the EAs expressed concern that the incentives provided to distributors and/or contractors through the midstream delivery approach may not make it to end-use customers.
 - **Recommendation:** Develop training and/or informational resources for existing SBEAs or new EAs on non-lighting measures as well as measures offered outside of the SBDI channel (i.e., Standard, Custom, Retro-commissioning, etc.) to expand their knowledge and enable them to identify a broader set of energy saving opportunities for customers.
 - **Recommendation:** Educate EAs on AIC's midstream delivery channels so they understand the benefits to customers and can speak to this implementation model's role in effectively delivering savings to AIC business customers. In addition, provide EAs with information on the program requirements related to distributors passing through incentives to end-use customers, as well as the quality assurance processes in place to ensure this occurs, so that they can effectively speak to any concerns customers may have about this implementation model.
- **Finding 3:** The only metrics tracked by EAs to assess their performance in recruiting customers to the Business Program are electric (kWh) and gas (therm) savings from completed projects. While it appears that some data are collected by the program on customer outreach and conversion rates (i.e., the percentage of leads that turn into projects), the data are not formally tracked or regularly reviewed by EAs. Without tracking and analyzing outreach and conversion metrics, it is difficult to assess how effective various customer education and outreach tactics are in generating projects.
 - **Recommendation:** Create a formal process for collecting, tracking, and reporting on customer outreach activities and lead generation by EAs. Developing a standardized report or dashboard that all EAs and implementation team staff can view will help AIC determine which strategies are working best, where EAs are having the greatest impact, and how EAs can best support the program moving forward.
- **Finding 4:** EAs noted three key barriers to program participation and investment in energy efficiency among AIC business customers. Those barriers are (1) project costs, (2) lack of program awareness, particularly in less populated portions of the service territory and hard-to-reach customer segments, and (3) lack of training and comprehensive information for EAs about non-lighting and custom measures.
 - **Recommendation:** Review the current Business Program marketing strategy with particular attention to how AIC might modify its approach to increase awareness of the Business Program among business customers in less populated and/or rural parts of the service territory, as well as hard-to-reach customer segments in disadvantaged communities. For instance, schedule marketing activities when business customers are planning their budgets for the fiscal year. For public sector customers such as schools, time marketing activities in the summer around June or July when the fiscal year starts and before classes start in August because schools usually perform building maintenance work in the summer or during school breaks. Marketing to schools when building maintenance work is done may help remind this set of customers that AIC's Business Program offerings are available to them.

DETAILED FINDINGS

In this section, we describe the findings from our interviews in detail.

THE ROLE OF THE ENERGY ADVISOR

Across all channels, EAs play an integral role in customer recruitment, education, engagement, and participation from the initial point of contact with a customer, to the completion of an energy efficiency upgrade or project. Interviewees described their role as including the following activities and functions:

- **Facilitating communication between customers, Program Allies (PAs), and AIC.** The majority of EAs generally described themselves as the liaison between customers and AIC, customers and PAs or contractors who are responsible for installing energy efficient equipment, and PAs and AIC. EAs' responsibilities include recruiting PAs and referring them to participating customers,³ following up with potential and existing participants, and providing guidance and assistance throughout the participation process. Additionally, EAs also help build and maintain relationships with participants from the time they consider applying or do apply to AIC's Business Program through the completion of energy efficiency projects. EAs also conduct energy consultations and recommend energy efficiency upgrades suitable for customer facilities.

While SBEAs and NSBEAs have similar responsibilities in terms of facilitating communication, NSBEAs are typically in communication with customers for a longer period of time than SBEAs. NSBEAs usually have longer-term relationships because energy efficiency projects for non-small business customers can take months or even years to complete. In addition, large business customer participation sometimes involves Strategic Energy Management (SEM), which entails a commitment to long-term energy savings goals, continuous planning and implementation of energy efficiency projects, and measuring/monitoring progress toward energy-savings goals. As part of SEM, NSBEAs meet with customers in person on a monthly basis. Some NSBEAs noted that they have customers with whom they have been managing relationships with for as long as they have been an EA.⁴ Conversely, SBEAs' communication with small business participants usually becomes infrequent after the customer completes their project.⁵ Nonetheless, half of SBEAs noted that they make sure that SBDI participants know how to reach them in case there are issues with the measures they received through SBDI or if they have interest in other Business Program offerings.

- **Sharing knowledge about AIC Business Program offerings.** EAs work on customer outreach and education and provide customers with more information about AIC Business Program offerings than PAs can provide. As PAs usually specialize in specific measures, they typically only discuss those measures when talking to potential or existing customers about AIC Business Program offerings. On the other hand, EAs have more knowledge and experience with AIC Business Program processes and offerings and can discuss eligible measure offerings with customers in a more comprehensive manner, allowing them to contribute more broadly to the sales process.
- **Building trust with customers.** EAs also provide credibility to AIC's Business Programs in the field, as customers often have doubts about program offerings, particularly when they are available at little to no cost. Having EAs present when PAs meet with customers helps to dispel customer doubts because EAs represent AIC directly, which customers tend to place additional trust in. One EA noted:

³ Notably, EAs do not refer specific PAs to customers, but provide customers a list of participating PAs in their service territories. Occasionally, customers may already have contractors that they have working relationships with prior to participating in AIC's Business Program. In such instances, EAs may also recruit the contractor as a Program Ally while also recruiting the customer to participate in AIC's Business Program.

⁴ The average number of years EAs have been in their role is seven years (n=15).

⁵ PAs serving the SBDI Initiative have 90 days to complete the project and submit project documentation for incentive payments. As such, most SBDI projects are completed within 60 to 90 days.

“We are a face that they can see someone who is from Ameren or representing Ameren. We are not the electrician or the person trying to sell it. We can give different examples of other customers or explain the Program more in detail - the whole process, from the assessment through the work orders, through the end of the project, they know that since we are there representing Ameren they can be more at ease.”

2022-2023 PROGRAM CHANGES

Most EAs welcomed the recent programmatic changes to the AIC Business Program and noted that they did not feel that their roles or responsibilities changed significantly.⁶ However, EAs noted that some changes created opportunities for improvement as described below.

- **Re-eligibility of 10 MW+ customers.** When asked about the re-eligibility of the 10 MW+ customers in AIC’s Business Program, NSBEAs welcomed the change and reported that they did not feel affected by this change because most of them have had long-term relationships with those 10 MW+ customers from prior years. However, NSBEAs noted this program change required them to focus on re-engaging with the 10 MW+ customers in their territories in the first few months of 2023.
- **Launch of the Small Business Energy Performance (SBEP) Channel.** In contrast to NSBEAs, SBEAs noted they were somewhat affected by programmatic changes. SBEAs reported being either unaware of or confused by the SBEP channel. Some SBEAs were unsure if this channel had launched, while some SBEAs were unclear about the types of customers targeted through the SBEP channel. Relatedly, while SBEAs feel positive about the increase in their responsibilities supporting not just the Small Business Initiative but other Business Program Initiatives such as the Standard and Custom Initiatives, some SBEAs reported a need for training on non-lighting measures. Since they have worked predominantly with the SBDI channel in the past, they are more knowledgeable about lighting measures and lack comprehensive knowledge of HVAC, water heating, and gas-saving measures, among others.
- **Introduction of midstream channels for HVAC and food service measures.** Some EAs expressed concern over the shift toward midstream models for HVAC and food service measures and its potential impact on participation. The concern stems from the fact that in a midstream model, the participants are usually distributors and/or contractors (PAs) rather than the end-use customer. EAs noted that this may create mistrust among end-use customers because it is not always clear whether or to what extent distributors and/or contractors pass incentives on to end customers.

TRACKING METRICS

When asked about the metrics that EAs track to determine the success of their efforts, interviewees said they focus on electric (kWh) and gas (therms) savings and feel these metrics are sufficient. However, a few EAs noted that in addition to tracking kWh and therm savings, it would be valuable to also track progress toward electric and gas savings goals; both by EA territory and for the Business Program overall.⁷

While EAs indicated that they do not formally track any metrics apart from the electric and gas savings they bring into the Program, they are able to see additional information via dashboards such as Snapshot and AMPLIFY. These dashboards allow EAs to see customer engagement metrics, conversion rates, installations, and communications with their clients, among other project-related information. All EAs indicated that they do not formally monitor non-energy

⁶ The evaluation team probed on programmatic changes that occurred in 2022 and 2023.

⁷ Some EAs reported that they used to be able to track both territory-level and overall electric and gas savings achieved. However, currently, they are only able to see overall electric and gas savings and can no longer see territory-level savings.

savings-related metrics because they do not feel they are indicative of performance. For instance, although EAs could track the number of calls and meetings they have with customers, EAs do not think the number of engagements necessarily translates to energy savings or measure installations. EAs indicated that getting customers to participate and install measures that save energy has more to do with strategy and the quality of engagements.

PARTICIPATION SUCCESSES AND CHALLENGES

EAs highlighted several strategies they believe are most effective in recruiting customers to participate in the Business Program.

- **Meeting customers face-to-face and prioritizing timely follow-up.** According to the EAs, more than marketing materials, email outreach, and/or phone calls, the most effective way to communicate with and engage customers is through face-to-face meetings. Meeting customers face-to-face allows EAs to develop close relationships with customers and to meet various staff who may either be key decision-makers or influence the decision-makers. In-person meetings also help build trust between EAs and their customers and dispel any doubts about Initiative offerings or incentives. EAs also expressed that timely follow-up communication with customers is essential for supporting customer recruitment and positive customer experiences.
- **Demonstrating understanding of customer needs, program offerings, and benefits of energy efficient upgrades.** EAs noted that it is crucial to be able to demonstrate to customers that they understand the customer's needs and can identify suitable offerings for customer facilities. EAs emphasized that being able to communicate how offerings may positively impact production schedules and bottom lines is also helpful in recruiting customers given that energy efficiency is not usually a top priority for business customers unless they have sustainability goals. As such, sharing testimonials from similar businesses and presenting data that show customers how energy savings would impact productivity and operation costs is effective in recruiting customers because it helps demonstrate the relevance and benefits to their business. SBEAs also reported that offering gift cards to small business customers for completing energy assessments has helped with customer recruitment and engagement in the past.

EAs also reported the following obstacles to customer participation:

- **Project costs.** Despite the incentives offered through the Business Program, project costs are still a barrier to investment in energy efficiency for business customers because the remaining out-of-pocket costs to complete a project can still be prohibitive. This is particularly true for small businesses. However, large businesses also face this challenge as energy efficiency is not always a priority for them and funding may be allotted for other business expenditures or other facilities.
- **Lack of program awareness.** EAs reported that there remains a lack of awareness of AIC, energy efficiency programs, and energy efficiency measures among some business customers. Some EAs noted that some of their customers have not heard of AIC's energy efficiency programs or, in some cases, even AIC. This is particularly observed by EAs serving less populated or hard-to-reach portions of the service territory. EAs partially attribute this to a lack of targeted marketing activities and support and feel that the onus is on them to market AIC's business offerings to these customers.
- **Lack of information about prescriptive non-lighting and custom measures.** As SBEAs work to expand the scope of their project recommendations, they articulated that a lack of comprehensive information or documentation related to custom and/or prescriptive non-lighting measures is a barrier to developing more comprehensive energy efficiency recommendations for small business customers. SBEAs who have worked on non-SBDI projects reported that because SBDI has historically focused on lighting, they have limited knowledge of non-lighting measures and need training to effectively work with customers on non-lighting related projects. Some SBEAs who have participated in consultation visits of large customer facilities also noted a need for more comprehensive

information on measures eligible for the Custom and Standard Initiatives since their experience with those offerings is also limited.

- **Challenges contacting decision-makers at foreign-owned businesses.** NSBEAs reported that not being able to engage with key decision-makers at foreign-owned businesses is somewhat of a barrier to recruitment because local staff sometimes need approval from their corporate office before making energy efficiency investment decisions. Since foreign-owned businesses are usually headquartered outside the U.S., EAs are usually unable to engage with corporate staff using their preferred methods (e.g., in-person meetings).
- **Political and economic uncertainty related to the 2024 U.S. Presidential Election.** When specifically asked about barriers to participation in 2024, the majority of EAs noted that customers are concerned about political and economic uncertainties and instability due to the upcoming Presidential election. Inflation, high interest rates, and policy changes that may impact their businesses, as well as the economy in general, are concerns of many customers. Some EAs have also reported that supply chain issues resulting from the pandemic still affect some of their projects and/or customers.

MEASURES

When asked about the measures that business customers are most interested in, EAs noted that the most popular measures among customers are weatherization or building envelope upgrades (for small business customers), refrigeration, HVAC (including mini splits), lighting or building controls, and newer lighting measures, as well as renewable energy measures offered outside of the energy efficiency portfolio. NSBEAs also reported that large business customers are mainly interested in measures that will make daily production or operations more efficient. Small Business participants, on the other hand, are becoming more interested in lighting controls and non-lighting measures.

ENERGY ADVISOR RECOMMENDATIONS

EAs suggested the following to improve AIC's Business Program:

- Increase and improve communications from the program implementation team to EAs about program offerings, implementation, and changes so that they are well informed about the ongoing and upcoming Business Program Initiatives and can better support and serve the Business Program.
- NSBEAs suggested that there should be more information and knowledge sharing between EAs and the engineering staff at customer facilities to help improve customer experiences and more adequately inform them about AIC's Business Program offerings. Engineering staff are usually more knowledgeable about their company's plans for expansion or facility upgrades than building managers or facilities staff, so engaging directly with the engineering teams can help to illuminate project opportunities in advance.
- A majority of EAs suggested improving marketing, education, and outreach activities for AIC's Business Program by coming up with more targeted marketing materials and activities that consider the different businesses in AIC's service territory and their various needs.
- There was a perception among some NSBEAs that the Business Program could improve the timeliness of responses to prospective and/or participating customers. These NSBEAs stressed that while it can take some time for a project to get approved, once that happens, business customers often need to move quickly to complete the installation(s), particularly in cases of equipment replacement due to failure.