

Peoples Gas / North Shore Gas Business Prescriptive Program

CY2019 Process Evaluation



Submitted to:
Peoples Gas /
North Shore Gas

Submitted by:

Guidehouse:
Cherlyn Seruto
Kristen Malik
Kevin Grabner
Laura Agapay-Read
Randy Gunn

August 27, 2020
DRAFT

Table of Contents

01

Page 3

Findings and
recommendations

02

Page 6

Program Details

03

Page 10

Evaluation
Objectives

04

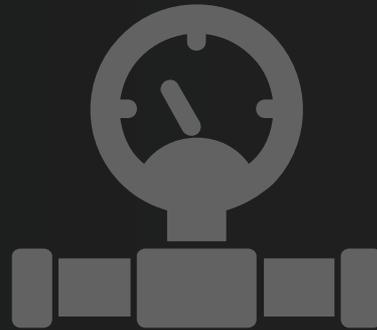
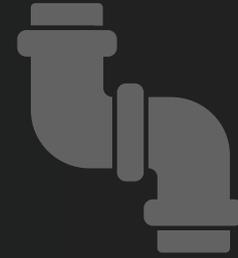
Page 12

Survey Results:
Process

05

Page 12

Survey Results:
Covid-19 Impacts



01

Findings and Recommendations



What the Program is Doing Well



Franklin Energy Advisors are the most common source of awareness for participants, and both customers and trade allies state the communication and helpfulness of Franklin Energy Advisors is a primary benefit of the program.

Continue customer and trade ally engagement strategies by keeping them informed of program details and expectations.



The steam trap offering appears to be influencing continued monitoring and maintenance to steam traps after participation.

Evaluation team should continue to assess which steam trap monitoring and maintenance policies are in place before and after program participation, and continue to assess the customer perspective of the influence of the program on any changes in these practices in future NTG research.

Findings and Recommendations

FINDING 1

The majority of participants are considered an “essential business” during the Covid-19 pandemic (89%), and 44% of all respondents expect no effect or minimal delay of energy efficiency investment plans as a result of the pandemic. Customers appreciate methods to reduce in-person needs during energy efficiency assessments and applications, and are receptive to online or cellular mechanisms to achieve the same results safely.

FINDING 2

When asked what the program could do to increase participation, one trade ally mentioned incentivizing the time it takes them to complete applications for large saving projects.

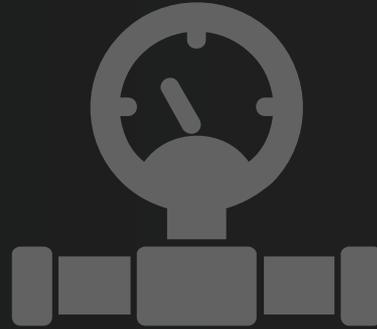
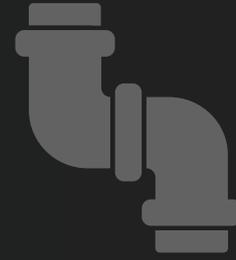
RECOMMENDATION 1

Work to shift in-person assessments and inspections to virtual as much as possible. Strategies may include:

- Photo submissions for documented proof of install
- Video chat advising and assessments
- One trade ally recommended webinar case studies directed at customers

RECOMMENDATION 2

Peoples Gas / North Shore Gas could incentivize the application process by a token amount for projects with savings amounts above a certain threshold.



02

Program Details

Program overview

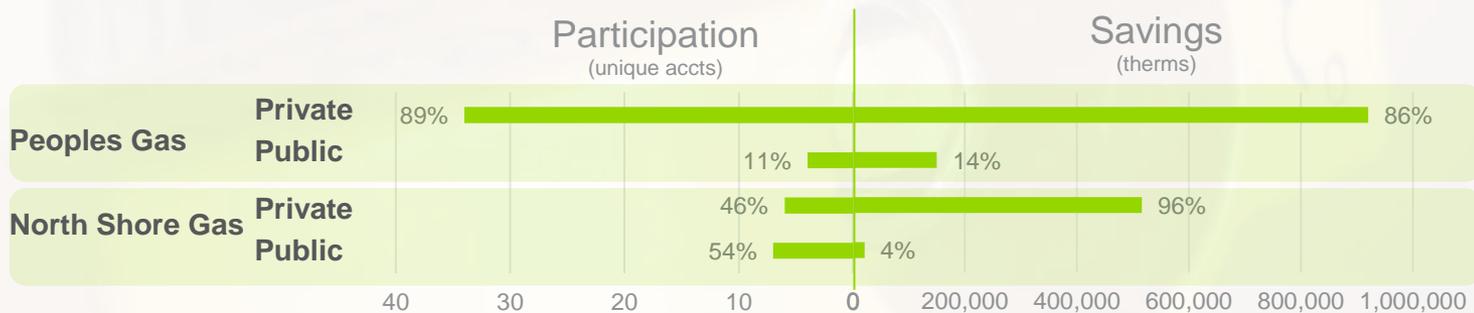
The Prescriptive Rebate and Energy Jumpstart paths aim to improve the natural gas efficiency of existing equipment in private and public sector businesses.

Target market: The program relies on wholesale and retail trade allies and business trade associations to assist in the marketing of the program to Peoples Gas and North Shore Gas end-use customers.

Measures: In 2019 Franklin Energy implemented the program which includes:

- 28 measure types
- Rebates for new, highly efficient space heating equipment and controls, water heating, pipe insulation, and commercial natural gas consuming equipment
- Free assessment and direct install measures such as low flow bathroom and kitchen faucet aerators, pre-rinse sprayers and low flow showerheads

2019 Participation summary: As reported in the 2019 Impact Report, the private sector prescriptive customers are responsible for 86% of net verified program savings for North Shore Gas and 96% of net verified program savings for Peoples Gas.

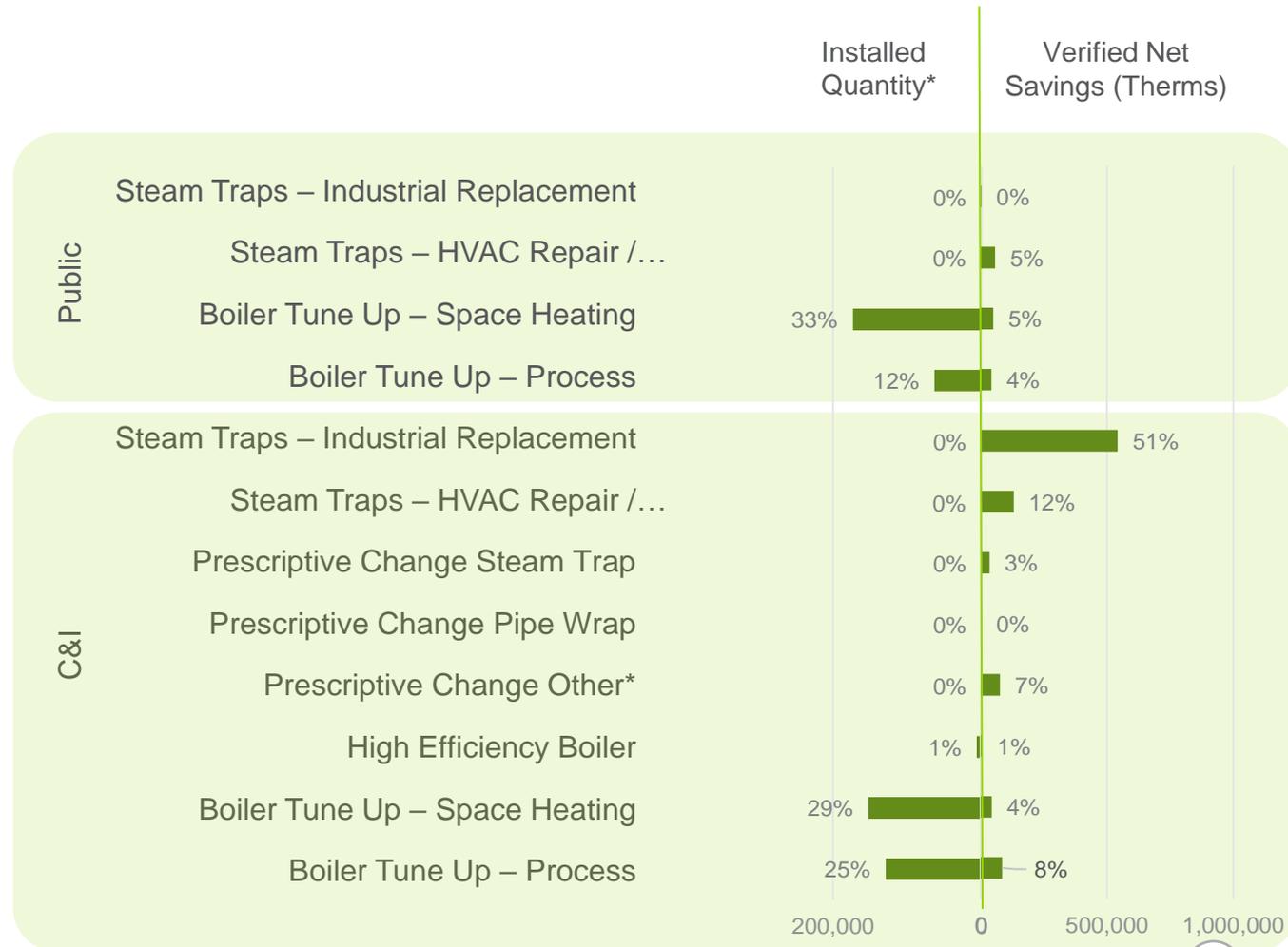


Peoples Gas: C&I sector customers comprise 86% of total 2019 program savings.

34 C&I sector participants achieved a total verified net savings of 920,223 therms.

4 public sector participants achieved a total verified net savings of 150,021 therms.

Steam traps account for **68%** of verified net savings for Peoples Gas. Boiler tune-ups account for another 21% of program verified net savings.



Source: Guidehouse 2019 Impact Evaluation Report

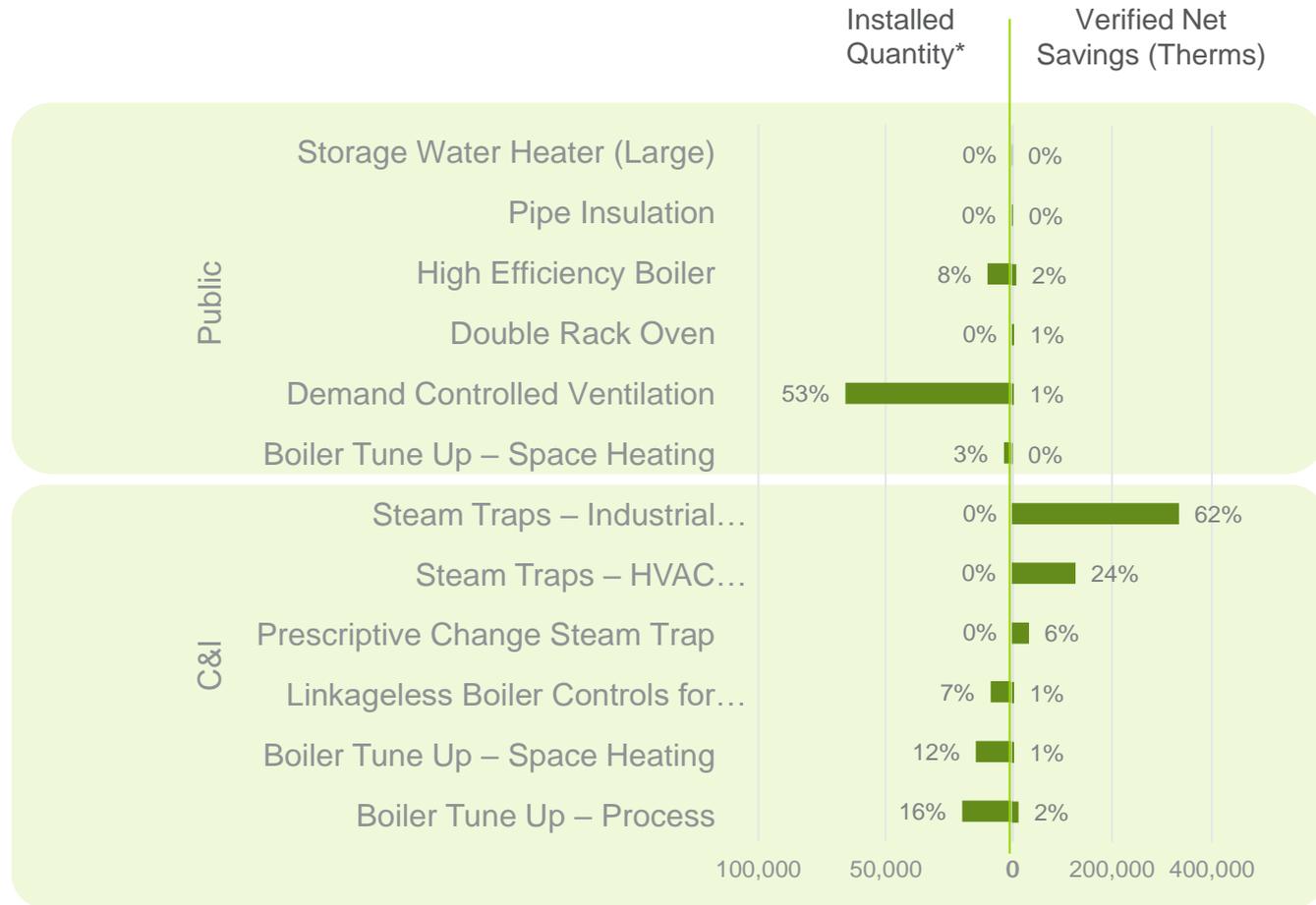
*Units are MBH for Boiler Tune-ups and Linkageless Boiler Controls. Steam Traps units are per project. Pipe Insulation is per Ln.Ft.

North Shore Gas: The private sector customers comprise 96% of total 2019 program savings.

6 C&I sector participants achieved a total verified net savings of 516,047 therms.

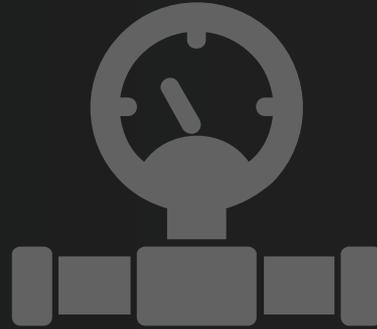
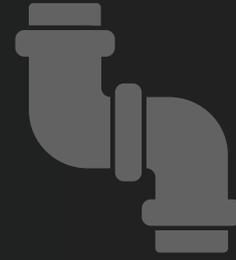
7 public sector participants achieved a total verified net savings of 20,855 therms.

Steam traps account for **86%** of verified net savings for North Shore Gas. Boiler tune-ups and High Efficiency Boilers account for another 3% and 2% of verified net savings, respectively.



Source: Guidehouse 2019 Impact Evaluation Report

*Units are MBH for Boiler Tune-ups and Linkageless Boiler Controls. Steam Traps units are per project. Pipe Insulation is per Ln.Ft.



03

**Evaluation
Objectives**



Evaluation Research topics include Satisfaction, Behavior Change, and Opportunities for Improvement

Evaluation Questions:¹

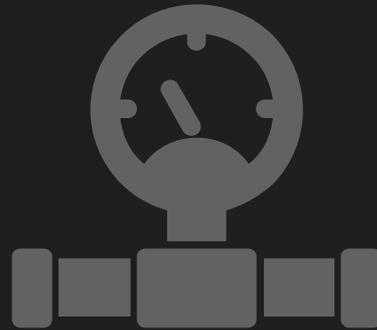
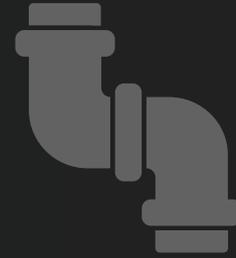
1. Does the mode of program awareness match program design intentions?
2. How satisfied are participating customers and trade allies with aspects of the program?
3. Steam Trap participants: Does the program also influence changes in behavior towards steam trap monitoring and replacement?
4. What opportunities exist to improve program processes to increase customer satisfaction?

The team answered these questions by conducting process research surveys for the following populations:¹

- 2019 participating private business customers*
- Trade allies (TAs) who participated in 2019

¹ The process evaluation questions were a secondary goal of the research. The primary purpose of the research activities was to estimate net-to-gross ratios. The results of the NTG research are presented in a separate memo.

* Public sector business prescriptive customers will be surveyed in 2021 with the Business Custom population due to high frequency of overlap with these two populations.



04

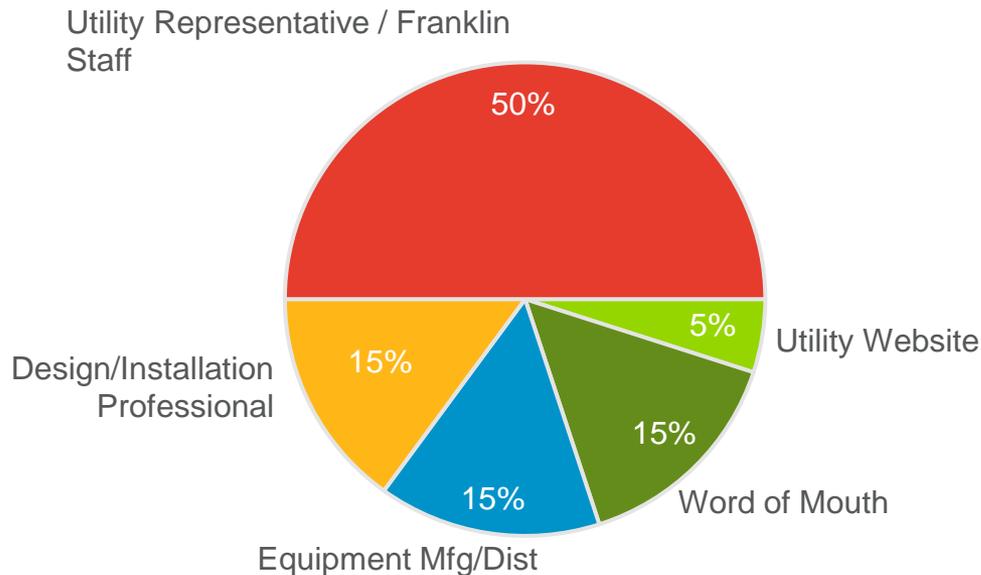
**Survey Results:
Process**



Franklin Staff is the main driver of participant program awareness.

The four responding trade allies corroborated this high level of interaction by Franklin, with all 4 replying “yes” to the question “Did a program sponsored Energy Advisor interact with any of your customers prior to or in tandem with you contacting them?”

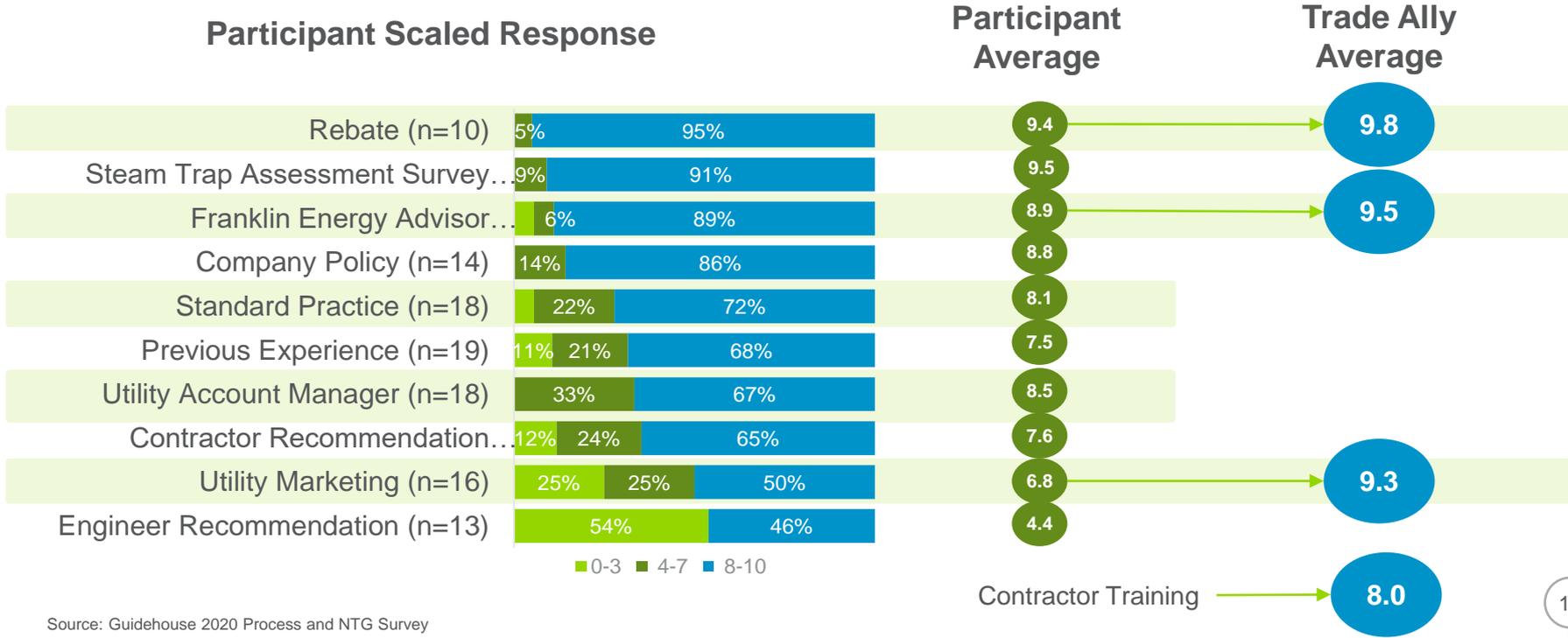
How did you first hear about the program? (n=20)



Trade Allies and Customers Agree most influential program aspects are the Rebate and the Energy Advisor

Steam Trap and Non-Steam Trap program participants rank the most important factors differently: the three responding steam trap participants ranked the most influential factor the steam trap assessment survey, whereas non-steam trap customers responses are in line with the trade allies. Trade Allies also rank utility marketing materials highly.

Participant Question: “On a scale of 0 to 10, how important in your implementing the project was . . .”
 Average Trade Ally Question: “On a scale of 0 to 10, how important in your ability to sell the project was . . .”



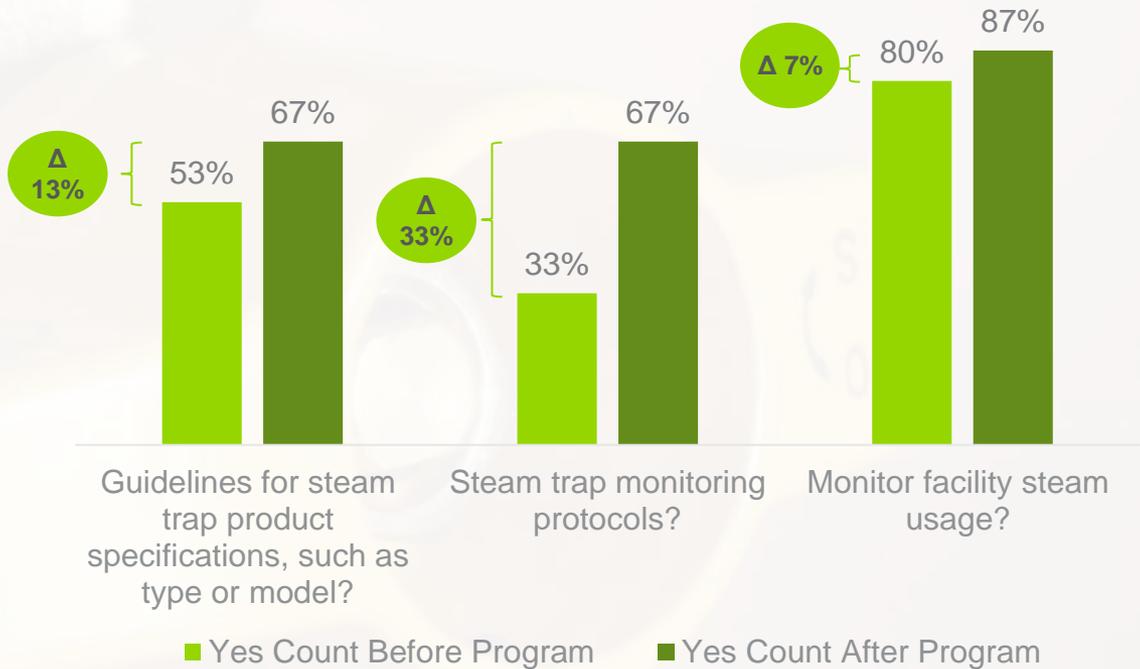
Source: Guidehouse 2020 Process and NTG Survey

The steam trap offering appears to be influencing continued attention to steam traps after participation.

The program appears to have influenced participants to implement steam trap policies and procedures. While the majority of participants appear to monitor facility steam trap usage, only 33% had steam trap monitoring protocols in place prior to participation and 67% report doing this after participation for an increase of 33%.

The survey asked steam trap participants if their organization had steam trap policies and procedures in place, both BEFORE and AFTER participating in the program. This data (presented below) influenced spillover values reported in the 2019 NTG memo¹. **More participants implemented steam trap monitoring protocols AFTER the program compared to before.**

Policies Implemented Before/After Program Participation



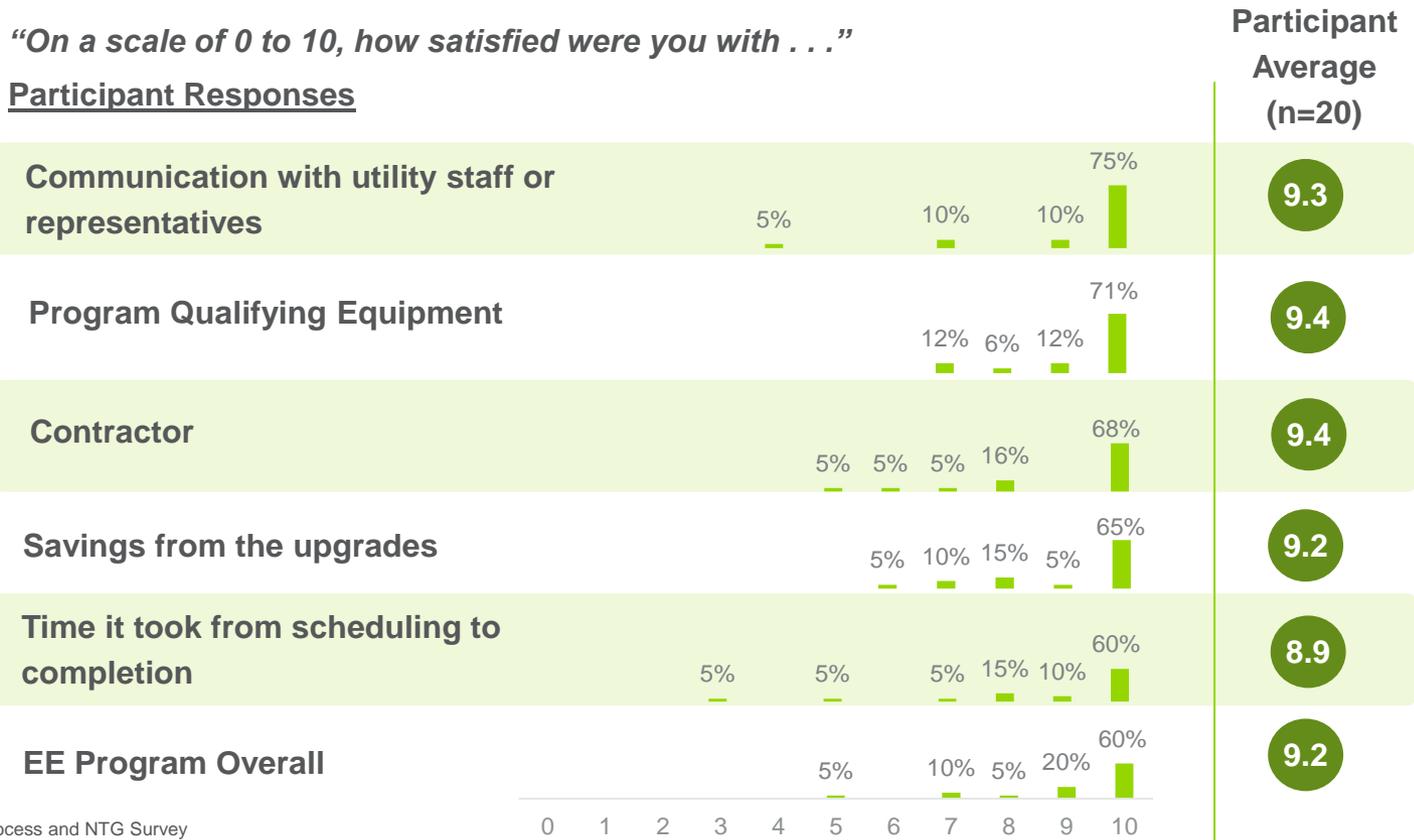
Source: Guidehouse 2020 survey research

¹ Guidehouse, PG NSG Business Prescriptive NTG Research Results Memo 2020_08_05, August 5, 2020

Trade Ally satisfaction with the program has increased since GPY4, participant satisfaction remains consistently high.

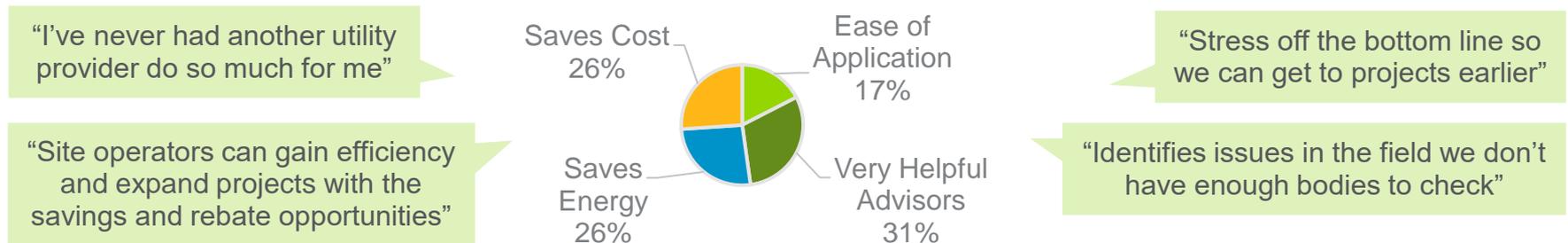
Trade Ally satisfaction results have increased since the GPY4 study, from an average rating of 7.4 (n=8) to an average result of 9.0 in 2019 (n=4). The primary driver of dissatisfaction for trade allies in GPY4 was changing rebate rates.

Customers state highest satisfaction with Franklin Energy Advisors, and lowest satisfaction (although still high) with the time it took from scheduling to completion. Respondents ranked overall satisfaction with the program at a 9.2. This result is consistent with the last process evaluation conducted in GPY4 resulted in an average score of 9.3 (n=21).



What the program does well

70% of responding participants (14/20) gave open-ended comments related to what the program does well. **The helpfulness of Franklin Energy Advisors is the most commonly mentioned benefit of the program***, followed by the data driven assistance the program provides in allowing them to save energy and costs both through reduced time and effort of their program staff in identifying cost saving approaches, and through the rebate.



How can the program help customers make more energy efficiency improvements?

Participants (n=3)**:

- **Reduce Approval Time**
- **Be very proactive** in suggesting cost effective EE measures to customers
- **Ensure cost and energy savings calculations are clear and replicable by customers**

Trade Allies (n=4):

- **Streamline application process as much as possible**
 - "Incentivize the length of time it takes to gather the data for custom projects"
- **Increase incentives for larger boiler installations / replacements**

* Both Trade Allies and Participants mention the helpfulness of the Energy Advisors as the primary example of what the program does well.

** 45% of responding participants (9/20) gave open-ended comments related to how the program can help them make additional energy efficiency improvements. Three gave substantive comments aside from "higher rebates".

Customer Suggestions for Program Improvement

5 customers offered suggestions for program improvement. Two key suggestions are:

- Maintain funding for low-pressure steam trap inspections
- Continue the strategy implemented during Covid-19 restrictions: allow online photo submittals for documented proof of install.

Six respondents replied with equipment they are currently interested in upgrading that are not incentivized. These are the responses received:

- Temperature and humidity sensor testing and replacement (similar to steam trap program)
- Modular condensing hot water boilers to replace 18" steam main
- Regenerative Thermal Oxidizer
- Boiler and Combustion Turbine HRSG

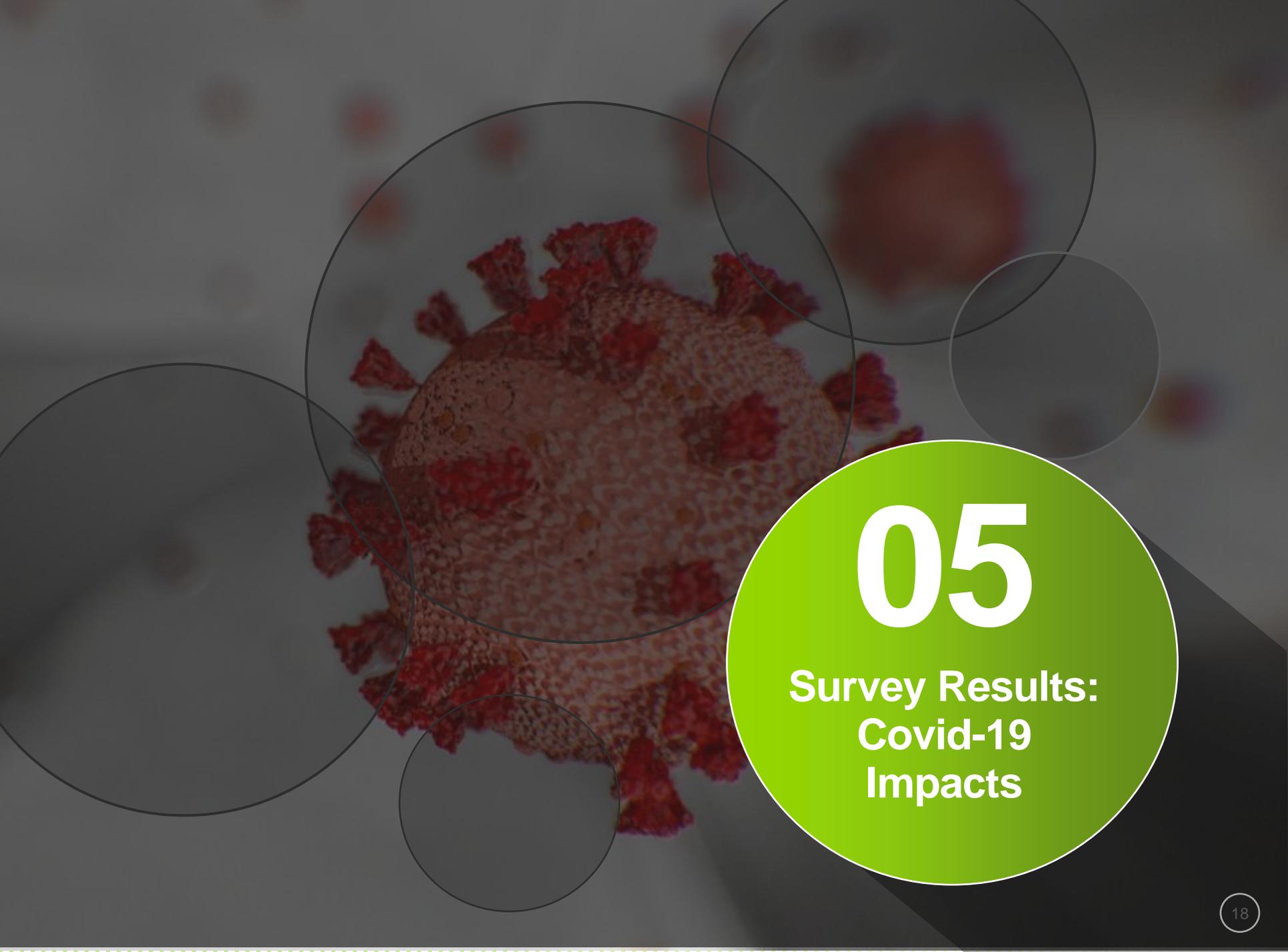
“Rumor is that People’s Gas may not pay for inspection of low pressure steam traps in the near future. I realize the loss from an individual trap may not be significant, but the vast majority of my 1600+ traps are low pressure. A 5% failure rate on these is a significant loss of energy. Please don't give up on the testing so I can at least identify the problem and quantify it for Leadership to make a funding decision. It's difficult to get someone to pay to test an unknown, and much easier to get them to pay to fix a quantifiable problem. **If something has to go, maybe just don't incentivize the cost of the new trap?**”



“During the pandemic, Franklin allowed for us to submit photos as documented proof. Enabling that long term would be of significant value, since it's a hospital not always easy to have someone physically.”

“Help drive the timeline better. If we are falling behind on steam trap repairs, recommend a contractor we could use.”

“Dumb down the literature. The rep was excellent, but I never bothered to look into it because initial literature was confusing.”



05

**Survey Results:
Covid-19
Impacts**

Covid-19 Impacts

89% of survey respondents work at locations considered an “essential business” during the Covid-19 pandemic. Survey timing provided an early opportunity to learn more about how the pandemic has impacted responding customers’ and trade allies' businesses.

“Moving forward, I expect that capital expenditure will be cut while demands for more efficient operation increase. These two things are incompatible, and I hope that People's Gas is able to fill in the funding gap.”
~Customer

QUESTIONS	PARTICIPANT RESULTS	TRADE ALLY RESULTS
-----------	---------------------	--------------------

1) How can the energy efficiency program help support your business/organization during the COVID pandemic? (n=3)

- “Photo documentation is very helpful in limiting people onsite”
- “Convert in-person meetings to phone/video calls”
- “Flexible payment options”

- Webinar case studies directed at customers
- Additional rebates

2) How are COVID-related physical distancing regulations and business closures affecting your EE investment plans? (n=18)

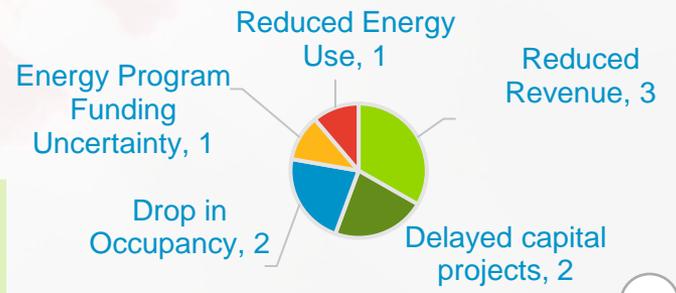
Due to their essential business status, 44% state minimum effect expected to EE investment plans – though the remainder express the uncertainty inherent to a pandemic.



3) What would you like the <utility> energy efficiency program to know regarding how the Covid-19 pandemic might affect your business in the next 12-18 months? (n=9)

Reported potential future impacts of Covid-19 include additional evidence of uncertainty (see chart)

“EAs will continue to be a huge asset for us and the customer by promoting and helping the customers obtain the rebate” ~TA



Appendix



Respondent disposition

The 20* responding private sector participants represent 55% of program savings.

The 4 responding trade allies represent 55% of program savings.

Number of responding participants by utility:

- Peoples Gas: 17
- North Shore Gas: 3

Number of responding trade allies by utility:

- Peoples Gas Only: 2
- Peoples Gas and North Shore Gas: 2

Category	Mode	Trade Ally Population	Participant Population	Total
Population	Total	11	80	91
	<i>Email</i>	10	78	88
	<i>Phone</i>	10	79	89
Erroneous Records	Total	3	24	27
	<i>Email</i>	1	8	9
	<i>Phone</i>	2	16	18
Declines	Total	1	12	13
	<i>Email</i>	N/A	N/A	N/A
	<i>Phone</i>	1	12	13
No Response	Total	11	105	116
	<i>Email</i>	7	63	18
	<i>Phone</i>	4	42	6
Completes	Total	4	20	24
	<i>Email</i>	3	15	18
	<i>Phone</i>	1	5	6
Response Rate	Total	36%	25%	26%
	<i>Email</i>	30%	19%	20%
	<i>Phone</i>	10%	6%	7%
% of Savings Completes Represent		55%	55%	-

Source: Guidehouse 2020 Process and NTG Survey

*The population is the number of unique contacts with contact information from the 2019 participation database.